

## Financial Incentives and Provider Reimbursement

Policy #	Policy Recommendations	Required Change/ Recommended Action	Due Date	FY18 Progress Report	Progress Clarification
13.1	As MDHHS and its contracted Medicaid payers <u>implement financial incentives</u> , the incentives should be designed to accomplish the following objectives, while addressing concerns expressed by consumers to ensure that incentives will not result in reduced care, access or appropriate utilization.	1) MDHHS will review and evaluate the need for contract changes related to use of financial incentives and value -based payment models. 2) MDHHS will evaluate the need for, and consider adding, broad language to the MHP and PIHP contracts to support and clarify incentive payments to providers. This recommendation and planning should be aligned with action planning on shared metrics.	10.1.19	Partially Complete  Partially Complete	MDHHS has set in place a plan to be in alignment with typical Medicaid performance measurement and incentive timelines by FY 2020 for 3 shared metrics. The internal reports for reviewing 7 additional HEDIS measures across MHP/PIHP combinations will also yield additional value-based purchasing changes in the contract in the future.
2.a.5.	MDHHS should pilot <u>value-based payment models</u> that incentivize harm reduction and long-term recovery outcomes and adopt successful models statewide.  <b>Moved from Substance Abuse</b>	1) MDHHS will review and evaluate the need for contract changes related to use of value -based payment models. This recommendation and planning should be aligned with action planning on shared metrics.	4.2018 for FY19 contracts	Not Started	Dependent on implementation of 13.1.
2.a.7.	MDHHS should <u>incentivize the health care system</u> to more effectively integrate, coordinate, co-locate and/or provide substance use disorder services.  <b>Moved from Substance Use Disorders</b>	1) MDHHS will continue current efforts to more effectively integrate, coordinate, co-locate and/or provide services.  2) MDHHS will establish a means to track and report integrated care efforts and models, including any use of incentives.	Ongoing  FY18	Complete and Ongoing  Not started	Efforts to integrate care are ongoing. These include the development of an Opioid Health Home program to be piloted in northern lower Michigan, the Section 298 Pilot project that is under development, and other local efforts that often include grant awards.  No incentive payments have been implemented, although this is an evolving conversation within MSA and BHDHA.