



# A Conversation on the Effect of Payment Models in Children's Health Care

November 7, 2018



Today's Moderator:

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## A SUPPLEMENT TO PEDIATRICS

Building Systems That Work for Children With Complex Health  
Care Needs

Rishi Agrawal, MD, MPH, Christopher Stille, MD, MPH, Editors

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District of Columbia.*



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# Meet Our Speakers



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# **Building Systems that Work for Children with Complex Health Care Needs**

**Carolyn Langer, MD, JD, MPH  
Chief Medical Officer, Fallon Health  
Associate Professor, University of Massachusetts Medical School**

**November 7, 2018**



# Agenda



- Health care utilization and access
- Role of the medical home
- Alternative payment models
- Accountable care organizations: challenges/opportunities



# Children with Special Health Needs

Children with special health care needs are defined as those who have, or are at increased risk for, a chronic physical, developmental, behavioral, or emotional condition that requires health and related services of a type or amount beyond that required by children generally.

## Children with Special Health Needs

- 20% of children in the United States have special health care needs
- 23% of children with public insurance have special health care needs
- 17% of children with special health needs have  $\geq 4$  chronic conditions

## Children with “More Complex” Needs

- 60% of children with special health needs have “more complex needs”
- ~2/3 of children with medical complexity are enrolled in Medicaid (often eligible for Medicaid due to their disability or condition)
- Children with medical complexity account for 34% of Medicaid spending on children
- 47% of Medicaid spending for children with medical complexity is tied to hospital care; only 2% to primary care

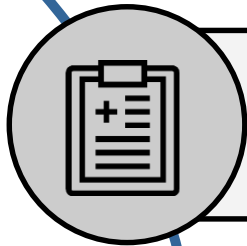
Slide adapted from Cindy Mann, Manatt; Presentation on “Designing Systems that Work for Children with Complex Health Care Needs, Lucile Packard Foundation for Children’s Health , December 7, 2015.

Source: Lucile Packard Foundation for Children’s Health; “Children with Medical Complexity and Medicaid: Spending and Cost Savings,” Health Affairs, 33, no. 12 (2014)2199-2206.

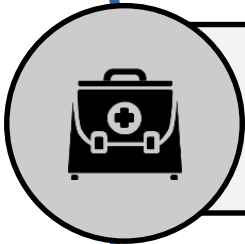


# Comprehensive Coverage for Children in Medicaid

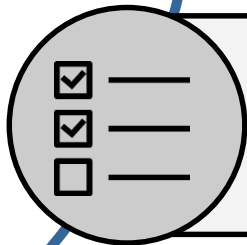
The Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) benefit provides comprehensive coverage for children under 21 in Medicaid.



Promotes the **early identification and treatment** of health issues in children, including mental health and substance use disorders.



Provides **all** treatment services that children need and that Medicaid can cover, even if Medicaid does not cover the service for adults.



Covers “necessary health care, diagnostic services, treatment, and other measures... to **correct or ameliorate** defects and physical and mental illnesses and conditions discovered by the screening services.”

SSA §1905(r)(5)

# Access & Unmet Needs

In general, children have good access to services in the Medicaid program. However, some children with special health care needs face barriers and have unmet needs.

## Barriers to Access

- 35% of families with a child with special health needs had trouble accessing community-based services
- 22% of families had problems getting referrals to specialists

## Unmet Needs

- 19% of families with a child with special health needs reported at least one unmet need (e.g., preventive care, specialist care, prescription medicine, etc.); this number increased to 44% when the child was medically complex
- Medicaid families reported 32% more unmet needs compared to families with private insurance; uninsured families reported four times the number of unmet needs

Slide reproduced from Cindy Mann, Manatt Presentation for “Designing Systems that Work for Children with Complex Health Care Needs, Lucile Packard Foundation for Children’s Health , December 7, 2015.

Source: Lucile Packard Foundation for Children’s Health; “Inequities in Health Care Needs for Children with Medical Complexity,” Health Affairs, 33, no. 12 (2014)2190-2198.

