



LOUISIANA  
**DEPARTMENT OF  
HEALTH**

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**MEDICAL VENDOR ADMINISTRATION**

**Office of the Medicaid Director**

**Request for Information for**

**Provider-Led Accountable Care Organizations**

**Release Date: November 4, 2016**

**Responses Due: ~~December 9, 2016~~ January 31, 2017**

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## Section I. Overview

As part of its efforts to modernize payment mechanisms for Louisiana's Medicaid program and its delivery system features, to shift from paying for *volume* to paying for *value* and to improve health care quality and outcomes, the Louisiana Department of Health (LDH) is seeking comment on the possibility of inviting provider-led managed care plans to participate in the Healthy Louisiana Medicaid managed care program as Accountable Care Organizations (ACOs). As defined by the Centers for Medicare and Medicaid Services, an ACO is a group of doctors, hospitals, and other healthcare providers who come together voluntarily to give high-quality coordinated care to their patients. Successful care coordination ensures that patients receive the right care at the right time, while avoiding unnecessary duplication of services and preventing medical errors.<sup>1</sup> Following the lead of successful ACO programs in other states, LDH is optimistic that an ACO model would improve quality for Medicaid patients while bettering the state's financial stability by combatting rising healthcare costs.

ACOs would contract directly with the state as a provider led managed care plan to manage the care of a population of Medicaid recipients in exchange for a fixed per-member per-month rate. LDH intends to re-procure its current Medicaid managed care contracts and is examining ACOs in addition to, rather than as replacements for, traditional MCOs.

LDH is in the process of developing requirements related to ACOs, but expects that ACOs would be:

- A) Organizations or groups of organizations for which each member organization is a hospital as defined by La. R.S. 40:2102; a federally-qualified health center (FQHC) as defined by La. R.S. 40:1185.3(2); or a rural health clinic (RHC) as defined by La. R.S. 40:1185.3(3);
- B) Capable of providing for the case management and primary and secondary care needs of no fewer than 10,000 Medicaid beneficiaries annually;
- C) Owned, governed, and led by Louisiana health care providers; and
- D) Sufficiently capitalized and structurally prepared to assume both insurance and performance risk associated with the provision of full Medicaid benefits to a population of recipients.

LDH anticipates a potential need for some or all ACOs to contract with third party health care providers to ensure full care coverage and third party administrators (TPAs) for claims processing services.

While this RFI does not bind the state to procuring for provider-led plans, LDH is highly interested in the ACO approach and is working to procure capable, high-quality ACO contractors as part of its Medicaid managed care procurement process in SFY 2019. Through this Request for Information (RFI), LDH is seeking community input on the development of requirements for the provider led ACOs. Vendors should refer to the response format in this document for clarification of the nature of information sought by LDH.

For the purposes of this RFI, the provisions of the Louisiana Public Records Act (La. R.S. 44.1 *et. seq.*) will be in effect. Pursuant to this Act, all proceedings, records, contracts, and other public documents relating to this RFI shall be open to public inspection. Proposers are reminded that, while trade secrets

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<sup>1</sup> Accountable Care Organizations (ACOs). (2016, January 1). Retrieved October 27, 2016, from <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ACO/index.html>

and other proprietary information submitted in conjunction with this RFI may not be subject to public disclosure, protections must be claimed by the proposer at the time of submission of its Technical Proposal. Proposers should refer to the Louisiana Public Records Act for further clarification.

## Section II. Background

In the America's Health Rankings 2015 Annual Report, Louisiana ranked last in the country in overall health.

- 50th in health behavior (e.g., physical inactivity, obesity, % of adult population that smokes)
- 50th in community and environmental factors (e.g. children in poverty, infectious disease)
- 50th in clinical care (e.g., % of live births that are low birth weight, preventable hospitalizations)
- 50th in outcomes (e.g., infant mortality, premature death, cardiovascular deaths)

To promote better health, LDH seeks to shift its payment system from volume to value and its delivery system from a focus on disease to a focus on population health.

