

CHCS

Center for
Health Care Strategies, Inc.



Pay for Performance and Medicaid

IHA Audio Conference

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Driving Forces



CMS Centers for **Medicare & Medicaid** Services

Rewarding Results
Aligning Incentives with High-Quality Health Care

Value-Driven Health Care

Transparency: Better Care Lower Cost

NCQA *Measuring the Quality of America's Health Care*



INTEGRATED
HEALTHCARE
ASSOCIATION

Driving Forces within Medicaid



HIGH
 ↑
 Level of Difficulty
 ↓
 LOW

	Focus	Examples
Step 5	Quality/Efficiency	<ul style="list-style-type: none"> •Managing and integrating care (top 1-3%) •Paying for performance •Making the business case •Using HIT/HIE
Step 4	\$\$-Driven Desperate Measures	<ul style="list-style-type: none"> •TBD as states are figuring out that just cutting is not slowing the rate of growth....
Step 3	Eligibility	<ul style="list-style-type: none"> •Increasing premiums (e.g., CHIP kids) •Capping enrollment /eliminating optional groups
Step 2	Services	<ul style="list-style-type: none"> •Capping benefits/visits (e.g., 4 Rx limit) •Eliminating optional services (e.g. dental)
Step 1	Reimbursement	<ul style="list-style-type: none"> •Across the board rate cuts •Eliminating inflationary adjustments

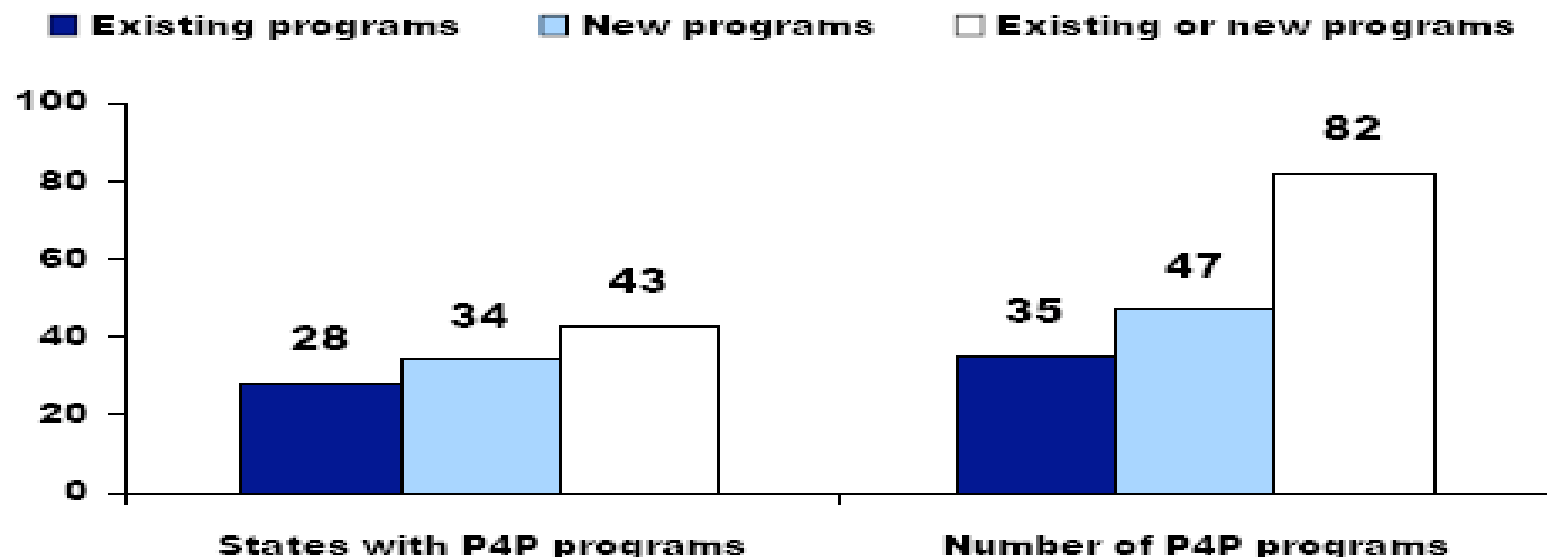


Trends in Medicaid Pay for Performance

Trend #1: Medicaid P4P is Growing



Figure ES-1. Count of States and Programs in State Medicaid Pay-for-Performance Programs



