The issue

More than 3 million children with significant chronic and medically complex conditions require intense care management; 2 million of them rely on Medicaid. These children comprise 6 percent of the Medicaid population, yet they represent 40 percent of the Medicaid spend for children. This totals $380 million in annual care costs.

The aim

Inform sustainable change in health care delivery through new payment models supporting better care, smarter spending and healthier children with medical complexity (CMC).

The magnitude

The CARE Award tested changes with multiple children’s hospitals and their collaborating partners to reduce inpatient days by 40 percent, emergency department (ED) utilization by 10 percent and medical spending by 6.8 percent.

$380 million in annual care costs
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LESSONS LEARNED

HEALTHIER CHILDREN
IMPROVE FAMILY PARTNERSHIPS

BETTER CARE
TRANSFORM CARE DELIVERY

SMARTER SPENDING
REDUCE COSTS OF CARE FOR CMC

EXPANDING PARENT INVOLVEMENT
Teams demonstrated the value of having parent collaborators in the quality improvement process, at the level of care for individual children as well as overall program development.

SUPPORTING THE PCP
PCP practices require incentives that allow for extra visit time with CMC, care coordination services and engagement in care transformation.

IMPACTING UTILIZATION
Standardized claims data and analysis methods are needed to identify true impacts on utilization. Seasonality, regression to mean and acuity will all be factors to consider.

REFORMING PAYMENT
Given actuarial risk thresholds may approximate 10,000 members for full risk contracting, many hospitals will seek alternative payment models that cover a smaller population and team members not currently reimbursed under fee for service.

BUILDING A BUSINESS CASE
Tracking the required care management support tailored to this population, along with their utilization and spend, will be necessary over the long term to continue to test this concept. These costs aren’t reflected in claims data.

MEASURING PROGRESS
Demonstrating success in sustainability will require a national data set to better understand the impact of care coordination and opportunities to improve care delivery for CMC.

CARE COORDINATION COST
(based on 500 patients)

$150 pmpm

5 NEW PAYMENT MODELS
supporting care transformation

500+

Post-ED visit family surveys led to strategies for avoiding future ED visits.

- Contingency plans
- Emergency care plans
- Family-focused goals

2.6% DECREASE IN TOTAL SPEND

32% DROP IN INPATIENT DAYS
(self reported)

26% DROP IN ED DISCHARGES

1% IMPROVEMENT* to family functioning

Supporting new payment models:
- Family involvement in process design
- Primary care physicians (PCP) and community partners
- Hardwiring care plans into EHR
- Administrative and clinical champions

NEW PAYMENT MODELS
supporting care transformation

PRELIMINARY RESULTS

Proactive conversations with states and Medicaid programs aligned payment with care transformation.

Goals met or exceeded 100% target for 3 KEY CHANGE CONCEPTS:
- Dynamic Care Teams
- Access plans
- Care plans

*Based on 12 months of full implementation

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