Technical and Policy Opportunities in Financing and Payment

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Building the Optimal Integrated System of Care for People with Intellectual or Developmental Disabilities

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Boston Children's Hospital
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HARVARD MEDICAL SCHOOL TEACHING HOSPITAL
HSRI

Disclosures

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IEC influenced the choice of content as it pertained to the workshop, but not the content itself.

Technical and Policy Opportunities in Financing and Payment

Risk adjustment for payment of health care and home and community-based services (HCBS)

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1. We take the societal perspective

- "Persons with disabilities include those who have long-term…intellectual impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others."
  - *United Nations Convention on the Rights of Persons with Disabilities, 2006*

- The societal perspective is the primary perspective from which we think about challenges and solutions for payers, payment incentives and risk adjustment

1. We take the societal perspective

- IDD prevalence: 2.6 - 12.3%

- The IDD population likely under-identified in both health care and HCBS sectors
- Claims-based algorithms without an IDD lens can miss 20% of people with IDD
  - Chronic Illness & Disease Payment System (CDPS)
  - AHRQ's Chronic Condition Indicator (CCI)

1. We take the societal perspective

	In millions
❖ IDD population total:	28.6 – 38.7
❖ IDD highest need group:	5.0 - 5.6
❖ IDD receiving HCBS:	0.8 – 1.0

❖ Millions with IDD likely benefiting from

• HCBS Moderate (1:1, most days of week):	5 - 5.6
• HCBS Lowest (e.g., day program):	13 -15
• No HCBS (e.g., ad hoc task-oriented help):	10 -11

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1. We take the societal perspective

❖ ~IDD annual spending: $0.5 billion*

*does not reflect how greater HCBS spending could reduce health care spending

- Federal OASDI: $107 million
- Health Plans: $355 million
- Direct state HCBS Waivers: $50 million
  (identified persons only)

1. We take the societal perspective

High spending
+Sub-optimal quality processes
+ Sub-optimal outcomes
+?Equity
= In-effective