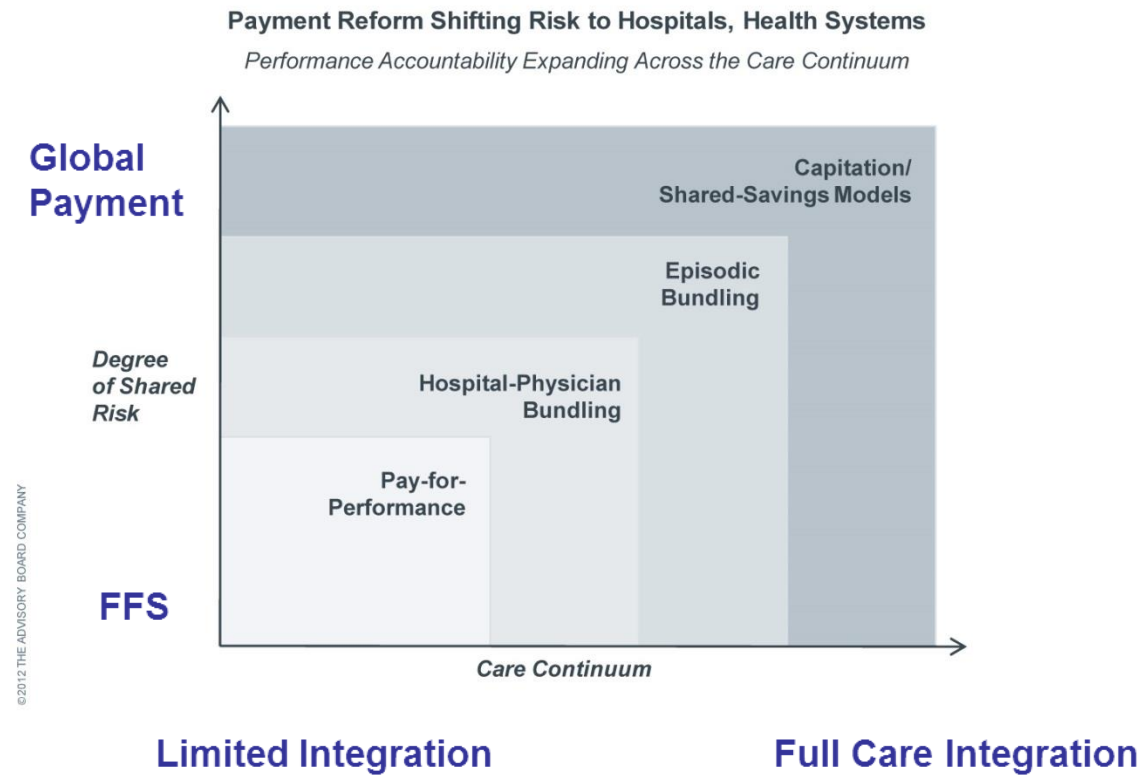
# The Role of the Medical Home

- Integrated care
  - across primary care and subspecialty care practitioners
  - across medical, behavioral health (BH) and long-term services and supports (LTSS) providers
- Coordination across multiple providers
  - e.g., medical practices and institutions, schools, state agencies, and community-based organizations
- Patients' and families' needs and preferences
- Culturally competent care



# Payment Reform

Figure 1



- Infrastructure payments often included
- Opportunity for shared savings with improved outcomes and lower costs



# The Case For Change

## Moving from Fee for Service (FFS) to Alternative Payment Models (APMs)

### Current FFS system

- Payment for volume
- Emphasis on emergency or acute episodic care
- Complex systems that are difficult for patients to navigate
- Fragmentation and lack of coordination: multiple doctors treating the same patient for the same condition without talking to each other
- Limited data on quality and efficiency of care
- Patient information often stored in silos or paper medical records

### Sustainable APM system

- Rewards outcomes and value
- Member's health managed seamlessly across providers and over time (not visit by visit)
- Patient-centered care planning
- Providers act as a team to ensure coordination of right services
- Greater transparency around quality and cost data for both providers and consumers
- Appropriate electronic health information readily available across care teams and with consumers





# Attributes of APMs

## Accountable Care Organization (ACO)

- Groups of doctors, hospitals, and other health care providers who come together voluntarily to give coordinated high quality care to the...patients they serve.
- ACOs typically receive a **risk-adjusted, global budget** to manage the total cost of care for a defined population.
- Often accompanied by **upside and/or downside risk** sharing arrangements and **quality incentive payments**
- **Coordinated care and improved population health management** help ensure that patients, especially the chronically ill, get the right care at the right time, with the goal of improving communication across providers, promoting preventive care, avoiding unnecessary duplication of services, and preventing medical errors

