

May 2017

Since its launch in 2012, the statewide, multi-payer implementation of Arkansas's Health Care Payment Improvement Initiative (AHCPII) has positioned the state as a national leader in value-based health care innovation. The Arkansas Center for Health Improvement (ACHI) has worked with participating payers to track AHCPII progress. The third annual Statewide Tracking Report includes outcomes of the state's unique total cost of care Patient-Centered Medical Home (PCMH) program and Episodes of Care (EOC) model.

With input from participating public and private payers, the report includes program enrollment summaries, aggregate quality measure outcomes, financial impacts, and updates on infrastructure development. The report includes indicators spanning from 2012-2016, and updated PCMH and EOC outcomes from as recent as 2015—or the most recently finalized annual performance period.

Participating Payers

Arkansas Medicaid
Arkansas Blue Cross Blue Shield
QualChoice
AR Health and Wellness Solutions
Medicare
AR State Employees Plan
AR Public School Employees Plan
Walmart
HealthSCOPE
Arkansas Superior Select

As a key part of the state's total health system transformation efforts, the AHCPII serves as a value-based payment framework that supports healthcare providers while achieving goals such as improving quality, expanding access, and avoiding unnecessary costs. The 2017 AHCPII Statewide Tracking Report includes the following high-level findings:

- For the PCMH program, voluntary provider participation has increased each year, from 123 clinics and 659 primary care providers (PCPs) in 2014, to 192 clinics and 900 PCPs in 2017; the vast majority of clinics have successfully completed PCMH transformation milestone activities;
- In 2015, for the second consecutive year, Medicaid realized direct cost-avoidance through trend reduction with PCMH practices experiencing cost growth of 0.7% compared to the 2.6% benchmark trend;
- For 2015, Medicaid PCMH program total cost of care was \$54.4 million less than the \$660.9 M predicted cost – a 8.2% cost avoidance. Of that \$54.4 M, \$14.8 M went towards provider care coordination payments and \$4.6 M was paid to providers in shared savings, leaving \$35 M net cost avoidance;
- For Medicaid PCMH, hospitalizations were reduced by 16.5% and ER visits were reduced by 5.6% in 2015;
- For the EOC model, quality and financial improvements have been experienced in targeted areas, including a 28% reduction in unnecessary antibiotic prescribing for non-specific upper respiratory infections from 2012 to 2015; For the perinatal (pregnancy) episode, sustained improvements were seen in perinatal screenings and C-Section rates; for tonsillectomy episodes, Medicaid pathology lab tests fell by 47% from 2013 to 2015, and for Arkansas Blue Cross Blue Shield (ABCBS) average tonsillectomy episode cost fell by 5% from 2014 to 2015;
- Billions of medical claims records have been processed to produce thousands of individual provider-facing reports, and the multi-payer group has continued broad-ranging provider engagement and communication;
- Building on Arkansas's success in the original Comprehensive Primary Care Initiative, in 2016 the state was one of 14 selected for the new 5-year Comprehensive Primary Care Plus Initiative, with 182 clinics participating.

While there is still work to be done, the AHCPII has improved quality and helped contain cost growth. Due to the state's significant advancement towards value-based payment models, Arkansas providers are positioned to succeed as similar value-based efforts are pursued at the federal level. Continued engagement and input from providers, patients, state leaders, and other stakeholders are necessary to sustain the progress and success of AHCPII.

The 2017 report and prior can be found at: <http://www.achi.net/pages/OurWork/Project.aspx?ID=112>
AHCPII progress will continue to be tracked in 2017 and beyond and will be included in future updates.