

Initiative Overview

Arkansas Health Care Payment Improvement Initiative



OVERVIEW

The Arkansas Health Care Payment Improvement Initiative is working to transform the state's health care system to control unsustainable growth in costs and reward health care providers who consistently deliver high-quality, coordinated, cost-effective care to patients.

The initiative is a collaborative effort among health care payers Arkansas Medicaid, Arkansas Blue Cross and Blue Shield, and QualChoice. It has two core components: episode-based payments and patient-centered medical homes. The episode model, which is built on the existing claims system to address specific clinical conditions, launched in July 2012 after significant input from hundreds of physicians, health care professionals and patients. Patient-centered medical homes, which will reward providers for proactively meeting the needs of patients, will launch in mid-2013 after providers and other stakeholders have opportunities to offer feedback.

HOW EPISODES WORK

Initially, the payers introduced five episodes of care:

- ▶ Upper respiratory infection (URI)
- ▶ Total hip and knee replacements
- ▶ Congestive heart failure (CHF)
- ▶ Attention deficit/hyperactivity disorder (ADHD)
- ▶ Perinatal

Additional episodes will be developed and launched as often as every quarter over the next three to five years.

For each episode, providers are given a preparatory period of three to six months to learn more about the new model and adjust their practices, if necessary. Providers receive detailed reports on quality, cost and utilization for their historical episodes before a one-year performance period begins.

All treating providers file claims as they have previously and are reimbursed according to each payer's established fee schedule. For some episodes, providers submit a small amount of information through a Provider Portal. Via the portal, providers also receive quarterly reports on their cost, quality and utilization. For more information on the portal, go to: www.paymentinitiative.org.

From claims data, the payer identifies a Principal Accountable Provider (PAP) for each episode. In most cases, the PAP is the provider with the most influence and responsibility over an episode. He or she is ultimately responsible for ensuring an episode of care is completed at appropriate cost and sufficient quality

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 - 1-866-322-4696
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 - 501-301-8311
(local and out-of-state)
 - ARKPII@hp.com
- **BLUE CROSS
AND BLUE SHIELD:**
 - **Provider Line**
1-800-827-4814
 - **Direct line to EBI**
1-888-800-3283
 - **APIICustomerSupport**
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- **QUALCHOICE
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and will share in savings or excess costs at the end of the performance period.

At the end of each performance period, the PAP is evaluated across cost and quality metrics for all of his or her completed episodes. By comparing a provider's average cost for all completed episodes against each payer's established cost thresholds, the provider is deemed eligible to share savings, receive no additional payout, or is responsible for sharing excess costs. Providers who already provide high-quality care at a reasonable total cost won't have to make many — if any — adjustments.

HOW MEDICAL HOMES WORK

The medical homes component of the initiative will build upon a pilot program sponsored by the Centers for Medicare & Medicaid Services (CMS) called the Comprehensive Primary Care Initiative (CPC), which in October 2012 began offering bonus payments to physicians who better coordinate care for their patients. A total of 69 practice sites are now receiving financial support to support care

coordination and transform operational policies, and have the potential to share in savings realized by participating payers.

In 2013, Arkansas Medicaid will expand the CPC framework to include pediatric practices. Each practice will receive additional per member per month payments to support care coordination of complex cases and practice transformation. In addition, practices will be eligible for financial incentives for improvements toward or achievement of thresholds in risk-adjusted total cost of care for their patient panel.

The next phase of medical homes would include 20 percent to 30 percent of primary care practices that voluntarily agree to participate. Eventually, all primary care practices will be included in this approach.

With your help, Arkansas is creating a next-generation system of sustainable, patient-centered care. We look forward to working with you and your clinician colleagues, and we welcome your continued feedback.

For more information and details about
future education and feedback opportunities in your area, please visit
www.paymentinitiative.org.



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