

Appropriations Committee on Health and Human Services

Draft Options for Committee Consideration

Session Goal: Shifting from “*Paying*” to “*Investing*”

Key Question: Does the Committee want to invest in evidence-based programs that will result in better birth outcomes and healthier children? If yes, then *how*?

Two major strategies for the FY 2015-17 Biennium are proposed for your consideration.

1 - Business Strategy: Increasing the Department’s capacity to strategically build, evaluate and fund outcome-based programs. Improving this function within DHHS should ultimately result in a better base budget.

- Develop Planning and Evaluation Capacity within DHHS
 - Evaluating performance of agency programs.
 - Establishing standards and evaluation tools necessary to effectively implement pilot projects.
 - Designing a strategic plan for DHHS, and designing/implementing reorganizational plan.
 - Creating and maintaining an accessible inventory of all DHHS programs.
 - Working with DHHS agencies to assure that every program is focused on achieving outcomes.
 - Establishing a formal relationship with the School of Government? Leverage the expertise we have in our University System?
- Improve Contract Development and Administration
 - Developing, administering and monitoring contracts.
 - Assuring that all health-related contracts are outcome-based. Are the payment structures in the current contracts for primary care case management and mental health services based on achieving required health outcomes?
- Expand budget, accounting and forecasting capacity within DHHS
 - Developing and monitoring the agency budgets.
 - Providing technical assistance to DHHS agencies.
 - Analyzing the fiscal impact of proposed legislation.
 - Forecasting.

Key Question: Does the Committee want to invest in evidence-based programs that will result in better birth outcomes and healthier children? If YES, then *where* will the money come from?

2 - Policy Strategy: Investing in evidence-based programs specifically focused on improving the health and wellbeing of young children.

- New Resources (Federal/State/Local or a Combination)
 - ☐ Medicaid Provider Assessments
 - Increase existing assessments (NR)
 - Development new assessments (Physicians, other groups)
 - Reform payment policies to allow UPL plans that can be funded by providers with a state retention.
 - ☐ Require or incentivize increased local participation and accountability?

➤ Reallocation of Resources

- Medicaid Payment Reform Options – None of the existing payments are based on outcomes.
- Redesign the Federal Disproportionate Share for Hospitals/Medicaid Reimbursement Initiative plan.
- LME/MCO 2% Risk Reserve – target funds for critical mental health programs for children or adults.
- Elimination of state funds for other non-evidence based programs.
- Tobacco Settlement funds?
- Renegotiate existing contracts.
- Budget overrealized receipts for prevention. (NR)

Committee Direction to Staff?