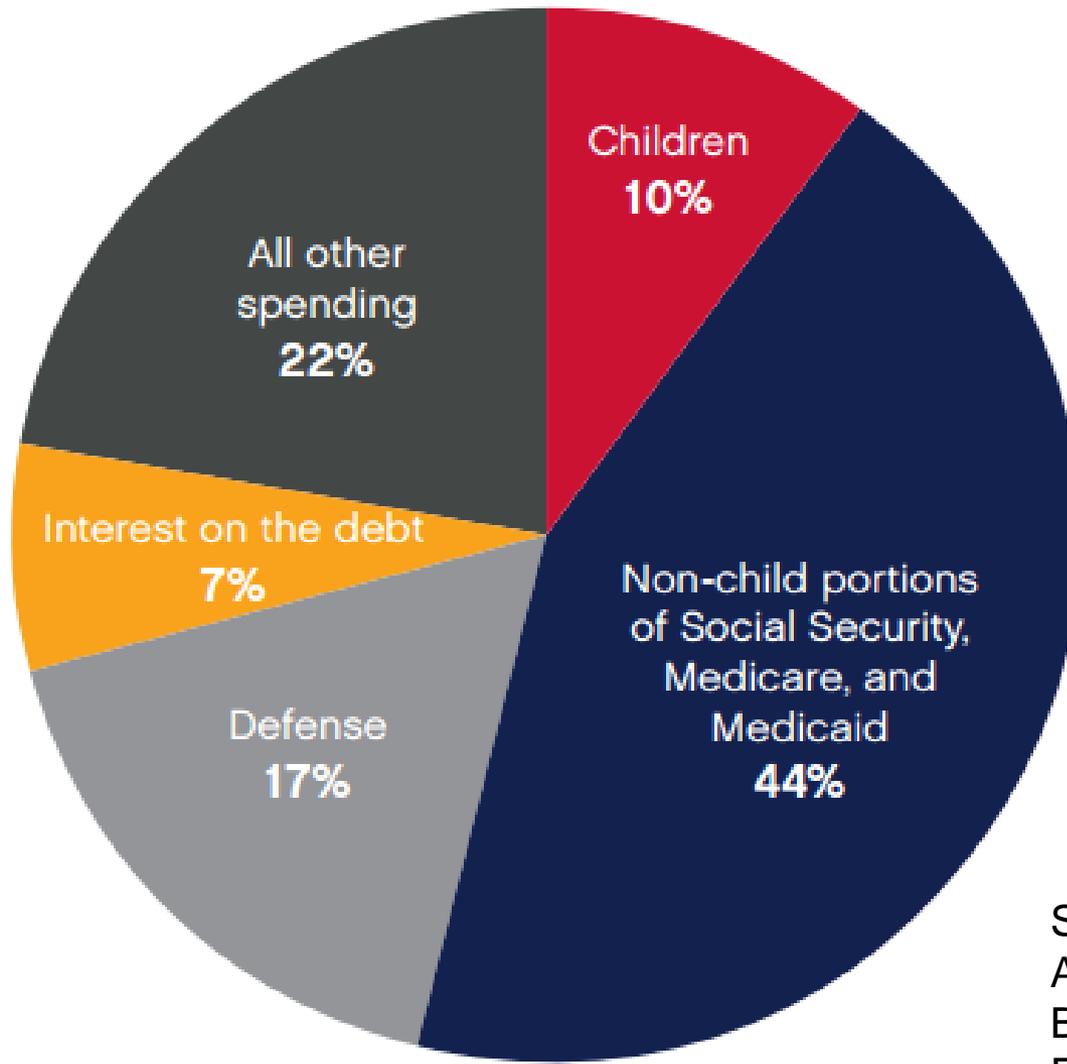


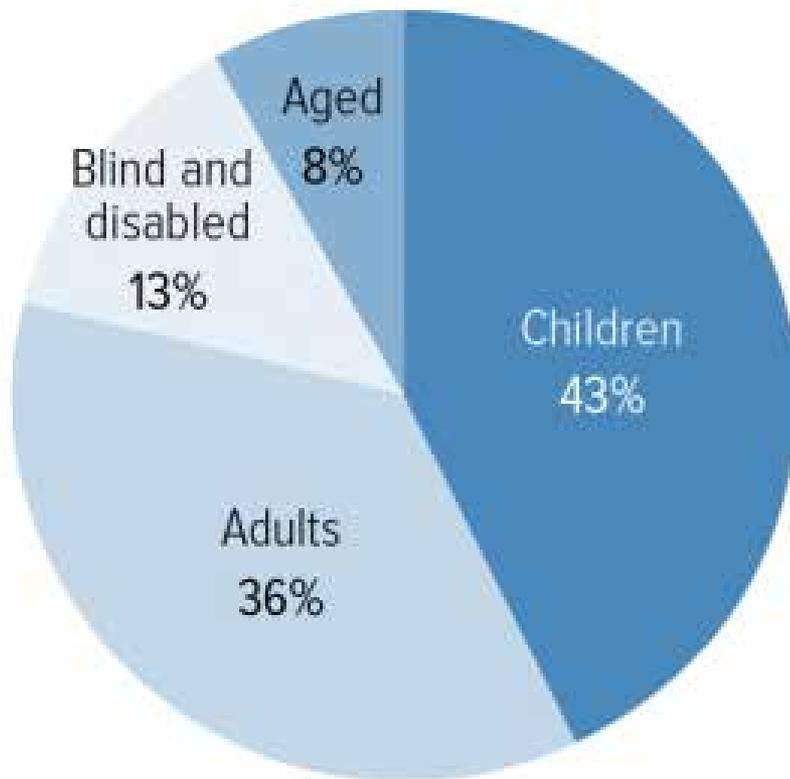
# Share of Federal Budget Spent on Children, 2014



