

# Health Care Home Payment Methodology

Critical Access Hospitals, Chief  
Financial Officers Roundtable

April 28, 2011



# Legislative Requirements for HCH Care Coordination Payment

[256B.073]

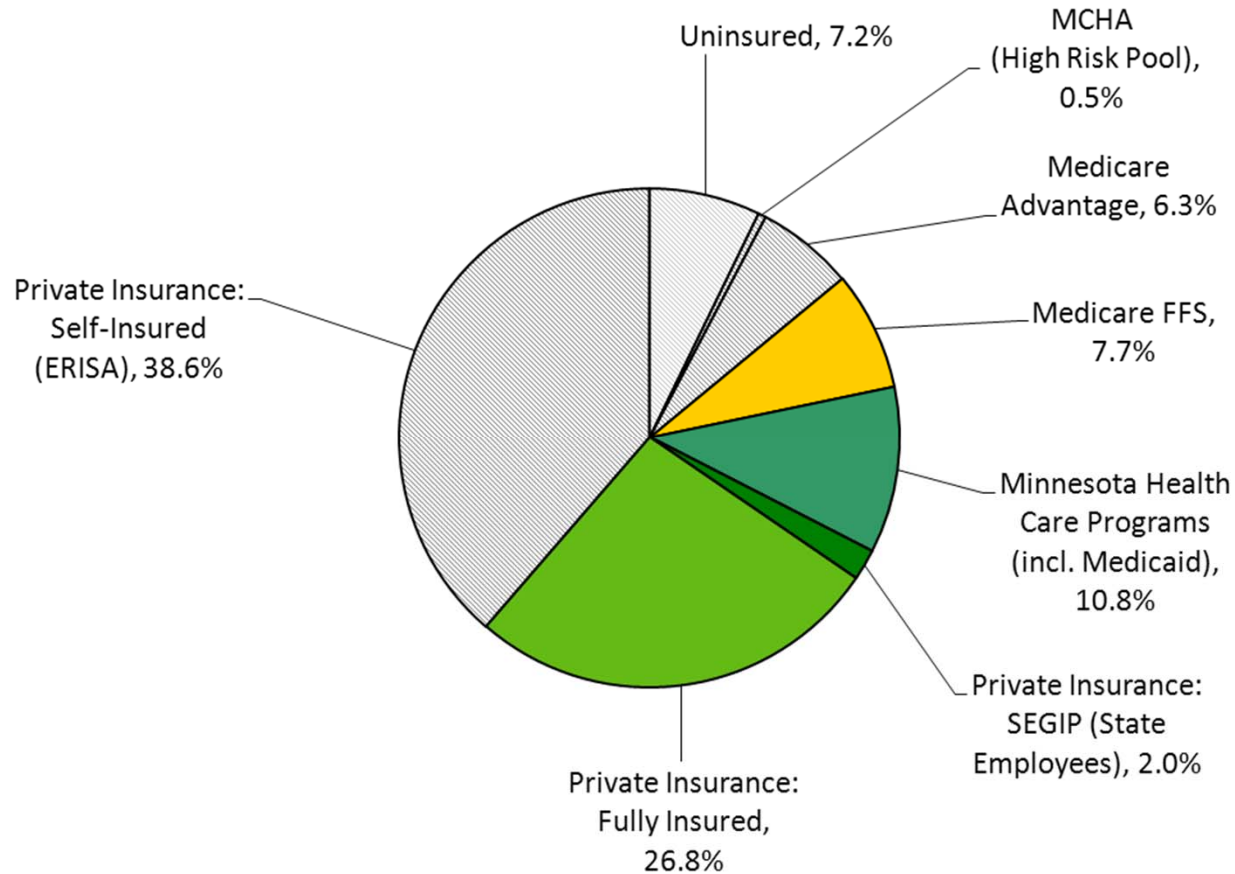
- DHS and MDH develop a system of per-person care coordination payments to certified HCHs by January 1, 2010
- Fees vary by thresholds of patient complexity
- Agencies consider feasibility of including non-medical complexity information
- Implemented for all public program enrollees by July 1, 2010

