

Medicaid Accountable Care Organization Demonstration Project



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NJ ACO Legislation

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- S2443 – signed into law (P.L. 2011, Chapter 114) by Governor Christie on August 18, 2011
- Establishes a three year Medicaid Accountable Care Organization Demonstration Project
- The Department of Human Services (DHS) will accept, review and certify applications meeting the requirements defined in the legislation and regulations.
- DHS will consult with the Department of Health with respect to establishment and oversight of the project.

NJ's Conceptual Model

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- Based on Camden Coalition of Healthcare Providers
- Focus on high-cost utilizers and improving outcomes for this group

Legislation's Intent

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- Increase access to primary care, behavioral health care, pharmaceuticals and dental care by Medicaid recipients in defined regions
- Improve health outcomes and quality and measured by objective metrics and patient experience of care
- Reduce unnecessary and inefficient care without interfering with patients' access to their health care providers or providers' access to existing Medicaid reimbursement

ACO Strategies

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- Engagement of individuals in their treatment
- Promote medication adherence, use of medication therapy management, and healthy lifestyles
 - Smoking cessation, reducing substance abuse, improving nutrition
- Develop skills in health self-management and illness management
- Improve access to services for primary and behavior health care needs through home-based services, telephonic and web-based communication
- Improve service coordination to ensure integrated care for primary, behavioral, dental and other health care needs.

Applicant Requirements

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- Non-profit organization
- Minimum of 5,000 Medicaid beneficiaries served within designated region
- Governing Board must include:
 - Members representing interests of health care providers and social service agencies located in the designated area
 - Voting representation from at least two consumer organizations capable of advocating on behalf of the patients residing within the designated area
- Support in its applications by:
 - 100% of general hospitals located within the designated area
 - 75% qualified primary care providers within the designated area
 - 4 qualified behavioral health providers in the designated area
- Process for receipt of gainsharing payments
- Process for engaging members of the community for public comment
- Accountable for health outcomes, quality, cost and access to care of Medicaid recipients residing within the designated region
- Commitment to ensure use of electronic prescribing and electronic medical records by health care providers within the designated region

Gainsharing

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- A certified Medicaid ACO must submit a gainsharing plan within one year of certification
- Gainsharing plans must promote improvements in health outcomes and quality of care; expand access in primary and behavioral health care services and reduction of unnecessary and inefficient costs
- Rutgers Center for State Health Policy will provide analysis on the gainsharing plans

Regulations

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- Currently 95% drafted
- Concerns surrounding anti-trust and the State's obligation of oversight
- Awaiting legal counsel
- Anticipated approval in late-fall, early-winter

Challenges

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- Federal Anti-trust
 - State Action Doctrine
- Majority (98%) of beneficiaries in fully capitated managed care, existing ACO demonstration models have been in FFS payment systems
- Voluntary aspects, MCOs not required to participate
- Calculating shared savings in a capitated model, which already includes an efficiency measure
- Uncharted territory....evolving regulatory developments

CHCS ACO Learning Collaborative

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- NJ selected to participate in a learning collaborative
 - Advancing Medicaid Accountable Care Organizations
- Sponsored by The Commonwealth Fund and the Center for Health Care Strategies
- Provides technical assistance and access to expert consultation
- Facilitates exchanges between CMS and other states in ACO program design and implementation