Health Care Payment Learning and Action Network: Opportunities That Lie Ahead

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October 27, 2016
Overview of Presentation

• The HCP-LAN: What is it and why is it important?
• Describe the work of the subgroup the Clinical Episode Payment (CEP) Workgroup
• Discuss recommendations for maternity bundling by the CEP workgroup
• Discuss implications of the recommendations for CPMs
• Next Steps: the Maternity Action Collaborative
What is the HCP-LAN and why is it important?

- Collaborative funded by CMS, but private sector leadership—largest payers, providers, employer groups, consumer groups
- Goal: Accelerate adoption of alternative payment models—clinical episode payment for maternity as one of those models
- Two goals: Spread learning and create action
- Important because the largest forces in health care are at the table sharing, listening and pushing action AND it has solid funding for another two years (administration change will not impact).
What is the Clinical Episode Payment Workgroup and why is it important?

- CEP is one of several Workgroups of the HCP-LAN. Chaired by Lew Sandy from United Healthgroup
- Made recommendations for payment reforms on three episode types: elective joint replacement, maternity and cardiac
- Implications: More states (Medicaid, public employees and other commercial insurance) and large payers likely to adopt some type of episode payment for maternity in coming years.
Overview of CEP Recommendations on Maternity Care

• Released on August 1, 2016 with other episode recommendations
• Very extensive, lots of mention of birth centers, best practices for maternity care
• Home birth mentioned minimally and the distinction between CNMs and CPMs not highlighted, but midwives and birth centers well represented.
• Lots of emphasis on patient decision-making and information for choice.
The Opportunity: Maternity Care Affects Everyone

- Labor and delivery account for almost a quarter of all hospital visits and discharges in the US; the associated costs and outcomes affect patients and their families, as well as employers and payers.

- Medicaid paid for approximately 45% of births between 2010 and 2013 (National Governors Association Center for Best Practices, 2015)

- Premature births are associated with very high medical and educational costs, as well as lost employee productivity. (Childbirth Connection, 2011)
Our Current Care Delivery Model is Characterized by...

- Increased use of unnecessary high-cost interventions
- Reliance on use of high-cost settings when lower-cost settings (e.g. birth centers) are shown to lead to successful outcomes
- Fragmentation of care across the prenatal, labor and birth, and postpartum settings and providers
- Traditional fee-for-service payments for maternity care, as well as higher rates for cesarean births may lead to unnecessary medical interventions
In an episode payment model, providers accept accountability for patients over a set period of time and across multiple care settings. In the maternity care space, episode payment can:

• Encourage greater coordination across the continuum of care
• Allow for greater flexibility in choice of provider and settings of where care is received
• Provide incentives for the use of services that may support better outcomes for the woman and baby, at a lower cost (e.g. doula care, midwives, birth centers, group prenatal care, parenting education)

Moving to alternative payment models for maternity care will require commitment and leadership from States, MCOs, and commercial payers.
### LAN Maternity Care Episode Payment Recommendations

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<td>Episode includes maternity and newborn care for the majority of pregnancies that are lower risk, as well as for women with elevated risk conditions for which there are defined and predictable care trajectories.</td>
<td>Episode begins 40 weeks before the birth and ends 60 days postpartum postpartum for the woman, and 30 days post birth for the baby.</td>
<td>The population is women and newborns who are lower-risk, as well as women who may be at elevated risk due to conditions with defined and predictable care trajectories.</td>
<td>All services provided during pregnancy, labor and birth, and the postpartum period (for women); and newborn care for the baby. Pediatric services are not included. Other service exclusions should be limited.</td>
<td>Engage women and their families in all three phases of the episode (prenatal, labor and birth, and postpartum/newborn).</td>
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<td>6. Accountable Entity</td>
<td>Accountable entity chosen based on readiness to both re-engineer change in the way care is delivered delivered to the patient, and to accept risk. Shared accountability may be required, given that a</td>
<td>Payment flow – either retrospective reconciliation or prospective payment – depends on the unique characteristics of the model’s players.</td>
<td>The episode price should balance single and multiple providers and regional utilization history. It should reflect the cost of services needed to achieve the goals of the episode payment model.</td>
<td>Ultimate goal is both upside reward and downside risk, with strategies in place to mitigate risk, encourage provider participation, and support support inclusion of a broad patient population.</td>
<td>Prioritize use of metrics that support the episode goals, including measures of clinical outcomes and patient reported outcomes, for use in payment, accountability, quality scorecards, and other tools to communicate with and engage patients and other stakeholders.</td>
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**LAN SUMMIT**

 *[Aligning for Action Health Care Payment Learning & Action Network]*
Next Steps: Maternity Multi-Stakeholder Action Collaborative (MAC) Principles

• Designed to support stakeholders seeking to improve maternity care and outcomes, using alternative payment as a lever

• All participating organizations are at different points in this journey and have varying “glidepaths” to adopting episode payment

• With episode payment for all maternal care as the aspirational goal, the LAN’s Clinical Episode Payment Recommendations on Maternity Care will serve as core guidance to the work of the MAC

• The LAN sees opportunities in bringing together private and public sector payers, providers, employers, and consumers to learn from each others’ experiences of their respective journeys to adopt maternity care episod payments.

• 10 states have already signed up to participate—AZ, CT, DE, IA, LA, MD, MT, TN, VA and WV—still recruiting. 8 of these are Medicaid and 2 are public employee plans.
Implications for CPMs

• AABC and Maternity Neighborhood involved; may be asked for specific technical advice or participation
• Kick-off is December/January
• Primarily working with states at this point, but may pull together cohorts of groups to work together on specific designs/efforts in certain regions
• Make sure CPMs well represented in the push on birth centers
• Consider strategies for inclusion of home births
Questions? Comments? Thoughts?

• For more information on the recommendations:

  • https://hcp-lan.org/groups/cep/maternity-final

• Or just go to the hcp-lan.org website for more overall information