DSS
Strong Families - South Dakota's Foundation and Our Future

Health Home Quality Incentive Payments

Medicaid Advisory Committee

November 8, 2018

Background

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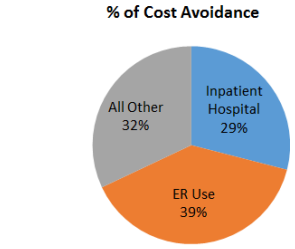
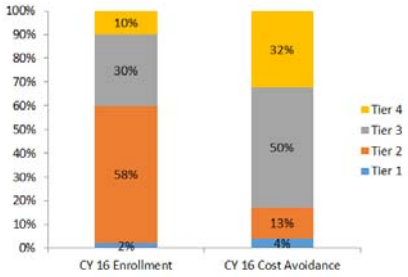
Strong Families - South Dakota's Foundation and Our Future

- 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.





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Process

- 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.

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What we heard

- DSS Original Proposed Methodology:

Quality Incentive Payment = Case Mix + Clinical Outcome Measures + Inpatient Utilization + Emergency Room Utilization

- 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.

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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

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Revised Methodology

Quality Incentive Payment = ~~Case Mix~~ + Small Clinic Payment + Clinical Outcome Measures Quartile Payment + Clinical Outcome Measures Caseload & Tier Payment + ~~Inpatient Utilization~~ + ~~Emergency Room Utilization~~

- 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.

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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

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Next Steps

- State will use additional input to finalize the formula.
- Present to the Health Home Implementation Workgroup.
- State Plan Amendment (SPA)
- Payments will be made in lump sum using CY2017 data

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