

**The American Congress of
Obstetricians and Gynecologists**
District IX California

January 30, 2015

Department of Health Care Services
1501 Capitol Avenue
Sacramento CA 95814
Attn: Toby Douglas, Director

RE: Section 1115 Comments/Provider Incentive Payment Reform

Dear Director Douglas:

The American Congress of Obstetricians and Gynecologists, District IX (California), represents more than 5,500 physicians dedicated to the health care of California's women. As the California Medical Association represents all physician specialties in California, they have been representing our interests in working on the renewal of the Section 1115 Medicaid Waiver with DHCS and the California Health and Human Services (CHHS) Agency. We concur with the CMA comments of January 16, 2015 about the waiver. We have additional comments to offer.

The CMA alerted us last week to a new proposal regarding maternity care, and asked us to weigh in on this area as ACOG-IX has been actively working on a variety of projects in California to improve maternal outcomes, leading to improved outcomes and reductions in costs. As almost half of the births in California are with women using Medi-Cal for their medical coverage, all of our efforts benefit not just the insured patients, but systemic changes benefit the Medi-Cal population as well. We offer comments on the section on provider incentive payment reform relative to maternity care based on this experience.

While the Managed Care Organization and Provider Incentive Workgroup has been working with CalSIM to come up with better ways to provide maternity care, there are other very relevant state efforts currently underway that should be taken into account. The California Maternal Quality Care Collaborative (CMQCC, and its sister organization, the California Perinatal Quality Care Collaborative) is located in the Department of Public Health. CMCC currently receives no state monies, but functions largely on Title V Federal monies as well as foundation funds. The strength of the program to make change comes from the collection and analysis of data, and a true collaborative model with those creating and implementing the changes based on data and evidence.

As just one example of the great efforts of CMQCC, a new campaign was developed and implemented in 2010. The mission was and is to eliminate early elective deliveries in California. Early elective deliveries are those either induced for vaginal birth or scheduled for cesarean birth before 39 weeks without medical indication. The efforts were massive, and this document does not capture the magnitude of joint and sustained efforts of many organizations and hundreds of individuals, but the results may illustrate the efforts best – a 74% reduction in early elective deliveries in California. These voluntary, collaborative efforts exceed the 50% reduction achieved in South Carolina by implementing a non-payment practice for early elective deliveries.

Most hospitals where the program has been implemented have NO early elective

CHAIR
John Wachtel, MD

VICE CHAIR
John Wachtel, MD

TREASURER
Diana Ramos, MD, MPH

SECRETARY
Kelly McCue, MD

IMMEDIATE PAST CHAIR
Laurie Gregg, MD

409 12th St SW
Washington, DC 20024
PHONE: (202) 863-2564
TOLL-FREE: (877) 759-0155
EMAIL: mclark@acog.org
www.acog.org/goto/districtix

deliveries. The campaign is not over, but the hospitals that have not participated may be the ones who most need financial assistance to make systemic changes.

A component of the current program is to have internal (to the hospital, Chief of OB) sign-off before proceeding with an early delivery. This is a very different process from requiring a Treatment Authorization Request (TAR) through the Medi-Cal system. At a minimum there are significant issues of dating the pregnancy and variation showing in different systems according to how the pregnancy was dated in the system – use of last menstrual period, ultrasounds (which can be +/- 5 days) or prenatal genetic screening. Local handling of these inconsistencies allows real-time reconciliation of the dates. Even while internal sign off is part of the early elective program, problems will occur if this is required for physician payment, as proposed by Straw Proposal #8. Large numbers of >39 week deliveries could show in the Medi-Cal system erroneously as “early”. This only serves to increase administrative costs to have to chase down claims post-delivery. Additionally, increased administrative costs and errors occur more with variation, and consistent handling of these cases between insured and Medi-Cal patients is a goal.

At this juncture, the majority of savings have been achieved with a 74% reduction in early elective deliveries (and programs in place to achieve continued reductions), improving care and saving costs for both mother and newborn(s). Implementing a “no payment” penalty with additional administrative burdens and concomitant costs adds little except for additional costs.

ACOG-IX suggests with the early elective delivery issue, as with other maternal health issues addressed by CMQCC programs, that any state efforts support and encourage these proven programs and systems, versus use of punitive payment processes. These programs meet the Waiver goal of improving the health of Californians, enhancing quality, increasing the patient care experience and reducing the total cost of care. It is a terrific example of what can be done even with limited funds when we have the vision and leadership of both government and private entities.

Please look at the CMQCC website at www.cmqcc.org to see both their initiatives and the coalition members whom are part of the Collaborative. There are reports to provide more data as to actual reductions, which we can provide to whomever will be analyzing potential cost savings.

We welcome the opportunity to work with DHCS on specifics as to how the Waiver can support these impressive efforts. My direct contact information is Shannon@partnersadvocacy.com or 916.457.5217.

Sincerely,

Shannon Smith-Crowley, JD, MHA
Director of Government Relations

cc: Diana Dooley, Secretary, California Health and Human Services Agency
Lark Park, Office of Governor Edmund G. Brown, Jr.
Assembly Member Rob Bonta, Chair, Assembly Committee on Health
Senator Ed Hernandez, Chair, Senate Health Committee
Assembly Member Catharine Baker, Vice Chair, Assembly Committee on Health
Senator Jim Nielsen, Vice Chair, Senate Health Committee
Amber Kemp, California Hospital Association
Leslie Kowalewski, March of Dimes
Lishuan Frances, California Medical Association
Elliott Main, MD, California Maternal Quality Care Collaborative