# Legislative Requirements for HCH Care Coordination Payment

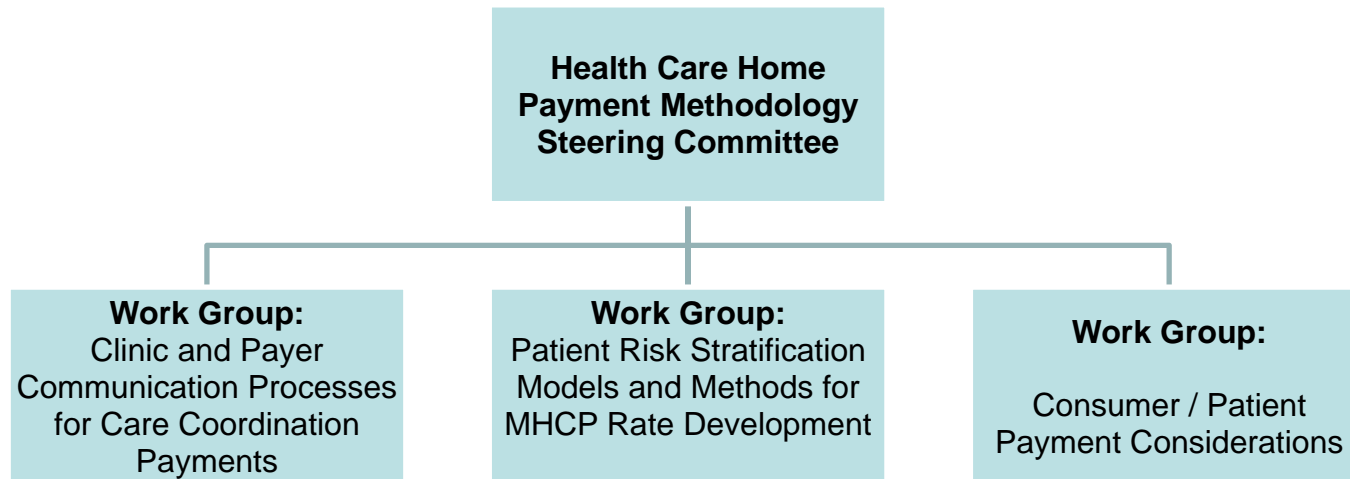
[62U.03]

- Health plans include HCHs in their provider networks by January 1, 2010 and make care coordination payments by July 1, 2010
- Payment conditions and terms shall be developed “in a manner that is consistent with” the system under 256B.0753

# Minnesota's Insurance Market: The "Critical Mass" Challenge



# Payment Methodology:



# Patient Complexity: Why?

- The law requires that payments be higher for more complex patients
- Complexity represents the amount of time and work needed to coordinate care
- Complexity includes both medical and psycho-social issues.

# Complexity Tiers

- Based on the number of condition groups (e.g. endocrine, cardiovascular) that providers identify as:
  - Chronic
  - Severe
  - Requiring a Care Team for Optimal Management