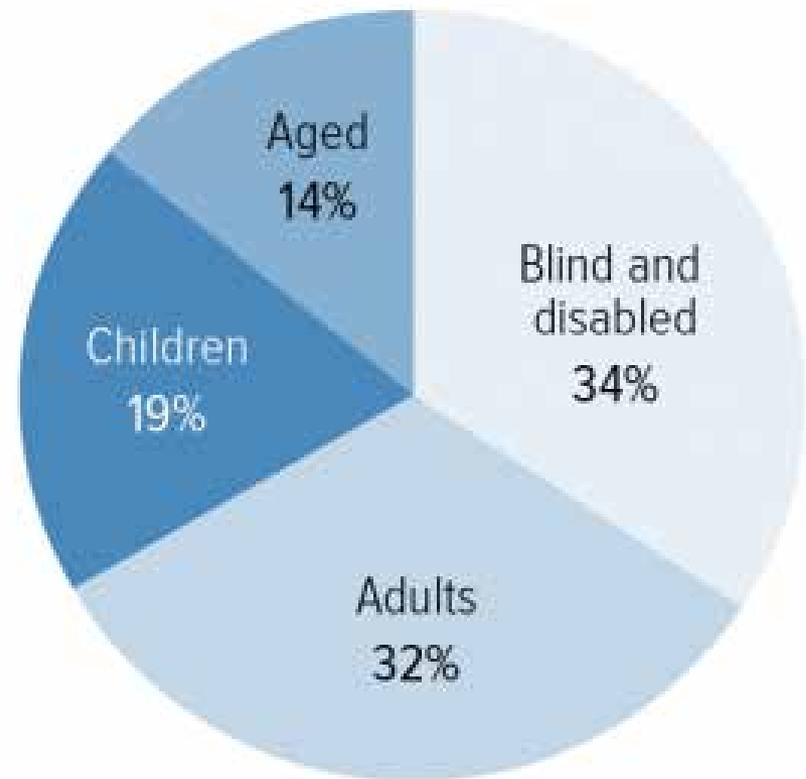
Source: Urban Institute, 2015.  
Authors' estimates based on the  
Budget of the U.S. Government  
Fiscal Year 2016

