The Arkansas Health Care Payment Improvement Initiative is part of a multi-payer effort to transform the state’s health care and payment system. The goal is to reward providers who deliver high-quality, coordinated and cost-effective care for medical and behavioral health episodes.

Multi-payers expect to implement 75–100 episodes over the next 3-5 years, in three waves. Wave 1 of episodes of care launched in July 2012 with perinatal care, attention deficit/hyperactivity disorder (ADHD), upper respiratory infection (URI), hip and knee replacement, and congestive heart failure (CHF). Wave 2 will include 5-10 episodes and Wave 3 will involve the roll-out of 5-10 episodes quarterly through mid-2016. For a list of current episodes visit www.paymentinitiative.org.

What is a PAP?
For each episode of care, payers will use claims data to determine which physician practice, hospital or other provider is most responsible and accountable for the quality and cost of care. This “quarterback” of care, called the Principal Accountable Provider (PAP), leads and coordinates the episode’s team of providers and helps drive improvement. Only PAPs are eligible to share in savings or excess costs of episodes based on the average quality and cost of care over all episodes for a given time period.

How are PAPs and other providers paid?
Providers will submit claims to payers as they do now and will continue to receive reimbursement based on existing fee schedules. Providers may report quality metrics through the Provider Portal at www.paymentinitiative.org. Medicaid and private payers will use these clinical metrics to track and monitor the content and quality of care for each episode. PAPs’ average cost across all of their episodes will then be compared to the payers’ cost thresholds to determine whether the PAP is eligible to share savings, will receive no additional payout or will be responsible for sharing excess costs.

How do PAPs submit data and view reports?
Physician practices, hospitals, Rehabilitative Services for Persons with Mental Illness providers and other qualifying providers may log into the Provider Portal at www.paymentinitiative.org. Providers will submit several pieces of quality data for each episode and receive periodic reports through the portal detailing their quality, cost and utilization. PAPs may choose to invest in further coordination of care and are encouraged to take a holistic view of their patients’ care.