



DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES
DIVISION OF PROCUREMENT SERVICES
 STATE OF MAINE

PROCUREMENT JUSTIFICATION FORM (PJF)

This form must accompany all contract requests and sole source requisitions (RQS) over \$5,000 submitted to the Division of Procurement Services.

INSTRUCTIONS: Please provide the requested information in the white spaces below. All responses (except signatures) must be typed; no hand-written forms will be accepted. See the guidance document posted with this form on the Division of Procurement Services intranet site (Forms page) for additional instructions.

PART I: OVERVIEW			
Department Office/Division/Program:		DHHS/Office of MaineCare Services	
Department Contract Administrator or Grant Coordinator:		Shawn Belanger	
(If applicable) Department Reference #:		OMS-21-3002C	
Amount: (Contract/Amendment/Grant)	\$ 657,849.71	Advantage CT / RQS #:	CT 10A 20200915000000000929
CONTRACT	Proposed Start Date:		Proposed End Date:
AMENDMENT	Original Start Date:	8/1/2020	Effective Date:
	Previous End Date:	7/31/2022	New End Date:
GRANT	Project Start Date:		Grant Start Date:
	Project End Date:		Grant End Date:
Vendor/Provider/Grantee Name, City, State:		Kennebec Region Health Alliance Waterville, ME	
Brief Description of Goods/Services/Grant:		MaineCare Accountable Communities Program	

PART II: JUSTIFICATION FOR VENDOR SELECTION			
Check the box below for the justification(s) that applies to this request. (Check all that apply.)			
<input type="checkbox"/>	A. Competitive Process	<input type="checkbox"/>	G. Grant
<input checked="" type="checkbox"/>	B. Amendment	<input type="checkbox"/>	H. State Statute/Agency Directed
<input type="checkbox"/>	C. Single Source/Unique Vendor	<input type="checkbox"/>	I. Federal Agency Directed
<input type="checkbox"/>	D. Proprietary/Copyright/Patents	<input checked="" type="checkbox"/>	J. Willing and Qualified
<input type="checkbox"/>	E. Emergency	<input type="checkbox"/>	K. Client Choice
<input type="checkbox"/>	F. University Cooperative Project	<input type="checkbox"/>	L. Other Authorization

Please respond to ALL of the questions in the following sections.

PART III: SUPPLEMENTAL INFORMATION

1. Provide a more detailed description and explain the need for the goods, services or grant to supplement the response in Part I.

MaineCare's "Accountable Communities" initiative seeks to address this problem by creating incentives for health care providers to communicate with one another and keep MaineCare members healthy. Specifically, the "Accountable Community Lead Entity" with whom the Department will contract may be eligible to receive a shared savings payment for a defined MaineCare population if the Lead Entity meets contractual requirements that include coordination with health care providers in the area. Whether the Lead Entity receives such a payment – and the amount of such payment – is dependent upon (a) the amount of savings generated, and (2) the Lead Entity's performance on a number of quality measures.

The purpose of this amendment is to authorize the incentive payment for the period 8/1/2019 to 7/31/2020.

2. Provide a brief justification for the selected vendor to supplement the response in Part II. Reference the RFP number, if applicable.

The Department will engage in a contract for Accountable Communities Services with Providers that are qualified and approved by the Office of MaineCare Services to provide these services.

3. Explain how the negotiated costs or rates are fair and reasonable; or how the funding was allocated to grantee.

The Provider may be eligible to receive a shared savings payment based on the savings and performance goals defined in the contract. The amount of any Shared Savings payment to the Provider or any Shared Loss recoupment from the Provider will be calculated by the Department pursuant to the method described in Appendix C of the contract: Shared Savings and Loss Assessment Methodology.

4. Describe the plan for future competition for the goods or services.

The Department does not intend to RFP for these services as this is a willing/qualified service.

PART IV: AMERICAN RESCUE PLAN ACT (ARPA) / MAINE JOBS & RECOVERY PLAN (MJRP)

Does this request utilize ARPA/MJRP funds?

Yes – If Yes, please attach the approved Business Case(s).

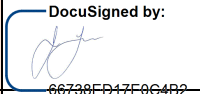
No – If No, proceed to Part V.

PART V: APPROVALS

The signatures below indicate approval of this procurement request.

