

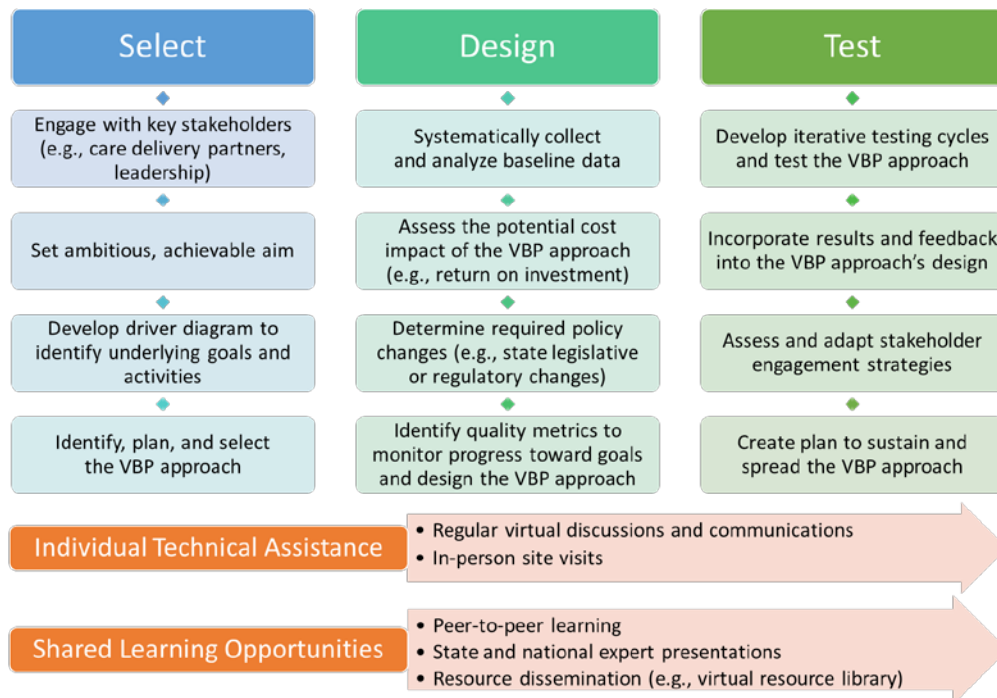
# Value-Based Payment in Children’s Oral Health

The Centers for Medicare & Medicaid Services (CMS) Medicaid Innovation Accelerator Program (IAP) is a collaboration between the Center for Medicaid and Children’s Health Insurance Program (CHIP) Services and the Center for Medicare & Medicaid Innovation that is designed to build state capacity and support ongoing innovation in Medicaid. From March 2017 to June 2019, the IAP Children’s Oral Health Initiative (OHI) Value-Based Payment (VBP) technical assistance opportunity supported Medicaid agencies in the District of Columbia, Michigan, and New Hampshire with selecting, designing, and testing VBP approaches to sustain care delivery models that demonstrate improvement in children’s oral health outcomes. This technical assistance complements the broader Children’s OHI, in which CMS works with states to explore program and policy opportunities to improve children’s oral health by increasing the proportion of children receiving preventive dental services in Medicaid and CHIP. This fact sheet provides details on the IAP OHI VBP technical assistance provided to participating states.

## Children’s Oral Health Initiative Value-Based Payment Technical Assistance

IAP provided technical assistance to three participants—the District of Columbia, Michigan, and New Hampshire—to select, design, and test VBP approaches in children’s oral health over two years. The participants received support through tailored coaching and peer-to-peer learning opportunities to lay a foundation for VBP implementation targeted to each participant’s unique context. An IAP coach team consisting of experts in VBP, Medicaid policy, children’s oral health, and performance improvement provided technical assistance to each participant (see Figure 1 for core technical assistance activities).

**Figure 1. Technical Assistance Activities Provided**



Abbreviation: VBP, value-based payment.

