

Global Payment Program

Using Medicaid Disproportionate Share Hospital (DSH) Funds to Incentivize Right Care at the Right Time

Introduction

Public health care systems in California have implemented a range of innovative services and programs to improve care for the uninsured using **Medicaid Disproportionate Share Hospital (DSH)** funds through the **Global Payment Program (GPP)**. The GPP, which relies on Medicaid DSH funding, provides public health care systems the flexibility to restructure how care is delivered to the the uninsured with a focus on right care in the most appropriate setting.

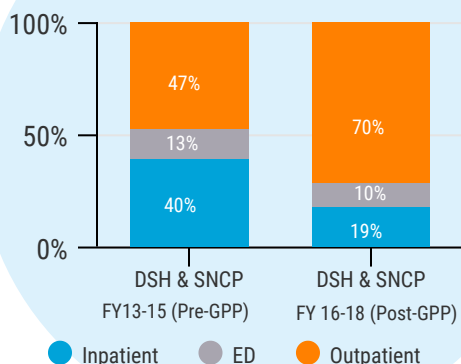
GPP Background

Launched in 2016, as part of California's Medicaid 1115 Waiver, GPP targets patients with limited access to primary and preventive care services and aims to shift their care from the emergency department to more appropriate care in outpatient settings. A point value system rewards health systems for providing preventive and primary care services and disincentives inpatient and emergency services. GPP is the first payment effort of its kind to use Medicaid DSH to encourage increased access to preventive care for the uninsured.

GPP Funding Streams

GPP combines two federal funding streams, Medicaid DSH and the Safety Net Care Pool (SNCP), both of which are matched by county/local funds. Figure 1 shows the distribution of DSH and SNCP funds and the shift in funds from inpatient to outpatient services post-GPP implementation.

Figure 1. Funding Distribution Across Service Types Pre- and Post-GPP



The size of the combined pool changes each year based on the amount of available DSH funding, which was approximately \$1.1 billion in FY 2017. The Affordable Care Act (ACA) required Medicaid DSH payments to be reduced as a result of the coverage expansion; however, in California, roughly 3.5 million individuals still remain without coverage.

GPP Progress to Date

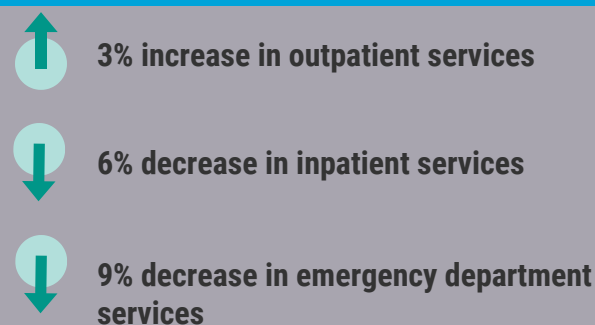
With two years of GPP completed, we are starting to see promising outcomes (see Figure 2).

Based on a recent mid-term evaluation,* which examined utilization trends between program years one and two, public health care systems reported a 3% increase in the provision of outpatient services, a 6% decline in inpatient services, and a 9% decrease in emergency department services. These results further demonstrate how GPP is shifting care delivery to primary and preventive care settings.

Importance of Medicaid DSH Funding

- Congress acknowledged the importance of Medicaid DSH funding by delaying the ACA's scheduled cuts through legislation since 2013; however, the cuts are scheduled to take effect starting October 2019, absent any further federal action.
- Public health care systems rely on Medicaid DSH funding and stand to lose an estimated \$334 million in federal funding in the first year. Starting in 2020, Medicaid DSH cuts will double and continue through 2025.
- We urge you to delay the scheduled Medicaid DSH cuts from taking effect so that public health care systems can continue to provide critical health care services to those greatest in need.

Figure 2. Utilization of Services in GPP Comparing Year One to Year Two



*Data based on RAND Midpoint evaluation report, updated to include most recent data.

Levers to Improve Care for Uninsured Patients

While many organizational improvements contributed to GPP success, four key themes emerged as foundational:



Access to Care

Increasing capacity and reducing wait times using a range of strategies such as expanded hours, same day appointments, mobile outreach, community health workers, and hiring new providers



Non-traditional Services

Expanding non-traditional services -- innovative services typically not reimbursed by Medicaid that include telehealth, eConsults, health coaching, and others -- to provide more appropriate and efficient care



Data Infrastructure

Improving data collection for care coordination including capturing new services, data sharing across agencies and departments, and developing new policies, procedures, and workflows



Partnerships

Enhancing relationships with other care delivery partners, such as behavioral health and community organizations, is critical for coordinating care and services

Public Health Care Systems' GPP Highlights

Alameda



Administers a human rights clinic for recently displaced individuals, specializing in trauma-informed primary care, psychological evaluations, and behavioral health treatment



Arrowhead

Expanded services for uninsured patients to include outpatient surgery and additional clinics in rural areas



Contra Costa

Implemented telephone nurse advice with call-back protocols so that 75% of patients can receive care without going to the emergency department

Kern



Offered mobile wellness events, providing health screening and education to rural community members



Los Angeles

Opened new clinics and increased access to primary care using expanded care teams with community health workers



Natividad

Expanded access to services, including primary care, lab, pharmacy, and radiology

Riverside



Partnered with local churches to offer behavioral health events with education, screening, and referrals to county programs



San Francisco

Conducts street group outreach to actively engage homeless uninsured patients



San Joaquin

Improved care efficiency through team-based care, including coaches and mental health outreach workers

San Mateo



Launched a new patient connection center that bridges patients to social services and provides warm hand-offs between providers



Santa Clara

Standardized data elements across multiple agencies and systems allowing for improved service tracking and care coordination



Ventura

Enlisted community health workers to visit schools and community events providing referrals and outreach