

DIAMONDCARE LEGISLATION ANALYSIS

- The DiamondCare 2016 legislation consists of comprehensive Medicaid program reform legislation that directs DHS to implement a managed fee-for-service Medicaid model for individuals who qualify for Medicaid in the areas of developmental disability (excluding Human Development Centers) and behavioral health services. This model will contract the management out to 1 or more administrative service organizations (ASO) who will oversee assessment, care plans, prior authorization and utilization review and will be held accountable to control costs and improve quality.
- The ASO will coordinate with the existing Arkansas Patient Centered Medical Home program, to ensure appropriate primary and specialty care for the high cost beneficiaries and the department is authorized to identify new solutions for care for complex children's cases, with a requirement to report back the Legislature on its efforts. Furthermore, DHS will monitor the quality of care provided by the ASO vendor(s) for assurance that care does not diminish.
- As part of the reform effort, DHS is also directed to create and implement a value-based purchasing strategy across Medicaid to look for purchasing strategies that seek to increase efficiency, leverage buying power and connect quality outcomes to payments.
- DHS is required to develop an implementation plan and report on the above changes to the Legislature within 95 days of passage. The Department must also create an online dashboard and make available to the Legislature within 95 days of passage that includes a series of key metrics to assess the performance of the Medicaid program.
- DHS must transition from a per diem to diagnostic resource group (DRG) payment model to hospitals. DHS will develop rules and, in collaboration with the Hospital Association, will consider the transition to the new model and report back to the legislature. These rules must be submitted within 95 days from passage.
- The State will conduct an independent actuarial annual rate review, with various billing codes reviewed once every three years.
- In consistent consultation with the Legislature, DHS will submit a global waiver that seeks to give the state the maximum flexibility in managing the state's Medicaid program.
- DHS shall seek federal changes for those seeking long-term care and developmental disability services that receives an independent assessment, a person-centered focus, independent case management and allocating home and community-based care depending on the needs of the individual. This will establish 3 levels of care depending on the ability of the individual to remain in a community-based setting.
- For behavioral health, DHS will implement an evidence-based practice model that uses an independent assessment and tiered levels of care to deliver care to patients.
- For children with special needs, DHS must also improve care with an independent standardized assessment for medical providers and more clearly defined eligibility, outcome and prior authorization standards.
- DHS will withhold 2% of payments to developmental disability and behavioral health providers, set aside in a separate account to be used to give additional payments to providers that offer the best quality outcomes, as determined by standards established by the Department.
- The oversight duties of the Legislative Council the Senate Committee on Public Health, Welfare, and Labor, and the House Committee on Public Health, Welfare, and Labor shall expand in overseeing the implementation in this comprehensive Medicaid transformation.