

# Learnings from the Umbrella Hub Demonstration



Considerations for  
Operationalizing  
an Umbrella Hub  
Arrangement

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# Executive Summary

**U**mbrella hub arrangements (UHAs) connect community-based organizations (CBOs) with healthcare payment systems to pursue sustainable reimbursement for the National Diabetes Prevention Program (National DPP) lifestyle change program. In a UHA, an umbrella hub organization (UHO) serves as the sponsoring organization for a group of CBOs, known as subsidiary organizations, that deliver the lifestyle change program and are recognized by the Centers for Disease Control and Prevention (CDC).

## Benefits of an Umbrella Hub Arrangement

UHAs allow the UHO and the subsidiary organizations to share CDC recognition status; operate as one Medicare Diabetes Prevention Program (MDPP) supplier; receive reporting, claims, and administrative support; and pursue sustainability to achieve scale. Healthcare payers benefit by gaining access to a network of CDC-recognized organizations through a single contract with the UHO, rather than having to execute discrete contracts with multiple CDC-recognized organizations.

## The Umbrella Hub Demonstration

Beginning in March 2020, CDC funded three organizations to operationalize UHAs through the Umbrella Hub Demonstration (the Demonstration). This document captures what has been learned through the Demonstration and serves as a reference for organizations interested in becoming an umbrella hub organization (UHO) or supporting the operation of a UHA.

## Functions of an Umbrella Hub Organization

The UHO performs a wide variety of administrative functions in a UHA and is critical to the success of the UHA. Demonstration UHOs have shared insights for potential UHOs in seven areas of responsibility. To learn more about each recommendation, see the [Functions of an Umbrella Hub Organization](#) section in the body of this document.

Align the Core Mission and Vision of the UHA		
Develop and focus on the UHA mission		
Formalize a Workplan to Operationalize the UHA		
Understand the time commitments required to operationalize the UHA		Develop a work plan
Develop or Contract with a Billing and Claims Platform		
Build and maintain a strong relationship with the billing vendor	Schedule training sessions with subsidiary organizations	Define and communicate the roles, responsibilities, and timelines for the UHO, the subsidiary organizations, and the billing platform
Evaluate Business Acumen Required to Operate a UHA		
Determine if the UHO has infrastructure to track and disperse reimbursements to subsidiaries	Develop a business model	Inventory data management capabilities

<b>Create a Financial Sustainability Plan</b>			
Evaluate the organization’s ability to operate as an MDPP supplier		Consider additional revenue sources	
<b>Establish UHA Communication and Coordination Protocols</b>			
Educate partners, such as commercial healthcare payers, the state Medicaid agency, and state health departments, on the basics and purpose of a UHA			
<b>Identify and Recruit Subsidiary Organizations</b>			
Use the UHO’s network as a starting point to recruit subsidiary organizations	Maintain consistent outreach and recruitment efforts	Engage in ongoing communication with the subsidiary organizations and the billing and claims submission vendor	Understand the reasons a potential subsidiary organization may not want to join the UHA

**Business Model for Umbrella Hub Arrangements**

Considering the business model for the UHA can help the UHO create an arrangement that: (a) meets the needs of the partners it wants to serve (subsidiary organizations) and the partners to which it wants to appeal (healthcare payers), and (b) is financially possible and sustainable for both the UHO and the subsidiary organizations. A sample UHA business model could be divided into the market offering (which includes the key assets and processes and the value proposition of the UHA) and the financial strategy (which includes the cost structure and the revenue model of the UHA).

Many factors can influence a UHA’s financial strategy, including the UHO type and structure, the subsidiary organization makeup, and the local and regional payer landscape. UHO costs include (but are not limited to): (a) costs associated with starting a UHA and (b) costs associated with ongoing operation of the UHA. To become sustainable, UHAs may consider using a multi-year financial strategy. For example, the UHA could use grant funding or other funding sources to operationalize the UHA and a combination of grant funding and payer reimbursement in subsequent years, eventually reaching the goal of the UHA operating primarily on payer reimbursement from a diverse payer mix.

**Contractual Agreements**

The UHA is a contractual entity that is bound together by a series of agreements, which may include contracts between the UHO and the billing vendor, Business Associate Agreements (BAA) between subsidiary organizations and the billing vendor, and contracts and/or a charter between the UHO and subsidiary organizations. Demonstration UHOs found that the contracting process took more time than originally anticipated, and legal assistance was utilized by several UHOs in developing their contracts. Allow around a year to fully operationalize a UHA.

**Healthcare Reimbursement**

Having multiple healthcare payers for the National DPP lifestyle change program is essential for the sustainability of the UHA. Demonstration UHOs were encouraged to enroll in Medicare and Medicaid (if applicable) and contract with Medicaid managed care organizations (MCOs), Medicare Advantage (MA) plans, commercial health plans, and self-insured employers. The Demonstration focused first on the UHOs becoming MDPP suppliers, and the Demonstration UHOs found it took significant time and resources to assemble, submit, and get approval for their MDPP supplier applications. In general, it may take around 90 days to submit and gain approval for an MDPP application.

## Sustainability

Demonstration UHOs have considered various ways to support the long-term sustainability of the UHA, in addition to contracting with multiple healthcare payers. Sustainability can be supported by retaining and increasing participants in the National DPP lifestyle change program, identifying partner organizations to assist in UHA efforts, retaining and increasing the number of subsidiary organizations that are a part of the UHA, adding other evidence-based programs to the UHA to increase revenue streams, and engaging in continuous quality improvements (CQI).

While UHAs are a new type of arrangement, the learnings from the Umbrella Hub Demonstration and other considerations in this document can give organizations valuable direction and insight to help them successfully operationalize a UHA. However, experiences and learnings may differ for other emerging UHAs.



# Umbrella Hub Arrangements

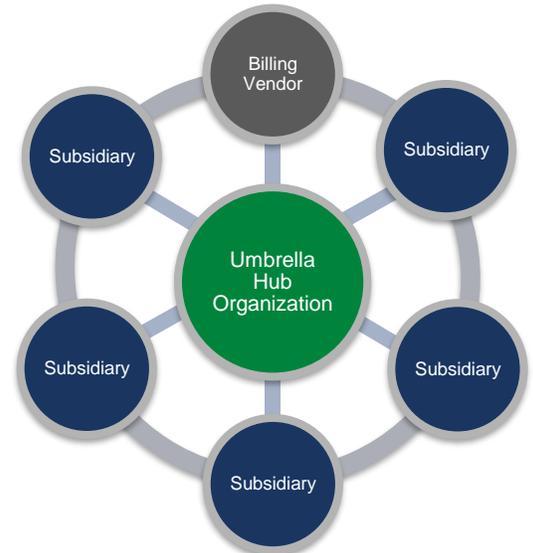
## What is an Umbrella Hub Arrangement?

**U**mbrella hub arrangements (UHAs) are a new business approach to connect community-based organizations (CBOs) with healthcare payment systems to pursue sustainable reimbursement for the National Diabetes Prevention Program (National DPP) lifestyle change program, a year-long, evidence-based program to prevent type 2 diabetes. CBO is a broad term for community-based organizations delivering the National DPP lifestyle change program and could include Federally Qualified Health Centers (FQHCs), Area Agencies on Aging (AAA), pharmacies, tribes, local health departments, faith-based organizations, extension programs, small social service agencies, and/or other small healthcare providers.

In a UHA, an umbrella hub organization (UHO) serves as the sponsoring organization for a group of CBOs, referred to as “subsidiary organizations.” These CDC-recognized subsidiary organizations are organizations that deliver the National DPP lifestyle change program and have met the quality standards set by CDC’s Diabetes Prevention Recognition Program (DPRP). Just as a hub connects all the tire components in a wheel to the rest of the vehicle, the UHO connects a group of CDC-recognized organizations to healthcare payment systems (see Figure 1). This document provides guidance for organizations interested in becoming a UHO or supporting the operation of a UHA.

For more information about UHAs, including a UHA one-pager, please see the [Umbrella Hub Arrangements](#) page of the National DPP Coverage Toolkit website.

Figure 1. Umbrella Hub Arrangements



## Why Create an Umbrella Hub Arrangement?

UHAs support CBOs with accessing healthcare reimbursement, which is the primary benefit of participating in this arrangement and the key factor in achieving program sustainability. Additional benefits of UHAs include the following (also referred to as the “value propositions” and “key assets and processes” of the UHA in the [Business Model for Umbrella Hub Arrangements](#) section of this document):

- **Operate as one Medicare Diabetes Prevention Program (MDPP) supplier:** In a UHA, the UHO is the MDPP enrolled supplier and subsidiary organizations do not separately enroll as MDPP suppliers. The subsidiary organizations participating in the UHA access Medicare reimbursement through the UHO’s MDPP supplier status.
- **Pursue sustainability and achieve economies of scale:** Participation in a UHA can help the subsidiary organizations work together to pursue sustainability and achieve economies of scale. In the context of a UHA, sustainability refers to subsidiary organizations receiving long-term reliable reimbursement from public and private payers rather than short-term funding from sources such as federal grants. Benefits of scale and network adequacy occurs as more subsidiary organizations join the UHA. This collective impact makes the network more attractive to healthcare payers.

