MassHealth
Accountable Care Organization
Development

June 2014

Background

- MassHealth has developed a number of programs designed to drive innovation and enhance care coordination:

  - Program of All-inclusive Care for the Elderly (PACE)
  - Primary Care Payment Reform (PCPR)
  - Patient Centered Medical Home Initiative (PCMHI)
  - Hospital Pay-for-Performance (P4P)
  - 30-day Potentially Preventable Readmissions (PPRs)
  - Pediatric Asthma Bundled Payment Pilot (in development)
  - Health Homes (in development)

- MassHealth now seeks to expand on this foundation and initiate a design process for developing an Accountable Care Organization (ACO) program

Goals and Objectives

- By developing an Accountable Care Organization program, MassHealth seeks to:

  - Encourage healthcare delivery models that promote efficient use of public funds and increase value

  - Promote high quality outcomes and integration of care across the healthcare continuum

  - Enhance member experience by promoting better coordination, better care, and better health

  - Create a flexible model that attracts a wide range of entities and aligns with developments in the marketplace among private and public payers

Building on Current Initiatives

In developing this program, MassHealth intends to build on current initiatives in several ways:

- Integration of Services: MassHealth aims to contract with healthcare systems that provide a **broad range of services**. In addition, MassHealth is interested in exploring ways to integrate **non-core healthcare services**, such as housing and transportation, and looking more holistically at our members' care.

- Reimbursement Methodology: MassHealth seeks to shift from a fee-for-service model of reimbursement to an alternative payment structure such as a global budget or capitation, as well as to **increase risk arrangements** with providers.

- Infrastructure: MassHealth intends to **leverage the infrastructure and lessons** learned from current programs, such as the Primary Care Payment Reform Initiative (PCPR).