

Health Care Financing and Payment



Health services research at RTI International is an interdisciplinary enterprise combining expertise in economics, health care policy and administration, sociology, epidemiology, public health, social psychology, statistics, and survey methods.

RTI researchers study policy issues in health care financing and reimbursement, including the design and evaluation of health care insurance, payment, and financing systems. We analyze costs, financial outcomes, quality, and efficiency, paying particular attention to the role of financial incentives in health care.

We design, implement, and evaluate payment methods, including fee schedules, prospective payment systems, pay for performance, shared savings, bundled payment, capitation, selective contracting, tiered payment, and risk adjustment. We analyze the choices and decisions of individuals as well as the behavior of physicians, hospitals, insurers, pharmaceutical firms, and other health care professionals and institutions.

Our researchers offer expertise in these areas:

- Pay for performance design and implementation—patient attribution, target expenditures, bonuses/penalties, shared savings, two-sided and one-sided models, minimum savings requirements, risk corridors, risk adjustment, quality measurement, statistical variation, and provider feedback reports
- Quantitative and qualitative evaluation methods—economic and statistical modeling, matching comparison groups, policy analysis, primary data collection, analysis of large administrative databases, survey development and support, cost-effectiveness analyses, site visits, interviews, and focus groups

- Rate-setting analysis—payment rate calculations, data development, impact evaluation, simulation models, cost- and market-based methods, and provider responses

Selected Studies

Fee-for-Service Payment Systems

- Monitor, refine, and evaluate Medicare prospective payment systems for inpatient, outpatient, psychiatric facility, and long-term-care hospitals
- Develop outpatient therapy payment alternatives for Medicare
- Design, implement, and manage Medicare Acute Care Episode Demonstration
- Implement and analyze Medicare Post-Acute Care Payment Reform Demonstration
- Identify chronically, critically ill Medicare population and assess prospective payment issues
- Review Medicare hospital and physician geographic payment adjusters
- Evaluate accuracy of Medicare Physician Fee Schedule's physician time estimates

Managed Care and Risk Adjustment

- Conduct Medicare Part C (medical services) and Part D (prescription drug) risk adjustment model research and development



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- Develop and provide implementation support for a federally certified risk adjustment model for State Exchanges operating under the Affordable Care Act
- Evaluate the impact of financial incentives on Medicare Advantage plans
- Design methodology to adjust Medicare capitation payments for beneficiary frailty

Pay-for-Performance and Quality

- Design, implement, and evaluate Medicare Physician Group Practice Demonstration
- Develop payment models, quality measurement, and provider educational sessions for Medicare Accountable Care Organizations
- Implement and evaluate Medicare Health Care Quality Demonstration
- Evaluate impacts of the Hospital-Acquired Condition and Present on Admission Indicator Reporting program

Disease Detection and Care Management

- Assess cost of service delivery in National Breast and Cervical Cancer Early Detection Program
- Evaluate a national colorectal cancer screening program for cost and effectiveness
- Evaluate Medicare coordinated-care projects, such as Medical Home Demonstration and Care Management for High Cost Beneficiaries Demonstration
- Evaluate the cost of the National Cancer Institute's Community Cancer Centers Program

Prescription Drugs

- Evaluate Medicare Part D drug program:
 - Effect of enrollment and drug adherence on use of non-drug Medicare services
 - Reinsurance demonstration financing options
- Designed and evaluated the Competitive Acquisition Program for Medicare Part B drugs

Our clients include

- Assistant Secretary for Planning and Evaluation, Department of Health and Human Services
- Centers for Disease Control and Prevention
- Centers for Medicare & Medicaid Services
- Department of Defense TRICARE Management Authority
- Health Resources and Services Administration
- Institute of Medicine
- Medicare Payment Advisory Commission
- National Cancer Institute
- States of Maryland, Massachusetts, New Hampshire, and West Virginia
- *U.S. News & World Report*

Market Structure and Reform

- Evaluate effects of the Medicare Physician-Hospital Collaboration Demonstration and the Gainsharing Demonstration on quality, utilization, and spending
- Construct *U.S. News & World Report's* nationwide rankings of hospitals

Military Health Systems

- Evaluate TRICARE disease management demonstration
- Examined prospective payments systems and risk adjustment modeling for TRICARE Prime
- Provided analytic support for TRICARE Reserve Select Benefits Program

Competitive Bidding Systems and Incentives

- Designed and evaluated Medicare Clinical Laboratory Competitive Pricing Demonstration and Competitive Bidding Demonstration for Durable Medical Equipment

More Information

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RTI International is a trade name of Research Triangle Institute.

