


MO HealthNet Oversight Committee April 10, 2012

Health Home Update
Shared Savings




Health Home Update

- ▶ 25 enrolled organizations have started health home services
 - ▶ MHD Systems work going into place for CMHC and Primary Care initiatives
 - ▶ Evaluation planning underway
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Shared Savings

- ▶ MHD is also exploring two health home shared savings models with CMS
 - 1. Shared savings for Medicaid Health Home patients;
 - MHD shares savings with the health home providers
 - 2. Shared savings for dual Medicaid–Medicare health home patients;
 - CMS shares savings for duals with MHD
 - MHD shares savings with health homes

Shared Savings

- ⦿ Performance payment based on estimations of avoided costs
 - ⦿ Compare health care costs of patients in health homes to a matched control group of non-health home patients
 - ⦿ Calculate the cost-savings (minus the PMPM payments)
 - ⦿ Payer shares a portion (usually up to one-half) of the savings with its enrolled or contracted providers
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Shared Savings

- Model 1: MHD shares savings with health homes
 - Achieve estimable cost savings through
 - Effective patient care management and coordination
 - Result: reduced in-patient and ED utilization
 - Achieve level of performance and practice transformation
 - Documented by quality, utilization, performance, patient satisfaction
 - MHD will submit State Plan Amendment to CMS with methodology for
 - Determining shared savings
 - Paying its health homes up to 50% of such savings

Shared Savings

- ▶ Model 2: MHD shares savings with CMS
 - Approximately 39% of participants in the PCHH program are dual eligibles
 - Medicare
 - the primary payer
 - would be beneficiary of most of the health care cost savings resulting from MHD's health home program

Shared Savings

- ▶ Model 2 : MHD shares savings with CMS
 - MHD working with CMS to develop shared savings methodology for health home duals
 - MHD submits the final proposal to CMS
 - MOU and final letter of agreement with CMS in 2012
 - Governs performance payment to MHD by CMS
 - MHD will then share with the PCHH's