LDH's vision is to pay for value by promoting the Triple Aim:

- Improved patient experience of care
- Improved population health
- Spending resources wisely

ACOs have common features between all models:

- ACOs must focus on bettering the overall health of the population they serve. This is achieved through better-coordinated care as well as population health initiatives.
- ACOs must have a stated legal structure with a governing board that is responsible for measuring and improving quality of care.
- Primary care must be the main focus of ACO care delivery. This ensures maximum impact of care at the patient level.
- The population under an ACO's umbrella of care must be substantially large, as to ensure an adequately sized population for quality benchmarking.
- ACOs must implement "meaningful and identifiable" reforms in patient engagement and care delivery, to demonstrate a significant effort to improve quality and value of patient care.
- ACOs must incentivize a realistically achievable shared savings mechanism for their providers to combat volume-driven care delivery.
- ACOs must measure and report quality metrics that are readily accessible to its patients and governing board.<sup>2</sup>

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<sup>2</sup> Fisher, E., & McClellan, M. (2011, January). ACO Toolkit. *Accountable Care Organization Learning Network*, 7-15. Retrieved October 27, 2016, from [https://xteam.brookings.edu/bdacoln/Documents/ACO Toolkit January 2011.pdf](https://xteam.brookings.edu/bdacoln/Documents/ACO%20Toolkit%20January%202011.pdf)

Because of these common features, the ACO initiative is envisioned as potentially helping the state advance its value based payment goals by vesting providers who are ready and interested with responsibility and accountability for care management and total cost of care. LDH's goal in this initiative is to imbue providers with the flexibility necessary to appropriately and rationally deliver services according to patient needs by sharing both the financial benefits of delivering appropriate care and the burdens of inefficient care.

The ACO initiative is but one of multiple reform options under consideration by LDH in the development of a Transformation Roadmap to build on major reforms over the past five years, including the launch of Medicaid managed care, privatization of the state charity hospital system, and Medicaid expansion through which Louisiana has extended coverage to more than 325,000 residents. The Roadmap will be informed by a robust stakeholder engagement process currently in progress, including but not limited to this RFI.

### **Section III. Questions for Respondents**

Please use the attached form to answer the following questions. Respondents are not required to answer all questions.

#### ***A. ACO Requirements***

LDH envisions establishing requirements for provider led ACOs that mirror requirements for the Medicaid managed care organizations currently participating in the Healthy Louisiana Managed Care Program. LDH seeks the following information related to requirements for ACOs.

1. Are there any exceptions or modifications to [current requirements](#) that LDH should consider to encourage ACO participation (e.g., special licensure and solvency requirements)?<sup>3</sup>
2. What governance principles and/or requirements should LDH consider implementing to ensure that ACOs are governed and led by Louisiana providers?
3. Are there any interim steps or technical assistance that LDH could provide to promote providers' ability to develop ACOs over time?
4. Are there any other unique requirements that LDH should consider applying to ACOs?

#### ***B. ACO Functions***

ACOs would be expected to provide all functions of a traditional MCO, including but not limited to: claims adjudication and payment, marketing, member services, provider network development, credentialing, prior authorization, care management, data analytics and quality reporting. ACOs would also be expected to offer the same set of benefits to enrollees as that offered by current MCOs.<sup>4</sup> LDH seeks the following information related to key ACO functions.