- **Streamline billing, claims, and administrative support:** Many CDC-recognized organizations face challenges in successfully billing Medicare and other healthcare payers to receive reimbursement. A key element of a UHA is a single billing and claims submission platform used by all subsidiary organizations. For example, the billing and claims platform can either be an existing in-house platform used by the UHO that all subsidiary organizations can access, or it can be a contracted third-party platform.
- **Share CDC recognition status:** To join a UHA, each subsidiary organization must have pending, preliminary, or full recognition; however, while participating in the arrangement, all subsidiary organizations assume the recognition status of the UHO. This shared recognition status has several benefits, including enabling subsidiary organizations that entered the UHA with pending recognition to access Medicare reimbursement through the UHO’s collective recognition status.
- **Aggregate DPRP data:** While each subsidiary organization retains its individual identity as a CDC-recognized organization, one of the two CDC recognition options for UHAs requires that all participants in a UHA aggregate and submit their DPRP participant data collectively with others in the arrangement. Small CDC-recognized organizations that experience challenges in recruiting enough qualifying participants to offer at least one cohort a year (which is a requirement for retaining CDC recognition) can benefit from having participant data pooled with other UHA participants.



**Reasons to Become an  
Umbrella Hub Organization**

- Serve as a critical partner to support CBOs in the region
- Elevate the organization’s profile and involvement in the effort to prevent type 2 diabetes
- Advance health equity by increasing access to the National DPP lifestyle change program



**Reasons for Subsidiary  
Organizations to Participate in the  
Umbrella Hub Arrangement**

- Join other mission-aligned organizations
- Share CDC recognition status and operate as a single MDPP supplier with the UHA
- Receive reporting, claims, and administrative support
- Obtain administrative support to allow subsidiary organizations to focus on delivering the National DPP lifestyle change program
- Pursue sustainable reimbursement and achieve economies of scale



**Reason for a Healthcare Payer  
to Contract with an Umbrella  
Hub Arrangement**

- Gain access to a network of CDC-recognized organizations through a single contract with the UHO, rather than discrete contracts with each CDC-recognized organization
- Experience a smoother and more efficient billing process

# The Umbrella Hub Demonstration

**T**his document captures learnings from the Umbrella Hub Demonstration and general guidance for operationalizing an umbrella hub arrangement (UHA). The document will be updated as new learnings become available. The three organizations participating in the Demonstration are some of the first organizations to become umbrella hub organizations (UHOs) and test the feasibility of a UHA. For information on additional UHOs that have been approved by CDC since the start of the Umbrella Hub Demonstration, please visit the [CDC DPRP Registry website](#).

The purpose of the Umbrella Hub Demonstration is to operationalize sustainable UHAs, with UHOs that can submit claims and receive reimbursement from the Centers for Medicare and Medicaid Services (CMS) on behalf of subsidiary organizations delivering the Medicare Diabetes Prevention Program (MDPP).

Year one of the Demonstration spanned August 2019 through July 2020 and included Health Promotion Council of Southeastern Pennsylvania (HPC) and Hawaii Primary Care Association (Hawaii PCA) as UHOs. Year 2 of the Demonstration occurred from August 2020 through July 2021. During year two, Marshall University was added as the third UHO in the Demonstration. Additionally, a technology vendor, Well Health, was selected as the billing and claims vendor to support the UHOs in data aggregation and claims submission for reimbursement. The Demonstration organizations are currently in year three and one of the organizations has been approved as both a MDPP Supplier and a Medicaid enrolled provider in Pennsylvania.

Another intent of the Demonstration was to assess the feasibility of a non-delivery organization to serve as a UHO. Therefore, the organizations that were selected to participate in the Demonstration were non-delivery organizations. CDC awarded Diabetes Prevention Recognition Program (DPRP) recognition to the organizations as UHOs. Recently, CDC updated their guidance to extend recognition to other non-delivery organizations serving as UHOs. Please see: [National Diabetes Prevention Program \(National DPP\) Umbrella Hub Arrangements Guidance 11.15.21](#).

Insights from the Demonstration UHOs are indicated throughout this document using the following formatting:



Demonstration Insights

## Umbrella Hub Demonstration Organizations



### Hawaii Primary Care Association (Hawaii PCA)

Hawaii PCA is a statewide network of 15 community health centers (CHCs) that provides technical assistance and advocacy support to improve the health of communities in need. Hawaii PCA supports its health centers that provide the National DPP lifestyle change program in many ways, including training to support lifestyle coaches, direct technical assistance, data support, educational materials, quality improvement projects, and reimbursement support.



### Health Promotion Council (HPC)

HPC is a Pennsylvania-based non-profit whose mission is to promote health and prevent and manage chronic disease among vulnerable populations through community-based outreach, education, and advocacy. HPC fulfills this mission in three primary ways: direct services and programming; training, technical assistance, capacity building; and policy and systems change. In partnership with the Pennsylvania Department of Health, HPC has been building capacity of the National DPP in Pennsylvania since 2014.



### Marshall University

Marshall University is based in West Virginia and offers a variety of evidence-based programs across Appalachia and multiple states, including the Appalachian Diabetes Control and Translation project. Through this project, Marshall University aims to prevent and control diabetes through developing and providing direct technical assistance to coalitions delivering the National DPP lifestyle change program in under-resourced rural counties.

# Becoming an Umbrella Hub Organization

## *This section includes:*

- Summary of the types of organizations that can be a UHO
- Description of the activities a UHO performs for the UHA, including key learnings from the Demonstration

**O**rganizations interested in serving as an umbrella hub organization (UHO) are encouraged to become familiar with the purpose and requirements for UHOs and to review the Centers for Disease Control and Prevention (CDC) [Diabetes Prevention Recognition Program \(DPRP\) Guidance Document: Umbrella Arrangements for CDC-Recognized Organizations](#).

Previously, organizations interested in becoming a UHO were required to be delivery organizations with full or preliminary CDC recognition. However, in CDC's [National Diabetes Prevention Program \(National DPP\) Umbrella Hub Arrangements Guidance 11.15.21](#), eligibility was expanded to allow non-delivery organizations to serve as UHOs. Recognition for this type of UHA is awarded based on an evaluation of the aggregated data of the subsidiaries. For more information on obtaining CDC recognition and the different levels of recognition, refer to the [DPRP requirements](#).

Organizations that desire to serve as a UHO can request an application through the CDC [Customer Service Center](#).

## Functions of an Umbrella Hub Organization

The UHO performs a wide variety of functions that are critical to the UHA's success. Below are seven core functions of a UHO: (1) Align the Core Mission and Vision of the UHA, (2) Develop a Workplan to Operationalize the UHA, (3) Develop or Contract with a Billing and Claims Platform, (4) Evaluate Business Acumen Required to Operate a UHA, (5) Create a Financial Sustainability Plan, (6) Establish UHA Communication and Coordination Protocols, and (7) Identify and Recruit Subsidiaries. Each element is followed by related insights from the Demonstration UHOs.

UHOs are encouraged to assess their readiness to perform the various functions listed below. The National Association of Chronic Disease Directors (NACDD) and Leavitt Partners, in collaboration with state health departments, have developed a [UHO Capacity Assessment](#) which can be used to identify an interested UHO's areas of strength and potential areas for improvement.

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### Align the Core Mission and Vision of the UHA

The UHA aims to increase the capacity of organizations to deliver the National DPP lifestyle change program. Core mission alignment between the UHO and subsidiaries is essential to the foundation of the UHA and should be addressed prior to development of the UHA. Mission alignment can streamline development of the UHA, build trust between UHA partners, and strengthen the organizational capacity to provide a unified direction for all involved. For example, communicating a broader vision for the UHA—such as lowering the incidence of type 2 diabetes in a specific community—can help strengthen organizational commitment to operationalize the UHA.



## Demonstration Insights

- **Focus on the UHA's mission:** Keeping overall goals in mind (e.g., supporting subsidiary organizations in their efforts to deliver the National DPP lifestyle change program to prevent type 2 diabetes) helped the Demonstration UHOs navigate the challenges of starting a new business arrangement. Documenting goals and mission statements helped the organizations define shared objectives. To learn how Demonstration UHOs used charters to define the UHA's mission, see the [Charters](#) section of this document.

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## Develop a Workplan to Operationalize the UHA

Potential UHOs are encouraged to inventory their internal resources such as staffing, administrative capacity, and financial status, and compare those resources to the resources necessary to operationalize a UHA. Additionally, UHO staff should have a detailed understanding of the National DPP lifestyle change program. This will facilitate the UHO's ability to operationalize the UHA and provide support for subsidiary organizations. The modifiable slide deck, which will be coming soon on the [Umbrella Hub Arrangements](#) page of the National DPP Coverage Toolkit, can be utilized to assist organizations in developing their overall workplan.



## Demonstration Insights

- **Understand the time commitments required to operationalize the UHA:** Demonstration UHOs found the start-up phase took between 6-12 months. This included gathering the necessary documents and requirements for the MDPP application, meeting with subsidiary organizations to explain the details of the UHA, determining and explaining how the UHO would distribute claims payments to subsidiary organizations, and meeting with senior leadership to discuss decisions about the UHA.
- **Develop a work plan:** Demonstration UHOs found that a work plan helped identify the key tasks, timeline, staff, and resources needed to operationalize the UHA. A detailed work plan can help UHOs stay on track with actions such as recruiting subsidiary organizations, completing CDC's UHA application, executing contracts with subsidiary organizations, enrolling in Medicare, adding subsidiary organizations to a Medicare enrollment, and establishing accounting processes for claims reimbursement distribution. The [UHO checklist](#) that was developed from Demonstration learnings can be used to create a work plan.

