

Designing Provider Incentives

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Why Have the Incentives

- Incentives have demonstrated power to change outcomes
- DRGs- developed by Medicare had a staggering impact on hospital length of stay
- Capitation and HMOs had a major impact on overall healthcare costs
- Incentives can similarly promote the objectives of ATR

Objectives of Incentives

- Promote a stable, fiscally viable delivery system
- Incentivize achieving the seven specific domains
- Broaden network of participating providers
- Reward positive outcomes

Provider Incentive Payments

- Relate to specific, measurable outcomes
- Encourage and reward specific kinds of behavior
- Require good information systems to track providers, clients, utilization, and outcomes

Operationalizing Outcomes

- Must operationalize the seven domains with specific measurable benchmarks

Examples:

- Abstinence for 90 days
- Unemployed individuals getting a job and keeping it for 30 days
- Students returning to school
- Increased retention in clinical treatment and/or recovery support services

Possible Incentives

- Withhold 10% of voucher payment as a bonus for meeting specific positive outcomes
- Withhold a portion of the voucher for a bonus at the completion of each stage of care

Possible Incentives (cont'd)

- Withhold a portion of the voucher for treatment not beginning within 30 days of issuance of voucher
- Encourage retention in care while discouraging overly long stay with bonuses for the episode

Technical Assistance

- Providers may need assistance setting up internal mechanisms to document progress towards goals
- Providers should include non-successes and provide enough information to uncover the causes
- Providers at risk of being dropped from network for lack of success should receive assistance to better understand deficiencies