



AMHI Reform Workgroup: June 23, 2021 Kick-off Meeting

AMHI Team and Forma ACS



Agenda

Time	Topic
1:00-1:10	Introductions
1:10-1:20	Group Norms Discussion
1:20-1:30	Shared Outcomes Discussion
1:30-2:50	Discussion of funding formula model
2:50-3:00	Next steps

Housekeeping

- Please mute when you are not speaking
- Please participate with video
- Be engaged and present in the workgroup and limit distractions
- We encourage questions, comments, and discussion throughout the meeting
- Use “raise hand” to make sure everyone has an opportunity to speak
- Share your voice and ideas verbally
- Share resources in chat
- Meeting is being recorded for note-taking purposes, recording will not be made public

- Name
- Where you work/your role
- Region you represent
- One thing you are looking forward to doing this summer

Group Norms

- Coming to agreement on how we work together and our expectations for each other
- Thank you for sharing your ideas ahead of time!
- Discussion and finalizing our group norms
 - What are the norms this workgroup committed to as a team?

Shared Outcomes

- Purpose: come to agreement on what we hope to accomplish as a team
- Thank you for sharing your ideas ahead of time!
- Discussion and finalizing shared outcomes
 - What are the outcomes this workgroup hopes to accomplish as a team?
 - What can be achieved by this workgroup versus what will be achieved in future workgroups?

Develop funding formula that is
transparent, equitable, and
defensible

Future Workgroups

- AMHI Reform Outcome-based Workgroups
 - Tribal funding formula for White Earth Nation, and potentially other Tribes that may wish to become AMHIs in time
 - Develop implementation plan that outlines how the funding formula will be applied to allocations, the roll-out methods, and timeframe for recalibrating the formula
 - Update statutory language to move AMHIs out of pilot status, while clarifying the purpose and outcomes expected of AMHIs
 - Outcome measures enhanced or developed to demonstrate the impact of AMHIs

Funding Formula – In-depth discussion

Funding Formula Agenda

Funding Formula Development and Inputs

- Current allocation and per-capita funding
- Impact of population only per-capita funding

Additional Model Inputs and Assumptions

- Medicare and Medicaid population adjustments
- Social Determinants of Health (SDOH) and Medical Risk adjustments
- Area Deprivation Index Adjustments
- Rural Allocation

Questions and Next Steps

Funding Formula – Background and Goals

Background

- Approximately \$67 Million dollars are distributed to 19 AMHI regions across the state in two-year contract periods
- Initial funding levels were set over 20 years ago
- In collaboration with the AMHI regions, DHS will develop a credible, data-driven funding formula reflecting the relative regional-specific risk factors and resource requirements

Funding Formula Goals

- Transparency – Provide DHS and stakeholders with a more detailed understanding of the funding allocation rationale
- Flexibility – Allow for adjustments over time to reflect population changes or other circumstances
- Alignment – Minimize disruption to existing service delivery. Reallocation funds should not be based on the assumption that existing funds are unnecessary, but that the need is greater elsewhere
- Equity – Support equitable distribution of funding to at-risk residents across the State

Definitions

- Funding Formula – a methodological process for determining the AMHI funding allocation based on defined population inputs and collaborative decisions on distribution choices.
- Model – the mechanical process (spreadsheet) that calculates the funding formula. Contains the underlying data sources and allows for real-time calculations and assessments of the funding allocations based on different distribution choices.
- Per-Capita Allocation – a specific dollar amount allocated for each adult living within a county or region. The per-capita amounts may vary by county or region, but the total funding is a function of the per-capita amount and the number of adults within the county or region
- Social Determinants of Health – conditions that affect a wide range of health, functioning, and quality-of-life outcomes and risks. Includes factors such as deep poverty, substance use disorder, severe mental illness).
- Medical Risk – the relative need for medical services. Measurements typically based on diagnostic information, pharmacy data, age/gender measurements or other factors that correlate with higher or lower expected medical expenses
- Area Deprivation Index (ADI) – Based on American Community Survey (ACS) data, the ADI allows for rankings of neighborhoods, counties and regions by socioeconomic disadvantage. It includes factors for the theoretical domains of income, education, employment, and housing quality.

Current Allocation – Total and Per Capita

Overall, there are significant differences in the relative per-adult funding between the AMHIs

- The \$33.5M in AMHI funding translates to \$7.71 per adult across the State of Minnesota
- Based on the number of adults in each county or region, the per capita funding ranges from \$1.49 to \$21.29 (20% to 276% of the of the \$7.71 average)
- Applying a formula based on per-capita allocations results in significant changes to the funding levels for many AMHIs
- Change would impact current differential funding between the single- and multi-county segments
- Change would also impact current differential funding within the single- and multi-county segments

Current Allocation – Total and Per Capita, cont.

