

**LEGISLATIVE REPORT: PRENATAL CARE INCENTIVES**  
**Enrolled House Bill 4392, Section 1664**  
**Report Prepared By: Medical Services Administration**  
**Michigan Department of Community Health**  
**June 2004**

*Enrolled House Bill 4392, Section 1664: The department shall develop and implement incentives for providers to increase early entry of Medicaid recipients into prenatal care. The department shall provide documentation to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies on their progress in carrying out this section by June 1, 2004.*

MDCH is continuing to promote prenatal care services delivered to Michigan Medicaid beneficiaries. Activities undertaken during this process include a multilevel data analysis of the existing Maternal Support Services (MSS) program, participating with a collaborative workgroup to increase enrollment in MSS and early enrollment into prenatal care, and contractually mandating prenatal care performance thresholds in Michigan Medicaid managed care.

Multilevel Analysis

The Department of Community Health is currently conducting a multilevel MSS analysis in partnership with the Institute for Healthcare Studies at Michigan State University. The MSS program is a Medicaid benefit that is operated by local agencies under the direction of Medicaid policy, with a primary goal of improving long-term outcomes for women who are living in poverty through improved access to prenatal care. Using state Medicaid administrative claims/encounter data, the multilevel analysis is being used to evaluate current statewide MSS utilization, costs, and outcomes; risk factors and outcomes for women enrolled in MSS compared with those not enrolled in the program; and determine whether the women at highest risk are participating in MSS. MDCH will use the analysis, when complete, to revise the existing MSS program and implement interventions (which may include but are not limited to financial or non-financial incentives) targeting providers of prenatal and MSS services.

Maternal Child Collaborative Workgroup

MDCH is also participating with Medicaid managed care plans, local public health departments, MSS providers, WIC, and other stakeholders in a Maternal Child Quality Improvement Workgroup. The Workgroup meets on a regular basis and has a key objective to collaboratively increase Maternal Support Services (MSS) and Infant Support Services (ISS) delivered to Medicaid beneficiaries. Since a primary goal of MSS is to ensure that pregnant women receive prenatal care consistent with evidence-based recommendations, early identification of pregnant Medicaid beneficiaries and enrollment in MSS is essential to increase early entry into prenatal care. Activities undertaken by the workgroup include designing a process for WIC providers to identify and refer pregnant women for MSS. Also, annual "Building Bridges" forums are conducted to foster communication between MDCH, local public health departments, providers, and health plans. In addition, regional Building Bridges meetings and ongoing communication with local public health departments (e.g., Wayne, Macomb) and other stakeholders are being held to improve MSS enrollment and access to prenatal care.

**LEGISLATIVE REPORT: PRENATAL CARE INCENTIVES**  
**Enrolled House Bill 4392, Section 1664**  
**Report Prepared By: Medical Services Administration**  
**Michigan Department of Community Health**  
**June 2004**

Managed Care Contractual Requirements

MDCH contracts with 17 Medicaid health plans throughout the state to provide comprehensive health care to beneficiaries, and approximately one third of Michigan Medicaid births are covered by managed care. The health plan contract stipulates that plans are required to report performance for quality indicators, including the percent of health plan members who receive at least one prenatal visit within the first trimester of pregnancy (or within 42 days of becoming a health plan member). Thresholds for each indicator are established, and plan performance is used as a basis for awarding performance bonus funds.

During each contract year, MDCH withholds .0025 (one quarter of 1%) of the approved capitation for each contracted Medicaid health plan in a performance bonus pool utilized for awarding health plan performance bonuses. The pool approximates over \$4 million and is distributed among the plans that reach the performance standards established by MDCH. During fiscal year 2004, the performance bonus award is based on each plan's HEDIS<sup>® 1</sup> and CAHPS<sup>® 2</sup> scores and accreditation status. Bonus funds will be awarded based on cumulative points in each category of performance and proportion of Medicaid managed care population. Under this incentive system, all plans have the opportunity to receive award funds in direct proportion to their performance on each of the measures, including the provision of early prenatal care. Plan performance scores are summed within performance categories, including the legislative incentive standard regarding the provision of early prenatal care. These legislative incentives comprise 25% of the total performance bonus award and represent a significant incentive to meet or exceed the established performance standards. The performance bonus award provides health plans with funds to initiate financial incentives targeting providers with a goal of achieving improved clinical care and beneficiary access.

<sup>1</sup>HEDIS<sup>®</sup> – Health Plan Employer Data and Information Set, is a set of standardized performance measures designed to ensure that purchasers and consumers have the information they need to reliably compare the performance of managed health care plans. The performance measures in HEDIS<sup>®</sup> are related to many significant public health issues such as cancer, heart disease, smoking, asthma and diabetes. HEDIS<sup>®</sup> is sponsored, supported and maintained by the National Committee for Quality Assurance (NCQA).

<sup>2</sup>CAHPS<sup>®</sup>, the Consumer Assessment of Health Plans Survey, is a standardized survey of consumers' experiences that evaluates plan performance in areas such as customer service, access to care, and claims processing. CAHPS<sup>®</sup> is sponsored, supported, and maintained by NCQA.