Through within and cross-sector partnership

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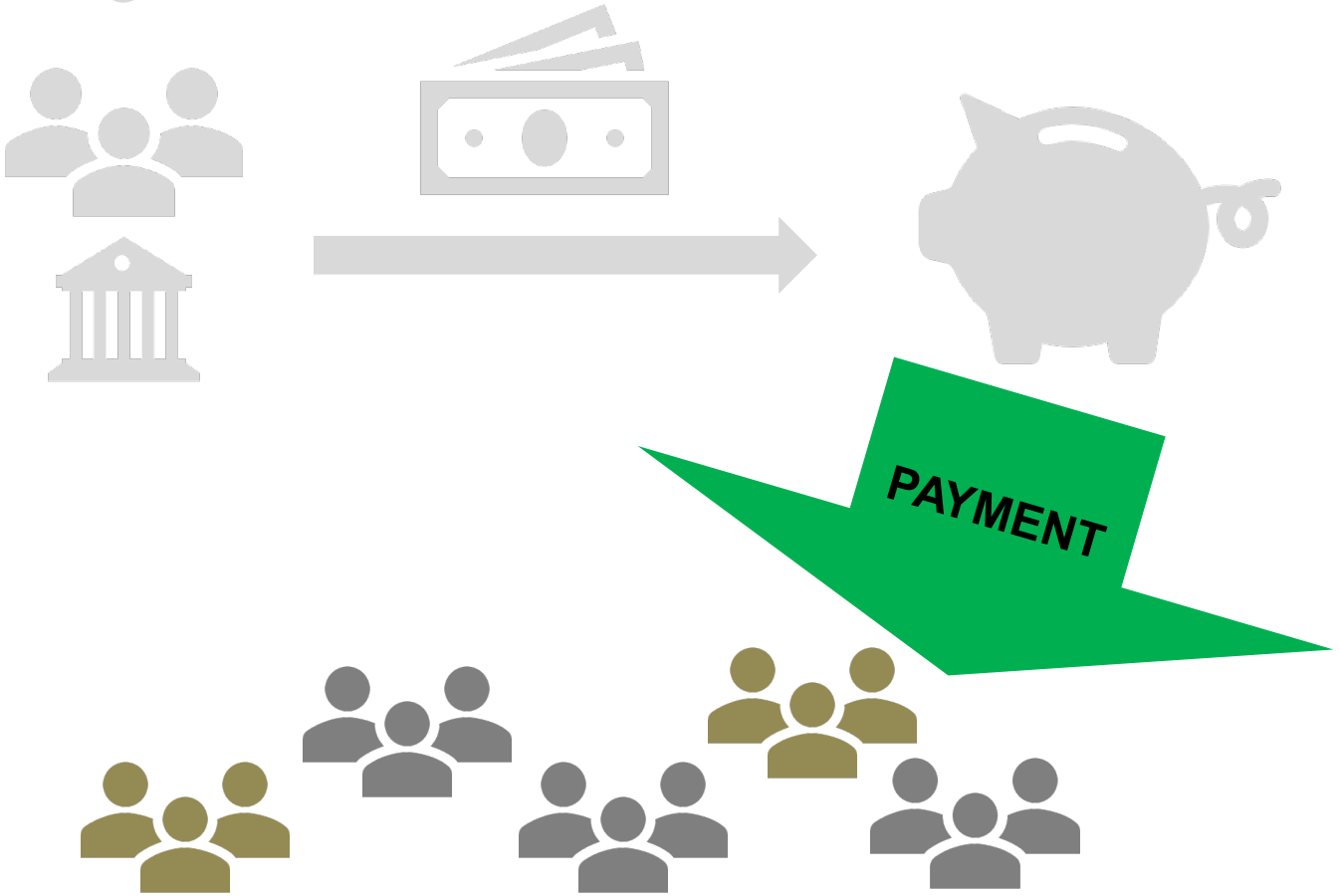
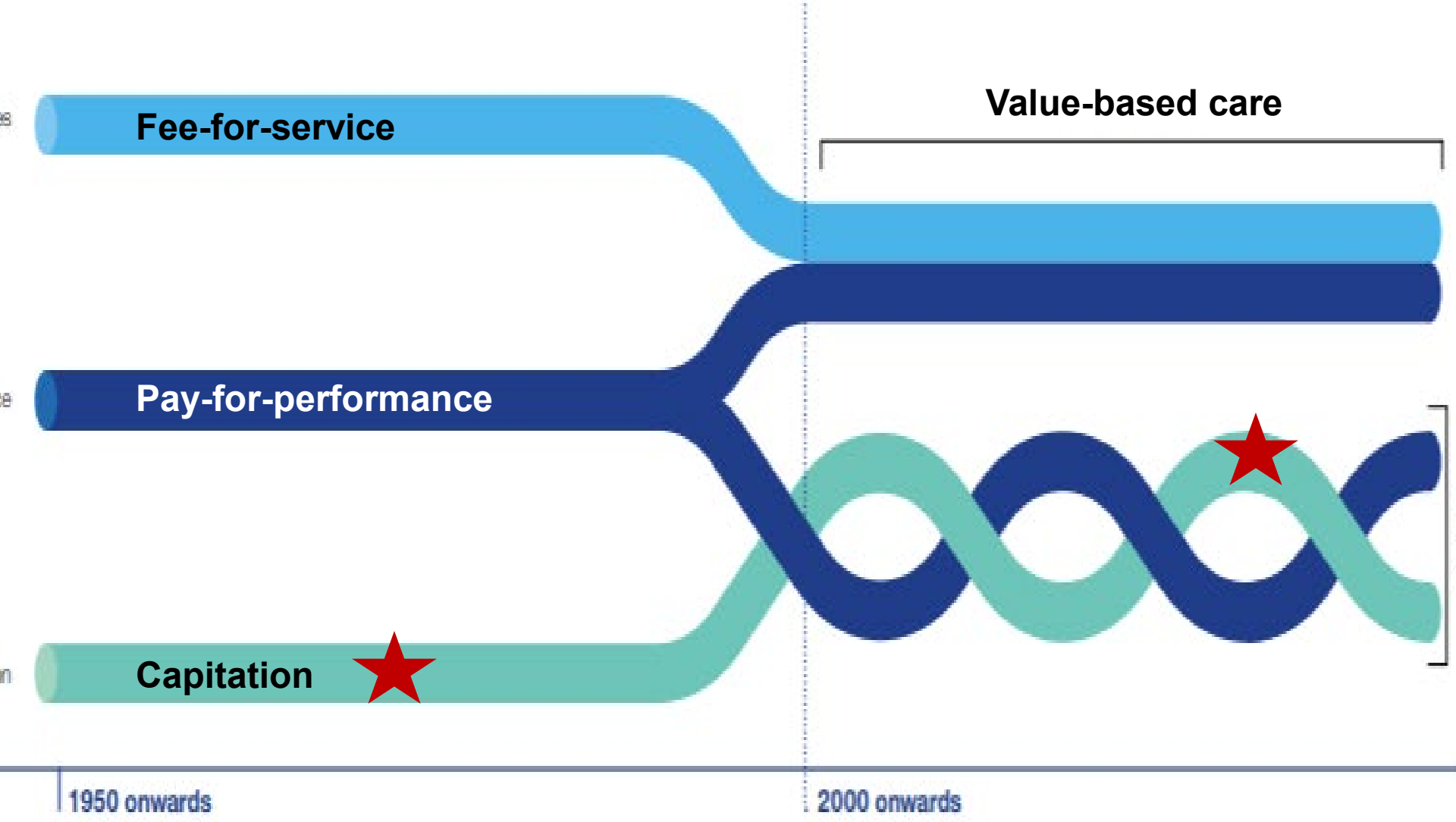
2. Payment

