

HCBS Redesign Workgroup

Reimbursement Methodologies



Block Grant

- Bundled Payment made to Community Centered Boards (CCBs)
 - Intended to Reimburse for All Waiver Services
 - CCBs Bill for Services to the Contract Amount
- 2004 Audit by Centers for Medicare & Medicaid Services (CMS)
 - Model Could Not Demonstrate Financial Accountability
 - Required Unbundling of Distinct Waiver Services



Fee-For-Service (FFS)

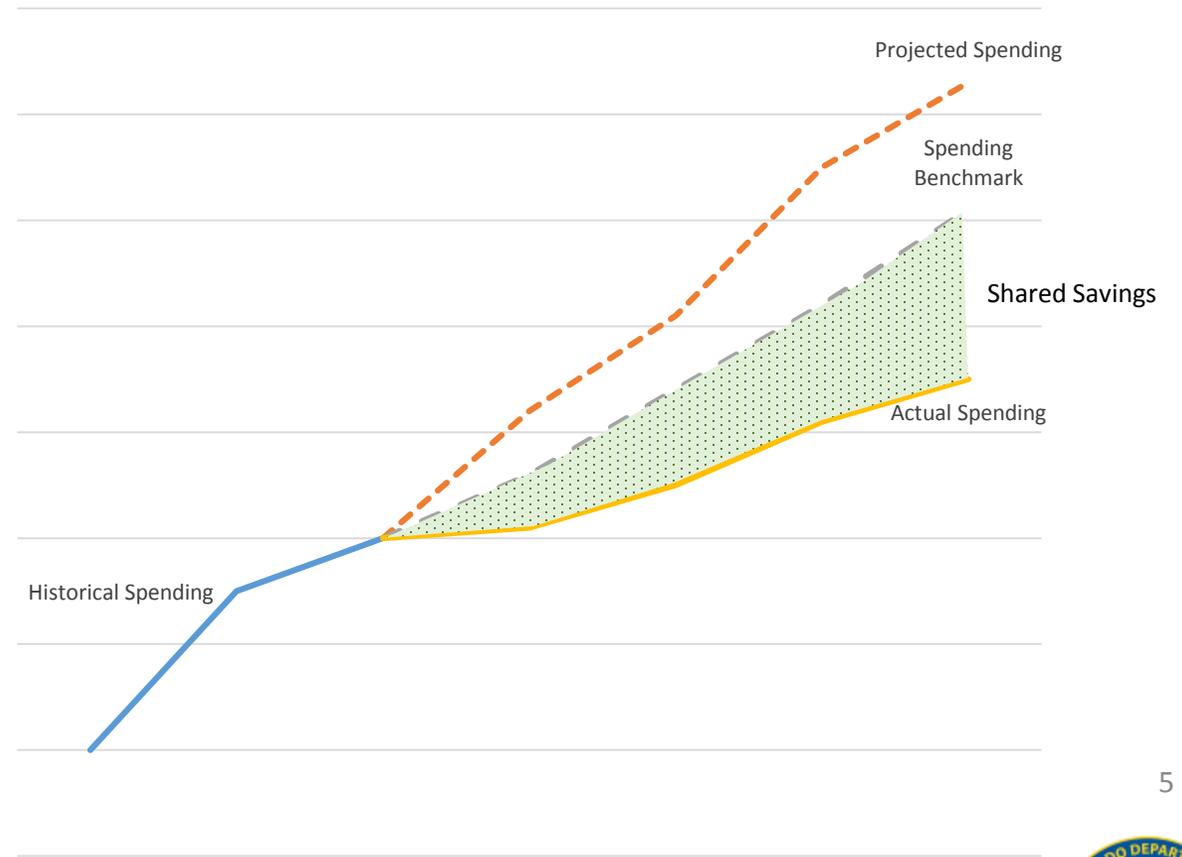
- Providers Reimbursed for Services Rendered
 - Distinct Services Reimbursed Separately
 - Open Enrollment of Willing and Qualified Providers
 - Reimbursed According to Fee (Rate) Schedule
 - Rewards Quantity, rather than Quality
 - Discourages Efficiency

Managed Fee-For-Service (MFFS)

- Providers Reimbursed for Services Rendered
 - Distinct Services Reimbursed Separately
 - Qualified Providers May/May Not be Restricted
- Initiatives to Manage Utilization/Cost and Improve Quality
 - Variety of Reimbursement Methods
 - Performance Incentives for Outcomes/Quality Measures
 - Encourage and Reward Efficiencies

Shared Savings

- Benchmark for More Efficient Service Delivery
- Savings when Actual Spending is Less than Benchmark are Shared



Capitated Managed Care

- Services Provided/Arranged by Managed Care Organization (MCO)
 - Qualified Providers Likely Restricted
- MCOs Reimbursed a Negotiated Fee
 - Per Member, Per Month
 - Submit Encounter Data for Qualified Services
 - May Also Receive Performance Incentives

Provider Risk

