

As Medicaid turns 50, Hastings Center scholar examines payment reforms

July 7 2015

Several recent U.S. health policies, including the Affordable Care Act, provide incentives for transforming the delivery of health care to improve its value for dollar. Michael K. Gusmano, a Hastings Center scholar, and Frank J. Thompson, a distinguished professor at Rutgers University, critically examine efforts to shape the delivery of Medicaid through demonstration projects called Delivery System Reform Incentive Payment Initiatives (DSRIP). Despite political enthusiasm for DSRIP, they conclude in an article in [Health Affairs](#) that the evidence supporting its effectiveness is mixed.

DSRIP gives funds to hospitals and certain other Medicaid providers if they achieve performance gains on an array of metrics linked to such targets as improvements in patients' health. "DSRIP represents a significant CMS [Centers for Medicare and Medicaid Services] effort to replace one form of hospital subsidies, the upper payment limits, which lacked transparency and were hard to track, with financing rooted in performance-based accountability," the article states.

DSRIP programs have been adopted in six states - California, Kansas, Massachusetts, New Jersey, New York, and Texas - with significant variations. All of the states have programs that provide pay-for-performance incentive payments to hospitals, but the programs in New York and Texas also created regional networks that include community providers and require the establishment of partnerships with hospitals.

According to the article, there isn't strong empirical evidence for the

approach embodied by DSRIP. "There is mixed evidence about the extent to which pay-for-performance is able to change the behavior of hospitals and other [health care](#) providers," Gusmano says. "There is not yet any evidence that the regional network model in New York and Texas works better than the hospital-centric model."

But the article sees potential for DSRIP to ultimately succeed in achieving performance objectives. "The reform efforts authorized by the ACA and through waivers, such as DSRIP, have been called a "spaghetti approach" to enhancing the health care system—throw a bunch of strands against the wall and see what sticks," it states. "It is too soon to judge whether DSRIP will be among the reforms that stick."

Provided by The Hastings Center

Citation: As Medicaid turns 50, Hastings Center scholar examines payment reforms (2015, July 7) retrieved 27 April 2024 from

<https://medicalxpress.com/news/2015-07-medicaid-hastings-center-scholar-payment.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--