Medicaid Accountable Care Organization Demonstration Project

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NJ ACO Legislation

- 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

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

- 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

- 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

- 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

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

- 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

- 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
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