

Medicaid Pediatric High-Risk Asthma Bundled Payment Pilot

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Statutory Mandate – Key Provisions

FY11 Budget outside section (St. 2010, C.131, S.154)

- EOHHS “shall develop a **global or bundled payment system** for high-risk pediatric asthma patients enrolled in the MassHealth program, designed to prevent unnecessary hospital admissions and emergency room utilization.”
- “The global or bundled payments shall reimburse expenses necessary to manage pediatric asthma, including, but not limited to, **patient education, environmental assessments, mitigation of asthma triggers and purchase of necessary durable medical equipment.**”
- “The global or bundled payments shall be designed to **ensure a financial return on investment** through the reduction of costs related to hospital and emergency room visits and admissions not later than 2 years after the effective date of this act.”

What is a bundled payment?

MA Division of Health Care Finance and Policy explains: *

- A bundled payment is a method of reimbursing a provider, or group of providers, for the provision of multiple health care services associated with a defined episode of care under a single fee or payment.
- Episodes of care can be either acute or chronic, and
 - include clinically related services, such as: hospital admission, ambulatory care, pharmacy, and other clinical and professional services,
 - over a defined period of time with a clear beginning and ending (acute conditions) or annually (chronic conditions).
- Multiple goals: Achieve better coordinated and higher quality care at lower total costs

*Source: DHCFP Overview of Bundled Payment Methodologies, 2/28/11

http://www.mass.gov/Eeohhs2/docs/dhcfp/g/news/bundled_payments_symposium_presentation_02-28-11.pdf

Goal and Objectives

Goal: To evaluate the degree to which a bundled payment and flexible use of funds enhances the effects of delivery system transformation, as demonstrated by improved health outcomes at the same or lower cost.

Objectives:

- **to develop a bundled payment system** for members with high-risk pediatric asthma enrolled in selected MassHealth Primary Care Clinician Plan Practices, designed to support a comprehensive chronic disease management approach to asthma in order to prevent the need for hospital admissions and emergency department visits and to improve health outcomes;
- **to demonstrate whether a financial return on investment** can be achieved through the reduction of costs related to hospital admissions and emergency department visits in order to justify and support the sustainability and expansion of the model;
- **to help pediatric providers** begin developing skills and infrastructure they will need **to manage global payments as accountable care organizations**; and
- **to help children and their families learn practical and actionable methods for managing asthma** in the context of their lives and for optimally controlling asthma symptoms to minimize asthma's impact on their health, wellbeing and quality of life.

Design Process

- Established an **internal program design team**, including 3 MDs, 1 RN, 1 PharmD, program and policy experts, data analysts, and legal counsel; met weekly for 6 months
- Internal team:
 - Developed program design through an iterative process
 - Reviewed relevant literature and model programs
 - Analyzed Medicaid claims and eligibility data to determine:
 - number of children and practices that might be eligible to participate in the pilot under various proposed criteria
 - cost to Medicaid for asthma care in hospitals for eligible children in prior years (baseline cost)
 - Collaborated closely with DPH asthma prevention staff
 - Obtained expert advice from Advisory Committee (next slide)

Advisory Committee

- External Advisory Committee includes 20 members, each with expertise in:
 - (1) treating high-risk pediatric asthma patients, and/or
 - (2) designing and implementing clinical programs to prevent and manage high-risk pediatric asthma, and/or
 - (3) designing and implementing global or bundled payment structures
- Advisory Committee members are physicians, nurses, pharmacists, researchers, representatives of professional organizations, and health care administrators
- Advisory Committee provided input on topics including:
 - (1) Providers' qualifications for participation
 - (2) Eligible patients (including definition of high-risk asthma)
 - (3) Scope of services: clinical as well as financial/operational
 - (4) Bundled payment methodology and services to include in bundle
 - (5) Data submission and evaluation plan

Eligibility to Participate in Pilot

Practices must:

- participate as a Primary Care Clinician in the MassHealth PCC Plan;
- treat pediatric patients for asthma;
- possess broadband Internet access; and
- not receive payment from another source for services to be paid for by the pilot

Members must:

- Be between the ages of 2-18;
- Be MassHealth eligible;
- Be enrolled in the MassHealth Primary Care Clinician (PCC) Plan with the selected Practice;
- Have high-risk, poorly controlled asthma

Example program: Children's Hospital's Community Asthma Initiative

Beginning in 2005, Children's Hospital Boston has invited children, ages 2-18, from certain Boston zip codes, who have had an emergency visit or inpatient hospitalization for asthma, to enroll in this initiative.

Children's Hospital describes its initiative this way*:

- **Case management** - We work with the child's physician, provide resources for the child's family, including housing and insurance, and explain the child's Asthma Action Plan to parents.
- **Home visitation** - We visit children and their families at home to find asthma triggers, review medications and provide them with vacuums, dust covers, etc., for pest management.
- **Education and public awareness** - We educate families, schools and community-based organizations about asthma.
- **Public policy advocacy** - We make efforts to ensure adequate coverage for asthma education and services and medical devices.

Implementation Proposal for this Pilot

Phase 1 bundled payment includes:

- Non-covered services to manage high-risk pediatric asthma: community health worker home visits, environmental mitigation supplies
- May include stipend to implement the infrastructure required to manage a bundled payment: systems to coordinate services provided by other entities, as well as the financial, legal and information technology systems required to accept and redistribute the bundled payment. Pilot providers may contract with a fiscal intermediary to handle the latter set of functions.

Phase 2 bundled payment includes:

- All Phase 1 services
- Other Medicaid ambulatory services required for both the effective treatment and management of pediatric asthma for high-risk patients: primary and specialty care office visits, care management, DME, etc. (Rx tbd)

Outcome Measures

Key measures include:

- Difference, relative to other children with high-risk asthma enrolled in the MA Medicaid PCC Plan, in:
 - Hospital admissions and observation stays for asthma
 - Emergency department visits for asthma
 - Cost of asthma care
- Change in asthma control (shortness of breath, waking at night, need for rescue medication, and interference with normal activities)
- Return on investment
- Qualitative evaluation of provider experience managing bundled payments; lessons learned

DRAFT Project Timeline

Note: Dates are approximate and may be moved forward or back.

Task	Start date	End Date
Policy & planning	April, 2011	September, 2011
Procurement	October, 2011	December, 2011
Phase 1	December, 2011	May, 2012
Phase 2	June, 2012	June, 2013