Comments:

- Per capita distribution would result in a significant change in the overall relative funding for single-county and multi-county AMHIs
- Even within these broader sub-segments, there are significant shifts between the relative funding levels
- Some of these changes result from the statewide per capita distribution of the Moose Lake allocation
- Other changes are more specific to regions or counties with a disproportionate per-capita amount under the current funding

Additional Model Inputs and Assumptions

Some of the existing differences in per-capita funding may be attributable to differential relative risk between populations serviced by the various AMHIs.

- The populations in some regions or counties could reasonably be expected to service populations with greater relative service needs
- In addition, the relative cost of delivering services may be higher in some regions or counties

To address these factors of potential differential risk, the funding formula includes additional Inputs and Assumptions to incorporate information on factors that would be expected to impact funding requirements.

- Medicare and Medicaid population adjustments
- Social Determinants of Health (SDOH) and Medical Risk adjustments
- Area Deprivation Index (ADI) Adjustments
- Rural Allocation

The information behind these potential adjustments comes from a variety of sources, including census information and Medicaid data.

Other information and the methodology for applying the adjustments is more qualitative.

Sample Model Results

Comments:

- Integrating risk factors redistributes portions of the grant to reflect observed differential risk between the AMHIs
- Although the model includes considerations for populations with higher levels of poverty, Medicare and Medicaid enrollment, SDOH, Medical risk, etc. the impact on many AMHIs is still substantial
- More funding is also allocated to AMHIs that serve higher risk populations
- With these changes, some of the existing differential between single- and multi-county AMHIs is retained
- The changes are not driven by disproportionate funding from the new model. Instead, the changes are reflective of disproportionate per-capita funding in the current distribution.

How do we explain and support the updated formula?

Ultimately, the AMHI funding is intended to help address the needs of the population across the State

If DHS wishes to achieve equity between the residents within the State, a reasonable portion of the funding should be distributed on a per-capita basis

- Viewed on a per-capita basis, the existing funding currently allocates significantly higher and lower per-capita funding to some areas of the State
- There is minimal cost information, data or historical documentation that supports the existing per capita differentials

Some consideration should be made for higher relative service needs or expenses within certain areas of the State:

- Medicare and Medicaid population adjustments
- Social Determinants of Health and Medical Risk
- Poverty, housing access, unemployment
- Needs specific to delivering services within rural areas

Per-capita and risk-based allocations rely on credible measurements that can be updated as the populations change

- The relative amounts and actual distributions of risk-based allocations may rely on more qualitative methods or decisions, requiring consensus

"It is common sense to take a method and try it. If it fails, admit it frankly and try another. But above all, try something."
[Franklin D. Roosevelt](#)

Workgroup Decisions and Points for Consensus

Adjusted Baseline Per-Capita Amount

- Percentage of AMHI funding to be allocated to the Baseline Per-Capita amount
- Whether a portion of those funds will be used to increase the amount allocated to the relative number of Medicare and Medicaid enrollees. If so, what is the portion?

SDOH and Medical Risk Adjustment

- Percentage of AMHI funding to be allocated to the SDOH and Medical Risk Adjustment
- What is the weighting methodology to calculate the average score?
- Does the distribution rely on Medicaid or Statewide per-capita allocations or is it simply based on the number of participants with SDOH?

Poverty Index

- Percentage of AMHI funding to be allocated to the Poverty Index Allocation
- How are the scores applied to determine the distribution?

Single vs. Multi-County Allocations

- Does the model include a separate pool for Rural Reallocation? If so, how much?

Next Steps – Forma ACS Support

- AMHI Team has received a preliminary version of the Formula Development Spreadsheet
 - Model allows DHS to change formula allocation inputs based on consensus discussions and workgroup decisions
 - Over time, the data underlying the model can be updated to reflect population changes and updated analyses
- Final model delivery and documentation due at end of June

Thank you all for your participation, attention and feedback throughout the past year

AMHI Reform Questions or comments?

Let's Check Our Goal

- What did we do and in what order?



- What did we learn? What are the key learnings and decisions from the activities we did?



- What will we do next? What questions will we answer next?



Next Steps - Workgroups

- AMHI team will send out notes with final version of norms and shared goals
- Determine how to schedule remaining meetings
 - Polls vs. recurring schedule
- Workgroup meetings
 - Meeting 2 – Focus on population input
 - Meeting 3 – Focus on SDOH/relative risk input
 - Meeting 4 – Focus on Poverty Index and Rural allocation inputs
 - Meeting 5 – wrap up

Next meeting

- Date: TBD
- Discussion focus: Population input
- Pre-work for next meeting:
 - Review with your region the workgroup goals
 - Review with your region the model and questions the group is tasked with answering
 - Review and discuss the population inputs, thinking about how much weight they should have on the formula
 - Complete pre-work once received

Thank You!

AMHI Team

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