



Health Home Quality Incentive Payments

Health Home Implementation
Workgroup

December 18, 2018

Background

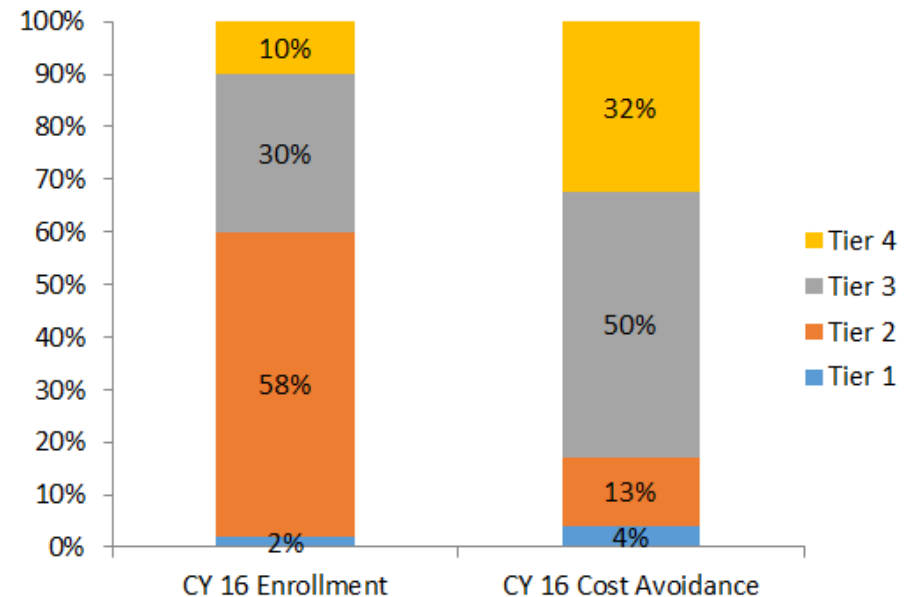
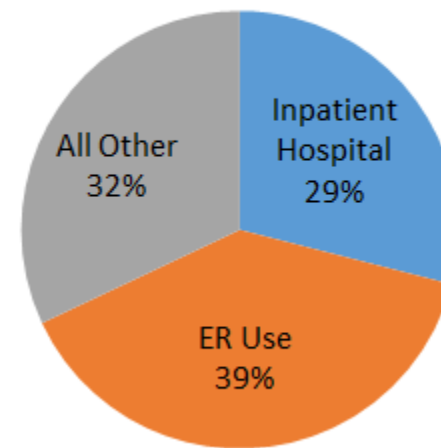


- During the 2018 Legislative Session, the Legislature provided just under \$1 million to incentivize Health Home participation and in recognition for helping SD Medicaid to avoid \$7.7 million in CY 2016.
 - 50% of the money went to **all Health Homes** by increasing PMPM around 16%. Took effect for the January –March 2018 quarter.
 - The remainder of the funds will be used for Health Home Quality Incentive Payments.
 - Quality incentive payments to be paid as a lump sum payment.

Cost Avoidance Drivers

- In CY 2016, 68% of cost avoidance was derived from a decrease in inpatient admissions and emergency room use.
- In CY 2016, tiers 3 and 4 yielded the greatest portion of the cost avoidance.
- Clinic process changes drove outcomes in these areas.

% of Cost Avoidance



- Convened a subgroup of Health Home representatives to determine a payment methodology for the Quality Incentive Payments.
 - Representatives from all provider systems serving as Health Homes.
 - Group met twice in October to give feedback and recommend a methodology.

What we heard

- DSS Original Proposed Methodology:

$$\begin{array}{ccccccc} \text{Quality} & = & \text{Case} & + & \text{Clinical} & + & \text{Inpatient} & + & \text{Emergency} \\ \text{Incentive} & & \text{Mix} & & \text{Outcome} & & \text{Utilization} & & \text{Room} \\ \text{Payment} & & & & \text{Measures} & & & & \text{Utilization} \end{array}$$

- Subgroup Feedback on key elements for the Quality Incentive Payments:

- ER and Inpatient Utilization:
 - Concern about small numbers and the effect of relatively few IP and ED events to drastically impact the rate of utilization.
 - Concerns about small numbers in the outcomes data.
- Case Mix:
 - Group wants to recognize Tier 2 as well as Tier 3 and 4.
 - Concern about challenges for small/rural programs.
- Clinical Outcome Measures:
 - Revised the measures removing some and adding others based on previous discussion.
 - Want to recognize highest performing clinics.
 - Payment should reward clinics above statewide average.