## DISTRICT OF COLUMBIA

The District of Columbia Medicaid agency collaborated with a managed care organization (MCO), AmeriHealth Caritas District of Columbia, and a health care delivery provider, Children's National Health System, to develop a VBP approach. This approach aims to reduce the use of high-cost, acute treatments for child tooth decay and to incentivize the provision of appropriate children's preventive oral health care. Specifically, the District's approach aims to reduce the number of Medicaid-enrolled children (under six years old) at high risk for caries that require preventable operating room (OR) treatment. The IAP coach team supported the District of Columbia in the following ways:

- Developed quality improvement goals and associated metrics
- Identified financial incentive structures that align with those goals
- Helped the District develop options for how it could transition from a pay-for-performance (P4P) to a shared savings model (i.e., shift from Category 2 to Category 3 on the Health Care Payment Learning & Action Alternative Payment Model Framework)<sup>1</sup>
- Developed a formal data request template to gather baseline and ongoing data needed to calculate cost savings
- Created a model that can project cost savings and conduct sensitivity analyses based on several assumptions and variables

The District plans to explore opportunities to implement the P4P arrangement across all its MCOs and eventually transition to a shared savings approach. The P4P arrangement will track patient data to measure performance on multiple quality measures, capture the costs of services delivered to the target population across providers (e.g., general anesthesia use in the OR), and stratify by risk to vary the incentive size for the provider when a patient avoids OR care.

**District of Columbia Contact:** Colleen Sonosky, [colleen.sonosky@dc.gov](mailto:colleen.sonosky@dc.gov)

## MICHIGAN

Michigan's Department of Health and Human Services used an iterative process to determine its goal for improving children's oral health among children covered by Healthy Kids Dental (HKD), Michigan's dental Medicaid program. The state began with a focus on improving preventive care utilization among its foster care population and then expanded its reach to all HKD enrollees because of the high rate of emergency department (ED) utilization for dental purposes among this population. From the start of the opportunity, Michigan's VBP approach involved implementing a 0.5 percent withhold from its HKD vendors' capitation payment. The two vendors would be rewarded for meeting or exceeding quality metrics defined by the state—an approach already used with Michigan's physical health plans. Currently, the state plans to target overall and preventive care utilization among HKD enrollees as well as their ED utilization. The IAP coach team supported Michigan in the following ways:

- Analyzed baseline data to determine a feasible goal
- Provided examples of contract and VBP language to promote improvements in outreach and care coordination
- Selected quality metrics to incent through the withhold
- Identified achievable targets for process, operational, and outcomes metrics

**Michigan Contact:** Dr. Sandhya Swarnavel, [swarnavel@michigan.gov](mailto:swarnavel@michigan.gov)

---

<sup>1</sup> Health Care Payment Learning & Action Network. *Alternative Payment Model: APM Framework*. Refreshed for 2017. <http://hcp-lan.org/workproducts/apm-refresh-whitepaper-final.pdf>

## NEW HAMPSHIRE

New Hampshire collaborated with care delivery partners at Women, Infants, and Children (WIC) program sites in Keene and Concord, New Hampshire, to lay the foundation for a VBP model. The model offers a payment mechanism for up to seven preventive services, ranging from screenings to dental sealants and interim therapeutic restorations (ITRs), delivered by dental hygienists and dental assistants at the WIC clinics. This model pays the care site a flat rate for each patient encounter, regardless of the number or intensity of preventive services that a patient receives; it requires that providers deliver all necessary care for each patient. This approach incentivizes appropriate care to be delivered at appropriate intervals, reducing the need for additional services that only temporarily alleviate an issue (e.g., ITRs) and thereby improving providers' financial outcomes. The IAP coach team supported New Hampshire in the following ways:

- Developed a method to calculate a reasonable flat fee for each encounter
- Identified quality measures to indicate progress toward model goals and detect unintended consequences
- Identified data needed to measure model performance
- Developed an approach to expand the model beyond the pilot sites

**New Hampshire Contact:** Dr. Sarah Finne, [sarah.finne@dhhs.nh.gov](mailto:sarah.finne@dhhs.nh.gov)



Additional information about this initiative and resources developed around technical assistance provided are available on the Medicaid IAP Value-Based Payment and Financial Simulations web page:

<https://www.medicaid.gov/state-resource-center/innovation-accelerator-program/iap-functional-areas/value-based-payment/index.html>. Additional information on the OHI is available on the Medicaid Dental Care Benefits web page: <https://www.medicaid.gov/medicaid/benefits/dental-care/index.html>.