Financing



2. Payment approaches with risk adjustment

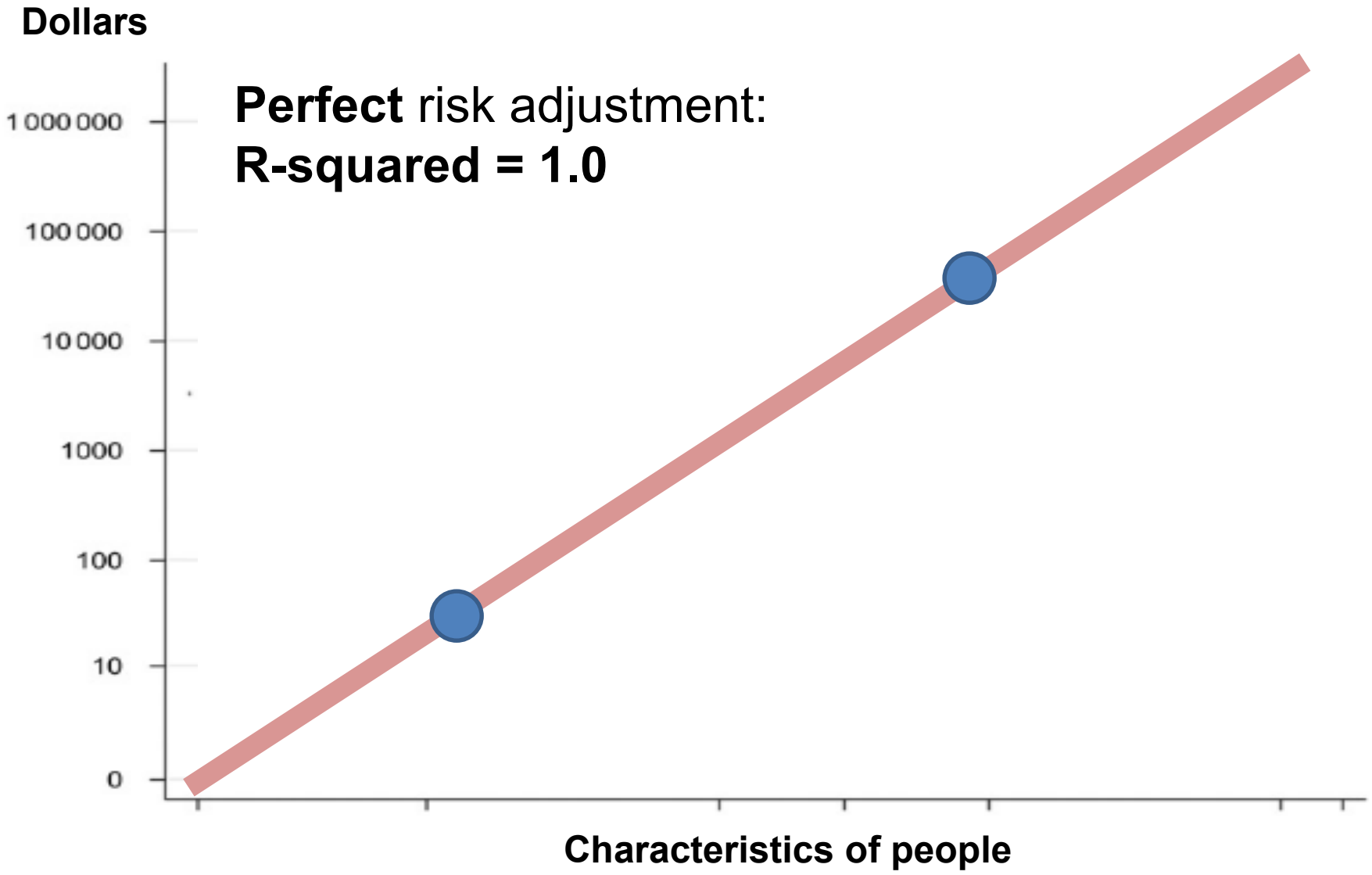


3. Risk adjustment is…

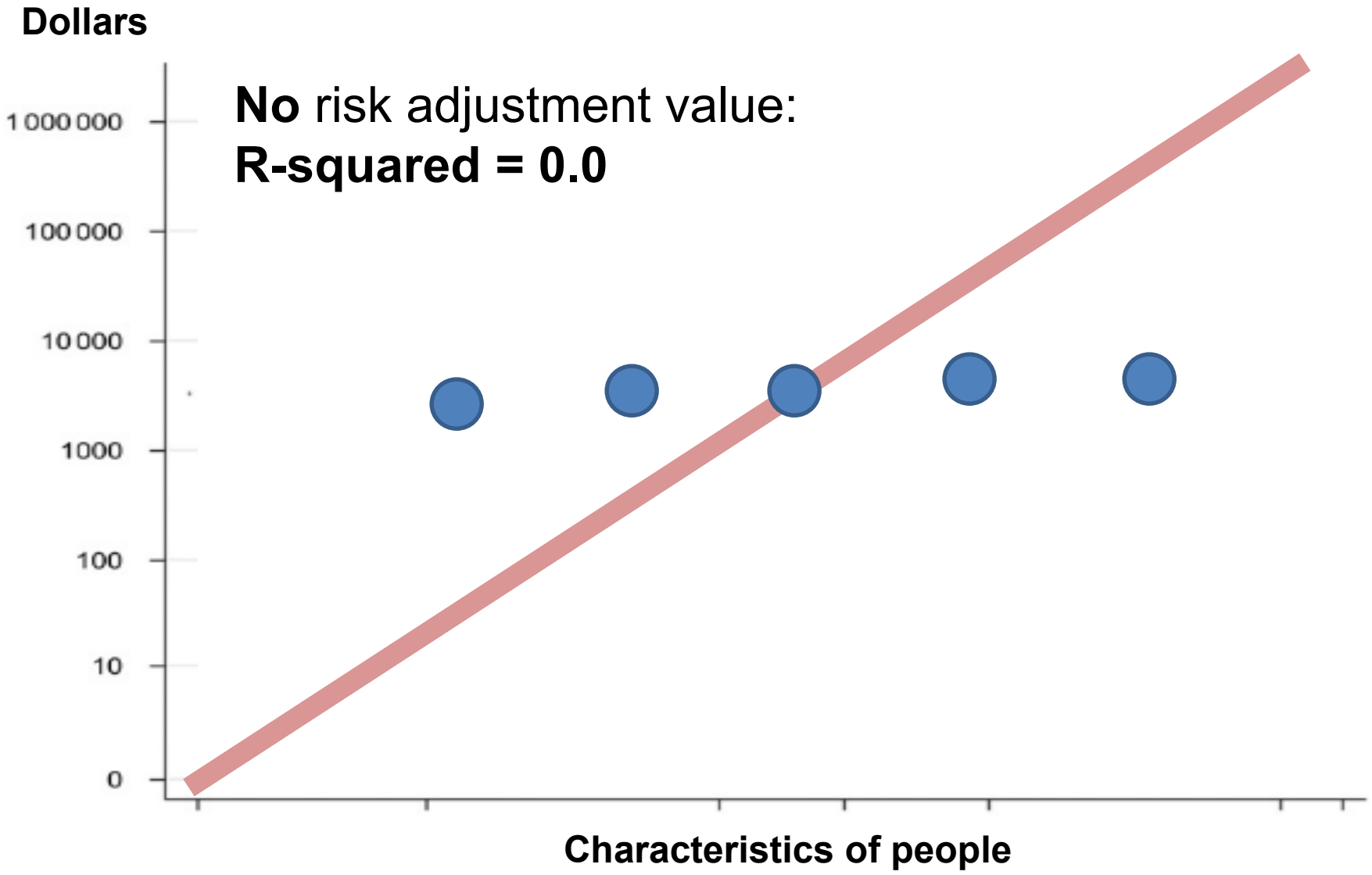
- A general statistical method that accounts how characteristics of observations (people) may relate to an outcome (annual spending).

- Critical for rewarding those providing insurance or care for more complex patients over less complex ones, otherwise cherry-picking aka adverse selection will occur.

