

MEDI-CAL MANAGED CARE PRIVATE HOSPITAL DIRECTED PAYMENT PROGRAM EVALUATION FOR PROGRAM YEAR (PY) 6

January 1, 2023 – December 31, 2023

BACKGROUND

In accordance with Title 42 of the Code of Federal Regulations (CFR), Section 438.6(c)(2)(ii)(D), the California Department of Health Care Services (DHCS) is required to submit an evaluation that measures the degree to which the directed payment arrangement advances at least one of the goals and objectives in the DHCS Quality Strategy. This evaluation will assess the performance and results of the Private Hospital Directed Payment (PHDP) Program implementation during CY 2023.

PHDP directs Medi-Cal managed care health plans (MCPs) to make fixed dollar amount add-on payments to contracted Private Hospitals based on actual utilization. This directed payment structure applies to contracted private hospitals that provide critical inpatient and non-inpatient services to Medi-Cal managed care members.

Specifically, payments are directed in the form of a uniform dollar increase to reimbursements for contracted inpatient and non-inpatient services. This directed payment program supports private hospitals' delivery of critical services to Medi-Cal managed care members. It is critical to evaluate the PHDP program to meet the objectives designed and included in the CMS-approved Bridge Period Preprint,¹ which includes improving the timeliness and completeness of reported encounter data, and encouraging changes in utilization pattern for inpatient, outpatient, and emergency services for MCP members.

EVALUATION PURPOSE AND QUESTIONS

The purpose of this annual evaluation plan is to determine if the proposed directed payment made through the California Department of Health Care Services' (DHCS) Medi-Cal managed care health plans (MCPs) to Network private hospitals for eligible contracted services result in preserving or improving access to and services for all MCP members. This evaluation is designed to answer the following questions:

1. Do higher private hospitals payments, via the proposed PY 6 directed payments, serve to maintain or improve the performance of the Child and Adolescent Well Care Visits measure?

¹ The approved PHDP Preprint is available at:
<https://www.dhcs.ca.gov/services/Documents/DirectedPymts/CY-2023-PHDP-Approval-Package.pdf>.

2. Do higher private hospitals payments, via the proposed PY 6 directed payments, serve to maintain or improve the performance of the Prenatal and Postpartum Care: Timeliness of Prenatal Care measure?
3. Do higher private hospitals payments, via the proposed PY 6 directed payments, serve to maintain or improve the performance of the Depression Screening and Follow-Up Plan measure?

EVALUATION DATA SOURCES AND MEASURES

To measure changes in utilization pattern, DHCS calculated performance of the Child and Adolescent Well Care Visits (WCV), Prenatal and Postpartum: Timeliness of Prenatal care (PPC-PRE + PPC-PST), and Depression Screening and Follow-Up Plan measures (CDF), for managed care members. Administrative data was extracted from the Management Information System/Decision Support System (MIS/DSS), spanning service dates in CY 2021 through CY 2023. DHCS evaluated service utilization for measures WCV and CDF in accordance with current Centers for Medicare & Medicaid Services (CMS) Core set Technical Specifications. Measures PPC-PRE and PPC-PST were evaluated in accordance with current HEDIS Technical Specifications.

Table 1: Child and Adolescent Well-Child Visits (WCV) – Change Across Time Comparing MY 2021 (Baseline Period) and MY 2023 (Current Reporting Period)

Metric	2021 (baseline)	2022	2023	Performance Target	Percentage Point Change	Fisher's Exact Test p-value
3-11 Years	54.6%	54.9%	55.0%	2%	0.4%	▲
12-17 Years	49.4%	46.6%	49.5%	2%	0.1%	▲
18-21 Years	25.7%	26.0%	28.6%	2%	2.9%	▲
Total	48.5%	46.5%	48.9%	2%	0.4%	▲

▲ Indicates a statistically significant improvement in the 2023 rate compared to baseline.

EVALUATION RESULTS

Child and Adolescent Well-Care Visits (WCV) measures the percentage of children ages 3 to 21 who had at least one comprehensive well-care visit with a primary care practitioner (PCP) or an obstetrician/gynecologist (OB/GYN) during the measurement year.

- There is a 0.4% increase for ages 3-11 years in CY 2023 compared to the baseline period.
- There is a 0.1% increase for ages 12-17 years in CY 2023 compared to the baseline period.
- There is a 2.9% increase for ages 18-21 years in CY 2023 compared to the baseline period.
- There is a 0.4% increase across the age groups in CY 2023 compared to the baseline period.
- Fisher's exact test was used to determine if there is a significant association between time and Child and Adolescent Well-Care Visits (comparing CY 2023 to the baseline period). There was a significant association over time (two-tailed $p = <0.0001$).