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## Develop or Contract with a Billing and Claims Platform

A function of a UHA is to submit claims to public (Medicare and Medicaid) and commercial healthcare payers on behalf of the subsidiary organizations. It is recommended that organizations seeking to serve as a UHO assess their willingness and capacity to work with a billing and claims vendor or determine whether they have an in-house platform to submit claims that all subsidiary organizations could easily access and use. The billing and claims vendor may be able to create multiple efficiencies for subsidiary organizations including streamlining the referral and enrollment process, simplifying participant data entry, recording attendance and weight loss milestones, and submitting data to CDC and claims to healthcare payers.

When selecting a billing vendor, UHOs are encouraged to consider their budget, personnel, resources, and the cost of the billing platform relative to the payer reimbursement rate and any administrative fees the UHO charges subsidiary organizations. CDC's [National DPP Umbrella Hub Arrangements Guidance 11.15.21](#) notes that start-up costs and/or ongoing operational costs associated with the use of billing platform or vendor are handled between the UHO and the subsidiary organizations and CDC will not review these business arrangements. CDC guidance on purchasing billing and delivery platforms is in development and will be available soon.



## Demonstration Insights

- **Build a strong and lasting relationship with a billing vendor:** The UHOs that participated in the Demonstration contracted with a vendor to submit claims. Demonstration UHOs and their billing vendor, Welld Health, fostered a strong working relationship. Welld Health has provided technical assistance to the Demonstration UHOs as they operationalize and continues to provide ongoing trainings, maintenance, and payer updates for the Demonstration UHOs.
- **Schedule training sessions with subsidiary organizations:** Demonstration UHOs scheduled training sessions for subsidiary organizations to help them feel comfortable using the platform to submit claims and to understand the extent of its capabilities.
- **Define and communicate the roles, responsibilities, and timelines for the UHO, the subsidiary organizations, and the billing platform:** UHOs should clearly specify subsidiary roles and required timelines for data entry in the billing platform. Claims denied because of inaccuracies can be costly and time consuming, so it is incumbent on the UHO and subsidiary organizations to work together to ensure submitted claims are accurate and on time.

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## Evaluate Business Acumen Required to Operate a UHA

The UHA relies on the UHO to handle reimbursements, manage data, and make business related decisions for the UHA. It is recommended that potential UHOs assess their readiness to engage in all business and financial requirements associated with UHA participation. For additional resources to evaluate an organization's capacity to serve as a UHO, please reference the [UHO Capacity Assessment](#).



## Demonstration Insights

- **Determine if the UHO has sufficient infrastructure to handle reimbursements:** UHOs are tasked with receiving reimbursement payments from the Centers for Medicare and Medicaid Services (CMS) and other healthcare payers and distributing them to subsidiary organizations. Consider whether the UHO has the experience or adequate resources to handle reimbursement payments. For example, one Demonstration UHO had concerns with directly receiving claims reimbursements and then redistributing the reimbursements to their subsidiary organizations who provided the services. It took several conversations to resolve these concerns and to formulate a plan on how to accomplish these tasks.
- **Develop a business model:** Demonstration UHOs developed business models to support the UHO and the subsidiary organizations. To learn more about UHA business models, see the [Business Model for Umbrella Hub Arrangements](#) section of this document.

- **Inventory data management capabilities:** Demonstration UHOs developed data management and storage protocols and implemented security measures to meet Health Insurance Portability and Accountability Act (HIPAA) standards are in place.

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## Create a Financial Sustainability Plan

The UHO is responsible for the long-term financial sustainability of the UHA through grant funding and revenue from healthcare reimbursements. Per CDC's [National DPP Umbrella Hub Arrangements Guidance 11.15.21](#), UHOs are required to activate an agreement with at least one payer within two years of submitting their UHA application. Because of this, UHOs are encouraged to enroll as a Medicare Diabetes Prevention Program (MDPP) supplier and in state Medicaid programs (where applicable), and to contract with Medicaid managed care organizations (MCOs), Medicare Advantage (MA) plans, commercial health plans, and self-insured employers. For more information about financial sustainability and potential healthcare payers, see the [Health Care Reimbursements for Umbrella Hub Arrangements](#) section below. Other factors that contribute to the overall sustainability of the UHA can be found in the [Building a Sustainable Umbrella Hub Arrangement](#) section of this document.



### Demonstration Insights

- **Evaluate the organization's ability to operate as an MDPP supplier:** The Demonstration UHOs were not MDPP suppliers prior to becoming UHOs. The process to become a MDPP supplier can take several months and involves dedicated staff time and persistence. Demonstration UHOs experienced some unexpected delays, particularly with their MDPP enrollment application, which contributed to extended timelines and added costs. For more information about becoming a MDPP supplier, see the UHO MDPP Supplier Enrollment Guide, available on the [Umbrella Hub Arrangement](#) page of the National DPP Coverage Toolkit.
- **Consider additional revenue sources:** The Demonstration UHOs aspire to have Medicaid MCOs or other commercial healthcare payers help fund the UHA to minimize what subsidiary organizations must pay to participate in the UHA. These talks with commercial healthcare payers remain ongoing as of December 2021. To learn more about UHA revenue sources, see the [Additional Healthcare Payers](#) section of this document

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## Establish UHA Communication and Coordination Protocols

UHAs involve internal coordination with subsidiary organizations and external coordination with partners, including healthcare payers, and likely a billing and claims vendor. Potential UHOs are encouraged to assess their capacity for ongoing communication and coordination with UHA partners. Resources such as the modifiable slide deck, which is coming soon to the [Umbrella Hub Arrangements](#) page of the National DPP Coverage Toolkit, can be used to assist UHOs in developing marketing and communication strategies for their UHA.



## Demonstration Insights

- **Educate partners:** As early adopters, Demonstration UHOs educated key partners—such as commercial healthcare payers, the state Medicaid agency, and their state health departments—on the basic components and purpose of a UHA. As UHAs become more prevalent the need for education should decrease; however, new UHOs are wise to expect the need for some level of education for the key partners in their arrangement.
- **Engage in ongoing communication with subsidiary organizations:** Demonstration UHOs held regular meetings with the subsidiary organizations and the billing and claims vendor to maintain or establish strong relationships with all UHA participants. Open communication and transparent decision making helped UHA participants understand the goals of the arrangement.

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## Identify and Recruit Subsidiaries

When enough subsidiary organizations and participants are engaging in the UHA, benefits of economies of scale may be realized. UHAs are benefited by the UHO taking an active role in building a robust network of subsidiary organizations, as well as identifying opportunities to increase National DPP lifestyle change program participant recruitment and retention. UHOs may need to identify subsidiary organizations that serve priority populations. For more information, see the [Building a Sustainable Umbrella Hub Arrangement](#) section of this document.



## Demonstration Insights

- **Use the UHO's network as a starting point:** Demonstration UHOs had strong relationships with each of their original subsidiary organizations. These strong relationships allowed for trust between the UHOs and their subsidiary organizations, which was valuable given the newness of the UHA concept and the unknowns inherent in participating in a demonstration project.
- **Maintain consistent outreach and recruitment efforts:** The sustainability of the model is increased as additional subsidiary organizations join the arrangement. Demonstration UHOs continually assess the need to discuss the benefits of UHA participation with potential subsidiary organizations. Demonstration sites also report engaging potential subsidiary organizations during other projects or meetings to maintain communication and build relationships.
- **Understand the value proposition of the UHA and needs of individual subsidiary organizations:** While identifying and recruiting subsidiaries, Demonstration UHOs appealed to potential subsidiary organizations using the value propositions described above and adapted recruitment strategies to align with the individual organizational needs.
- **Recognize the reasons a potential subsidiary organization may not want to join the UHA:** In addition to understanding and communicating the value proposition of the UHA, knowing the reasons a potential subsidiary organization chooses not to join the UHA can help the UHO target future outreach. For example, Demonstration UHOs found that some potential subsidiary organizations were concerned about the costs of participating in the UHA or already had billing and claims submission capabilities.