# Enrollment and Spending in Medicaid

Medicaid enrollment

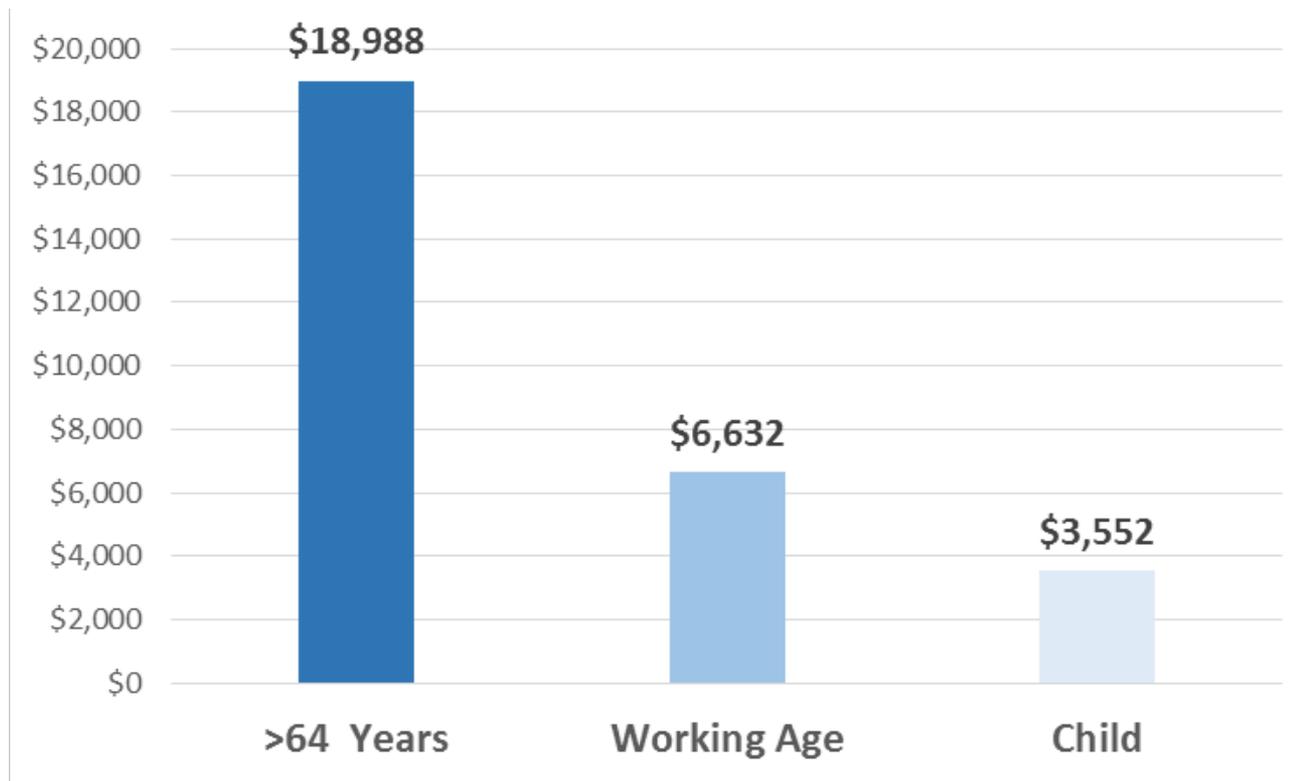


Medicaid spending



Source: Spending and enrollment estimates for FY2015 from the Congressional Budget Office's March 2016 Medicaid baselines. Figures may not sum to 100% due to rounding.