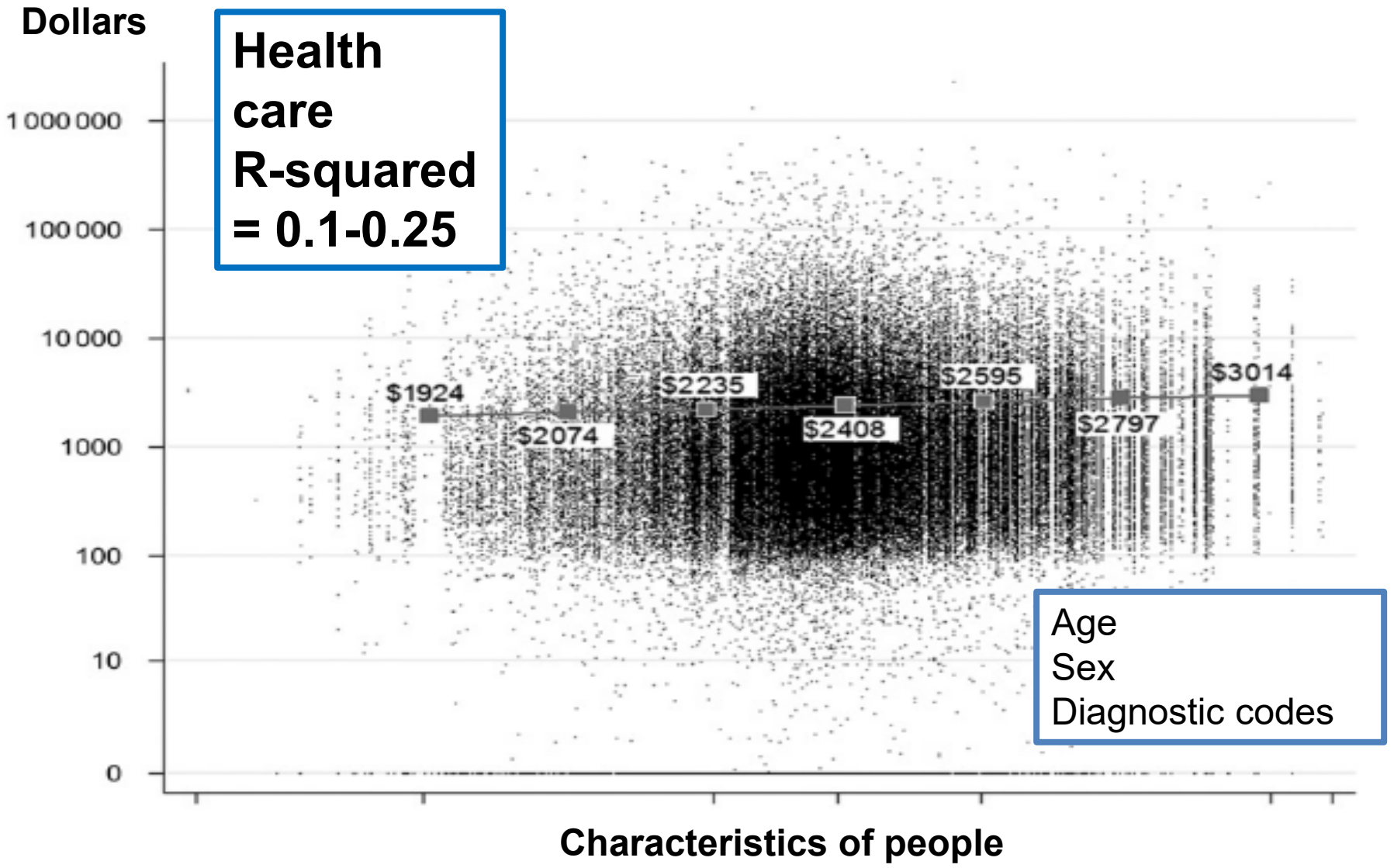
3. Risk adjustment is…



3. Risk adjustment is…

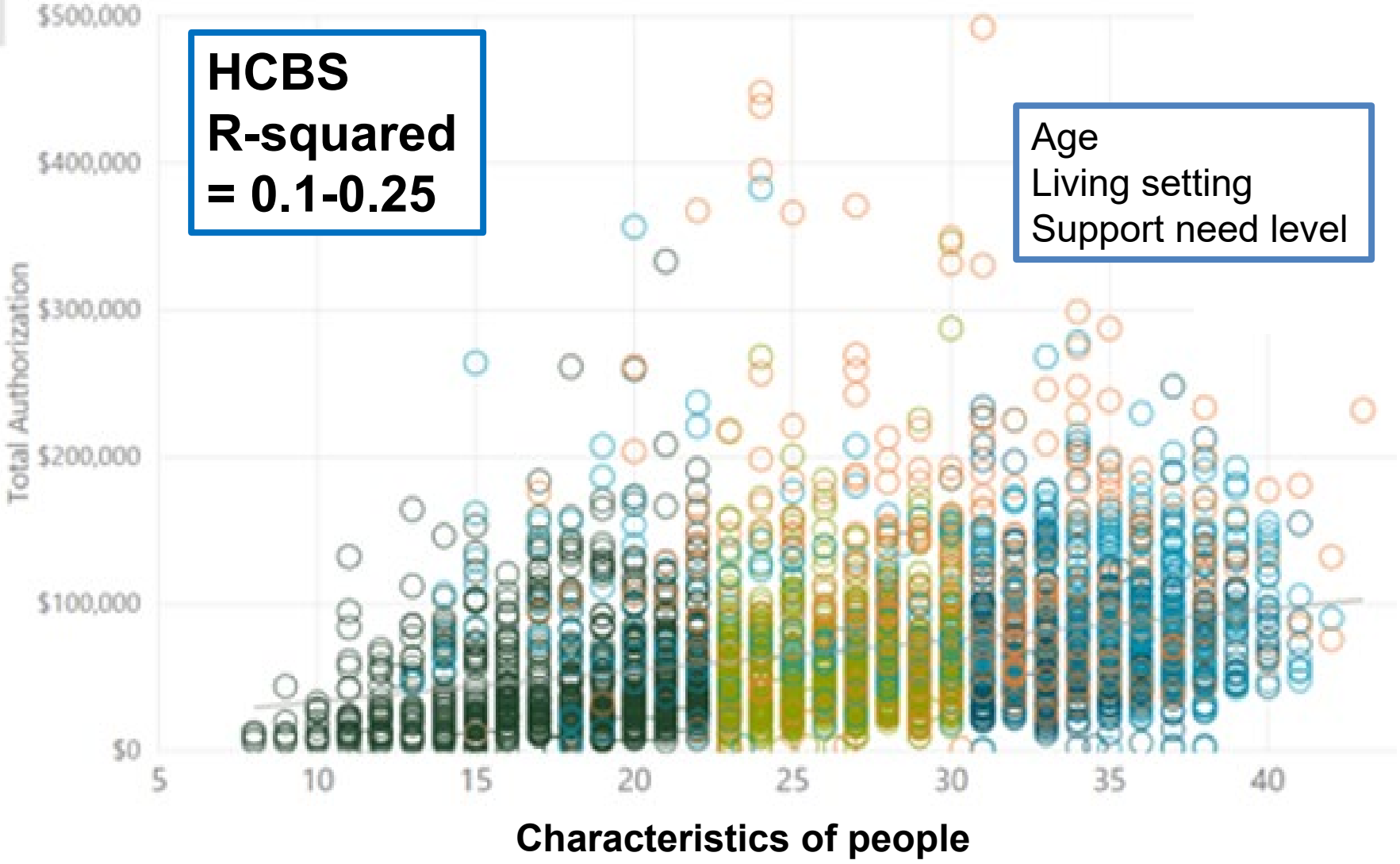


3. Risk adjustment, in real life, is…



Chien, *Pediatrics 2012*

3. Risk adjustment, in real life, is…



3. Risk adjustment is…

- There are many ways to improve risk adjustment, but the most critical features of optimizing risk adjustment for payment is to articulate programmatic goals.

1. Take societal perspective
   - Think forward to the system you want not the one you have

2. Make the invisible, visible
   - Use/create new methods of identifying IDD populations, their clinical co-morbidities, understanding functional ability

3. Define and measure care quality and outcomes
   - Per the excellent examples in this workshop

4. Know programmatic goals and budget
   - Tough conversations will probably be worthwhile

5. Approach risk adjustment with programmatic goals in mind
   - Use/create new methods of identifying IDD populations, their clinical co-morbidities, understanding functional ability

6. Run experiments at any step above

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- Susan Shanske
- Sarah Spence
- Ian Stockwell
- Nancy Wagman

1. We take the societal perspective

- IDD population likely under-identified in both health care and HCBS sectors
- IDD prevalence:
  - Several nationally representative surveys: 4.3 - 12.3%
  - CWDA in commercial claims (<26 yo): 2.6 - 4.6%
  - CWDA in Medicaid claims (<18yo): 5.3 - 5.9%
- Claims-based algorithms without an IDD lens may miss 20% of people with IDD
  - Chronic Illness and Disease Payment System (CDPS)
  - AHRQ's Chronic Condition Indicator (CCI)