

Medicaid Fee-for-Service Reform

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Wednesday, February 22, 2012

Colorado Department of Health Care Policy & Financing



Introduction

Fee-for-Service Medicaid

- How to Improve FFS without a complete overhaul
- Learning from the ACC
- Gainsharing – upside / no downside

A multi-faceted approach to reform

- Many reforms at once – see what works, coordinate efforts
- Build on other reform efforts across programs.

R-5 Budget Request

- Request for funding for specific initiatives beginning in SFY 2012-13.



FQHC / RHC Gainsharing

What is it?

- Supplemental payment program

How Does it Work?

- Measuring the savings incurred by FQHC clients in other areas of Medicaid
- Providers keep 50% of the measured savings
- Savings must be in addition to efficiencies that FQHCs/RHCs provide

When Does it Happen?

- Measurement begins 1/1/2013, creating a 6 month measurement period.
- Payments begin 7/1/2013.



Primary Care Subcapitation Pilot

What is it?

- Evaluation of a bundled payment model for Medicaid primary care

How Does it Work?

- Bundled payments for physician, specialist, and lab
- Providers take on risk, and receive an incentive payment if their efforts control utilization and result in a measureable savings

When Does it Happen?

- The model is developed and analyzed during FY 2012-13.
- The budget request only asks that this be studied, though implementation will depend on the findings.



Psychotropic Utilization Reduction Gainsharing

What is it?

- Gainsharing payment to BHOs who implement efficiencies in prescription practices that result in measurable savings.

How Does it Work?

- BHOs manage the mental health benefit as a capitated program, but pharmacy is carved-out and paid fee-for-service
- BHOs who are able to demonstrate more cost-effective use of FFS pharmacy will receive a portion of the savings.

When does it happen?

- Contracts will be amended to include this beginning January 1, 2013.
- Due to measurement and claims lag, first payments are anticipated in January or February 2014.



Physician Rate Reform and Gainsharing

What is it?

- ACA 1202 requires an increase to physician rates to 100% of Medicare for CY 2013 and CY 2014.

How does it work?

- The Department is working with CMS to allow for innovative ways to use the increase rather than an across-the-board FFS increase.
- Contingent upon CMS approval, the Department will design an incentive-pool and supplemental payment program.

When does it happen?

- Some form of implementation must happen by January 1, 2013.



ACC Gainsharing Incentive Payments

What is it?

- A gainsharing payment to RCCOs and PCMPs for a portion of additional savings attributed to the ACC program.

How does it work?

- ACC is budgeted to save 7% per client in total expenditure.
- A portion of savings beyond 7% would be shared with the providers, in similar fashion to the FQHC/RHC Gainsharing program.

When does it happen?

- January 2013



Person-Centered Payments in Long-Term Care

What is it?

- Redesign the care-planning tool and assessment form for Community-Based Long-Term Care services.

How does it work?

- The current care-authorization system uses an outdated assessment instrument that is not tuned to the specific needs of the program.
- Budget request asks for consulting hours to design the new tool and system

When does it happen?

- Begin research in 2012-13
- Begin implementing elements of the system in 2013-14.



Other Long-Term Care System Evaluations

Funds requested specifically for:

- Medicaid Palliative Care Benefit
- Naturally-Occurring Retirement Communities (NORCs)

The following will also be evaluated using existing resources

- Community First Choice Option in State Plan
- ACA 2703 Health Homes



Contact Information

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Questions?