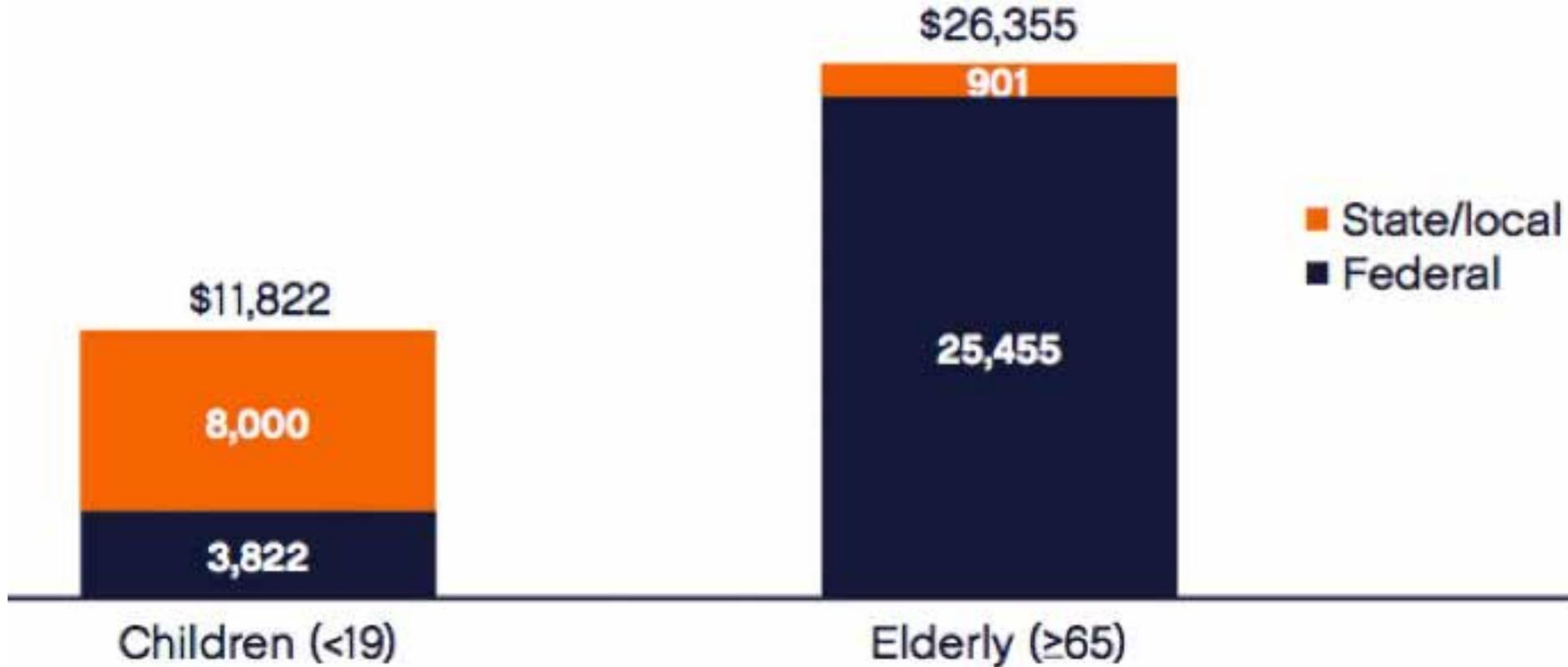
# National Healthcare Expenditure 2012



In 2012, children ~25% of population, slightly less than 12% of all healthcare spending.

Source: <https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddata/nhe-fact-sheet.html>

# Per Capita Spending, Children vs Elderly



Source: The Urban Institute, 2012

# Objectives

1. Understand the role of children within a reformed healthcare delivery system
2. Explore the differences between Pediatric Medicaid and Medicare ACO Models
3. Review one pediatric Medicaid ACO and how it leveraged Medicare initiatives to become sustainable