# Business Model for Umbrella Hub Arrangements

**This section includes:**

- Introduction to the UHA business model, including definitions and unique aspects of the UHA business model
- Visual of the UHA business model
- Discussion of UHA financial strategies
- Learnings from the Demonstration

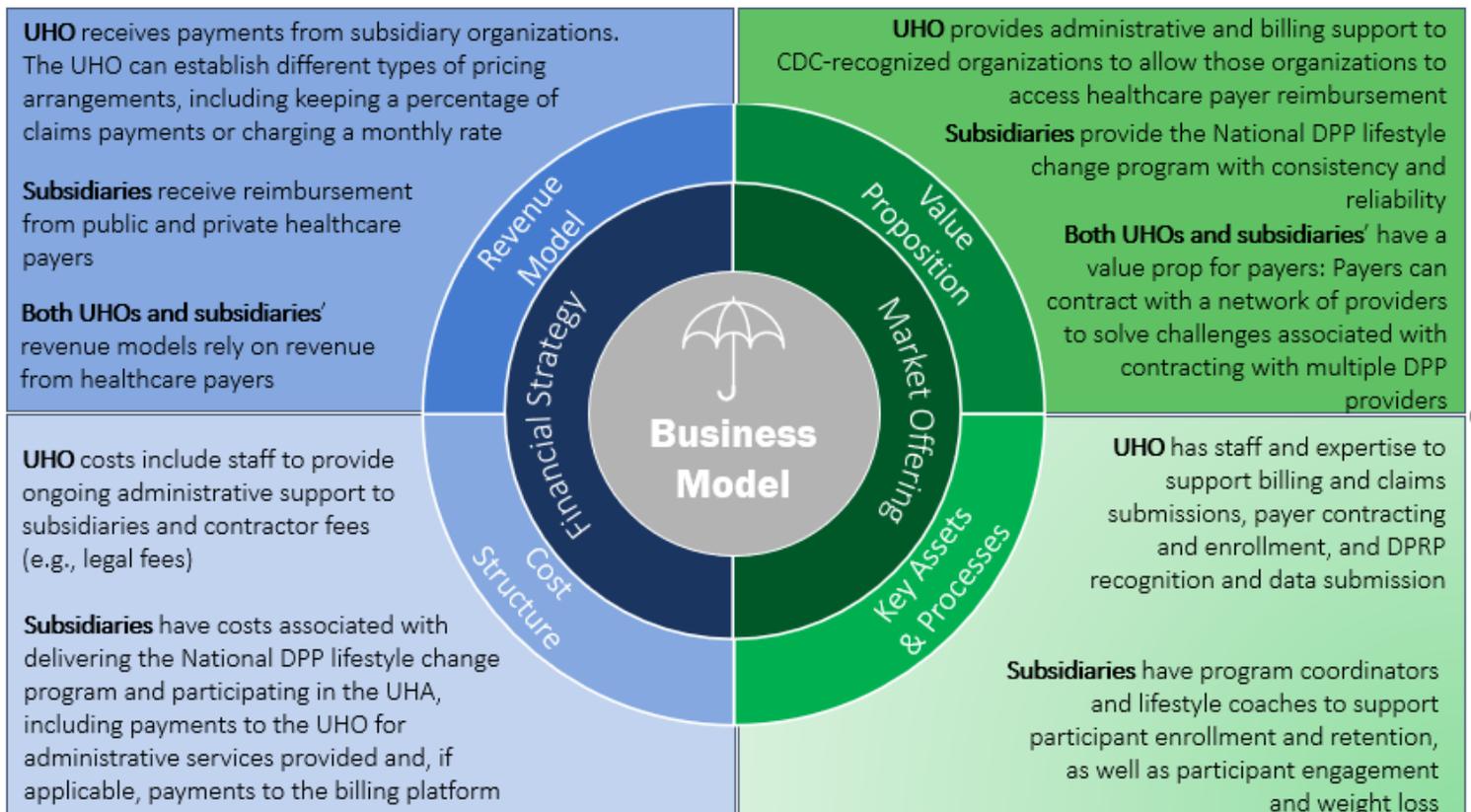
**A** business model refers to the design for the successful operation of a business. It includes how to appeal to customers, how to identify revenue sources, and how to understand costs. Considering the business model for the umbrella hub arrangement (UHA) can help the umbrella hub organization (UHO) create an arrangement that: (a) meets the needs of the partners it wants to serve (subsidiary organizations)

and the partners to which it wants to appeal (healthcare payers), and (b) is financially possible and sustainable for both the UHO and the subsidiary organizations.

Figure 2 below shows a sample UHA business model and is intended to provide a framework for UHOs. UHOs are advised to adapt the business model to fit the needs and goals of their organization and the UHA or to develop a business model more appropriate to their needs. Given that the Demonstration UHOs are still in the process of operationalizing their UHAs, the UHA business model has yet to be fully tested.

The sample UHA business model below is divided into the market offering (which includes the key assets and processes and the value proposition of the UHA) and the financial strategy (which includes the cost structure and the revenue model of the UHA). The [Why Create an Umbrella Hub Arrangement?](#) section of this document discusses the key assets and processes offered by a UHA, and the value proposition of a UHA for the UHO, subsidiary organizations, and healthcare payers. A discussion of the UHO [cost structure](#) and [revenue model](#) is found below.

**Figure 2: Sample UHA Business Model**



## Business Model Definitions

- **Financial Strategy:** The UHA’s revenue and costs
- **Costs:** The expenses for standing up and operationalizing the UHA
- **Revenue Sources:** How the UHA will receive money to operate and become sustainable
- **Market Offering:** What the UHA is providing to the partners it aims to serve (subsidiary organizations) and the partners to which it wants to appeal (healthcare payers)
- **Value Proposition:** What makes the UHA attractive to the UHO, potential subsidiary organizations, and healthcare payers
- **Key Assets and Processes:** The processes and assets the UHO will deliver on its value proposition to subsidiary organizations and healthcare payers

## Financial Strategy

Many factors can influence a UHA’s financial strategy, including the UHO type and structure, the subsidiary organization makeup, and the local and regional payer landscape. The financial strategy for the UHA includes both considerations for the cost structure and the revenue model used.

### Cost Structure

UHA costs include (but are not limited to): (1) costs associated with starting a UHA and (2) costs associated with ongoing operation of the UHA.



#### Potential Start-up Costs

- Staff time to identify and recruit subsidiary organizations
- Staff time to complete the Centers for Disease Control and Prevention (CDC) UHO application
- Staff time to identify and contract with a billing vendor (or ensure in-house billing capabilities will meet the needs of the UHA)
- Staff time to determine how the UHA will access payer reimbursement (e.g., complete the Medicare Diabetes Prevention Program (MDPP) enrollment application, if the UHO is not already MDPP-enrolled; enroll in Medicaid, if available in the UHA’s state; and/or contract with and submit claims to private healthcare payers)
- Legal fees (if the UHO engages outside legal counsel to support the development and execution of contracts with the subsidiary organizations and the billing vendor (see the [Contracts](#) section of this document for more information))



#### Potential Ongoing Costs

- Staff time to support claims and Diabetes Prevention Recognition Program (DPRP) submissions
- Staff time to respond to technical assistance requests from subsidiary organizations
- Staff time to meet with subsidiary organizations and the billing vendor
- Costs associated with increasing the sustainability of the UHA (for more information see the Sustaining Umbrella Hub Arrangements section)

## Revenue Model

### Revenue from Payers and Other Funders

Unless the UHO has enough capital to set up the UHA, the UHO will likely need to look for startup funds from external organizations. Potential funders—whether public or private—can help launch a successful and sustainable UHA by supplementing costs before payer reimbursement reaches sustainable levels.

UHAs may consider using a multi-year approach to achieve sustainability. For example, the UHA could use grant funding or other funding sources to operationalize the UHA and a combination of grant funding and payer reimbursement in subsequent years, eventually reaching the goal of the UHA operating primarily on payer reimbursement from a diverse payer mix.

### Payment from Subsidiary Organizations

UHOs are encouraged to consider the following about payments from subsidiary organizations:

- **How much will the UHO collect as payment from subsidiary organizations?** To support the cost of operating the UHA, UHOs will likely charge the subsidiary organizations a fee for the administrative services provided. However, UHOs have flexibility in how the fee is structured and how much they charge subsidiary organizations to offset the UHO’s administrative functions.
- **How will the UHO handle specific costs associated with the billing vendor?** The UHO can determine whether to build these costs into the payment subsidiaries make to the UHO, or to pass the costs through to subsidiaries per the vendor’s fee schedule.
- **When will the UHO collect payments from subsidiary organizations?** The UHO has flexibility in setting up the payment process. The UHO could carve out its required payment before distributing the healthcare payer claims reimbursements to subsidiary organizations or receive a payment from the subsidiaries after passing on full reimbursements to subsidiary organizations.

If the UHO decides to carve out its required payments from subsidiary organizations before distributing claims payments, the UHO could decide to take a percentage of the claims payments or apply a fixed dollar amount to each claim payment.

If the UHO decides to seek payments from subsidiary organizations separately from claims payment, the UHO could consider the three possible ways to structure the financial payments from subsidiary organizations depicted in Figure 3. These approaches are not inclusive of all options.

**Figure 3: Approaches to Financial Payments from Subsidiary Organizations**



#### Fixed Payment

The UHO is paid a predetermined, fixed amount that is divided evenly among the subsidiary organizations.



#### PMPM Payment

The UHO is paid a per member per month (PMPM) amount from the subsidiary organizations. The amount of money the UHO receives depends on the total number of participants spread across the subsidiary organizations.