Signature of requesting
Department's Commissioner
(or designee):

DocuSigned by:



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Typed Name: Jim Lopatosky

Date: Apr-27-2022

Signature of DAFS
Procurement Official:

DocuSigned by:



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Typed Name: Kathy Paquette

Date: 5/12/2022

Janet T. Mills
Governor

Jeanne M. Lambrew, Ph.D.
Commissioner



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MaineCare's Accountable Communities Program

Program Overview:

Accountable Communities (ACs) are groups of MaineCare providers who volunteer to participate in a performance-based shared savings payment arrangement with DHHS. This model is known as an Accountable Care Organization (ACO), and rose to prominence in the mid-2000s; as of 2018, there were more than 900 ACOs in the United States, across commercial, Medicare, and Medicaid markets.¹ ACOs are designed to drive improved health outcomes and control health care costs. If the AC succeeds in achieving lower costs than projected for attributed members who receive primary care through its practices, the AC shares in the savings it achieves for MaineCare in the form of a shared savings payment, contingent on and proportional to its performance on quality measures.

- The AC program began in 2014 and is methodologically similar to the Medicare Shared Savings Program ACO, with elements from other Medicaid ACO programs, and elements tailored to the Maine market and MaineCare program.
- The AC methodology was created through a partnership with an actuarial team at Deloitte, a cross-office team at DHHS, and broad stakeholder engagement with providers and other payers, including through participation in the Maine Health Management Coalition.
- MaineCare's program and shared savings methodology has been vetted and approved by the Centers for Medicare and Medicaid Services (CMS) through a Medicaid State Plan Amendment. The CMS review of this program included actuarial assessments by their Financial Management Group.
- Currently, Mercer provides the actuarial and analytic support for the claims/cost related components of the AC program, Gainwell Technologies provides analytics for quality measurement and for data sharing with the ACs, and DHHS teams manage the program design, strategy, and operations.
- There are currently four ACs: Community Care Partnership of Maine, LLC (CCPM), Kennebec Regional Health Alliance (KRHA), MaineHealth Accountable Care Organization (MHACO), and Beacon Health, LLC (Beacon).

AC Contracts

The Department contracts with the ACs to permit data sharing; outline roles, responsibilities, and methodologies in accordance with the Medicaid State Plan; and to detail the calculation and provision of shared savings payments, if earned. AC contracts contain a detailed methodology for determining whether or not a shared savings payment is due, including an assessment of minimum savings rates and savings caps. ACs can choose between two payment models: all ACs have elected "Model 1" which provides for a smaller opportunity for shared savings payments in turn for no downside financial risk.

The AC payment model will be changed in 2022 to require shared financial accountability with ACs ("downside risk"), in alignment with DHHS goals and similar changes in the Medicare ACO model. This means that, if actual costs for the AC's attributed population are higher than projected, the AC will owe the Department back a portion of the loss. Additionally, there may be an AC contract amendment in fall 2021 if any methodological changes are needed as a result of COVID-19 impacts; this is currently under assessment by Mercer and DHHS.

¹ Center for Health Care Strategies. The History, Evolution, and Future of Medicaid Accountable Care Organizations. 2018. https://www.chcs.org/media/ACO-Policy-Paper_022718.pdf

Program Results

- Since inception in 2014, MaineCare’s AC program has steadily increased the number of affiliated members and practices. As of 2021, the former has increased approximately 350% (from 32,070 to 111,898 members) while the latter has increased over 700% (from 28 to 199 practices).
- Each AC varies in size—Beacon and MHACO bookend the AC program both in terms of members and practices: Beacon has 12,067 members and 18 practices, while MHACO has 41,876 members and 89 practices.
- ACs are monitored on various quality of care metrics with financial incentives tied to higher performance; ACs demonstrate higher quality of care than non-participating practices in Maine in many health domains.
- MaineCare’s ACs have generated over \$30 million in savings compared to benchmark to the MaineCare program in the first five Performance Years (PYs), and MaineCare has returned nearly \$6 million of this amount to AC Lead Entities in shared savings payments

Projected Shared Savings Payments Associated with this Contract

Below are current projections for the PYs associated with this contract. These are estimates using data available at the time of this review, with the following limitations worth noting:

- PY 7 ended 7/31/2021 – program reporting does not yet incorporate data from the latter part of this performance year due to claims lag (delay between service provision and claims submission/processing) nor does data include all methodological adjustments that are applied to final shared savings calculations.
- COVID-19 impacts have not yet been assessed for impacts on PY7. MaineCare and Mercer are currently working through PY6 COVID-19 impacts on the AC methodology and will then move to PY 7 assessment using the reports generated in January 2022 which are specifically closely aligned with the previous PY for projection purposes.
- PY 8 began 8/1/2021, there is no data available yet to suggest changes to PY7 projections at this time.
- MHACO expanded their AC participation in PY7 to include nearly the entire MaineHealth network of primary care providers, increasing the number of primary care sites included from 8 to 86; this expansion combined with good performance in the program results in these higher projected payouts.

	Beacon	CCPM	KRHA	MHACO
PY 7 Projections (Original Contract Year)	\$1,200,000	\$0	\$2,800,000	\$5,400,000
PY8 Projections (Amendments)	\$1,200,000	\$0	\$2,800,000	\$5,400,000