- More than 50% of Medicaid programs are operating 1 or more P4P initiatives (hospital, HMO, BHO, DMO, nursing home, physician)
- In next five years, nearly 85% of states will be operating Medicaid P4P programs

Trend #2: Moving towards physician level incentives



- More Medicaid health plans implementing P4P
- States with PCCM and Disease Management Programs implementing P4P (e.g. PA, ID)
- States with managed care programs considering standardized P4P approaches across all HMOs (e.g., AZ, CT)

Physician Level Incentives



- CHCS Purchasing Institute
- 7 states (AZ, CT, ID, MA, MO, OH, WVA)
- Developing standardized physician level P4P programs
- Implementing within managed care, primary care case management, and disease management programs
- Working closely with CMS

Trend #3: Moving Measurement Beyond Moms and Kids



Stage 1: Moms and Kids	<ul style="list-style-type: none">• Prenatal/Post Partum Care• Breast/Cervical Cancer Screening• Well Child Care• Adolescent Care• EPSDT
Stage 2: Chronic Care	<ul style="list-style-type: none">• Asthma• Diabetes• CHF• CAD• Depression
Stage 3: Future Needs	<ul style="list-style-type: none">• Care Coordination• Medical Home• Physical Health/Behavioral Health Integration

Trend #4: Also, Paying for Participation



- Enrollment of both members and providers in chronic disease management programs (e.g., PA, ID)
- Participation in quality improvement initiatives either sponsored by state, health plan, professional societies, or NCQA (e.g., CA plans, Rochester plans)

Trend #5: Also, Paying for Infrastructure



- Investment in clinical information systems such as registries, EMRs, e-prescribing (e.g. AL, NY, MO)
- Investment in practice site improvement (e.g. NC, Partnership Health Plan, Monroe Health Plan)

Trend #6: Improving Quality and Raising All Boats



- Medicaid generally avoids tiering or relative scales
- Per unit and improvement bonuses more common (e.g. Local Initiative Rewarding Results project)
- Not wanting to “penalize” providers
- Concerns about low base payment rates and access
- General philosophy of providing support to as many providers as possible

Trend #7: Aligning Physician and Consumer Incentives



- Concern about patient engagement
- Dearth of studies about effectiveness
- Administratively complex



Trend #8: CMS Medicaid Engagement



- CMS Medicaid and SCHIP Quality Strategy includes Performance-Based Payment
- State Medicaid Director policy letter
- Additional policy guidance
 - 105% cap on MCO and physician level incentives

Trend #9: Linking P4P and ROI



- CHCS Return on Investment Purchasing Institute – 8 states participating, several with P4P programs
- Use of Return on Investment Forecasting Calculator
 - Help determine where to make investments in quality
 - Make a financial case for obtaining resources for quality investments
 - Analyze trade-offs associated with resource allocation alternatives
- Calculator also provides source of assumptions for predicting financial impacts (evidence Base)

Trend #10: Moving Towards Regional Collaboration?



- Medicaid plans considering joining IHA
- States considering or have joined RWJF regional Aligning Forces for Quality (WA, OR, OH) and are leading CHCS Regional Quality Improvement program (AR, RI, Rochester)
- Medicaid participation with BTE (MN)
- Potential synergies between Medicare and Medicaid on nursing home efforts

Challenges



For regional collaboration:

- Limited scope of national measures for Medicaid populations
- Different networks between Medicaid and commercial

For Medicaid in general:

- Low payment rates
- Access concerns
- Link between P4P and broader payment reform efforts
- Payment to “public” providers



"Is there a doctor who accepts Medicaid in the house?"



MISSION

To improve the quality and value of health care services for people with chronic health needs, the elderly, and racially and ethnically diverse populations.

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