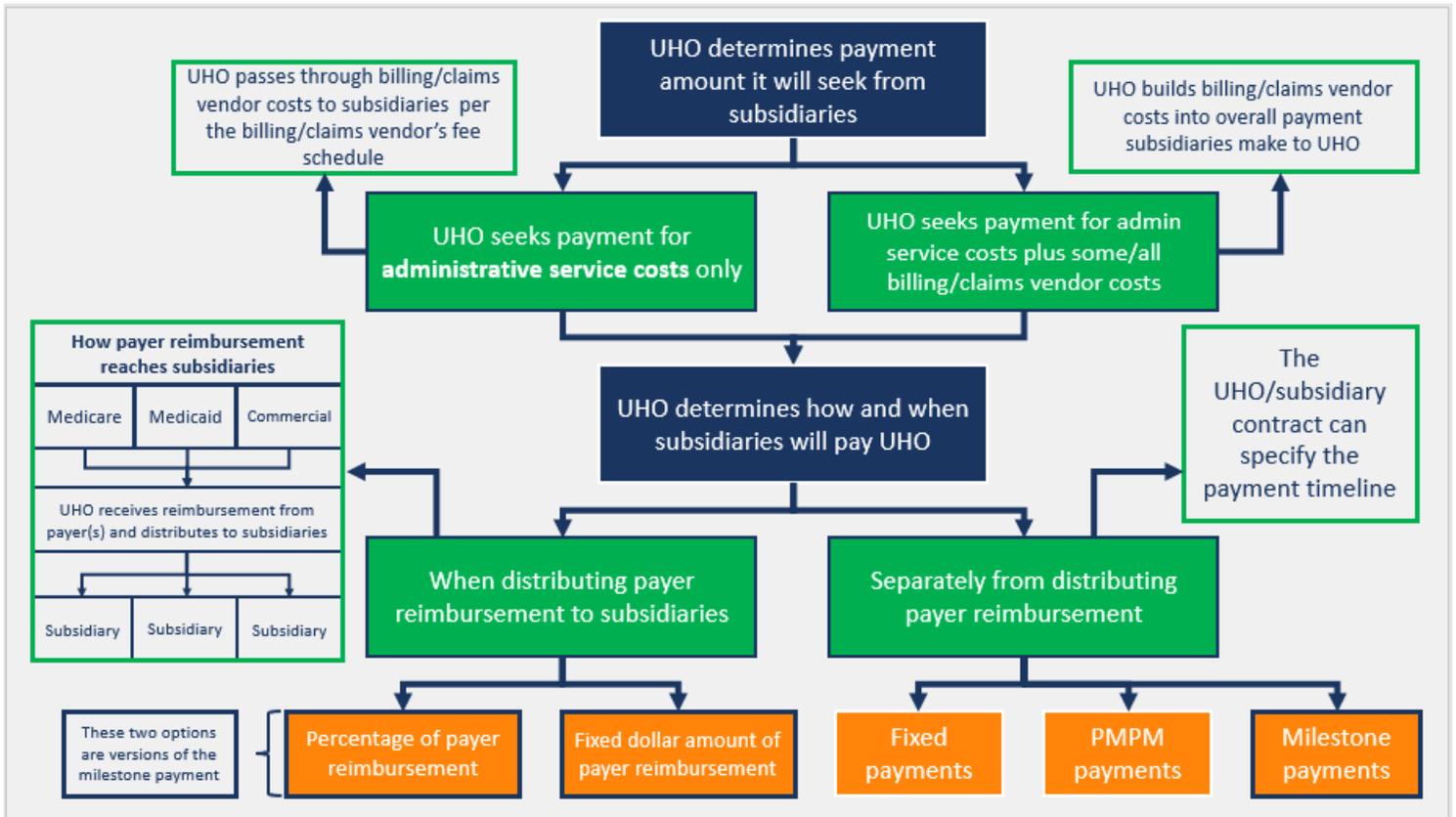


#### Milestone-Based Payment

The UHO is paid a percentage of the subsidiary organizations’ reimbursements if certain milestones are reached.

During the Demonstration, the National Association of Chronic Disease Directors (NACDD) and Leavitt Partners summarized the considerations for subsidiary payments to the UHOs as depicted in Figure 4, below.

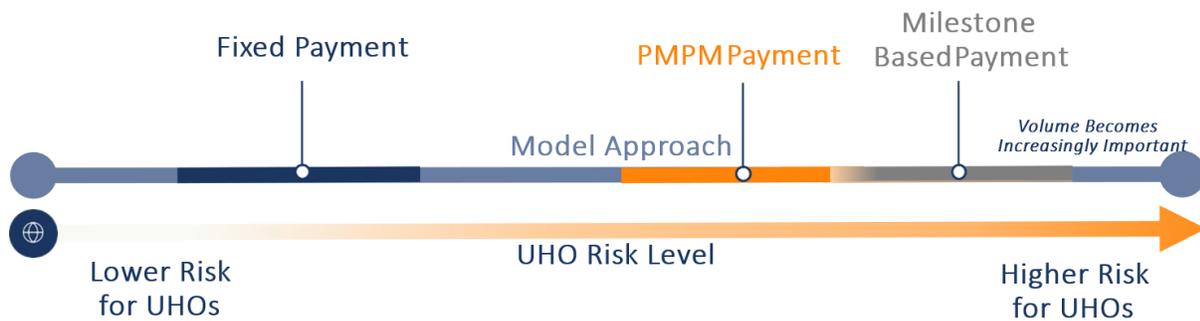
Figure 4: Structuring Subsidiary Payments



### Risk Considerations

The different ways the UHO can collect payment from subsidiary organizations involve different levels of financial risk for the UHO and the subsidiary organizations (see Figure 5 on the following page). For example, if the UHO is using a fixed payment approach—meaning that the subsidiary organization will pay the UHO a predetermined and set amount regardless of the subsidiary program’s enrollment or reimbursement from healthcare payers—then the UHO is incurring lower financial risk because the UHO will be paid regardless. Conversely, in a milestone-based payment arrangement where the UHO receives payment from subsidiary organizations based on the subsidiary organization’s claims reimbursements from healthcare payers, the UHO is incurring more financial risk—and indeed sharing in the risk with the subsidiary organizations. Although it introduces more risk for the UHO, a shared risk model, such as milestone-based payment, could benefit the entire UHA by aligning the UHO’s and the subsidiary organizations’ incentives to access healthcare payer reimbursement.

Figure 5: Financial Risk Levels



### Demonstration Insights

- **Determine the appropriate payment model for your organization:** UHOs in the Demonstration are planning on retaining a percentage of healthcare payer claims reimbursement to cover administrative costs before distributing reimbursement to the subsidiary organizations. All agreements are decided on and included in contracts or charters between the subsidiary organizations and UHOs.
- **Model different payment scenarios:** UHOs are encouraged to sketch out different scenarios for how much they will charge subsidiary organizations that participate in the UHA and how those charges will be applied. In these efforts, Demonstration UHOs have considered variables such as: available reimbursement from healthcare payers (e.g., MDPP fee schedule), participant volume in subsidiary organizations' programs, participant retention and weight loss, billing vendor fees (annual, start-up, and other), the UHO's costs of operating the UHA, and amounts subsidiary organizations pay to the UHO for administrative fees.
- **Establish an accounting system that allows the UHO to distribute reimbursement to subsidiary organizations:** The UHO is responsible for reconciling and distributing payments to subsidiaries. Demonstration UHOs often had to establish new accounting processes that allowed them to accept payment from Medicare and other payers and distribute those payment to subsidiary organizations. For example, Demonstration UHOs obtained separate banking deposit accounts and UHO-specific identifiers to assist in keeping reimbursements separate and distinct from other lines of business. For more information on creating a business entity for the UHO, please see the UHO MDPP Supplier Enrollment Guide, available on the [Umbrella Hub Arrangements](#) page of the National Diabetes Prevention Program (National DPP) Coverage Toolkit.

# Contractual Agreements for Umbrella Hub Arrangements

**This section includes:**

- Description of the various contracts that may be needed between UHOs, subsidiary organizations, and billing vendors
- Information on the benefit of executing UHA charters

**W**hen an umbrella hub arrangement (UHA) is formed, the subsidiary organizations and the umbrella hub organization (UHO) become a new business entity. The UHA is a contractual entity that is bound together by a series of agreements. The UHO is providing services for subsidiary

organizations, and this requires the subsidiary organizations to enter a contract with the UHO. Likewise, if the UHA is using a billing vendor, the UHO and each subsidiary organization will have a contract with the billing vendor. Finally, a charter between the UHO and each subsidiary can help align all participants in the UHA to a shared vision and purpose.

## Contracts

Contracts detail the expectations, roles, and responsibilities for each entity in the UHA. Figure 6 illustrates the contracting arrangement in the Umbrella Hub Demonstration, though each UHA may be unique in its contracting arrangement.

