

Establishing an Alternative Payment Methodology for FQHCs/RHCs

SAFETY NET MEDICAL HOME INITIATIVE
NATIONAL MEETING
MARCH 8, 2011

Key Needs for CHCs Re: Payment Reform

- Risk-adjust data
 - ▣ **Social adjustments** are key
- Focus on entire population
- Minimize burden on clinics
 - ▣ Administration
 - ▣ Cost
- Reward movement on indicators



Key Needs for CHCs

Re: Payment Reform (cont'd)

- Allow time for care
 - ▣ Stop the 10- to 15-minute treadmill
- Pay for work that improves care
 - ▣ Huddles
 - ▣ Panel management
 - ▣ QI efforts
 - ▣ Sharing best practices
- Finance mechanisms to spread learning and speed change
 - ▣ Learning collaboratives

Payment Focused on Visits Doesn't Work with PCMH

- Providers still focused on “cranking the visit”
 - ▣ PCMH work was additional
- Payment shifting from volume to value in Oregon
 - ▣ Created a burning platform



Creating an Alternative Payment Methodology

- States have Alternative Payment Methodology (APM) option
- APM must pay at least as much as PPS
- FQHCs/RHCs can keep PPS or transition to APM

Alternative Payment Methodology (APM) Process

- Health Centers meeting since last summer
- State agreed to workgroup process in August
- Five workgroup meetings held since October to develop details

APM

- Budget neutral
- Developing a per member per month (PMPM) equivalent of health center payment
- Includes physical and mental health services, potentially dental services
- Inpatient care carved out
- All patients (managed care and open card), all sites



APM (Cont'd)

- Three-year commitment from both parties
- Negotiating a Change in Scope process - Similar to PPS
- Clinics will provide:
 - ▣ Process and outcome data to the state
 - ▣ “Touches” with the patient”
 - ▣ Demographic data
 - ▣ State/MCO will provide total patient costs info
- Aligning with other state medical home efforts
- Entry bar for participation TBD

Next Steps...

- Attribution
- MCO alignment
- Data provision
- Value-based payment

Areas of Concern



- Risk to participating clinics
- Patient complexity adjustment/stratification
 - ▣ Developed a video to help address this
- Demands on state time
- MCO alignment