

# Health Care Financing and Payment



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

## Overview

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/episode payment, capitation/global payment, selective contracting, and risk adjustment.

Our researchers offer expertise in these areas:

- Payment design and implementation—patient attribution, target expenditures, bonuses/penalties, shared savings, episode definition, case mix groups, patient assessment data, risk corridors, risk adjustment, pay for performance, 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, and site visits

## Selected Studies

### Accountable Care Organizations (ACOs)/Shared Savings

- Design payment and quality measurement and support implementation of Medicare ACOs and the Next Generation ACO Model
- Implement and evaluate the Medicare Health Care Quality Demonstration
- Design and implement the Independence at Home Demonstration

### Payment and Delivery Models

- Evaluate the Centers for Medicare & Medicaid Services (CMS) Multi-Payer Advanced Primary Care Practice Demonstration
- Evaluate the CMS Innovation Center models to accelerate reform through local and state partnerships, including Health Care Innovation Awards, the State Innovation Models Initiative, and the Maryland All-Payer Model

### Risk Adjustment

- Conduct Medicare Part C (managed care medical services) and Part D (prescription drug) risk adjustment model research and development
- Develop, refine, and evaluate the federal risk adjustment model and risk transfer methodology used by the Affordable Care Act state individual and small group markets

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- Conduct research on value-based payment in Medicare Advantage plans

## Fee-for-Service Payment Systems

- Monitor, refine, and evaluate Medicare prospective payment systems for inpatient, outpatient, psychiatric facility, and long-term care hospitals
- Design and analyze the use of Continuity Assessment Record and Evaluation (CARE) data in case mix methodologies for Medicare prospective payment systems for skilled nursing facilities, inpatient rehabilitation facilities, and home health agencies
- Recommended payment reforms for chronically critically ill Medicare population in short- and long-term care hospitals
- Developed outpatient therapy payment alternatives for Medicare
- Reviewed Medicare hospital and physician geographic payment adjusters

## Episode-Based Payment and Post-Acute Care (PAC)

- Examine options for PAC episode and site-neutral payments
- Develop and maintain quality measures for PAC settings
- Designed, implemented, and evaluated Medicare hospital and physician bundled payment initiatives for acute care and PAC
- Evaluated effects of the Medicare Physician-Hospital Collaboration Demonstration and the Gainsharing Demonstration on quality, utilization, and spending

## Medicare-Medicaid Enrollees

- Monitor, measure, and evaluate the State Demonstrations to Integrate Care for Dual Eligible Individuals
- Evaluate the Initiative to Reduce Avoidable Hospitalizations Among Nursing Facility Residents

## Military Health Systems

- Evaluate TRICARE disease management demonstration

## Prescription Drugs

- Evaluated Medicare Part D drug program

- Designed and evaluated the Competitive Acquisition Program for Medicare Part B drugs

## Competitive Bidding Systems and Incentives

- Designed competitive bidding for Medicare clinical laboratory payment
- Design, implement, and evaluate the Medicare Complex Diagnostic Laboratory Tests Demonstration

## National and International

- Construct *U.S. News & World Report's* hospital rankings
- Evaluate non-communicable disease registration and intervention strategies in low- and middle-income countries
- Develop health insurance payment models and regulations for Dubai

### Our current and former 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
- Dubai Health Authorities
- Institute of Medicine
- Medicaid and CHIP Payment and Access Commission
- Medicare Payment Advisory Commission
- National Cancer Institute
- States of Maryland, Massachusetts, New Hampshire, and West Virginia
- *U.S. News & World Report*

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