Figure 6: Contracting Arrangement in the Umbrella Hub Demonstration

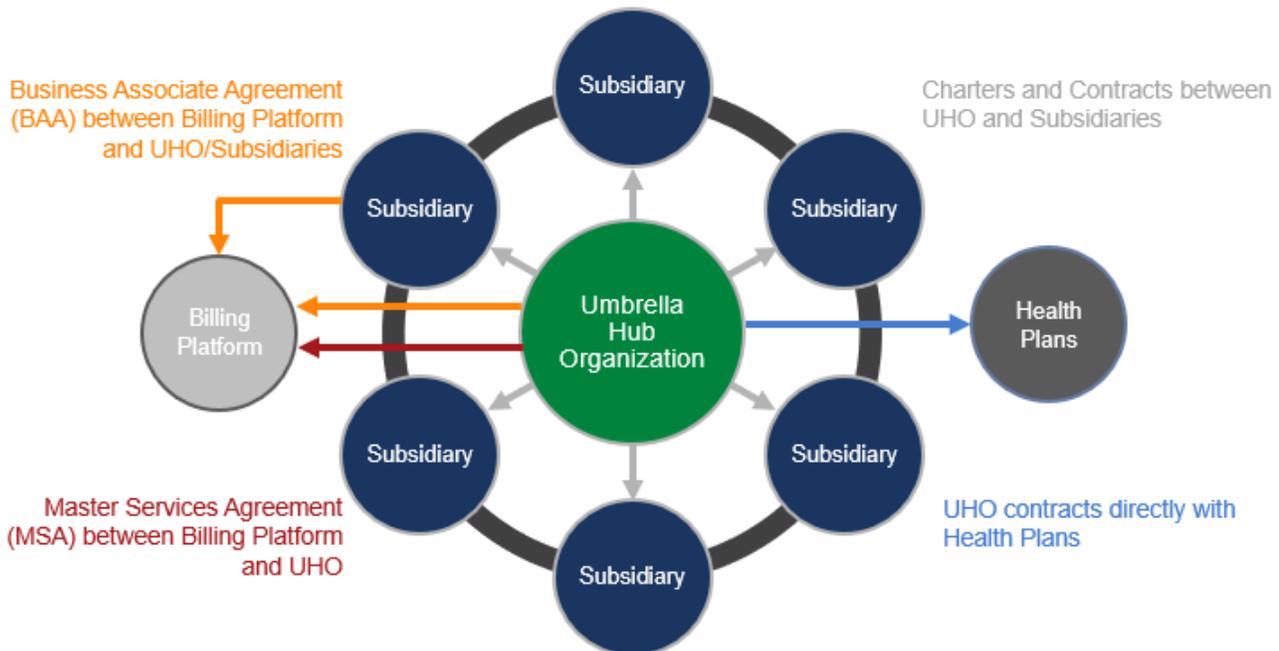


Figure 7 below describes example content in the various UHA contracts. For sample business associate agreements (BAAs), see the [Umbrella Hub Arrangement](#) page of the National Diabetes Prevention Program (National DPP) Coverage Toolkit.

Figure 7: Examples of Potential Content in UHA Contracts



### Contracts Between UHOs and Billing Vendors

- Expectations for both parties on claims submission and other types of data submission, including timelines and responsibility for data accuracy and completeness
- Expectations for the payment amount and timing of payment the UHO will make to the billing vendor
- Expectations for how the subsidiary organizations' data can be used



### Contract Between UHO and Subsidiary Organizations

- Expectations for subsidiary organization payment to the UHO for administrative services and/or vendor fees
- Expectations on subsidiary performance related to CDC-recognition parameters



### BAA Contract Between Subsidiary Organizations and Billing Vendor

- Expectations for use of private health information and compliance to Health Insurance Portability and Accountability Act (HIPAA) standards
- Expectations for payment amount and timing of payment the UHO and/or the subsidiary organizations will make to the vendor

## Charters

Although a charter is not required, having a shared agreement on the structure and operating principles of the UHA can establish a shared vision for the UHA. Additionally, the charter can state the UHA's goals and outline the roles and responsibilities of the UHO, the subsidiary organizations, and the billing vendor. For sample charters from the Demonstration, see the [Umbrella Hub Arrangements](#) page of the National DPP Coverage Toolkit.



### Demonstration Insights

- **Provide enough time and resources for contracting efforts:** Demonstration UHOs found that the contracting process took more time than originally anticipated. In general, it took around a year to operationalize a UHA including contracting between entities.
- **Hire a lawyer or use in-house legal counsel to assist in contract development and review:** Demonstration UHOs noted legal teams were a valuable resource for resolving language concerns and other concerns in their contracts.
- **Collaborate with subsidiary organizations to develop a charter:** Demonstration UHOs worked closely with their subsidiary organizations to develop a charter. Collaborating on the charter builds trust between the UHO and subsidiary organizations and helps establish agreement on the mission of the UHA.
- **Develop HIPAA-compliant processes:** At least one Demonstration UHO provided HIPAA training to their subsidiary organizations and found secure ways to store and share data.

# Reimbursement for Umbrella Hub Arrangements

**This section includes:**

- Enrolling as an MDPP supplier
- Barriers UHOs encountered when enrolling as MDPP suppliers
- Description of the role of the Medicare Administrative Contractors (MACs)
- Additional healthcare payers

**F**or the Demonstration, umbrella hub organizations (UHOs) were required to become Medicare Diabetes Prevention Program (MDPP) suppliers and connect subsidiary organizations to fee-for-service (FFS) Medicare reimbursement. However, having multiple healthcare payers for the National Diabetes Prevention Program (National DPP) lifestyle change program is essential for the sustainability of the UHA.

Demonstration UHOs were encouraged to also enroll in Medicaid (if applicable) and contract with Medicaid managed care organizations (MCOs), Medicare Advantage (MA) plans, commercial health plans, and self-insured employers. This section provides a brief introduction into the components of the MDPP supplier application and claims submission, as well as provides information on other payer types. For detailed instructions on completing the MDPP supplier application and completing MDPP claims, please reference the UHO MDPP Supplier Enrollment Guide, available on the [Umbrella Hub Arrangements](#) page of the National DPP Coverage Toolkit.

## Fee-For-Service Medicare

### Enrolling in Medicare as a Medicare Diabetes Prevention Program Supplier

UHAs interested in becoming a MDPP supplier need to apply through the Centers for Medicare and Medicaid Services (CMS). For additional information on how to enroll your UHA as a MDPP supplier refer to the UHO MDPP Supplier Enrollment Guide, available on the [Umbrella Hub Arrangements](#) page of the National DPP Coverage Toolkit. After an organization is approved by the Centers for Disease Control and Prevention (CDC) to become a UHA, the UHA will submit a single MDPP supplier application on behalf of all the subsidiary organizations in the UHA.

### Medicare Administrative Contractors (MACs)

For UHOs, Medicare Administrative Contractors (MACs) approve MDPP applications and process Medicare FFS claims. MACs are multi-state, regional contractors responsible for administering Medicare FFS claims. CMS relies on a network of MACs to serve as the primary operational contact between the Medicare FFS program and the healthcare providers (including MDPP suppliers) enrolled in the program. For more information on MACs, see CMS' [What is a MAC](#) webpage and the UHO MDPP Supplier Enrollment Guide, available on the [Umbrella Hub Arrangements](#) page of the National DPP Coverage Toolkit.

UHOs will develop a relationship with their MAC that starts with the MDPP application and extends through the claims submission and reimbursement process. Different regions across the United States have different MACs. UHOs can find out in which MAC region they operate [here](#).

### Provider Enrollment Chain and Ownership System (PECOS)

The Provider Enrollment Chain and Ownership System (PECOS) is where organizations manage the details of their MDPP supplier application. For a subsidiary organization to utilize the UHOs billing services, it will need to be listed on the UHA's MDPP application in PECOS.

To provide timely payment of claims, UHOs are responsible for keeping PECOS updated, including additions to the lifestyle coach roster and location changes for community settings or administrative sites. UHOs are encouraged to create a plan with their subsidiary organizations for communicating any changes to their coach roster so that the UHO may make necessary changes in PECOS. Claims will not be paid for any sessions delivered by a coach not listed on the roster.

### MDPP Application and Claims Submission Components

Completion of the MDPP supplier application will require UHOs to establish themselves as a business entity, which involves acquiring and understanding several business components. These include National Provider Identifiers (NPIs), Provider Transaction Access Numbers (PTANs), Legal Business Names (LBNs), and Tax Identification Numbers (TINs). Brief descriptions of these components are provided below. For more information on these components and how they relate to the MDPP application and claims submission, please see the UHO MDPP Supplier Enrollment Guide, available on the [Umbrella Hub Arrangements](#) page of the National DPP Coverage Toolkit.

- **National Provider Identifier (NPI):** Unique 10-digit numbers to be used by health care providers in standard transactions, such as health care claims. There are two types of NPIs: A Type 1 NPI is for individual suppliers of services; for example, physicians, or National DPP lifestyle change program coaches. A Type 2 NPI is for the organization; for example, the UHO with CDC recognition. **UHOs need to get a Type 2 NPI.**
- **Provider Transaction Access Number (PTAN):** The number issued by the UHO's MAC after processing of the UHO's MDPP application. This number is required to enroll and submit claims for Medicare FFS, as well as many Medicare Advantage plans. No claims can be submitted for service dates that pre-date the effective date of your PTAN.
- **Legal Business Name (LBN):** The official name of the individual or organization under which the company conducts business.
- **Tax Identification Number (TIN):** Unique identifier used by regulatory bodies to identify every legal organization. It is recommended the UHO obtain a new TIN for the UHA. Benefits of establishing a unique TIN for the UHA include taxation and risk mitigation, separation of UHA-related deposits, ease-of-use when engaging with commercial payers, and increased likelihood of approval during Electronic Remittance Advice (ERA) enrollment (method to receive electronic notification of remittance on claims).



### Demonstration Insights

Completion of the MDPP supplier application has been a learning process during the Demonstration. One of the three Demonstration UHOs has achieved MDPP supplier status and each UHO has contributed valuable insights to the MDPP supplier application process. Challenges faced by the Demonstration UHOs while completing the MDPP supplier application are provided below. As an overall learning when completing the MDPP supplier application, UHOs are encouraged to thoroughly review, understand, and obtain the information necessary for completion prior to submitting the application. Ensuring accuracy of the MDPP supplier application can help expedite the process of the UHO obtaining MDPP supplier status.

