

A photograph showing a group of medical professionals, including a woman in blue scrubs and a man in a white lab coat, gathered around a table and looking at a document. The image is partially obscured by a dark blue banner containing the title.

# ATTAC HELPS HEALTH PLAN WIN STATEWIDE MEDICAID BID INCORPORATING VALUE-BASED PAYMENTS FOR PROVIDER REIMBURSEMENT

## Client Engagement Description

ATTAC Consulting Group was retained by a statewide Medicaid health plan to help prepare a state-managed Medicaid bid. CMS required each state-managed Medicaid plan to incorporate true value-based payments (VBP) for provider reimbursement. The state Medicaid agency required that plans commit to a schedule for implementing VBP along the Health Care Payment Learning and Action Network (HCPLAN) continuum.

The state Medicaid agency also was adopting customized inpatient diagnosis-related groups (DRGs) as the basis for hospital reimbursement for all selected health plans.

A large, stylized architectural graphic of a building's interior, showing a series of parallel lines that create a sense of depth and perspective, leading towards a vanishing point at the top center.

[View the Challenges, Approach & Results](#) →



## CHALLENGES

- Although the Medicaid bid required plans to implement VBP that included fixed costs, the provider market has largely moved away from global payments and capitation in the past decade. Much of the resistance was due to health plans' one-size-fits all, take-it-or-leave-it global capitation rates. Most of the remaining so-called VBP and quality programs were actually based on pay-for-reporting, including EPSDT and HEDIS.
- The state's transition to DRGs for acute-care hospital inpatient reimbursement required a change of focus for some existing VBP plans. For example, hospitals would have a greater incentive to work with health plans to ensure that patients were discharged to an appropriate setting that would not lead to unnecessary readmissions.



## APPROACH

- ATTAC designed a VBP strategy in collaboration with the health plan that aligns with the state and HCPLAN goals. We helped the plan identify providers that would be a good fit with VBP goals and primary care provider (PCP) groups with cost-effective patterns of care that would be rewarded under VBP. ATTAC created an interactive model, based on each practice's unique data and options, to show how the VBP would impact the practice.
- Hospitals paid under a DRG have a financial incentive to complete a timely and appropriate discharge. Hospitals may benefit from additional resources and service coordination to complete an appropriate discharge with high-needs patients. We worked with the plan to develop a comprehensive patient-needs assessment program and included the hospital directly in the VBP.



## RESULTS

- The health plan won the statewide Medicaid bid and implemented several VBP agreements tied to quality with key provider entities. The plan continues to work with other providers based on the interactive VBP models and is ready to implement the DRG reimbursement for hospitals.



## WHY WORK WITH ATTAC CONSULTING GROUP?

**ATTAC supports all provider-related activities for managed care organizations and health plans, health systems, accountable care organizations, clinically integrated networks, independent practice associations and large provider groups. We're experts in traditional and value-based payment models, provider data management and network operations.**

We support network strategy, VBP design and contracting for commercial, Medicare Advantage, Medicaid, home-and community-based services, long-term services and supports, and dual plans for all provider types.

We're home to one of the nation's largest and most experienced network contracting teams. We've built networks in every region of the country—on-time and on-budget.

Talk with us about how ATTAC can reengineer the incentives and reimbursement paramount for your success.

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