# Medicare vs. Medicaid Pediatric ACO Models

## Medicare/Adult ACO Model

ACA Defined Payment Model

Federal support

Minimum 5,000 patients

Minor social determinants of health impact

Family health & support lower impact

Waiver for MSSP for fraud and abuse laws

## Pediatric Medicaid ACO Model

Not Defined Payment Model

No federal support

>> 5,000 needed for savings to sustain infrastructure

Major social determinants of health impact

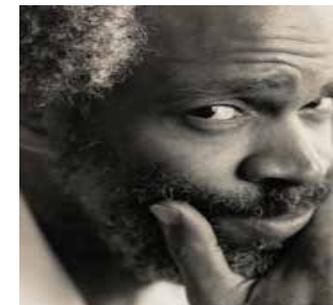
Family health & support, higher impact

No waiver for fraud and abuse laws

# Objectives

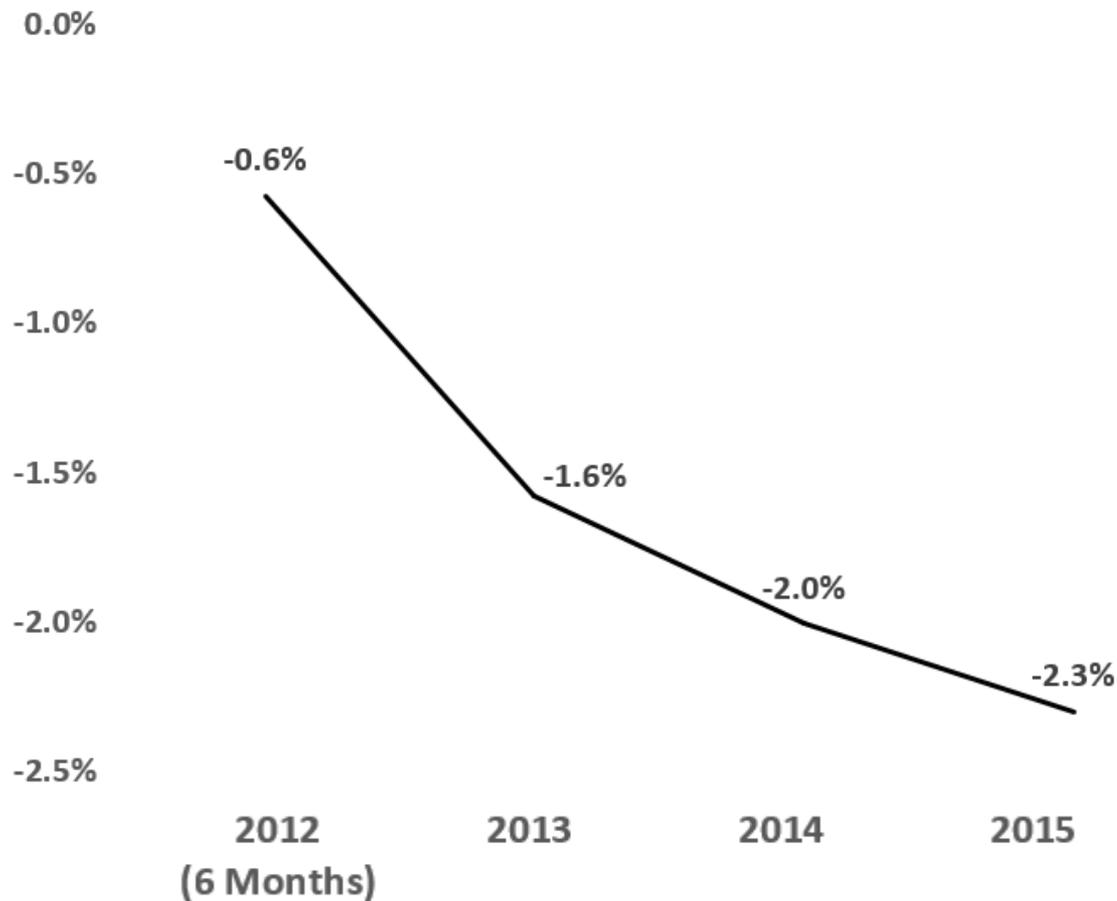
1. Understand the role of children within a reformed healthcare delivery system
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# University Hospitals ACO Initiatives