Challenges to Completing the MDPP Supplier Application	Description
Obtaining required information from the UHO’s leadership and board members	<p>Demonstration UHOs needed to educate their organization’s leadership on the MDPP supplier enrollment process and on the required information for the MDPP supplier application. Of particular concern from leadership and board members was sharing their personal information, such as social security numbers, birthdates, and fingerprints. For MDPP supplier applications, the requirement to share personal information is dependent on the ownership structure of the enrolling entity. For example, non-profit 501(c)(3) organizations generally do not have owners and typically only have individuals with managing control, and therefore, would not be subject to the fingerprint requirements. For more information on these requirements, please refer to the <a href="#">CMS MDPP FAQ site</a> for additional information.</p>
Designating a person who can talk to the UHO’s MAC representative	<p>Demonstration UHOs were made aware of the need for a designated spokesperson to communicate with their MAC representative. Only the individual identified as the authorized user on the MDPP supplier application may communicate with the assigned MAC. Opportunities may present for the authorized user and another UHO team member to join a call with the MAC, at which time the authorized user may give permission for the other UHO team member to communicate with the MAC representative and leave the call. However, these decisions are up to individual MACs.</p>
Ensuring consistency of organizational information on the MDPP supplier application	<p>One Demonstration UHO submitted their MDPP supplier application and listed their entity name. However, the name included on the application did not match up word-for-word with their LBN. Since the correction was not received by CMS in a timely manner their application was denied, which resulted in time consuming delays. To help resolve this, UHOs are encouraged to ensure accuracy prior to completing the MDPP supplier application and to promptly respond to application feedback to avoid approval delays.</p>
Obtaining an organizational NPI	<p>As part of the MDPP supplier application, the UHO is required to get an organizational NPI (Type 2 NPI). To keep MDPP services and payer enrollments separate from existing lines of business, organizations that are planning to submit an MDPP supplier application should obtain a new Type 2 NPI that will be used for all National DPP lifestyle change program transactions. One Demonstration UHO had concerns with being the entity to get the organizational NPI because they do not have healthcare billing and claims submission experience, however, this UHO formed a partnership with an internal department with MDPP billing experience to assist in completing this process and with billing.</p>
Committing adequate time and resources to the completion of the MDPP application	<p>The Demonstration UHOs found it took more time than anticipated to assemble, submit, and get approval for their MDPP supplier applications. This can also include application follow up. For example, after one Demonstration UHO submitted its MDPP application, the MAC had additional follow-up requests, which delayed the UHO becoming an MDPP supplier. Additionally, one Demonstration UHO experienced a loss of application data after several months of inactivity in the application portal. It is recommended to keep back-up files of all documents gathered for the MDPP supplier application.</p>

## Additional Healthcare Payers

Having multiple healthcare payers for the National DPP lifestyle change program supports the sustainability of the UHA by increasing the quantity and stability of UHA revenue. In the context of a UHA, sustainability refers to when the subsidiary organizations are receiving reimbursement for delivering the National DPP lifestyle change program from reliable reimbursement dollars that can be maintained over a protracted period, rather than receiving reimbursement from short-term funding, such as grant funding.

Since the inception of the National DPP in 2012, CDC and its partners have focused on expanding the reach and coverage of the program so that all payers are involved – Medicare, Medicaid, state employee benefit plans, commercial health plans, and employers. A growing number of state Medicaid agencies offer coverage, and so do an increasing number of commercial and employer payers.

UHOs may consider enrolling as a Medicaid provider if the National DPP lifestyle change program is a covered Medicaid benefit in their state. Even if a state has not achieved coverage of the National DPP lifestyle change program, opportunities may be present to contract with Medicaid MCOs offering reimbursement for the program. For more information, see the [Engaging MCOs to Attain Coverage](#) page of the National DPP Coverage Toolkit. UHOs can also contract with Medicare Advantage plans, commercial health plans, and self-insured employers. An organization still must be a recognized Medicare supplier to be able to provide services for Medicare Advantage plan members. To see which public and private healthcare payers are covering the National DPP lifestyle change program, see the [Participating Payers](#) page of the National DPP Coverage Toolkit.

Because many healthcare payers are unfamiliar with UHAs, UHOs can expect to have multiple conversations with healthcare payers before securing a commitment to the UHA, particularly with those where there was not a previous relationship. For resources to assist in communicating and marketing the UHA to payers and other partners, see the [Umbrella Hub Arrangements](#) page of the National DPP Coverage Toolkit.



### Demonstration Insights

- **Prepare to educate Medicaid agencies on UHAs:** One Demonstration UHO successfully enrolled as a Medicaid provider in their state's Medicaid program. The UHO held multiple meetings with the Medicaid agency and state health department to raise awareness of the purpose and structure of their UHA.
- **Prepare for multiple meetings with payers:** One Demonstration UHO reported several Medicaid MCOs were enthusiastic about the UHA; however, as of December 2021, the UHO and the MCOs remained in negotiations over the reimbursement rate.
- **Engage the state health department:** The state health department may be able to convene partners, including payers, for a meeting or webinar that features the UHA. Considering the novelty of the UHA approach, plan to spend time educating state health departments or other partners on the basics of a UHA. For additional resources, direct partners to the [UHA Basics webinar](#) and other resources on the National DPP Coverage Toolkit [Umbrella Hub Arrangements](#) page.

# Sustaining Umbrella Hub Arrangements

## *This section includes:*

- Considerations for ensuring a sustainable UHA, including retention of participants, subsidiary organizations, and payer contracts
- Suggestions for continuous UHA review and improvement

**U**mbrella hub organizations (UHOs) participating in the Demonstration understood the necessity of considering avenues to support the sustainability of the umbrella hub arrangement (UHA) beyond contracting with additional healthcare payers. Below are the considerations that the Demonstration UHOs, in partnership with the Centers for Disease Control and Prevention (CDC), the National Association of Chronic Disease Directors (NACDD), and Leavitt Partners, identified that can contribute to the sustainability of an umbrella hub arrangement (UHA). This section does not include specific learnings from the Demonstration but does provide sustainability topics to consider.

## Retaining and Increasing Participants

UHOs can support their subsidiary organizations by helping increase participant enrollment and retention in lifestyle change programs. For example, UHOs can work with healthcare providers to increase referrals to the subsidiary organizations' programs. UHOs can also support subsidiary organizations with best practices to increase enrollment in programs, such as implementing effective strategies for outreach to eligible individuals. To improve retention, UHOs can support subsidiary organizations with best practices such as providing engaging and culturally relevant curricula. For more information on National Diabetes Prevention Program (National DPP) lifestyle change program participants recruitment and retention, see the [Recruitment and Referral](#) and the [Retention](#) pages of the National DPP Coverage Toolkit.

## Identifying Additional Partners

Although UHAs are not required to have partner organizations, such organizations can contribute to the UHAs sustainability. Partner organizations can include the state or local health departments, local diabetes advocacy and prevention organizations, health care providers, employers, private businesses, other CBOs, or State Quality Specialists (SQS), a network of specialists at the state level trained by CDC to provide technical assistance to organizations offering the National DPP lifestyle change program. Additionally, 1705 organizations, organizations funded by CDC to build out the National DPP infrastructure in currently underserved areas, can also provide valuable partnerships through the national reach they are able to access. These partners can provide a variety of support to the UHA such as additional funding or publicity, referrals of eligible individuals, or offering services that can support participants' retention in the National DPP lifestyle change program. Additionally, because social determinant of health factors, such as transportation or childcare, can influence whether an individual enrolls and remains in the program, strategic partnerships providing wrap around services can help increase participant enrollment and retention. For more information on SQS, please visit the [October 2021 NACDD Impact Brief](#) on SQS. For more information on 1705 organizations, please see the [Additional Resources](#) page of the National DPP Coverage Toolkit.

## Increasing and Retaining Subsidiary Organizations

Adding more subsidiary organizations to the UHA can grow the UHA network and make it more attractive to healthcare payers. UHOs should maintain consistent outreach to potential subsidiaries to continually develop the UHA. To recruit new subsidiary organizations, UHOs can identify and outreach to organizations that may benefit from joining the UHA. New subsidiary organizations to consider include organizations that serve unique populations, have beneficial relationships with healthcare providers, or that serve a new geographic area.

UHOs can retain existing subsidiaries by providing additional support as time and resources allow. By understanding the need and suggestions of subsidiary organizations, UHOs can help subsidiary organizations to increase their organizational capacity, such as by identifying additional lifestyle coaches or helping subsidiary staff access lifestyle coach training.

## Considering Other Evidence-Based Programs

Adding evidence-based, reimbursable programs such as diabetes self-management education and support (DSMES) can increase revenue streams. Additional programs may also increase the UHA's attractiveness to payers because payers can contract with one UHA rather than multiple organizations and give their members access to a variety of disease prevention and management services. UHOs interested in the UHA offering more programs may want to consider the capacity of subsidiary organizations to deliver the programs, the cost of adding new programs, and the available reimbursement for those programs.

