

# Managed Care Risk Mitigation COVID-19 1115 Demonstration Amendment Evaluation Design

## Introduction

The objective of this Section 1115 Waiver is to assist the Georgia Department of Community Health (DCH) in making appropriate and equitable payments to Georgia’s Care Management Organizations (CMO) by allowing DCH to implement retroactive risk-sharing mechanisms. These mechanisms could result in increased or decreased payments to Georgia’s Care Management Organizations based upon significant fluctuations in utilization during the COVID-19 pandemic. Effective retroactively to March 1, 2020, Georgia Families and Georgia Families 360 programs have a risk sharing arrangement between the CMOs and the State. Under this arrangement, the state and CMOs have agreed to share profits or losses if aggregate covered expenditures fall above or below certain thresholds. The 1115 Waiver authority permits DCH to add or modify a risk-sharing arrangement with a CMO after the start of the applicable rating period. Additionally, this authority exempts DCH from complying with the current requirements in section 42 CFR 438.6(b)(1) until the end of the PHE.

This 1115 demonstration is deemed budget neutral, and does not impact eligibility, enrollment or coverage of Medicaid members.

## Rating Periods Under the Purview of this Expenditure Authority

- 7/1/2019 – 6/30/2020; Georgia Families & Planning for Healthy Babies (Risk Corridor)
- 7/1/2019 – 6/30/2020; Georgia Families 360 (Risk Corridor)
- 7/1/2020 – 6/30/2021; Georgia Families & Planning for Healthy Babies (Risk Corridor)
- 7/1/2020 – 6/30/2021; Georgia Families 360 (Risk Corridor)

## Qualitative Analysis

DCH will analyze interviews, surveys, and actual vs expected costs to conduct a narrative analysis. The narrative analysis will discuss the results of the retroactive risk sharing mechanism.

## Quantitative Analysis

The State will use actual vs expected costs, utilization, and financial data to provide a descriptive analysis providing a summarizing the results of the retroactive risk mechanism.

## Evaluation Questions, Data Sources, and Analytic Approach

<b>Hypothesis 1 - The demonstration will facilitate attaining the objectives of Medicaid</b>			
<b>Evaluation Question</b>	<b>Anticipated Measure(s)</b>	<b>Data Source(s)</b>	<b>Analytic Approach</b>
<b>EQ 1.1:</b> What retroactive risk sharing agreements did the state ultimately negotiate with the CMOs under the demonstration authority?	Type(s) or risk sharing agreements negotiated with the CMOs; Terms of negotiated risk sharing agreement(s)	Staff interviews and/or survey; Document review	Qualitative Analysis

<b>EQ 1.2:</b> What were challenges associated with implementing the retroactive risk mitigation strategies? How did the state address these challenges?	Description of challenges (if any) related to implementing the risk sharing agreement(s) with the plans	Staff interviews and/or survey	Qualitative Analysis
<b>EQ 1.3:</b> What were the lessons learned from the COVID-19 PHE Medicaid Section 1115 demonstration waiver for any future PHEs?	Description of implementation process, including challenges encountered, solutions developed, and successes or opportunities for improvement	Staff interviews and/or survey; Document review	Qualitative Analysis
<b>EQ 1.4:</b> What problems would have been caused by the application of 438.6(b)(1) during the PHE that would have undermined the objectives of Medicaid?	How the demonstration authority addressed or prevented problems related to the application of 438.6(b)(1)	Staff interviews and/or survey; Document review	Qualitative Analysis
<b>EQ 1.5:</b> In what ways during the PHE did the demonstration support adding or modifying one or more risk sharing mechanisms after the start of the rating period?	Benefits/successes of adding a risk sharing mechanism that would not have been realized without the demonstration authority	Staff interviews and/or survey	Qualitative Analysis
<b>Hypothesis 2 - The authority will support DCH in making appropriate, equitable payments during the COVID-19 PHE to help with maintenance of beneficiary access to care that would have otherwise been challenging due to the prohibitions in Section 438.6(b)(1)</b>			
<b>Evaluation Question</b>	<b>Anticipated Measure(s)</b>	<b>Data Source(s)</b>	<b>Analytic Approach</b>
<b>EQ 2.1:</b> What were the results of these changes to Medicaid CMOs' financials? Did the CMOs avoid material losses as a result of implementing the retroactive risk sharing agreements?	Aggregate SFY 2020 gain/loss amounts with SFY 2020 and SFY 2020 risk corridor parameters Comparisons of gain/loss using risk corridor parameters	SFY 2020 Claims Data	Quantitative Analysis
<b>EQ 2.2:</b> To what extent did the retroactive risk sharing implemented under the demonstration authority result in more accurate payments to the managed care plans?	MLRs prior to the application of the risk corridor, both at an aggregate-level as well as CMO-specific.  MLRs after application of the risk corridor, both at an aggregate-level as well as CMO-specific	MLR Calculations  State Medicaid Claims Data  SFY 2020 Rate Development Exhibits	Quantitative Analysis

The specific data sources proposed in the table above to be utilized for this evaluation are detailed below, including a description of data quality and any applicable data limitations:

- Document Review: DCH will conduct a review of all relevant documents that are related to the retroactive risk mitigation mechanisms implemented through this Demonstration, including but not limited to the managed care plan contracts, applicable amendments, and documentation of relevant program changes occurring during the PHE.
- Staff Interviews: DCH will conduct interviews with key staff involved in the implementation of the retroactive risk mitigation mechanisms, including internal DCH staff and, if possible, external health plan staff, to assess many of the qualitative aspects of this Demonstration. Staff interviews will provide critical narrative information about the operationalization of the Demonstration and whether it facilitated the state in meeting the purpose of the Demonstration. However, like all subjective interviews, common limitations associated with this data source are biases and statistical representative samples. DCH hopes to mitigate these data source limitations by interviewing both State and CMO staff, as well as supplementing with quantitative data where applicable.
- Financial Data: DCH will use financial data submitted by Amerigroup, CareSource, and Peach State through Quarterly Financial Reports and ad-hoc supplemental data submissions. DCH reviews the Quarterly Financial Reports on a quarterly basis to ensure reporting accuracy, including comparisons to encounter data, previous submissions, and other data sources. Any issues identified in these reviews are communicated to the CMOs, who are instructed to correct the issues in subsequent submissions. For significant issues or reports that are used to calculate final MLR results, CMOs are instructed to correct the issues and resubmit. Ad hoc data submissions are occasionally needed for items that cannot be easily reported in the Quarterly Financial Reports, such as detail on provider settlements.

### Methodological Limitations

The primary objective of the Demonstration is to support DCH in making appropriate, equitable payments during the PHE to help maintain beneficiary access to care throughout the pandemic. DCH will be reporting population and expenditure trends in its evaluation of the Managed Care Risk Mitigation COVID-19 PHE Demonstration and will also include analyses that will be qualitative and descriptive, such as key informant interviews and document review, consistent with CMS guidance. The methodology will investigate whether permitting retroactive risk mitigation in general is linked to more appropriate payments to the CMOs and mitigated disruption in beneficiary access to care during the PHE. For the methodology utilized and the scope of the evaluation, we do not anticipate any major methodological limitations.