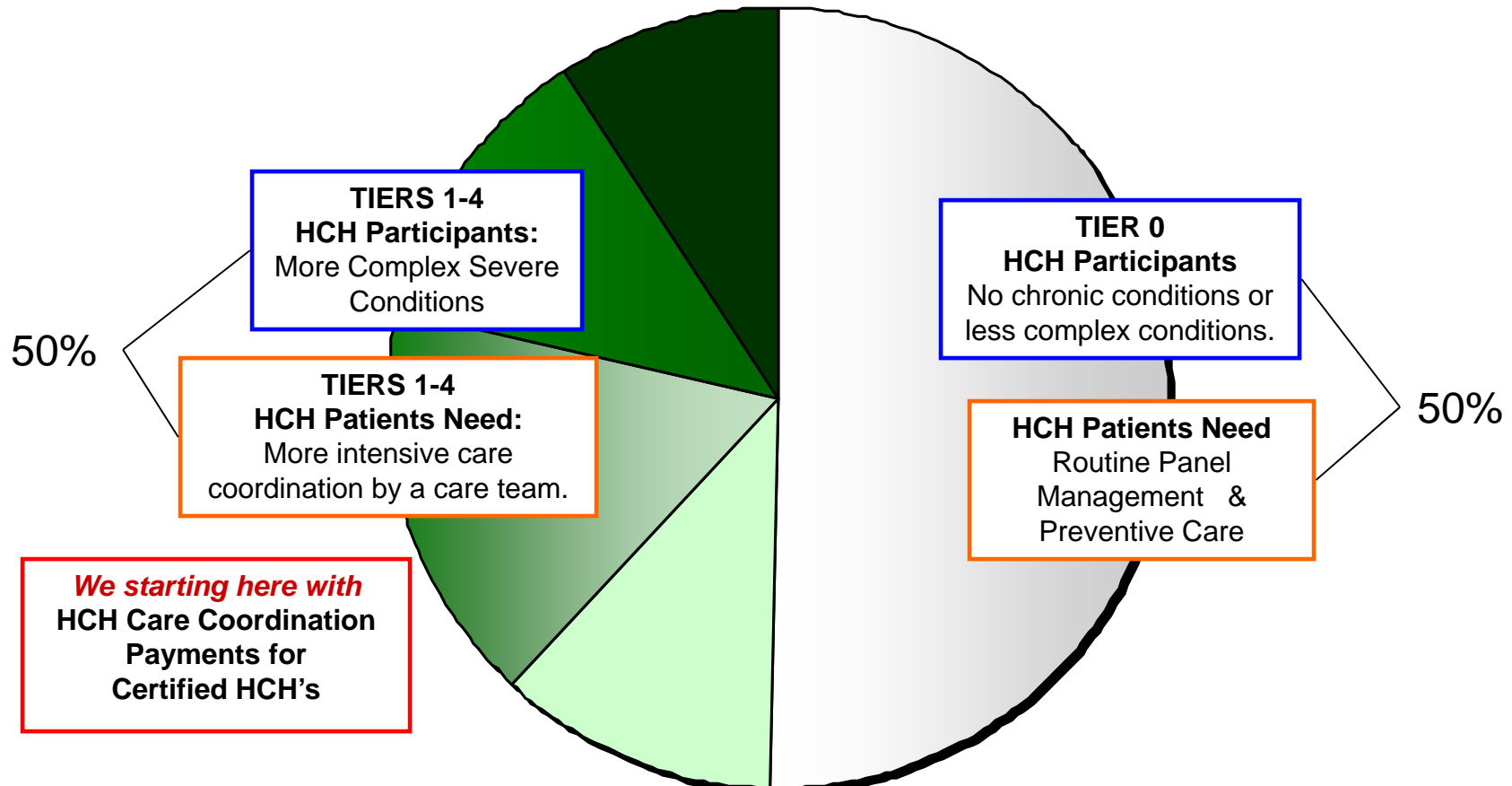
# DHS Rates: MHCP Fee-for-Service

**Tier      PMPM Rate**

Tier	PMPM Rate
0	N/A
1	\$ 10.14
2	\$ 20.27
3	\$ 40.54
4	\$ 60.81

- DHS will increase the rate by 15% for each of the two supplemental complexity factors.
- The adjusted average PMPM rate across Tiers 1-4 (incl. the supplemental factors) is **\$31.39**.

