

Section 4108 of the Affordable Care Act: Medicaid Incentives for Prevention of Chronic Diseases

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Section 4108 of the Affordable Care Act (ACA)—Medicaid Incentives for Prevention of Chronic Diseases (MIPCD)—presents a new opportunity for Medicaid agencies to encourage beneficiaries to use preventive services and adopt healthy behaviors that can potentially improve outcomes and reduce utilization of acute health care services and subsequent costs. While there is growing evidence about the impact of incentive programs in the commercial health care sector, there has been limited use of incentive programs for Medicaid populations. This new opportunity offers states financial supports to test the effectiveness of evidence-based incentive programs targeted to Medicaid beneficiaries. With the continuing growth of medical home programs and the relatively new opportunity of health homes, states should consider how incentive programs can complement efforts to improve chronic care management and better control costs.

Goals of MIPCD Program

In designing the MIPCD program, states must target at least one of five prevention goals: (1) cease use of tobacco products; (2) control/ reduce weight; (3) lower cholesterol; (4) lower blood pressure; and (5) avoid the onset of diabetes, or in the case of a diabetic, improve management of the condition. While programs must meet the needs of beneficiaries and be evidence-based, CMS provides states with the flexibility to make the program scope wide or narrow. For example, states can target the program geographically and/or can target adult beneficiaries. However, states must make the program available and accessible to Medicaid beneficiaries with a “medical necessity” for the treatment program.

The MIPCD programs must use relevant evidence-based research and resources, including: the Guide to Community Preventive Services;¹ the Guide to Clinical Preventive Services;² and the National Registry of Evidence-Based Programs.³

What is the Opportunity?

On February 23, 2011, the Center for Strategic Planning within the Centers for Medicare & Medicaid Services (CMS) announced a competitive grant opportunity for Medicaid agencies to develop, implement, and evaluate incentive programs for Medicaid beneficiaries with chronic diseases. Section 4108 of the Affordable Care Act (ACA) authorized \$100 million for states to provide incentives to Medicaid beneficiaries who participate in prevention programs and demonstrate changes in health risk and outcomes.

This fact sheet identifies considerations for states in deciding whether to apply for this opportunity. Applications are due to CMS by May 2, 2011.

For additional information, visit the CMS website at: <http://www.cms.gov/MIPCD/>.

Timeline

- **April 4, 2011.** State Voluntary Notice of Intent to Apply is due to CMS.
- **May 2, 2011.** Electronic grant applications due to CMS.
- **August 1, 2011.** Notice of grant award signed.
- **January 2, 2012.** Enrollment of Medicaid beneficiaries in incentive programs begins.
- **August 1, 2011 – December 31, 2014.** Grant Period of Performance and Budget.

¹ <http://www.thecommunityguide.org/index.html>

² <http://www.ahrq.gov/clinic/pocketgd1011/pocketgd1011.pdf>

³ <http://www.nrepp.samhsa.gov/>

Scope and Funding of MIPCD Incentives and Services

In their grant applications, states will propose the type of preventive services and incentives – financial and nonfinancial – that beneficiaries participating in the MIPCD program would receive. Examples include direct cash incentives, supplemental preventive and support services not otherwise available under Medicaid, or other incentives. Incentive payments can be direct (e.g., given to the beneficiary) or indirect (e.g., given to family members, friends, or community agencies that provide supports to facilitate a participant’s progress toward health goals). While federal funding would cover the cost of incentives, preventive services will be reimbursed by Medicaid at the state plan federal matching (FMAP) rate.

“Nesting” of MIPCD Program

The solicitation notes that CMS will give preference to states that appropriately “nest” incentives and preventive services of the MIPCD program within other systems of care. For example, states should consider offering the MIPCD program to beneficiaries enrolled in medical homes, health homes, or complex care or disease management programs. Such a strategy would enhance the impact of such programs by enhancing provider-level interventions and supports with beneficiary-level ones.

Measuring and Evaluating the Impact of Programs

Section 4108 includes several requirements for state and federal reporting and evaluation of the MIPCD programs. States will be required to provide CMS with data, reports and evaluations on a semi-annual basis (see Reporting and Evaluation box). States need to track beneficiary participation and outcomes. States will collect and report individual-level clinical and quality data, depending on which of the behaviors the state chooses to incentivize (e.g., height, weight, use of weight-management medications). To the extent possible, CMS plans to use measures from the core set of quality measures for Medicaid adults and the CHIPRA measures to evaluate the program. CMS also plans to implement a standardized electronic data collection system.

Additional Information

For additional information, visit the CMS website at: <http://www.cms.gov/MIPCD/>.

MIPCD Reporting and Evaluation Requirements

States participating in the MIPCD program must provide CMS:

- An evaluation of the effectiveness of the program and a report of the results;
- A description of the processes developed and lessons learned;
- A report on preventive services as part of quality measures in Medicaid managed care; and
- Semi-annual reports on the programs supported by grant funds, including specific uses of grant funds; assessments of program implementation, lessons, quality improvements, and clinical outcomes; and estimates of cost savings resulting from the program.

About the Center for Health Care Strategies

The Center for Health Care Strategies (CHCS) is a nonprofit health policy resource center dedicated to improving health care quality for low-income children and adults, people with chronic illnesses and disabilities, frail elders, and racially and ethnically diverse populations experiencing disparities in care. CHCS works with state and federal agencies, health plans, providers, and consumer groups to develop innovative programs that better serve people with complex and high-cost health care needs. For more information, visit www.chcs.org.