



Media Release

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Review Shows Payment Improvement Initiative Advancing Patient Care, Decreasing Costs
More than 480 Providers Eligible to be Rewarded Financially for High-Quality, Cost-Effective Work

A comprehensive analysis of Medicaid data for the initial wave of episodes shows that the Arkansas Health Care Payment Improvement Initiative has spurred higher-quality patient care and reduced or stabilized health care costs during the first full year of the innovative initiative, the Department of Human Services announced today.

The review of Medicaid claims data and other quality metrics for the episodes of Perinatal, Attention Deficit Hyperactivity Disorder (ADHD), Total Joint Replacement, Upper Respiratory Infections (URI) and Congestive Heart Failure established several key findings, including:

- Increased screening for diabetes, HIV, Hepatitis B and other conditions in pregnant women
- A 29 percent drop in ADHD episode costs from October 2012 through December 2012
- Improved coding and oversight of stimulant medication to ensure prescriptions match diagnoses
- Stabilized costs for Congestive Heart Failure and Total Joint Replacements
- A 19 percent decrease in unnecessary antibiotic prescriptions for unspecified upper respiratory infections from October 2012 through September 2013
- An 18 percent reduction in multiple courses of antibiotics prescribed for sinusitis and other upper respiratory infections.

“We are encouraged by these results for the first wave of episodes,” said Dawn Zekis, Director of Health Care Innovation and interim Medicaid Director. “We’re seeing providers actually change their practice patterns, which is an important first step in moving towards higher-quality and more effective patient care.”

Medicaid along with two of the state’s largest private insurance companies created the joint initiative in 2011 in an effort to control accelerating health care costs in Arkansas in a way that also improved the quality of care. The initiative has three main components: episodes of care, which primarily target costs/care for medical conditions such as congestive heart failure; patient centered medical homes, which focus on prevention and chronic disease management; and health homes, which provide extra support for people who have increased needs for care coordination.

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In all, Medicaid has launched 14 episodes of care. Perinatal, ADHD, Total Joint Replacement, URI and Congestive Health Failure were the first episodes to launch and complete the full performance period.

“We have been pleased by the engagement of Arkansas providers,” said Dr. William Golden, Medicaid Medical Director. “This reflects thoughtful review of their care plans and clinical strategies. Greater application of effective healthcare decision-making is critical to sustain our healthcare system into the future.”

For the episodes to complete a full performance period, a total of 489 providers are eligible to receive financial incentive payments totaling \$396,103 for meeting quality and efficiency goals. The incentives represent a portion of the money saved by Arkansas Medicaid because of the providers’ work, Golden said. Of those, 176 fell into the commendable range for their episode costs, but need to submit or verify additional quality information before they can receive their portion of the payments, which totals \$189,237. Conversely, there are 278 providers who will be required to reimburse Arkansas Medicaid a total of \$594,191 because their costs were not comparable to their peers. The payments will either be remitted by providers or taken from future reimbursements.

A complete overview of this initiative has been documented in a new [video](#) produced by the Arkansas Center for Health Improvement and is available on the Center’s [website](#).

AHCPII is a multi-payer initiative including Medicaid, Arkansas Blue Cross and Blue Shield, and QualChoice of Arkansas. Information about the initiative also is available online at www.paymentinitiative.org.