



MACPAC
Medicaid and CHIP Payment and Access Commission



Framework for Evaluating Medicaid Provider Payment Policy

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Medicaid Payment Analysis

- First *Report to the Congress* described payment principles, proposed areas for research, and raised two policy questions:
 - What is the relationship of payment to access and quality?
 - Which payment innovations best address efficiency and economy while promoting access to quality services and appropriate utilization?

Medicaid Payment Analysis

- MACPAC has engaged in a variety of projects to help fill in knowledge gaps that created challenges for payment analysis
- Draft chapter provides a framework for using this information to analyze specific Medicaid payment policies

Statutory Principles

- §1902(a)(30)(A) of the Social Security Act requires state Medicaid programs to:
 - assure that payments are consistent with:
 - efficiency
 - economy
 - quality
 - safeguard against unnecessary utilization
 - assure access equal to the general population in the area

Proposed Payment Framework



Assessing Efficiency

- Medicaid payment should provide access to the right amount of high-quality care, at the right time, in the right setting, while controlling control overall cost
- Assessment uses qualitative and quantitative evidence
 - use qualitative methods to assess policies when data do not support quantitative analysis
 - identify where better data or metrics are needed and fill data gaps where possible

Other Payment Policy Goals

- Administrative simplicity
- Program integrity
- Budget predictability
- Support for changes in health policy
- Alignment with other payers
- Fairness
- Preservation of state approach to non-federal financing

Applying the Framework

- Medicaid programs make many types of payments
 - fee-for-service payments
 - per day, per visit, or per encounter payments
 - per episode or bundled payments
 - capitation or premium payments
 - supplemental or incentive payments
- Statutory principles apply to all types of payments for Medicaid-covered services
- Framework can be applied to all payment types, although data and analytic approaches can vary

Applying the Framework

- We are updating and adding to our payment policy research to inform application of the framework
 - payment methodologies
 - payment amounts
 - payment-related outcomes
- We will use available information to:
 - estimate the direction and magnitude of payment policy effects on economy, quality, and access
 - determine what metrics and data are needed to measure the effects of specific payment policies