HUSKY Maternity Bundle Payment Program

Program Overview and Glossary

October 2024

On January 1, 2025, the Connecticut Department of Social Services (DSS) will implement the new HUSKY Maternity Bundle Payment Program. This program supports the transition from traditional fee-for-service (FFS) payments to value-based payments, specifically "episode-based" or "bundled" payments, for maternity care in HUSKY Health (Medicaid).

About the HUSKY Maternity Bundle Payment Program

DSS defines the **maternity episode of care** as the total amount of care provided throughout the perinatal period – from 280 days prior to delivery to 90 days post delivery. For a subset of services, DSS will pay maternity providers monthly **"case rate"** payments for the majority of prenatal and postpartum care that a birthing person receives. Services not covered under the Case Rate will be reimbursed through FFS payments.

At the end of the Performance Year, DSS will perform a **reconciliation** process to compare the episode's total cost against the provider's target. The total cost of care includes the costs for all maternity services provided during the episode, regardless of being paid by Case Rate or by FFS payment. If episode costs are below the **"target price"** (the target benchmark), providers will receive a retrospective (i.e., at the end of the bundle) **"incentive payment"** (shared savings) based on their **quality performance**. This program is upside only, which means providers can only earn incentive payments as a bonus for delivering high-quality, cost-efficient care; there are no penalties if the provider's costs exceed the target price.

For more details on key program concepts indicated in bold, please refer to the Glossary below.

Eligible Providers

All Obstetrics and Licensed Midwife practices that perform 30 or more deliveries annually in Connecticut's Medicaid program will be automatically enrolled in the program. Participating maternity providers will be transitioned from the OB Pay for Performance (OBP4P) program to the HUSKY Maternity Bundle Payment Program.

FQHCs and providers who perform less than 30 deliveries per year will be excluded from the program and paid according to their current payment methodology. These non-participating providers may still opt to participate in the OBP4P program.

Please note DSS reserves the right to update this document based on program testing, additional analysis, and stakeholder input.

Glossary of Key Concepts

Episode of Care	• An episode of care describes the total amount of care provided to a patient for a specific medical condition or illness during a defined time period. • In this program, the maternity episode includes care provided throughout the perinatal period, spanning 280 days before the date of delivery to 90 days after the date of delivery. • May also be referred to as the "maternity episode," the "episode," or the "maternity bundle."
Accountable Provider	• Ambulatory maternity providers (i.e., qualified licensed physicians, nurse practitioners, physician assistants, and nurse-midwives) who have the greatest role in delivering obstetric care will be designated as the episode's Accountable Provider. • Accountable Providers must meet a minimum volume threshold of 30 or more deliveries annually to participate. • Accountable Providers will be eligible to receive Case Rate and incentive payments.
Non-Participating Provider	• FQHCs and providers who perform fewer than 30 deliveries annually will be ineligible to participate in the program and will be paid according to their current payment methodology.
Case Rate Payment	• Accountable Providers will receive monthly case rate payments for a subset of office-based prenatal and postpartum services. • See the "Service Inclusion & Exclusion Criteria" within the Program Specifications here for details on services included in the case rate. • DSS will calculate each practice's unique case rate amount at the Tax ID level, based on their historic cost and utilization. Case rates will later be recalculated based on risk adjustment and trend factors. • Case rate payments may start as early as the second trimester once providers bill a claim with certain "trigger codes." In most cases, once case rate payments start, payments will be made monthly until the end of the episode. • DSS designed this case rate payment to give providers greater flexibility in how they deliver care.
Trigger Codes	• Trigger codes are ICD-10-CM, HCPCS or service codes that formally assign the beneficiary's episode to an Accountable Provider. A full list of draft codes is available on the DSS website here.
Retrospective Reconciliation	• At the end of the Performance Year, DSS will perform a reconciliation, which compares the total cost of care for the episode against the "target price" to determine incentive payment earnings. • As part of this process, DSS will analyze claims data and calculate the total cost of care and the target price. Calculations incorporate a risk adjustment process to account for differences in patient health and social risk, and high-cost episodes are excluded as outliers.

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	• If total costs are below the target price, the provider will receive an incentive payment (upside only). There are no penalties if costs exceed the target price.
Target Price	• The target price is the expected total cost of care for the maternity episode based on a blend of the statewide average cost for maternity care and the specific Accountable Provider's historical cost. • Just as the case rate is provider-specific, the target price is also unique to each provider practice. • See the "Service Inclusion & Exclusion Criteria" within the Program Specifications here for information on services included in the target price.
Incentive Payment	• Incentive payments are shared savings payments, through which providers may receive a portion of the savings that they generate. • Accountable Providers can earn incentive payments when total cost of care is lower than the target price, if they also meet quality performance criteria and comply with under-service prevention requirements.
Quality Performance	• The distribution of incentive payments will be adjusted based on the Accountable Provider's quality performance. • This program has 10 quality measures: Five are Pay for Reporting measures, and five are Pay for Performance. See the "Quality Methodology" section of the Program Specifications here for the full list of measures.
Pay for Reporting & Pay for Performance	• For Pay for Performance measures, financial reimbursement is tied to the Accountable Provider's performance outcomes. • For Pay For Reporting measures, financial reimbursement is tied to the submission and reporting of the measure data.
New Service Coverage: Doulas & Lactation Supports	• DSS plans to provide new service coverage of two community-based, peer resources: doula care and lactation supports. These high-value services aim to bridge the equity gaps for historically marginalized birthing people. • See the Program Specification document here for more details on these services.

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