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<sup>3</sup> Managed Care Contract Requirements listed in Request for Proposals linked here:  
<http://www.ldh.la.gov/assets/docs/contracts/BayouHealthPrepaidFINAL72814.pdf>

<sup>4</sup> For more information on Louisiana's covered benefits, please see:  
[http://dhh.louisiana.gov/assets/docs/Making\\_Medicaid\\_Better/Medicaid\\_Services\\_Chart.pdf](http://dhh.louisiana.gov/assets/docs/Making_Medicaid_Better/Medicaid_Services_Chart.pdf)

1. Should ACOs be permitted to obtain necessary functionality by entering into a TPA or joint venture with an insurance company or health plan?
2. Are there any key functions that LDH should not permit the provider led ACO to delegate to another entity?
3. Are there certain functions that LDH should consider standardizing or centralizing to facilitate ACO development and to ease provider administrative burden?
  - a. Should these functions be standardized across ACOs and MCOs?

### ***C. ACO Populations***

LDH envisions that ACOs, like the state's traditional MCOs, would serve all Medicaid members who are eligible for enrollment in Healthy Louisiana. LDH seeks the following information related to populations to be served by ACOs.

1. Should LDH permit ACOs to serve specific regions, rather than enrolling Medicaid members statewide?
  - a. Would ACOs be able to develop statewide networks?
2. If LDH were to permit ACOs to serve specific regions, would the ACOs have large enough enrollment to support the infrastructure needed for ACO functions and to take on financial risk?
3. How should populations defined or limited for ACO enrollment, if at all?

### ***D. Selection of ACOs***

LDH would likely procure ACOs as part of its standard MCO procurement process. LDH seeks the following information related to ACO selection.

1. What are the most important characteristics and qualifications for LDH to consider in selecting ACOs?

### ***E. Other Strategies***

As described above, LDH is seeking to implement strategies that promote and encourage provider accountability for care management and the total cost of care for Medicaid enrollees.

1. Are there other managed care contracting or payment models that LDH can implement to achieve its goals?
  - a. For example, should LDH encourage or require MCOs to contract with ACOs or implement other alternative payment arrangements with providers?

## **Section IV. Statement of Interest (For Potential ACO Respondents Only)**

1. Please describe your interest in becoming an ACO.
2. Please describe the Medicaid population(s) you currently serve.
3. Please describe the services you currently provide to these populations.

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4. Would your ACO be able to enroll and serve all Healthy Louisiana populations statewide? If not, please describe the region(s) of the state you would be able to serve.
5. Would your ACO be able to enroll and serve all Healthy Louisiana eligibility groups? If not, please describe the population your ACO would serve.
6. Does your organization currently participate in any risk arrangements or contracts with Medicaid, Medicare or commercial payors? If so, please describe these (e.g., the type of arrangement, the payor—Medicaid, Medicare or commercial, etc.).
7. Does your organization currently participate in or own an Accountable Care Organization (ACO)?
8. Does your organization currently have capacity in the following areas needed to serve as an ACO?
  - Marketing
  - Claims adjudication and payment
  - Network development
  - Provider services
  - Member services
  - Prior authorization
  - Patient outreach and education
  - Care management
  - Data analytics
  - Quality measurement and reporting
9. What capacity would your organization need to obtain to serve as an ACO?
10. How might your organization obtain needed capacity?
11. When would your organization be ready to respond to an LDH procurement for ACOs?

## Section V. RFI Submission Instructions

Responders are encouraged to propose efficient options for providing solutions that enable Louisiana Medicaid to reach its goals, including recommending what resources will be required. Responders are encouraged to be as detailed as possible and encouraged to suggest and comment on any other related issues not specially outlined herein.

Responses are due by **5:00 p.m. CT on ~~Friday, December 9, 2016~~ Tuesday, January 31, 2017.** Responses should be delivered via email. Responses should be limited to twenty 8 ½ x 11 pages and identified as **ACO RFI Response** on the electronic subject line. Proposers interested in participating in this RFI should send an electronic copy of their response to the email address below:

Louisiana Department of Health, Bureau of Health Services Financing  
Frank Opelka  
[Frank.opelka@la.gov](mailto:Frank.opelka@la.gov)

Medicaid Program Manager

## **Section VI. Additional Information – Purpose, Disclaimer, Ownership, and Confidentiality**

This RFI is issued as a means of technical discovery and information gathering. It is for planning purposes only, and should not be construed as a solicitation for services or a request for proposals (RFP), nor should it be construed as an obligation on the part of the state to purchase services. This RFI is not a means of pre-qualifying vendors for any subsequently issued RFP related to this RFI. RFI responses are non-binding on the state or respondent.