	University Hospitals Rainbow Care Connection	University Hospitals Accountable Care Organization	University Hospitals Coordinated Care Organization
<b>ACO Type</b>	Medicaid	Employee Commercial Medicare Advantage	Medicare (MSSP)
<b>Attributed Membership</b>	<b>70,000</b>	<b>181,000</b>	<b>50,000</b>
<b>Payer</b>	Ohio Medicaid via Managed Care	Self-Insured Plans/ Commercial Payers/ Medicare Advantage	Traditional Medicare

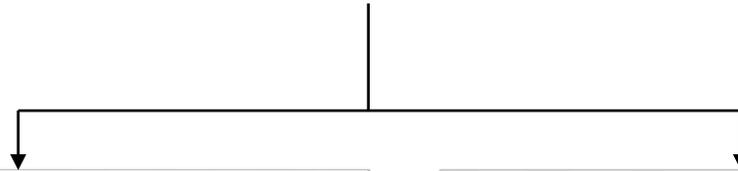
# UH Medicare ACO Cost Savings to Date



Source: Performance data 2012 – 2015 available at [Data.CMS.Gov](http://Data.CMS.Gov)

- Annual membership: ~53,000
- Annual medical expense: ~\$543M
- ~\$30M total cost savings since beginning Program
- **\$5.6 Million in shared savings in 2015**
- **2015 performance year at 2.3% savings rate vs. target of 2.1%**

# Rainbow Care Connection



## Structural Programs

1. Physician Network
2. Payer Engagement - APM
3. Population Health & Care Gap Analysis

## Clinical Programs

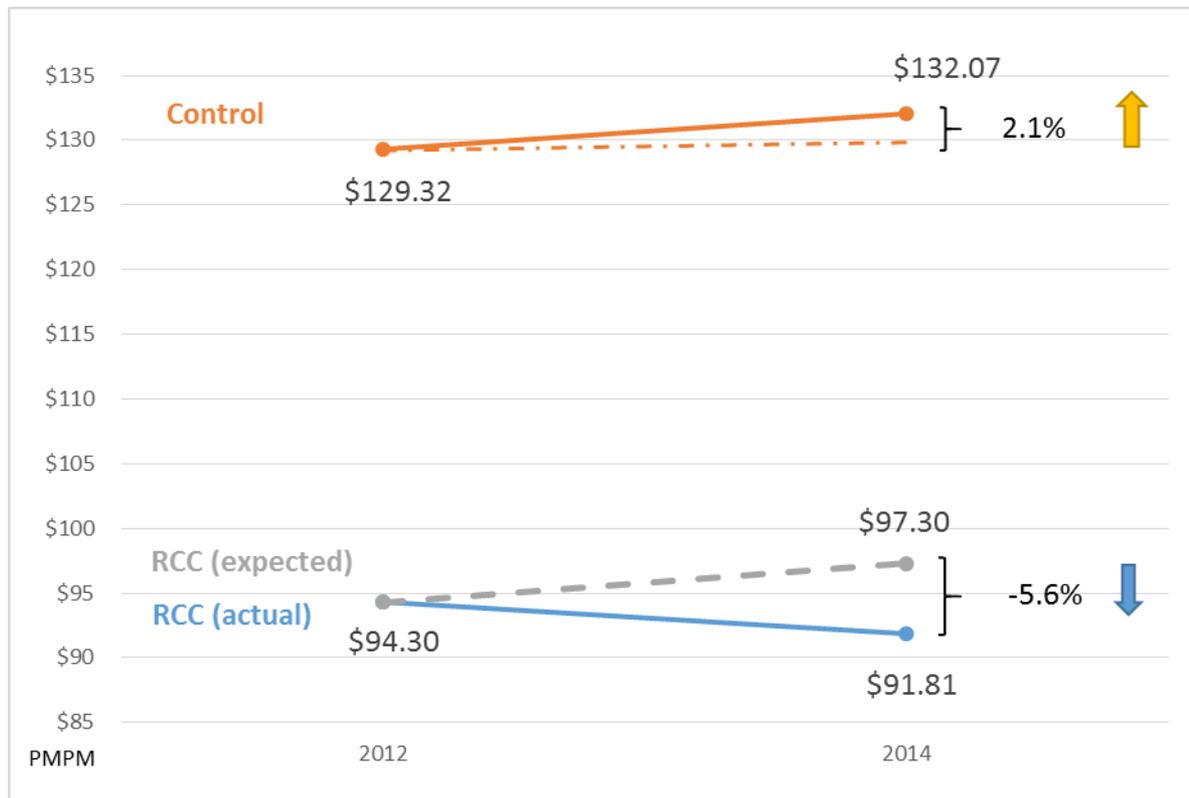
4. Practice-Tailored Facilitation
5. Children with Medical Complexity
6. Integrated Behavioral Health Services
7. Outreach
8. ED Alternatives
9. Hospital Readmission