Table 2: Prenatal and Postpartum Care – Change Across Time Comparing MY 2021 (Baseline Period) and MY 2023 (Current Reporting Period)

Metric	2021 (baseline)	2022	2023	Performance Target	Percentage Point Change	Fisher's Exact Test p-value
PPC-PRE	72.2%	72.6%	72.5%	2%	0.3%	▲
PPC-PST	71.0%	70.6%	72.0%	2%	1.0%	▲

▲ Indicates a statistically significant improvement in the 2023 rate compared to baseline.

Prenatal and Postpartum Care for women measure: DHCS calculated the rate of prenatal care utilization visits at a statewide level for managed care members.

- There is a 0.3% increase for Prenatal and Postpartum Care – Timeliness of Prenatal Care, within the Enhanced Payment Program, in CY 2023 compared to the baseline period.
- There is a 1.0% increase for Prenatal and Postpartum Care – Postpartum Care, within the Enhanced Payment Program, in CY 2023 compared to the baseline period.
- Fisher's exact test was used to determine if there is a significant association between time and Prenatal and Postpartum Care (comparing CY 2023 to the baseline period). There was a significant association over time (two-tailed $p = <0.0001$).

Table 3: Depression Screening for Adolescents and Adults – Change Across Time Comparing MY 2021 (Baseline Period) and MY 2023 (Current Reporting Period) (EPP)

Metric	2021 (baseline)	2022	2023	Performance Target	Percentage Point Change	Fisher's Exact Test p- value
DSF-SCREENING- 12-17YEARS	10.5%	9.1%	9.6%	2%	-0.8%	▼
DSF-SCREENING- 18-64YEARS	2.3%	2.4%	2.3%	2%	0.1%	▲
DSF-SCREENING- 65+	0.4%	0.4%	0.5%	2%	0.1%	▲
DSF-SCREENING- TOTAL	3.9%	3.7%	3.5%	2%	-0.4%	▼

▲ Indicates a statistically significant improvement in the 2023 rate compared to baseline.

▼ Indicates a statistically significant decline in the 2023 rate compared to baseline

Depression Screening for Adolescents and Adults measure: DHCS calculated the rate of Depression screenings at a statewide level for managed care members.

- There is a 0.8% decrease for Depression Screening for Adolescents and Adults, for ages 12-17 years, within the Enhanced Payment Program, in the bridge period compared to the baseline period.
- There is a 0.1% increase for Depression Screening for Adolescents and Adults, for ages 18-64 years, within the Enhanced Payment Program, in the bridge period compared to the baseline period.
- There is a 0.1% increase for Depression Screening for Adolescents and Adults, for ages 65 years and older, within the Enhanced Payment Program, in the bridge period compared to the baseline period.
- Overall, there is a 0.4% decrease for Depression Screening for Adolescents and Adults, across the age categories, within the Enhanced Payment Program, in the bridge period compared to the baseline period.
- Fisher's exact test was used to determine if there is a significant association between time and Adults (comparing CY 2023 to the baseline period). There was a significant association over time (two-tailed $p = <0.0001$).

LIMITATIONS OF EVALUATION

The results presented here suggest that the directed payment program may have had positive impacts on Prenatal and Postpartum Care for women, Child and Adolescent Well-Care Visits, and Depression Screening for Adolescents and Adults. A limitation for

this evaluation occurs for the Well-Care Visit Measure; CMS Core Set measure specifications for defining the denominator, conflicted with evaluation criteria. As such, to better determine the Well-Care Visit measure denominator additional data linkages were performed on the 274 Provider Network File and the Primary Care Provider Assignment file.

However, we cannot separate changes attributable to the directed payment programs from other secular changes such as technology advancements occurring across the health system, provider supply, or other factors.

CONCLUSIONS

DHCS' examination of the Baseline Period and the CY 2023 for the Private Hospital Directed Payment Program Evaluation indicates the following:

- There is a 0.4% increase for Child and Adolescent Well-Care Visits, across ages 3-21 years, within the Enhanced Payment Program, in CY 2023 compared to the baseline period.
- There is a 0.3% increase for Prenatal and Postpartum Care – Timeliness of Prenatal Care, within the Enhanced Payment Program, in CY 2023 compared to the baseline period.
- There is a 1.0% increase for Prenatal and Postpartum Care – Postpartum Care, within the Enhanced Payment Program, in CY 2023 compared to the baseline period.
- There is a 0.4% decrease for Depression Screening for Adolescents and Adults, across the age categories, within the Enhanced Payment Program, in CY 2023 compared to the baseline period.