



**Senate Medicaid Committee
Panel Discussion**

**Jack Randolph, President
Paramount Health Care
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Chairman Burke and members of the Senate Medicaid Committee, thank you for the opportunity to speak to you about the partnership that Paramount Health Care has with the Ohio Department of Medicaid (ODM). My name is Jack Randolph and I am the President of Paramount's Medicaid health plan, Paramount Advantage. I want to take a few minutes of your time and give you an overview of Paramount and our commitment to serving Medicaid recipients in Ohio.

Paramount Health Care is a unique partner in that we are the only provider sponsored health plan serving Medicaid recipients in Ohio. As a provider sponsored health plan, we have a health care delivery system that incorporates both the delivery of health care services and health insurance. We're part of ProMedica. The efficiencies and health outcomes we both achieve and set as goals through ProMedica are passed through to Paramount and to our members.

Some other facts about Paramount that I am very proud of include:

- Paramount Advantage, Paramount's Medicaid plan, has been a partner in Ohio's Medicaid Managed Care Program since its inception in 1993 and has consistently retained some of the highest overall member satisfaction ratings in Ohio since 1995.
- Paramount Advantage has maintained continuous accreditation from one of the major accrediting bodies for health plans, the National Committee for Quality Assurance (NCQA) – since 1995.
- In SFY 2014 Paramount Advantage received the highest score for three of the six ODM Pay for Performance measures which included, *Timeliness of Prenatal Care*, *Controlling High Blood Pressure*, *Use of Appropriate Medications for Asthma* and scored above the national average for all HEDIS measures combined that are part of the ODM quality strategy.
- Paramount has received a Pinnacle Award from the Ohio Association of Health Plans (OAHP) ten times since the award program's inception 10 years ago. The annual awards recognize the most outstanding health plan in three categories: community outreach/partnership, healthcare programs, and business/operations.

Over the years, we have challenged ourselves to continue to build on this foundation of excellence. In 2013 Paramount Advantage was selected by the State to be one of five statewide partners in Ohio's new Medicaid Program. While we maintain our roots as a local company in northwest Ohio, we have made significant investments in the state of Ohio and have taken the strength of our business model and built a Medicaid managed care network across Ohio to deliver high quality health care services to produce great health outcomes for Medicaid recipients across this great state. Currently, Paramount Advantage contracts with over 30,000 providers and serves 215,000 Medicaid consumers statewide.

Advanced Payment Models/Value Based Purchasing

Today I would like to share information with you on some innovative payment models that we have in place with a number of provider groups across the State of Ohio.

As an integral part of the ProMedica integrated health delivery system, Paramount is different by design. The integration of the continuum of care and advanced payment models have been part of the Paramount/ProMedica fabric since Paramount's inception in 1987. A variety of innovative payment arrangements have been utilized by Paramount in both its Commercial and Medicare lines of business for many years. Some of these methods extend beyond the relationship with ProMedica and have incorporated other provider entities. Payment models run the full spectrum from traditional fee for service arrangements to full risk acceptance by provider organizations. Paramount also employed innovative models within its Medicaid managed Care Program in northwest Ohio prior to July 2013 (mostly with ProMedica); and, broadly expanded to other Medicaid provider partners across the State of Ohio when Paramount went Statewide.

- Incentive payments: a variety of incentive payment arrangements, based on meeting certain quality metrics, have been utilized by Paramount across all of its products. These arrangements are generally employed with health systems, hospitals or large provider organizations. Payments are generally triggered when the provider meets certain, pre-defined standards on measures of outcomes, adherence and/or customer service. Specifically within Paramount's Medicaid model, several provider organizations have incentives tied directly to the Ohio Department of Medicaid's P4P program measures. Paramount's P4P bonus is shared when those provider entities achieve their goals.
- Gain Share: Paramount is also utilizing a gain share model with ProMedica and other providers to encourage the delivery of care in the most effective and cost-efficient manner. A gain share program is typically done to target specific initiatives such as reduction in ER cost or prescription drug cost, but can be employed on a more encompassing, full-cost basis. As an example, Paramount has approximately 5000 Medicare members enrolled in a ProMedica Accountable Care Organization (ACO). This ACO model provides a monthly medical management payment to ProMedica primary care physicians to fund certain elements of Patient Centered Medical Homes (PCMH), Care Coordination and data exchange. Also incorporated into this particular ACO model are quality incentives, similar to those discussed above. The final payment component is the actual gain sharing. Assuming that the quality metrics are sufficiently achieved, the ACO would then share in

the overall financial improvement of its population. Paramount also is employing targeted gain share models within its Medicaid product with several other providers.

- Risk Share: a risk-share model essentially builds off of the gain-share framework, with providers assuming partial or full risk for a defined population. Simply stated, there is both an upside and a downside for providers in this model. The risk-share model is the most optimal platform for payors and providers to truly work collaboratively on improved patient outcomes in the most cost efficient manner. As previously stated, Paramount and ProMedica are truly different by design. In the purest sense, all of Paramount's risk is borne by ProMedica Health System as it is the sole owner. Beyond the ProMedica relationship, Paramount has full and partial risk arrangements for defined patient populations with other provider entities. Two notable examples for our Medicaid population include Nationwide Children's Hospital and Cincinnati Children's Hospital. Through its Partners for Kids (PFK) program, Nationwide Children's is assuming full risk for all children residing in the 34 counties of central and southeast Ohio. Similarly, the Health Network of Cincinnati Children's (HNCC) is assuming full risk for all children residing in the 8 counties of southwest Ohio.

Paramount Advantage is a committed partner and is privileged to be part of the improvements being made to improve the health and enhance the lives of thousands of Ohioans. We are confident that we will fulfill our mission to improve the health and well-being of all of our members.

Thank you for this opportunity and I will be happy to answer any questions you may have.