# Rainbow Care Connection Two Year Findings

1. Evaluation of 35,000 Medicaid beneficiaries enrolled in first two years of the study
2. Case-mix-adjusted geographic control group
3. Controlled for constant cohort, APR-DRG, Medicare parity years, ABD migration
4. Rainbow Care Connection total cost of care 2012 vs. 2014
  - 5.6% cost savings to Medicaid (includes FFS)
  - 6.9% cost savings to Medicaid Managed Care

Source: Mercer Case Study 2016  
Confidential. Not for distribution.

# Control Group Trends and Savings Percent

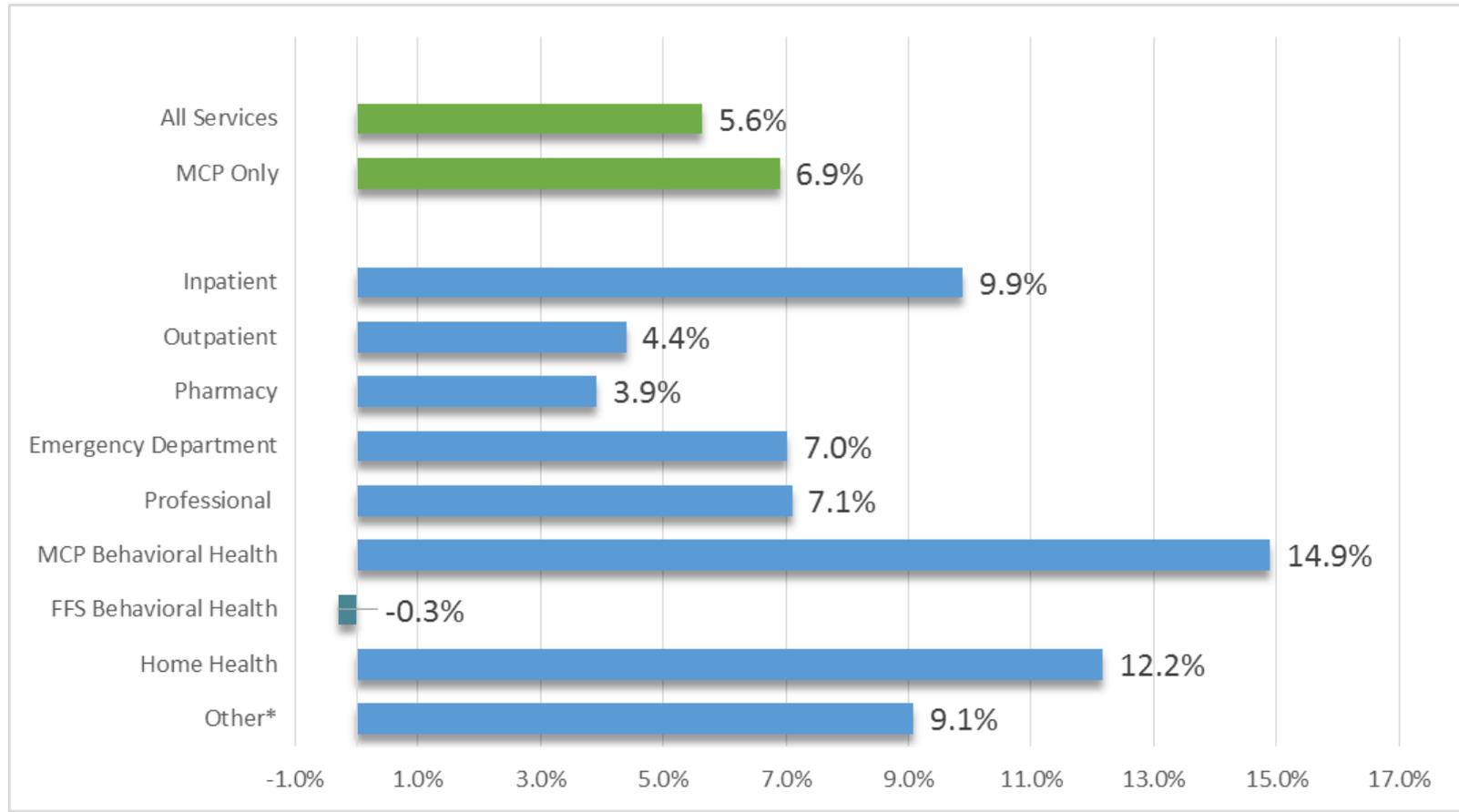


- 2013 trend was comparable, difference was in 2014
- Control trend up, RCC trend down
- Lower starting PMPM indicates harder to improve, yet RCC did

*RCC expected costs were obtained by applying the service line adjusted control group two year trend to the RCC baseline year.*

Source: Mercer Case Study 2016  
Confidential. Not for distribution.

# PMPM Savings Percent by Category



\* Other: nursing facility, radiology/lab/pathology, emergency and non-emergency transportation, respite care, DME, FQHC, other miscellaneous services.

Source: Mercer Case Study 2016

Confidential. Not for distribution.

# PMPM Savings Percent by Category

Service Category	Amount	Percent of Total
In-patient	\$1.14	21%
Out-patient	\$0.38	7%
Pharmacy	\$0.95	17%
Emergency Department	\$0.53	10%
Professional	\$0.83	15%
MCP Behavioral Health	\$0.47	9%
FFS Behavioral Health	(\$0.06)	-1%
Home Health	\$0.02	0%
Other *	\$1.23	22%
