

## CMS SIM Model Testing Award Background

- CMS SIM initiatives were announced in February 2013 to implement and test State Health Care Innovation Plans in six states.
- With the combined support of over \$250 million, these Model Testing Award states are putting in place strategies to transform a state's health care delivery system through multi-payer payment reform and additional state initiatives.
- Participating states have 42 months to implement and test their plans with continued funding contingent on the state's performance and progress in meeting their goals.

## Summary of SIM Testing Award in Arkansas

Through the SIM grant, Arkansas intends to provide increased care coordination using multi-payer episode-based payment strategies and emphasizing population based care through medical home and health homes. Medicaid first implemented an "Episodes of Care" program which set performance payment targets for specific medical conditions such as upper respiratory conditions and asthma. In January 2014, Medicaid started a Patient-Centered Medical Home (PCMH) program which provides participating pediatricians with up-front payment for population management activities. Participating pediatricians are also eligible for cost-savings as a result of this program. Arkansas is also expanding Medicaid health homes under SIM and, after an initial rollout for adults with developmental disabilities (DD) or those in need of long term services and supports (LTSS), will establish health homes for children with developmental disabilities.

## Implications for Pediatrics

### *Impact on Children:*

- Plan strongly targets the needs of children covered by Medicaid/CHIP as well as commercial insurance plans in addition to other populations.
- Focuses on PCMH with potential for impact on patients of all ages.
- Pediatric conditions including ADHD, ODD, tonsillectomy, asthma, and perinatal needs are being evaluated as episodes of care as part of the initiative's payment improvement approach. AR is also developing episodes of care for ADHD-ODD co-morbidity and neonatal.
- Developmental Disability Health Homes for children are scheduled to begin in January 2015.

### *Impact on Participating Providers:*

- The office of HIT is working to connect the largest 15 practices and 15 hospitals serving Medicaid pediatrics and adults through the State Health Alliance for Records Exchange (SHARE). All patient-centered medical homes are required to connect to the SHARE.
- Medicaid and private insurers selected a set of episodes of care to treat a particular condition for a given length of time. Information about each specific performance periods can be found [here](#).
- Pediatricians will receive payment for different episodes of care and will share in the savings or excess costs of an episode depending on their performance for each episode. Arkansas provided the first gain and risk share payments to its principal accountable providers for the three upper respiratory infection episodes covered under the Episodes of Care program (non-specific upper respiratory infections, acute pharyngitis, and acute sinusitis) on January 31, 2014. Subsequently, the state is conducting targeted outreach efforts to providers who were most affected by these payments.

**For more information on the CMS SIM testing award in Arkansas, contact Dawn Zekis, SIM Project Lead, at**

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