



Regional Accountable Entities

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This *issue brief* provides an overview of Regional Accountable Entities, organizations responsible for coordinating the physical and behavioral health care of the state's Medicaid members.

Creation and Purpose of RAEs

Accountable care collaborative. Health First Colorado, the state's Medicaid program, is administered by the Colorado Department of Health Care Policy and Financing (HCPF). Health First Colorado provides physical and mental health insurance coverage to low-income elderly, children, parents, persons with disabilities, and adults without dependent children. In an effort to improve the health of Health First Colorado members and reduce costs, HCPF created the Accountable Care Collaborative (ACC) program. The ACC was implemented in two phases, beginning with Phase I in 2011 which focused on coordinating care by connecting Health First Colorado members to primary and behavioral health care providers.

On July 1, 2018, HCPF implemented Phase II of the ACC. Under this phase, physical and behavioral health services were joined under one organization called a "Regional Accountable Entity" (RAE). There are five [RAEs](#) covering seven regions in Colorado.

Goal of RAEs. HCPF's overall goal in creating RAEs is to improve the health of members while controlling costs. HCPF seeks to accomplish these goals through the following objectives: combining physical and mental health under one entity; requiring the building of "health neighborhoods," which are networks of health providers and community organizations; allowing for member choice of provider; incentivizing value by tying a proportion of payments to health outcomes; and ensuring

accountability and transparency through data collection and reporting.

Primary and Behavioral Health Care

Primary care. Under Phase II of the ACC, every Medicaid member eligible for full benefits, except those in the Program of All-Inclusive Care for the Elderly, is enrolled in a RAE. All members are assigned to a primary care medical provider (PCMP).

There are several ways members are assigned to a PCMP: they can choose their PCMP; they are assigned to a provider they, or a family member, saw within the last 18 months; or they are assigned to a provider in close physical proximity. The member is then assigned to the RAE that contracts with his or her PCMP. RAEs are required to build a network of PCMPs in their regions to serve as medical homes for their members. The PCMP partners with the RAE to coordinate all of the member's health care needs. The PCMP must be enrolled as a Health First Colorado provider, and then contract directly with the RAE that oversees the physical location of its practice. Members may see any Medicaid provider they choose and are not required to see their PCMP.

Behavioral health care. The RAEs are required to build a network of behavioral health care providers in their region. Behavioral health providers must be enrolled as a Health First Colorado provider, and then be contracted and credentialed by the RAE. The RAEs are required to contract with both community mental health centers and private behavioral health practitioners.

Payment Structure in RAEs

Payment from HCPF to RAEs. HCPF pays an administrative fee of \$15.50 per-member per-month,

minus \$4, to each RAE to cover the cost of coordinating care for its members. The \$4 holdback is deposited into a pool and awarded to the RAEs based on their success in meeting certain performance metrics. The RAE is required to pass along at least 33 percent of the \$11.50 administrative per-member per-month payment to the PCMP for the duties that come along with serving as a medical home, such as building an interdisciplinary team of providers to integrate physical and behavioral health.

Behavioral health benefits are reimbursed through a capitated behavioral health benefit. Under this arrangement, Health First Colorado pays the RAE a monthly amount to provide or arrange for all the behavioral health services of its members. RAEs are required to spend at least 85 percent of their capitated payment on care as opposed to administrative costs.

Payment from RAEs to PCMPs. RAEs pay PCMPs an administrative fee of at least \$2 per-member per-month for each RAE member the provider is responsible for, or negotiates a value-based payment option to provide incentives for higher-performing practices.

Payment from HCPF to PCMPs. Physical health care services provided by the PCMP are reimbursed in a fee-for-service payment structure from HCPF directly to the PCMP.

Health First Colorado members can access six behavioral health sessions, such as mental health or substance use disorder services, at their PCMP clinic if there is a licensed behavioral health clinician on site. The PCMP is reimbursed by HCPF for these six visits in a fee-for-service payment structure as opposed to coverage under the behavioral health benefit.

Managed care options. While physical health is typically managed in a fee-for-service structure, two managed care capitation payment options currently operate in certain counties in RAE Region 1 and Region 5. Members are passively enrolled in these programs, called Rocky Mountain Health Prime and Denver Health Medicaid Choice, but may choose to opt out to receive physical health benefits through a fee-for-service payment structure.

Incentives and Monitoring of RAEs

Key performance indicators (KPIs). KPIs are a way for RAEs to earn more by meeting certain performance goals. Four dollars of the \$15.50 per-member per-month payment to each RAE is withheld by HCPF. RAEs are eligible to earn some or all of the \$4 by meeting certain performance metrics. An example of a KPI is the percentage of members who utilize certain services, such as dental visits or prenatal care.

Performance pool. Unused funds for KPI performance are put into a pay-for-performance pool. RAEs can earn additional payments from the pool by participating in new state or federal initiatives as decided upon between a RAE and HCPF. The RAEs will be paid for meeting pre-established targets for lowering costs and improving health outcomes for members with complex health conditions.

Behavioral health incentive program. RAEs can earn up to an additional 5 percent of their behavioral health capitation rate for meeting certain behavioral health metrics. These metrics include the percentage of members who receive a follow-up contact after an inpatient hospital episode for a mental health condition or an emergency department visit for a substance use disorder.

Alternative payment models. With the goal of rewarding performance and introducing accountability to the PCMPs for health outcomes, HCPF implemented an enhanced fee-for-service model based on performance. With this change, eligible PCMPs are able to earn higher fee-for-service payments depending on how they perform meeting certain quality metrics. In 2019, participating practices that measured and reported on their metrics received these incentive payments.

Public reporting. In an effort to increase accountability and transparency, HCPF plans to issue public reports on how RAEs performed on a variety of metrics, including KPIs, high school graduation rates, childhood obesity rates, and the percent of children who received an appropriate developmental screen. The public reporting dashboard is still under development.