Payment Method Development
Value purchasing for Medicaid programs

Medicaid programs are continually under pressure to provide more with smaller budgets. The Centers for Medicare and Medicaid Services (CMS) encourages states to respond to the challenge by moving from volume-based reimbursement methodologies to value-based ones.

By shifting the payment focus to health outcomes, programs can ensure more health for their healthcare dollar and uncover opportunities to improve cost efficiency, members’ access to services and quality of care. As a result, many states are looking for ways to modernize their payment methods.

The Payment Method Development team at Conduent can help. We collaborate with Medicaid programs to develop payment methods that operate successfully within complex claims processing systems. Unlike many consultants, we have in-depth Knowledge of the MMIS, Medicaid programs and providers. This experience enables us to implement payment methods tailored to your program’s specific needs.

Our complete solution
Our services for improving payment methods include: analyzing current payment methods using claims data; recommending alternative methodologies; identifying policy decision points; running simulations showing the financial impact of alternative methodologies; and providing subject matter expert (SME) assistance in implementing the new payment methodology. We perform this type of payment method implementation for a variety of healthcare settings, such as hospitals and skilled nursing facilities.

Other services we provide include:

• Calculating inpatient hospital Diagnosis Related Group (DRG) rates. This includes analyzing impacts of grouper version changes, policy updates and budget implications. This complex process typically starts six months prior to the desired effective date.

• Updating outpatient hospital fees for services paid by Enhanced Ambulatory Patient Group (EAPG), Ambulatory Payment Classifications (APC) or modified APC and providing a fiscal impact.

• Measuring potentially preventable inpatient hospital readmissions and potentially preventable inpatient hospital complications at the hospital-specific and statewide levels.

• Assistance with drafting administrative rules, state plan amendments, provider manuals and business requirements documentation concerning payment methodologies.

• Analyzing professional services fee schedules (physicians, therapists, dentists, ambulance, durable medical equipment, DME) and recommending updates based on Medicaid best practices and a review of Medicare and Medicaid regulations.
Our subject matter expertise

Our Payment Method Development team comprises consultants with a wide array of backgrounds, allowing a multi-faceted perspective on payment policy:

• Payment methods
• Medicare and Medicaid policy
• Data analytics
• Health economics
• MMIS claims processing
• Health information management
• Medical coding
• Clinical care

• Assistance with annual CPT/HCPCS codes and ICD-10 diagnosis and surgical procedure code updates by evaluating the intent of the code changes and advising on the impacted policy and business rules.
• Assistance with validating encounter data from MCOs. We validate the accuracy of encounter data, recommend processes to improve data collection, and assist in analyzing the data for measurement and potential improvements in policy.
• Assistance with special analytical projects for Medicaid directors and policy staff

Our qualifications

For over 16 years, we have helped more than a dozen Medicaid programs, the U.S. Department of Labor and other payers such as managed care organizations (MCOs) improve payment methods for:

• Hospital inpatient care
• Hospital outpatient care
• Nursing facility services
• Physician services
• DME
• Ambulance services
• Other professional services

We deliver payment system reform solutions that create incentives to improve quality of care, improve health outcomes, and increase administrative and operational efficiencies. Our solutions improve transparency and fairness of payment methods for patients, payers and providers.

Our analyses of Medicaid payment policy have been published by Health Affairs, the Center for Health Care Strategies, the Journal of Ambulatory Care Management, Inquiry, the Health Care Financing Review, the Annals of Internal Medicine, and HFM: Healthcare Financial Management. We have also presented to audiences in the National Association of Medicaid Directors (NAMD), the National Association of State Health Policy (NASHP), Medicaid Enterprise Systems Conference (MESC) and more.

You can learn more about us at www.conduent.com/medicaid.