<https://innovation.cms.gov/initiatives/ACO/>

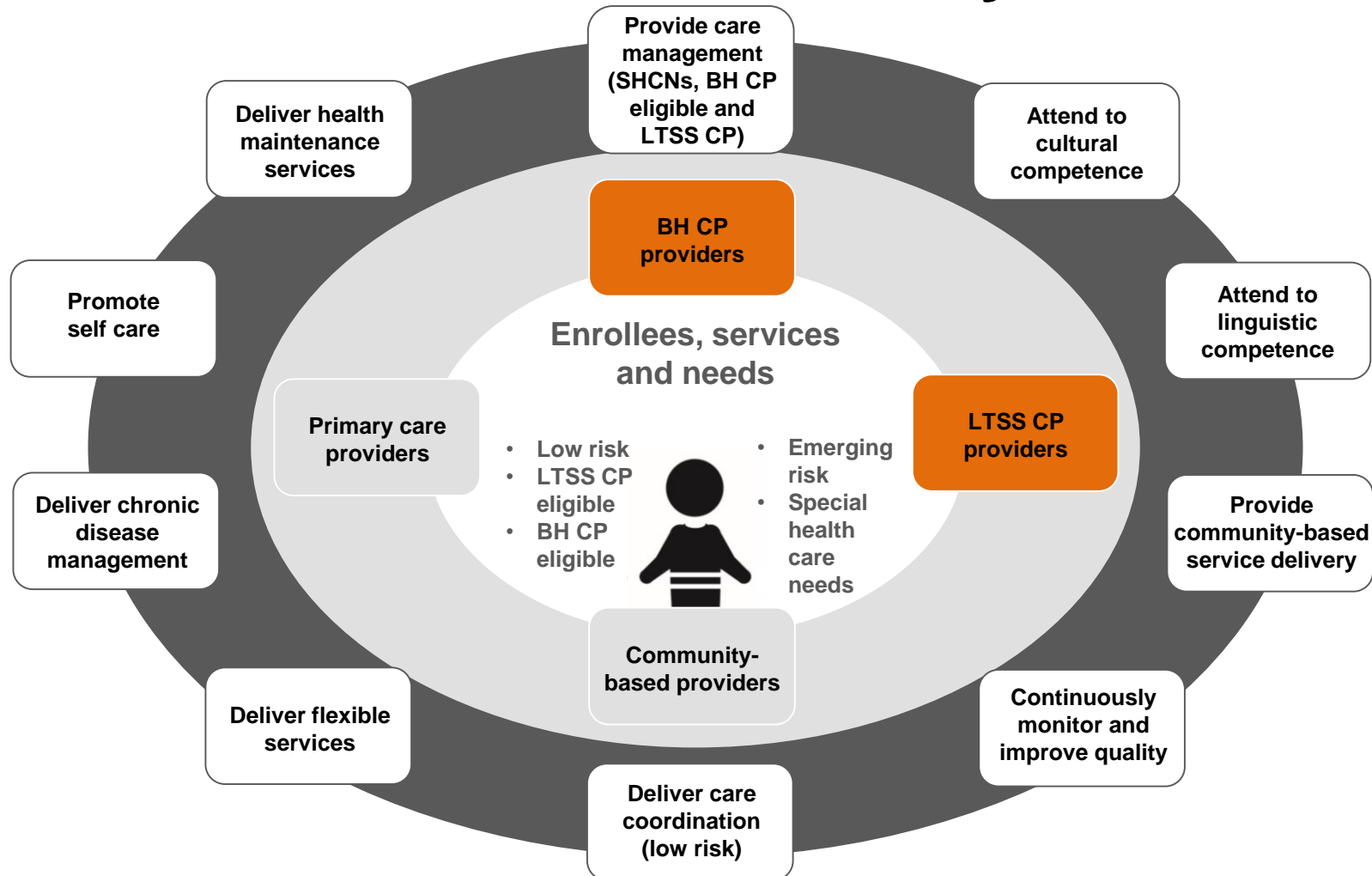


# Integration with BH and LTSS Community Partners

- Community Partners (CPs) are community based organizations that provide care coordination and support to help their assigned members navigate the complex systems of medical services, BH services, LTSS and social services.
- Reduce fragmentation and silos in the care delivery system that hinder care integration across BH, LTSS and physical health
- Create opportunity for ACOs to leverage expertise of existing community based organizations
- Improve member experience, continuity and quality of care
- Improve collaboration and delivery of integrated care
- Massachusetts Medicaid (MassHealth) has contracted with 27 CPs across the state:
  - 18 BH CPs
  - 9 LTSS CPs



# Model of Care: ACO components for enrollee-centered care delivery



# Roles and responsibilities of an LTSS CP

A Long Term Service and Support (LTSS) Community Partner (CP) provides care coordination and navigation for certain members, between the ages of 3-65 with complex LTSS needs, such as children and adults with physical disabilities, developmental disabilities, and brain injury. Where members also have other state agency or provider supports, CPs will coordinate with those supports and will supplement, but not duplicate the functions provided by them (e.g., Department of Developmental Services, Department of Children and Families)