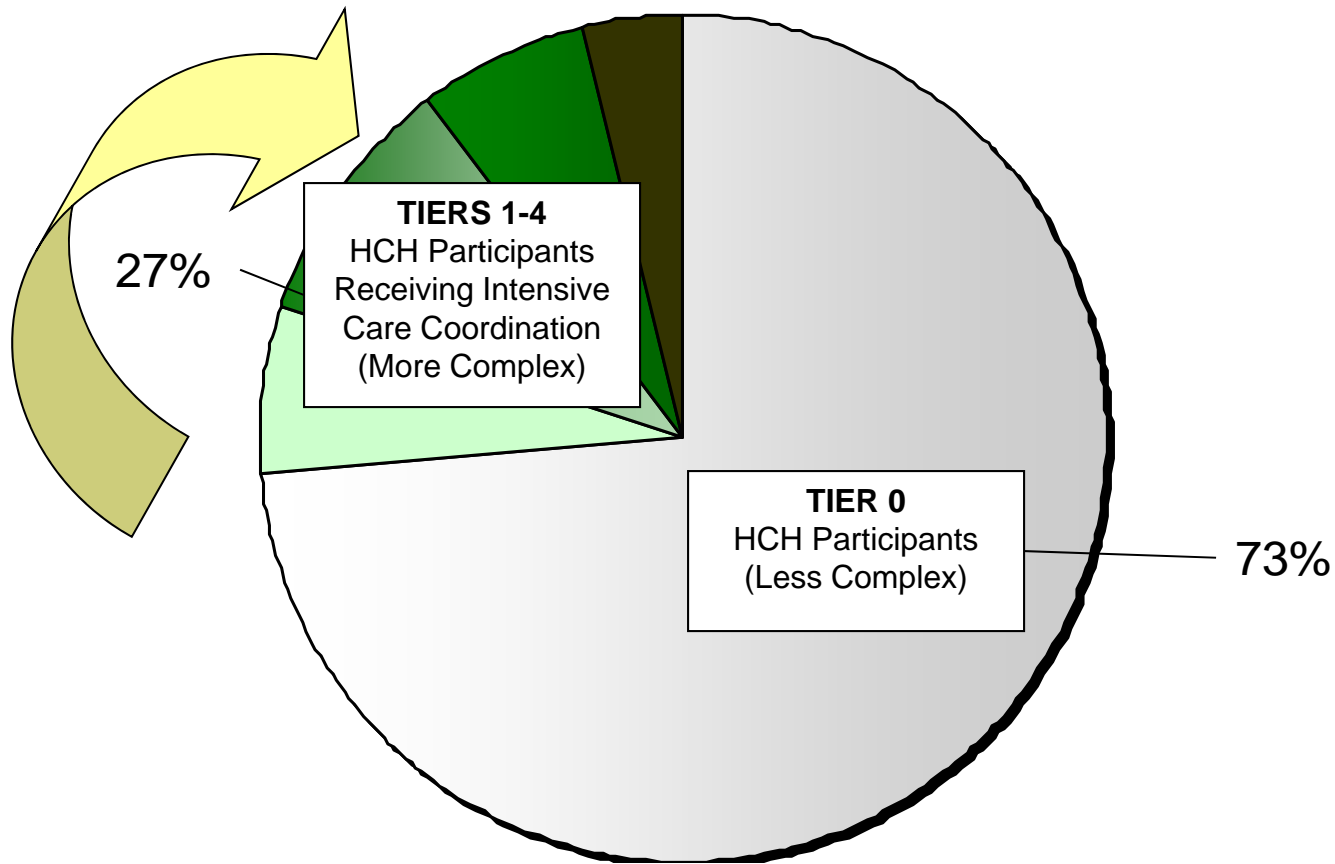
# HCH's Population



*We starting here with*  
**HCH Care Coordination  
Payments for  
Certified HCH's**

**HCH CERTIFICATION AND OUTCOMES MEASUREMENT**

# Patient Complexity Across Populations: Example 2



HCH CERTIFICATION AND OUTCOMES MEASUREMENT

# Multipayer Advance Primary Care Demo

## MAPCP

Sites Awarded in November

Michigan

**Minnesota**

New York

North Carolina

Maine

Pennsylvania

Rhode Island

Vermont



# MN MAPCP Demo: Quick Facts

- All certified HCHs will be eligible to participate by billing for their eligible Medicare patients
- The demo will last 3 years
- Over 200,000 MN beneficiaries are projected to participate
- Dollars will go from Medicare directly to the practices using a similar rate structure to FFS Medicaid

# MAPCP Work to Date

- OMB approval of budget neutrality (mixed track record of Medicare demos)
- Equipping regional carriers to pay care coordination claims (first payments expected 10/11)
- Planning for externally-contracted CMS evaluation
- 2-way transmission of health care claims data

# Questions:

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