

## **Value-based pilot generates \$1.3M in Medicaid savings**

Mount Sinai Health System, Healthfirst and the Institute for Community Living said Monday that their work on a value-based pilot program improved the quality of care for more than 400 Medicaid recipients.

The program focused on a group of Healthfirst members living with chronic medical conditions and mental illness or substance-use disorders who were enrolled in the Health and Recovery Program. It helped reduce hospitalizations and yielded \$1.3 million in savings in Medicaid costs in 2018, the partners said.

Collaboration on the program was one of two state value-based payment pilots in 2017 and 2018. It involved implementing a coordinated set of interventions for a group of Medicaid patients who most frequently uses emergency and inpatient behavioral and physical health services.

"In light of the Medicaid shortfalls, we've been able to demonstrate that, through a lot of hard work, patients can get better and you can save money," said David Woodlock, president and CEO of ICL. "This is an enormously important discussion right now, when our respective industries are staring down the barrel of rate cuts."

In this case, ICL, Mount Sinai and Healthfirst worked together to engage patients at different sites across the health care system and enroll them in home- and community-based services as well as care-management services. Interventions also included providing more stable housing, better transportation, family services and education on their illnesses and self-care.

The goal was to build trust with patients and help them identify the social determinants of health that were affecting their ability to manage their conditions. Mount Sinai provided physical and behavioral health services as well as a health home for care management. ICL provided home- and community-based services. And Healthfirst financed the treatment group.

This group of patients has behavioral health needs, chronic health problems and a number of social determinants issues, all of which make attending to their day-to-day health care needs particularly challenging, said Dr. Ian Shaffer, executive medical director at Healthfirst.

"The program wasn't just a transactional health care exchange but really an engagement of people who hadn't been engaged in the health care system in a longitudinal way," he said.

The pilot achieved four out of six quality metrics. There were improvements in blood glucose testing, medical attention for diseases affecting the kidneys, follow-up after

hospitalization for mental illness and diabetes screening for people with schizophrenia or bipolar disorder using antipsychotic medication.

As a result, there was a decrease of \$50 per member per month in the overall cost of care, which was driven by fewer hospitalizations and emergency department visits and related pharmacy costs.

As part of a shared savings arrangement with Mount Sinai, ICL earned \$338,000.

ICL's Woodlock said the results can help to dispute the widely held viewpoint that community-based organizations cannot meaningfully participate in value-based care.

"A nonprofit, like ICL, with very narrow financial margins can participate in valued-based payment," he said. "It's certainly worthwhile from our mission and equally worthwhile from a financial perspective."

Statewide about 130,000 Medicaid recipients are eligible for HARP.

Both Woodlock and Healthfirst's Shaffer said there are plans to expand similar programs to more populations.

"These approaches to complex populations apply to lots of people beyond HARP," Woodlock said. Extrapolating the savings across additional populations could yield significant dollar amounts.