–CPs will:

- Find and engage members
- Provide LTSS care planning
- Participate as part of the Care team
- Provide support for transitions of care
- Connect member to social services and community resources



# Challenges of APMs for Children with Complex Health Care Needs



- Fundamental assumptions and priorities driving APMs for adults may differ from those of children
  - Measures of quality care for adults often focus on common chronic diseases, such as hypertension and diabetes
  - Heterogeneity of pediatric conditions: often lack common measures of optimal outcomes similar to those used in the adult chronic disease model
  - Total medical expense—and therefore opportunities for shared savings—is typically higher in adult populations compared to pediatric populations
  - Supporting systems differ significantly
    - children living in dependent family relationships
    - varied services: children with complex health care needs often require coordination across diverse sectors and systems, such as education, social services, and juvenile justice





# Implications of Alternative Payment Models for the Care of Children with Complex Health Care Needs

- Formal and informal opportunities for stakeholder input
- Expansion of medical home model that results in:
  - Promotion of care coordination and care management
  - Integration of physical health, BH and LTSS
  - Incentives for coordinating care with other providers and community-based organizations
  - Flexibility to meet the unique needs of special populations
- APMs can ensure the adoption of medical home elements through:
  - Certification requirements
  - Contractual obligations
  - Quality measures
- Processes that improve pediatric care may also improve adult care (and vice versa); e.g., cross-cutting measures
- Stakeholder input is valued (and can be impactful)



# Joan Alker, M. Phil.

Executive Director and Research Professor, Center for Children and Families, Georgetown University McCourt School of Public Policy



## Key Thoughts

- What is the big picture for kids on Medicaid that we need to be aware of in thinking about delivery system reform?
- What do the elections mean for Medicaid and kids? What are we likely to see move in Congress and through Section 1115 waiver activity?
- What are some general considerations for pediatric delivery system reform in Medicaid going forward?

# Margaret Kirkegaard, MD, MPH

Principal, Health Management Associates



## Key Thoughts

- Some proposed changes to Medicaid as part of the ACA repeal conversations pose serious threats to children's health care.
- Providers are generally more anxious about APMs in Medicaid populations due to high social needs and overall low payments.
- Role of Medicaid managed care plans in APMs and delegated care management is still evolving.
- Oversight role of states and federal CMS for Medicaid managed care is also evolving.
- Another quote from Hubert Humphrey

# Submit your questions in the question box



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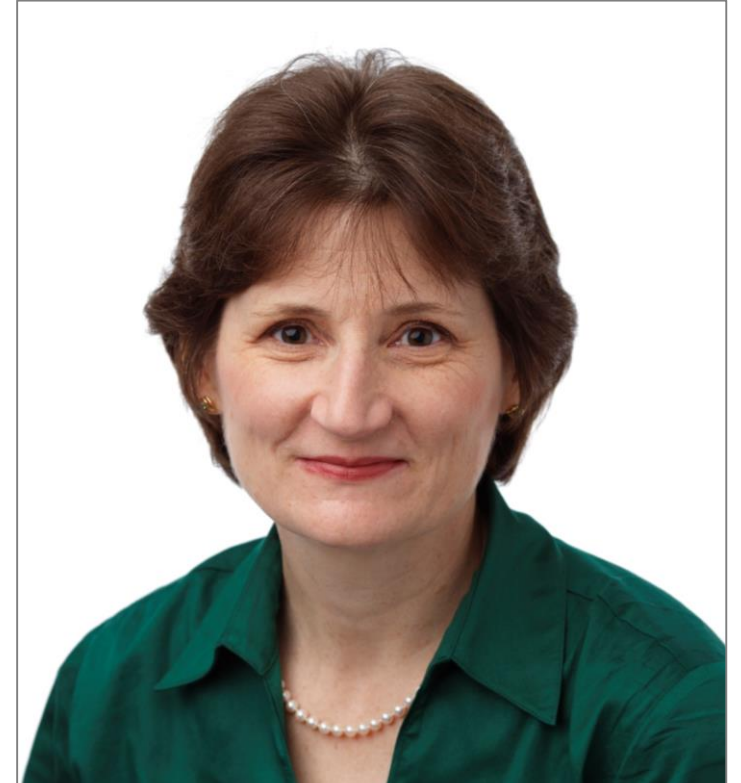
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