

UPMC *Insurance Services Division*

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UPMC *for You* Proposal Awarded Funding From Robert Wood Johnson Foundation

PITTSBURGH (May 15, 2012) – UPMC *for You*, a nonprofit Medicaid managed care organization (MCO) of the UPMC Insurance Services Division, today was awarded a grant from the Robert Wood Johnson Foundation (RWJF) to develop a new pathway for Medicaid payment reform designed to improve the coordination and quality of care for children with complex medical conditions while also reducing the cost of care.

The grant, in excess of \$440,000, provides funding for three years. The project is one of four that RWJF will fund out of the 50 that were submitted to RWJF's nationwide call for proposals around "Payment Reform Strategies for High Value Care."

Development of a payment reform plan will take place within the natural laboratory of UPMC's integrated delivery and financing system. It will directly involve UPMC *for You*, the largest Medicaid physical health MCO in western Pennsylvania; Community Care Behavioral Health, the behavioral health MCO for all Medicaid recipients in Allegheny County; Children's Hospital of Pittsburgh of UPMC, the largest-volume local provider for children with medically complex conditions; Children's Community Pediatrics and Primary Care Center, both affiliates of Children's Hospital; UPMC Home Care, an in-home service network; pediatric specialists in the University of Pittsburgh Physicians group; behavioral health specialists in the Community Care network; and pharmacies and pharmacists who serve the target population.

A broad range of stakeholders – including family members who have children with complex medical conditions – will be involved in both the design and implementation of

this new payment model. This element is considered a critical component of the initiative.

“Through this process, we hope to demonstrate and document a set of replicable methods and strategies that other stakeholders can use as a road map,” said Pamela B. Peele, PhD, Chief Analytics Officer for UPMC Insurance Services Division, who serves as principal investigator for this grant. “Through our experience with this initiative, we and others can design, implement, and evaluate similar, or related, payment reforms. Although this experiment is being conducted within a single Medicaid managed care network, the methods developed and lessons learned will have broad application.”

The UPMC *for You* payment design and implementation project has three components:

- A global, condition-adjusted, per-patient payment to providers aimed to promote more flexible, coordinated, and efficient service delivery.
- Consumer-directed accounts through which families can direct a portion of Medicaid funds for their individualized and necessary supports and services.
- Shared savings for providers through observed reduction of wasteful or duplicative health care spending.

“Children with serious and complicated medical conditions are considered one of the most vulnerable populations in the United States,” said Dr. Peele. “And yet, little is known about which value-based payment approaches can best address the unique health care challenges of this population.”

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About UPMC Insurance Services Division

UPMC *for You* and Community Care Behavioral Health are two of the integrated partner companies of the UPMC Insurance Services Division. UPMC *for You* provides benefits and services to those eligible for Medical Assistance (MA) and is the largest MA program in western Pennsylvania. In 2010, it was ranked first in Pennsylvania and 10th in the nation by the National Committee for Quality Assurance. Community Care has been managing the delivery of behavioral health services in the Northeast U.S. since 1999. Its mission is to improve the health and well-being of the community through the delivery of effective, cost-efficient, and accessible behavioral health services. Other integrated partner companies of the UPMC Insurance Services Division include UPMC Health Plan, UPMC WorkPartners, *LifeSolutions* (EAP), UPMC *for Life*, UPMC *for Kids*, Askesis Development Group, and EBenefits. The UPMC Insurance Services Division offers a full range of group and individual health insurance products, Medicare, Special Needs Plan (SNP), Children’s Health Insurance Program (CHIP), MA, behavioral health, employee assistance, and workers’ compensation products and services to nearly 1.8 million members.