### **Liabilities of Agency**

This RFI is only a request for information about potential products/services and no contractual obligation on behalf of LDH or BHSF whatsoever shall arise from the RFI process.

This RFI does not commit the LDH or BHSF to pay any cost incurred in the preparation or submission of any response to the RFI.

### **Confidentiality and RFI Ownership**

All responses to the RFI will become the property of LDH and will not be returned.

The designation of certain information as trade secrets and/or privileged, confidential, or proprietary information shall only apply to the technical portions of your response to this Request for Information. Any response to this request marked as copyrighted or marked as privileged, confidential, or proprietary **in its entirety** is subject to rejection without further consideration or recourse based on the professional opinions of LDH legal staff.

Respondents should bear in mind that while trade secrets and other proprietary information submitted in conjunction with this RFI may not be subject to public disclosure, ***the submitting party must claim protections at the time of submission.*** The following guidelines provide accurate instructions to mark adequately certain information as privileged, confidential, or proprietary.

- The respondent must clearly designate the part of the response that contains a trade secret and/or privileged or confidential proprietary information as “confidential” in order to claim protection, if any, from disclosure. The respondent shall mark the cover sheet of the response with the following legend, specifying the section(s) of the response sought to be restricted in accordance with the conditions of the legend:  
*“The data contained in pages \_\_\_\_\_ of this response have been submitted in confidence and contain trade secrets and/or privileged or confidential information, and such data shall only be disclosed for evaluation purposes. This restriction does not limit the state of Louisiana’s right to use or disclose data obtained from any source, including the proposer, without restrictions.”*



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- Further, to protect such data, respondents should identify and mark each page containing such data as “CONFIDENTIAL.” A watermark or footnote delineating each page containing such data as “confidential” will satisfy this requirement.

Respondents must be prepared to defend the reasons why material should be held as confidential. If another respondent or entity seeks to review copies of a respondent’s confidential data, LDH will notify the owner of the asserted data of the request. If the owner of the asserted data does not want the information disclosed, it must take legal action as necessary to restrain LDH from releasing information LDH believes to be public record.

If the response contains confidential information, the respondent should submit a redacted copy of the response. Without the submission of a redacted copy, LDH may consider the entire response to be public record. When submitting the redacted copy, it should be clearly marked on the cover as a “REDACTED COPY.” The redacted copy should also state which sections or information have been removed.

## **Attachment: Response Form**

### **RESPONDENT INFORMATION**

First Name:

Last Name

Title:

Organization:

Address:

Contact Phone:

Contact Email:

Responding as an Individual: (Y/N)

Responding on Behalf of Organization: (Y/N)

Check all that describe your organization:

Hospital or Hospital System

Clinical System

Advocacy Organization

Health Plan

Physician

Non-physician Health Care Provider

Other – Please Describe: \_\_\_\_\_

**RESPONSES**

**Section III.**

***A. ACO Requirements***

- Question 1.
- Question 2.
- Question 3.
- Question 4.

***B. ACO Functions***

- Question 1.
- Question 2.
- Question 3.
- (a)

***C. ACO Populations***

- Question 1.
- (a)
- Question 2.

***D. Selection of ACOs***

- Question 1.
- Question 2.
- Question 3.

***E. Other Strategies***

- Question 1.
- (a)

**Section IV. Statement of Interest (if applicable)**

- Question 1.
- Question 2.
- Question 3.
- Question 4.
- Question 5.
- Question 6.
- Question 7.
- Question 8.
- Question 9.
- Question 10.