Arkansas Health Care Payment Improvement Initiative

Priority Clinical Areas
Goal: Transition to Episode Reimbursement
  > Promote Outcomes, Coordinated Value Based Care

Topics For Initial Development Work
  > Models and Implementation Planning

Criteria
  > Importance (Volume, Costs, Impact on Health)
  > Practice Variation
  > Literature, Experience
  > Survey Data
  > Actionability
Domains

- Wellness
- Clinical Care
- Long Term Care
- Systems Support
Pregnancy

- Normal Delivery
  - Early Detection of Risks
  - Early Elective Delivery, C Section Variation

- High Risk Delivery
  - Preventive Interventions
  - Outcomes (Preferred Delivery Sites)

- Neonatal ICU Care
  - Resource Use Per Day
  - Appropriateness of Admission
  - Complication Rates
Prevention

- Bundle of Expected Services for a Specified Population
Mental Health

- Attention Deficit, Hyperactivity Disorder
  - Accuracy of Diagnosis
  - Intensity of Follow Up
  - Metabolic Monitoring
Diabetes

- Type 2
  - Performance Metrics
  - Medication Selection
  - Managing Complex vs Newly Diagnosed
Back Pain

- Acute - Use of X Rays, Interventions
- Chronic - Use of Interventions
Cardiovascular Disease

- Congestive Heart Failure
  - Readmissions
  - Follow Up Testing Intensity

- Ischemic Heart Disease (Coronary Disease)
  - Performance Metrics
  - Intervention Intensity
Ambulatory Upper Respiratory Tract Infections

- Antibiotic Use, Choice
- Ancillary Testing
  - Sinus X Rays
  - Chest X Rays
Developmental Disability

- Core Service Bundle Over Specified Time
  - Coordinated Health Home
    - Integrated Care Plan for Dually Diagnosed
    - Integrated Primary Care/DD provider Care Plan
Long Term Care

- Services Appropriate to ADL
- Integrated Management of Dual Eligibles
  - ER/Hospital Visits
Systems Support

- Ambulatory Surgery
  - Appropriate Reimbursement
- Medical Home
  - Accountable Expectations
- Frequent ER Users
  - Case Management Interventions
- Radiology Utilization
Unlikely Early Topics

- Obesity/Smoking Cessation
  - Issues of Actionability

- COPD
  - Discouraging Literature

- Unchosen Topics Important
  - Part of Agendas Elsewhere
  - Not Best Candidates for Early Episode Modeling
Example (Prototype)
Attention Deficit Disorder (ADHD)

- Annual Medicaid Cost: $55.7M
- Total Patients: 18,920
- Average Cost/Patient/Year: $2,944*
  * excludes pharmacy costs

Literature: Typical Treatment Plan
  > 4-6 30 minute physician visits per year.
Basic Benefit

Goal
Evaluation and diagnosis

Activities & Expectations
Interview with parent and patient. Obtain information about patient's school functioning. Evaluate for co-morbid conditions. Review patient's medical, social and family history.

Cost Calculation
1 or 2 MD visits for psychosocial assessment:
\[2 \times 45\text{-min MD visits} = 6 \times 15\text{-min units} \times \$38.40/\text{unit} = \$230.40\]
Treatment plan:
\[4 \text{ units} \times \$28.80/\text{unit} = \$115.20\]
TOTAL = \$345.60

Episode Reimbursement/yr
As fee for service \$345

Reason for Next Level
Clinical diagnosis ADHD

Actions Required for Next Level
Evaluation to Level 1:
1. Positive diagnosis of ADHD
Standard of care treatment of uncomplicated ADHD

1. Pharmacological management visits every 2 months with FDA approved drug.
2. Monitor for treatment emergent side effects.
3. Review school and/or parent reports.

6 MD visits for standard management:

\[
6 \times 30\text{-min MD visits} = 12 \times 15\text{-min units} \\
\times \$38.40/\text{unit} = \$460.80
\]

10 paraprofessional units (15-min) for help obtaining school/parent ratings:

\[
10 \text{ units} \times \$18.00/\text{unit} = \$180.00
\]

TOTAL = \$640.80

Level 1 = \$1,000

Less than optimum response

Level 1 to 2:
1. Modified treatment plan
2. Justification from MD; documenting evidence-based treatment
3. Completed ATOM
4. TLC telephone consult
# Level 2

Standard of care treatment of ADHD with comorbid conditions and/or less than optimal response to pharmacological management

1. Continued Level 1 care
2. Addition of behavior therapy
3. Possible use of non-FDA approved medications

2 additional MD managed visits:

\[ 2 \times 30\text{-min visits} = 4 \times 15\text{-min units} \]
\[ \times $38.40 = \quad $153.60 \]

10 therapy sessions (45 min):

\[ 10 \text{ sessions} \times 45 \text{ min} = 30 \times 15\text{-min units} \]
\[ \times $27.30/\text{unit} = \quad $819.00 \]

TOTAL = $972.60

**Level 2**

$1,200

Less than optimum response except for non-compliance

**Level 2 to 3:**

1. Modified treatment plan
2. Justification from MD; documenting evidence-based treatment
3. ATOM
4. TLC in person or tele-video consult
Level 3: Standard of care treatment for complex ADHD that is only minimally responsive to pharmacologic treatment and behavior therapy. Fee for service reimbursement with managed care oversight.
Next Steps

- Feasibility Assessment
- Core Literature
- Modeling of Episodes
- Modeling of Payment
- Stakeholder Input