<b>Total PMPM Savings</b>	<b>\$5.49</b>	

\* Other: nursing facility, radiology/lab/pathology, emergency and non-emergency transportation, respite care, DME, FQHC, other miscellaneous services.

Source: Mercer Case Study 2016  
Confidential. Not for distribution.

## Alternative Payment Models with 5 Medicaid MCPs

1. Care Coordination Fee – Per Member Per Month
2. Quality PMPM Incentive Payments
3. Shared Savings

# Road to Success = Engaging Payers

- Ohio Medicaid support
  - Medicaid data
  - Advocate for alternative payment models
- Independent actuarial evaluation
- Ohio Medicaid Managed Care Plans
  - Difficult to engage
  - Success with leveraging Medicare Advantage agreements
  - Eventual APM arrangements

# Current Alternative Payment Models

	Medicare Advantage	Care Coordination Fee	P4P Quality	Shared Savings
Plan A	Seniors	Adults+Kids	Adults+Kids	TCOC
Plan B	Seniors	Kids Only	Kids Only	
Plan C			Kids Only	Kids Only
Plan D			Kids Only	Kids Only
Plan E				Kids Only

TCOC = total cost of care

# Objectives

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# Disclaimer

- *The project described is supported, in part, by Funding Opportunity Number CMS-1C1-12-0001 from Centers for Medicare and Medicaid Services, Center for Medicare and Medicaid Innovation. Its contents are solely the responsibility of the authors and do not necessarily represent the official views of HHS or any of its agencies.*
- *The data presented has not been audited or verified by CMMI.*

***Thank You!***