Selected Clinical Outcome Measures



- Clinical Outcome Measures:
 - Depression Follow-up Plan
 - Substance Use Positive Referred
 - Ability to Self Manage
 - Uses Self-Management Tools
 - Chronic Pain Follow-up Plan
 - Patient Management (Proactively remind patients of services needed)
 - Care Transitions : Follow up within 72 hours of discharge
 - Patient has an active Care Plan
 - CMCH only – Recipient Prescriptions Refill 85% of the time
 - PCP only - Has seen PCP in the last 6 months
 - Mammogram up to date
 - Colorectal Screening up to date

Revised Methodology

$$\begin{array}{l} \text{Quality} \\ \text{Incentive} \\ \text{Payment} \end{array} = \begin{array}{l} \text{Case} \\ \text{Mix} \end{array} + \begin{array}{l} \text{Small} \\ \text{Clinic} \\ \text{Payment} \end{array} + \begin{array}{l} \text{Clinical} \\ \text{Outcome} \\ \text{Measures} \\ \text{Quartile} \\ \text{Payment} \end{array} + \begin{array}{l} \text{Clinical} \\ \text{Outcome} \\ \text{Measures} \\ \text{Caseload \& Tier} \\ \text{Payment} \end{array} + \begin{array}{l} \text{Inpatient} \\ \text{Utilization} \end{array} + \begin{array}{l} \text{Emergency Room} \\ \text{Utilization} \end{array}$$

- Revised key elements for payment:
 - **Case Mix** – Removed Case Mix Payment and added as a factor to clinical outcome measures.
 - **Small Clinic Payment** – Recognized clinics with average caseload 15 or fewer participants with a small clinic payment.
 - **Clinical Outcome Measures** – Calculated overall quality score based on clinic's standard deviation across all outcome measures. Split into two components:
 - Quartile Payment: Recognizes clinics in the top half of the top quartile (clinics above the statewide average) with \$2,500 and clinics in the bottom half of the quartile with \$1,500.
 - Caseload and Tier Payment: Payment based on caseload size and tier to clinics above the statewide average.
 - **Inpatient/Emergency Room Utilization** – Removed due to data concerns.

Payment Model



Clinic Number	Caseload	Quality Score	Small Clinic Payment	Clinical Outcome Measures Quality Quartile Payment	Clinical Quality Outcome Measures Caseload & Tier Payment	Total
1	4	2	\$1,357.14	\$1,500.00	\$1,045.50	\$3,902.64
2	28	1		\$1,500.00	\$5,258.33	\$6,758.33
3	9	-3	\$1,357.14			\$1,357.14
4	16	1		\$1,500.00	\$4,134.75	\$5,634.75
5	7	2	\$1,357.14	\$1,500.00	\$1,350.75	\$4,207.89
6	31	0				\$0.00
7	2	0	\$1,357.14			\$1,357.14
8	13	1	\$1,357.14	\$1,500.00	\$3,144.58	\$6,001.73
9	5	3	\$1,357.14	\$2,500.00	\$1,546.67	\$5,403.81
10	39	3		\$2,500.00	\$9,477.25	\$11,977.25
11	40	2		\$1,500.00	\$10,661.58	\$12,161.58
12	7	4	\$1,357.14	\$2,500.00	\$1,217.17	\$5,074.31
13	6	-1	\$1,357.14			\$1,357.14
14	1	1	\$1,357.14	\$1,500.00	\$105.00	\$2,962.14
15	1	2	\$1,357.14	\$1,500.00	\$138.50	\$2,995.64
16	4	-1	\$1,357.14			\$1,357.14
17	5	1	\$1,357.14	\$1,500.00	\$1,638.75	\$4,495.89
18	15	-1	\$1,357.14			\$1,357.14
19	41	-1				\$0.00
20	2	1	\$1,357.14	\$1,500.00	\$603.00	\$3,460.14

Next Steps

- Payment require a State Plan Amendment(SPA).
- SPA sent out for public comment on December 10th.
- Payments will be made in lump sum using CY2017 data as soon as SPA receives approval.