

# Project ECHO: Medicaid Financing

Hepatitis C Medicaid Affinity Group - Monthly Meeting

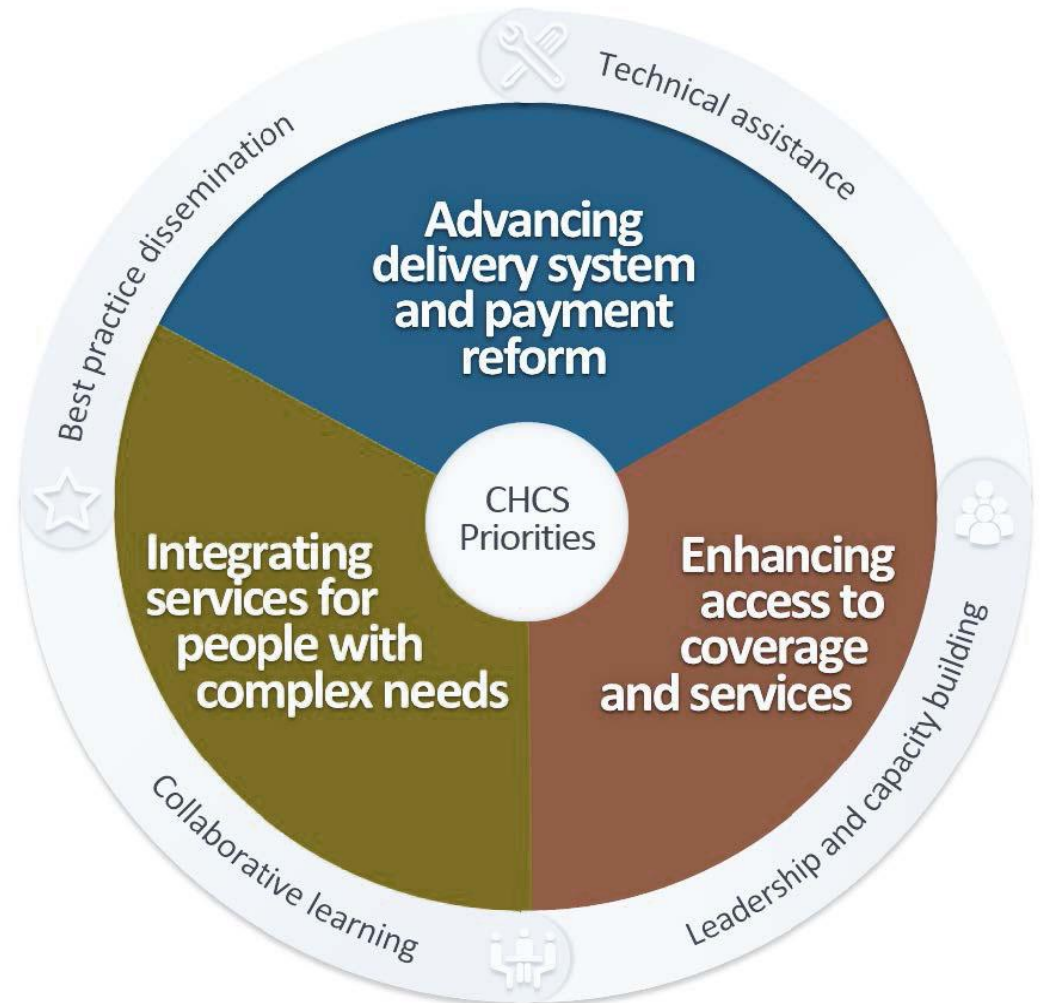
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# About the Center for Health Care Strategies

A non-profit policy center dedicated to improving the health of low-income Americans



# Project ECHO Medicaid Learning Collaborative

- Ten states: CO, HI, KS, MO, MT, NJ, NV, OR, UT, VT
- Develop and promote long-term Medicaid policy and financing strategies for sustaining Project ECHO.
- Support state Medicaid agencies and ECHO hubs in advancing the Project ECHO model in their states.
- Foster state-to-state exchange for program design, implementation, and sustainability of the Project ECHO model.
- Engage with federal partners to support implementation and address policy barriers.

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# Examples of State Medicaid Financing Models for Project ECHO

- **Capitation (Required):** State contractually requires its MCOs to support Project ECHO, and includes ECHO in rate structure.
  - » **New Mexico:** State supports Project ECHO as a primary care provider extended network operated by the University of New Mexico Health Sciences Center.
    - All four Medicaid MCOs are required to contract with the ECHO Institute to support the costs of the extended primary care provider network.
    - Allocation for annual Project ECHO Medicaid funding is developed and provided by the state through the capitation rate on a PMPM basis.
    - Documented through Centennial Care contracts and rate certification letters.
- **Other states exploring:** Hawaii, Missouri

# Examples of State Medicaid Financing Models for Project ECHO

- **Capitation (Voluntary):** Medicaid MCOs voluntarily support ECHO. State could include outcomes-based incentives that implicitly encourage MCO use of Project ECHO.
  - » **Oregon:** Oregon Rural Practice-based Research Network (ORPRN) is launching Oregon ECHO Network, a statewide utility for Project ECHO programming and support services. OPRN currently has commitments from health plans contracting with 8 of the 16 Coordinated Care Organizations (CCOs), with an expectation that ECHO will help drive improved outcomes.
  - » **California:** Medicaid MCOs are partnering with the UC Davis ECHO hub to provide support for Pain Management ECHO.
  - » **Other states exploring:** Nevada, Tennessee

# Examples of State Medicaid Financing Models for Project ECHO

- ***Disease Management Program:*** State uses Project ECHO to support a disease management program that provides a “set of interventions designed to improve the health of individuals, especially those with chronic conditions”
  - » **Colorado:** State Medicaid agency contracted with vendor to manage Colorado’s Chronic Pain pilot (2015 – 2017) program using the ECHO model.
  - » **Other states exploring:** Montana

# Potential Financing Mechanisms

## ■ ***Accountable Care Organizations:***

- » ACOs could embed Project ECHO within provider network, internally funded through shared savings.
- » State could require or encourage use of Project ECHO in ACO qualifications.
- » ACOs would define how payments are allocated between hub and spokes.

## ■ ***Network Adequacy:***

- » Primary care providers that participate in an ECHO program and develop expertise in a particular clinical area could be counted as offering specialty care within a health plan's network.

# Potential Financing Mechanisms

- ***Care Coordination Payments or Health Homes:***
  - » Eligible providers are rewarded for Project ECHO participation through a higher care coordination payment.
  - » States could include participation in Project ECHO among other Medicaid Health Home provider capability requirements.
- ***In Lieu of and Value-Added Services:***
  - » Project ECHO could be included as a cost-effective service *in lieu of* other covered specialty care benefits, or state could encourage its MCOs to finance Project ECHO as a *value-added* service as a way to improve quality and reduce avoidable inpatient care.