



# Health Care Financing and Payment

## Overview

RTI International researchers study policy issues in health care financing and reimbursement—including the design and evaluation of health care insurance, provider payment, and financing systems. We analyze costs, quality, efficiency, and outcomes—paying particular attention to the role of financial incentives in health care.

We design, implement, and evaluate payment methods; these payment methods include 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 the following areas:

- Payment design and implementation—patient attribution, provider screening, target expenditures, bonuses/penalties, shared savings, episode definition, case mix and risk groups, patient assessment data, risk corridors, risk adjustment, pay for performance, program integrity monitoring, and provider reports and data feeds
- Quantitative and qualitative evaluation methods—economic and statistical modeling, matching comparison groups, policy analysis, primary data collection, analysis and management of large administrative databases, survey development and support, cost-effectiveness analyses, and site visits

Federal health insurance programs rely on our work to distribute billions of dollars in payments annually to health plans and providers.

## Selected Studies

### Payment and Delivery Shared Savings Models

- Design and implement the Medicare Shared Savings Program since inception in 2012
- Design and implement innovations in the shared savings methodology through the Pioneer Accountable Care Organization (ACO), Next Generation ACO, and Direct Contracting models
- Design and implement the Independence at Home Demonstration
- Develop and implement Medicare's demonstrations in advanced primary care, including Comprehensive Primary Care Plus and Primary Care First

### Payment and Delivery Models Evaluation

- Evaluated the Centers for Medicare & Medicaid Services (CMS) Multi-Payer Advanced Primary Care Practice Demonstration and the Initiative to Reduce Avoidable Hospitalizations Among Nursing Facility Residents
- Evaluate the CMS Innovation Center models to accelerate reform through local and state partnerships—including Health Care Innovation Awards, the State Innovation Models Initiative, the Maryland All-Payer Model, and Accountable Health Communities
- Assessed the extent to which Medicare beneficiaries are aligned to multiple alternative payment models



## Risk Adjustment

- Conduct Medicare Part C (managed care medical services/ Medicare Advantage) 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 (“exchanges”)
- Develop and implement innovative risk adjustment methodologies for Medicare value-based fee-for-service payment models—including ACOs, advanced primary care, and direct contracting

## Fee-for-Service Payment Systems

- Monitor, refine, and evaluate Medicare prospective payment systems for inpatient, outpatient, psychiatric facility, and long-term care hospitals
- Develop a hospital inpatient payment system for the Dubai Health Authority

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

- Design and analyze the use of Continuity Assessment Record and Evaluation data in case mix methodologies for Medicare prospective payment systems for skilled nursing facilities, inpatient rehabilitation facilities, and home health agencies
- Examine options for PAC episode and site-neutral payments
- Develop and maintain quality measures for PAC settings
- Implement and monitor the Oncology Care Model, an episode-based payment model for beneficiaries receiving chemotherapy

## More Information

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## 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

## 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
- Evaluated CMS’s methodology for setting payment rates for clinical lab tests
- Design, implement, and evaluate the Medicare Complex Diagnostic Laboratory Tests Demonstration
- Advise CMS after evaluating the design of competitive bidding for Medicare durable medical equipment

## Our current and former clients include

- CMS
- Dubai Health Authority
- Medicaid and CHIP Payment and Access Commission
- Medicare Payment Advisory Commission
- U.S. Centers for Disease Control and Prevention
- U.S. Department of Defense
- U.S. Department of Health and Human Services
- *U.S. News & World Report*

[www.rti.org](http://www.rti.org)

RTI International is an independent, nonprofit research institute dedicated to improving the human condition. Clients rely on us to answer questions that demand an objective and multidisciplinary approach—one that integrates expertise across the social and laboratory sciences, engineering, and international development. We believe in the promise of science, and we are inspired every day to deliver on that promise for the good of people, communities, and businesses around the world. For more information, visit [www.rti.org](http://www.rti.org).

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