



South Dakota
Department of
Social Services

DEPARTMENT OF SOCIAL SERVICES

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To: Health Homes

From: South Dakota Medicaid

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RE: CY2019 Quality Incentive Payment

This year, the payment methodology was revised in conjunction with a Subgroup of the Implementation Workgroup. We want to thank them for their assistance in revising this methodology.

During the 2018 legislative session, the Legislature provided DSS \$1 million to reward quality and incentivize participation in the Health Home Program. Half of that appropriation went to increasing the PMPM payments by 16% effective for the January-March quarter of 2018. This left approximately \$500,000 of state and federal funds to reward Health Homes annually for achieving quality thresholds in the Health Home program. DSS made the first quality incentive payment using CY2017 data in May 2019. DSS made a second quality incentive payment using CY2018 data in May 2020. The payment made this year uses CY2019 data.

To receive a Health Home Quality Incentive payment, providers must have participated in the Health Home program during the outcome measurement year, be in good standing with the program by providing a core service to at least 50% of their caseload, and reporting outcome measures for each recipient that was provided a core service.

The small caseload clinic payment pool continues to be \$75,000 and will be divided equally to those who qualify. To determine if a Health Home should receive the small caseload payment, South Dakota Medicaid averaged the number of recipients on the caseload receiving a Health Home core service for each Health Home for every month of the measurement year. To qualify for this payment, providers must have been an active Health Home Provider during the outcome measurement year and have an average of 15 or less recipients in their caseload that received a core service.

The remaining \$425,000 will be used to fund the clinical outcome measure payment, based on the clinical outcome measures submitted by each clinic to South Dakota Medicaid. These measures help demonstrate the successful provision of core services to Health Home recipients and demonstrates the provider's successful implementation of the Health Home model. South Dakota Medicaid worked with a subgroup to establish targets for each of the outcome measures. The outcome measure payment recognizes quality of care by rewarding providers who either improved

from the previous calendar year on a specified measure or met/exceeded the established the target for each measure.

South Dakota Medicaid chose two types of measures for the new methodology:

1. Measures that showed a successful implementation of the Health Home Model, where the clinic had complete control over the outcome.
2. Measures requiring recipient compliance.

South Dakota worked with our stakeholder group to weigh each measure appropriately. The weights of the 10 measures totaled 100 and are outlined in the table below.

Measure	Weight
Depression Follow-Up Plan Documented	10
Substance Abuse Positive Referred	10
Chronic Pain Follow-up	10
Care Transition F/U	15
Active Care Plan	15
Recipients with Self Mgmt. Ability who use Tools	8
BMI in Control	8
Mammogram up to date	8
Colonoscopy up to date	8
Blood Pressure in Control	8

Once measure weights were assigned, the past year's and the current year's outcomes were compared for improvement or attainment. Each measure is reviewed and awarded 0.0 points for no improvement/attainment, 0.5 points for improvement, or 1.0 point for attaining and/or exceeding the target.

A Caseload Severity Score was calculated for each clinic based on the average number of recipients in each Tier whom they provide a core service every month and applied to each measure. Scores were assigned to each Tier as follows:

- Tier 1 - 0.25
- Tier 2 - 0.50
- Tier 3 - 0.75
- Tier 4 – 1.00

The Caseload Severity Score was calculated as follows [number of recipients in Tier 1*0.25] + [number of recipients in Tier 2 * 0.50] + [number of recipients in Tier 3 * 0.75] + [number of recipients in Tier 4 * 1.00].

Each measure's total score was calculated using the following equation: (Improvement or attainment score * weight) * caseload severity score.

The Clinic Composite Score is the sum of each measure's total. Dollars per point were assigned by taking the Clinical Outcome Payment Dollars (\$425,000) divided by the sum of all Clinic Composite

Scores. The Clinical Outcome Payment is calculated by multiplying the dollar per point by the individual clinic's Clinic Composite Score. A Health Home's total payment is the sum of the Small Caseload Incentive Payment and the Clinical Outcome Measure Payments.

Please note that the payment methodology used to calculate this payment is subject to approval by Centers for Medicare and Medicaid Services (CMS) through the State Plan Amendment (SPA) process. If the SPA is not approved or CMS requires revisions to the payment methodology that impact the calculation, the payment may be adjusted by South Dakota Medicaid.