## Engaging in Continuous Quality Improvements (CQI)

Continuous quality improvement (CQI) can strengthen the UHA and build payer and healthcare provider confidence in the arrangement. To engage in CQI, the UHO can assess the UHA's challenges, areas for improvement, and opportunities for growth to improve the outcomes of the UHA's National DPP lifestyle change programs. Areas for improvement may include lifestyle coach training and support and participant recruitment and enrollment. UHOs are advised to solicit their subsidiary organizations' input into the quality improvement process to develop improvement actions that have the buy-in from all appropriate UHA participants.

# Appendix A: Terminology

**Billing and claims platform:** An electronic platform able to bill and receive payments from the Centers for Medicare and Medicaid Services (CMS) and other payers. In a UHA, the billing and claims platform can either be an in-house platform used by the UHO that all subsidiary organizations can access, or the UHO can contract with a third-party vendor for these services.

**Business Associate Agreement (BAA):** An agreement required by the Health Insurance Portability and Accountability Act (HIPAA) Rules in which organizations execute contracts with their business associates to ensure that the business associates will appropriately safeguard protected health information.

**Business Model:** The design for the successful operation of a business and includes how to appeal to customers, how to identify revenue sources, and how to understand costs. The UHA Business Model contains two separate models, one for the UHO, and one for the subsidiary organization. Each model provides a breakdown of the six components of the UHA Business Model, including the market offering, value proposition, key offerings, financial strategy, revenue sources, and costs.

- Market Offering: What the UHA is providing to partners it aims to serve (subsidiary organizations) and partners to which it wants to appeal (healthcare payers)
- Value Proposition: What makes the UHA attractive to potential subsidiary organizations and healthcare payers
- Key Assets and Processes: The assets and processes the UHO will deliver on its value proposition to subsidiary organizations and healthcare payers
- Financial Strategy: The UHA's revenue and costs
- Revenue Sources: How the UHA will get money to operate and become sustainable
- Costs: The expenses for standing up and operationalizing the UHA

**CDC-recognized organization:** An organization that is qualified to deliver the National Diabetes Prevention Program (National DPP) lifestyle change program because they have either pending, preliminary, or full recognition from the Centers for Disease Control and Prevention (CDC).

**Community-based organization (CBO):** A broad term for organizations delivering the National DPP lifestyle change program and can include Federally Qualified Health Centers, Area Agencies on Aging, pharmacies, tribes, local health departments, faith-based organizations, extension programs, small social service agencies, and/or other small healthcare providers.

**Continuous Quality Improvement (CQI):** A term used to describe ongoing assessment initiatives organizations may put in place to ensure efficiency and effectiveness of processes.

**Diabetes Prevention Recognition Program (DPRP):** The quality assurance arm of the National DPP is charged with evaluating organizations' performance in effectively delivering the lifestyle change program with quality and fidelity. The DPRP awards CDC recognition to organizations that are using a CDC-approved curriculum and achieving outcomes with participants based on established evidence-based national standards.

**Electronic Funds Transfer (EFT):** A method for receiving remittance funds. Most health plans choose to issue remittance using EFT.

**Fee-for-service (FFS):** A reimbursement method in which healthcare providers are paid for each individual service that is performed. FFS reimbursement in Medicare is often referred to as traditional Medicare.

**Healthcare payers:** A public program or private company that reimburses providers for services. In UHAs, the UHO may contract with a variety of healthcare payers for subsidiary organizations, allowing the subsidiary organizations to access multiple healthcare payer reimbursement streams. In addition to enrolling in Medicare as a MDPP supplier and in Medicaid, UHOs can contract with:

- Medicare Advantage (MA) plans: Private plans that provide coverage to more than one-third of Medicare beneficiaries. Per the 2018 Medicare Diabetes Prevention Program (MDPP) Final Rule, MA plans are required to cover the MDPP for eligible beneficiaries.
- Medicaid managed care organizations (MCOs): Private plans that contract with Medicaid agencies in many states to provide coverage to Medicaid beneficiaries. Even in states that do not have the National DPP lifestyle change program as a Medicaid benefit, MCOs may be interested in contracting with the UHO to help their members prevent or delay the onset of type 2 diabetes.
- Self-insured employers: Many large employers self-fund their healthcare plans, which means they pay the healthcare claims for their employees and dependents. These employers may be interested in contracting with a UHO to help their employees prevent or delay the onset of type 2 diabetes.
- Other private healthcare payers: Private plans that ensure the large employer market may also be interested in contracting with the UHO.

**Healthcare providers:** Refers to doctors, nurses, physician assistants, and other clinicians. Healthcare providers are key partners because they can help identify and refer eligible patients to the UHA.

**Legal Business Name (LBN):** The official name of the individual or organization under which the company conducts business.

**Medicare Administrative Contractors (MACs):** The Medicare Administrative Contractors (MACs) are private healthcare insurers that have been contracted to process supplier applications, issue supplier PTANs and process all Medicare Part A & Part B and Medical Durable Equipment claims for FFS beneficiaries (traditional Medicare).

**Medicare Diabetes Prevention Program (MDPP) supplier:** An organization with either preliminary or full (not pending) CDC recognition that successfully completes the CMS application to become an MDPP supplier. In UHAs, the UHO will be the MDPP supplier; subsidiary organizations will bill CMS for reimbursement through the UHO.

**National Plan and Provider Enumeration System (NPPES):** Registry system created by CMS to manage NPI issuance.

**National Provider Identifier (NPI):** A unique 10-digit number that reflects the Health Insurance Portability and Accountability Act (HIPAA) Administrative Standard. It may be associated with an individual or an organization and is used in healthcare transactions such as claims, enrollment requests and other related transactions.

**Provider Enrollment Chain and Ownership System (PECOS):** An online portal that supports the Medicare Provider and Supplier enrollment process by allowing registered users of PECOS to submit and manage Medicare enrollment information securely and electronically.

**Provider Transaction Access Number (PTAN):** A Medicare-issued number given to providers upon enrollment with Medicare.

**Subsidiary organization:** A CDC-recognized community-based organization participating in the UHA that delivers the National DPP lifestyle change program and receives administrative support from the UHO. Subsidiary organizations may also be referred to as affiliates.

**Sustainability:** In the context of a UHA, sustainability refers to when the subsidiary organizations are receiving reimbursement for delivering the National DPP lifestyle change program from reliable reimbursement dollars that

can be maintained over a protracted period, rather than receiving reimbursement from short-term funding, such as grant funding.

**Tax Identification Number (TIN):** Unique identifier used by regulatory bodies to identify every legal organization. It is recommended the UHO obtain a new TIN for the UHA. Benefits of establishing a unique TIN for the UHA include taxation and risk mitigation, separation of UHA-related deposits, ease-of-use when engaging with commercial payers, and increased likelihood of approval during Electronic Remittance Advice (ERA) enrollment (method to receive electronic notification of remittance on claims).

**Umbrella hub arrangement (UHA):** Overarching term that refers to the entire group, inclusive of the UHO, subsidiary organizations, and the billing platform. This term is distinct from the term UHO (see below). The UHA may also be referred to as the umbrella arrangement or hub arrangement.

**Umbrella hub agreements:** Refers to contracts and charters or other business documents. These can include, but are not limited to, the following:

- Contract between the UHO and subsidiary organizations, detailing the roles, responsibilities, and expectations of all parties involved, including any financial arrangement between the UHO and subsidiary organizations.
- Charter between the UHO and subsidiary organizations, detailing the UHA's mission, goals, and purpose.
- Master services agreement between the UHO and billing platform vendor, detailing the roles, responsibilities, and expectations of all parties involved.
- Business associate agreement and/or data use agreement, detailing expectations for private health information and/ or expectations for data use. These agreements are often between subsidiary organizations and the billing platform vendor and between the UHO and billing platform vendor.

**Umbrella Hub Demonstration:** Refers to the CDC-funded Demonstration project. The Demonstration will document best practices and lessons learned in connecting CBOs with the healthcare payment system through a UHA.

**Umbrella hub organization (UHO):** In a UHA, the UHO is an organization with full or preliminary CDC recognition that agrees to serve as the sponsoring hub for a group of subsidiary organizations that have CDC pending, preliminary, or full recognition. The UHO provides administrative support to subsidiary organizations so organizations can focus on delivering the National DPP lifestyle change program.

**UHA Payment Model:** A description of how and when UHOs collect payments from subsidiary organizations for the administrative and billing services provided by the UHO. Three payment models were presented to the Demonstration's organizations for consideration, including fixed payment, per member per month (PMPM), and milestone-based payments.

- **Fixed payment:** The UHO is paid a predetermined, fixed amount that is divided evenly among the subsidiary organizations.
- **Per member per month (PMPM):** The UHO is paid a per member per month (PMPM) amount from the subsidiary organizations. The total number of participants (members) spread across the subsidiary organizations determines the payment amount a UHO receives.
- **Milestone-based:** The UHO is paid through receiving a certain percentage of the subsidiary organizations' reimbursements if certain milestones are reached.

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The National Association of Chronic Disease Directors

Promoting Health. Preventing Disease.

The National Association of Chronic Disease Directors (NACDD) and its more than 7,000 members seek to strengthen state-based leadership and expertise for chronic disease prevention and control in states and nationally. Established in 1988, in partnership with the U.S. Centers for Disease Control and Prevention, NACDD is the only membership association of its kind to serve and represent every chronic disease division in all states and U.S. territories. For more information, visit [chronicdisease.org](http://chronicdisease.org).

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