



# NEW JERSEY DEPARTMENT OF HUMAN SERVICES

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## Maternity Action Plan: Payment Reform

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# Perinatal Episode of Care Pilot Overview

- The Perinatal Episode of Care (PEOC) pilot program is a voluntary model focused on NJ FamilyCare (Medicaid and CHIP) members enrolled in managed care plans.
- The goal of the PEOC Pilot is to improve quality and lower the cost of maternal and infant care in New Jersey.
- The PEOC program launched in New Jersey in April 2022.
- Currently, 16 providers are participating, collectively providing care for over 10,000 NJ FamilyCare births a year – approximately a third of total NJ FamilyCare births.

# Perinatal Episode of Care Payment Model

- The PEOC’s payment model is based on provider performance on quality and cost of care.
  - Quality Metrics include the four stages of the perinatal period:
    - Prenatal
    - Delivery
    - Postpartum
    - Neonatal phase
  - Cost of care includes spending related to maternity care across all providers and is based on Medicaid claims data
    - Spend includes a risk adjustment for patient clinical factors that affect the cost of delivery.

Performance Period 1 Payment Measure Quality Metrics
1. Prenatal Depression Screening
2. Gestational Diabetes Screening
3. Vaginal Delivery for Low-Risk Births
4. Postpartum Clinical Visit within 3 Weeks
5. Neonatal Visit within 5 Days

# Perinatal Episode of Care Incentive Payments

Episode Incentive	Quality Requirement (Threshold)	Spend Requirement (Benchmark)	Other Requirements
Shared Savings Payment	Pass “minimum” thresholds for all five (5) payment metrics	Reduce average risk-adjusted episode spend by more than 3% relative to the individual provider’s historical performance	Episode minimum volume of more than fifteen (15) valid episodes
High Performer Bonus	Pass “minimum” thresholds for all five (5) payment metrics and “commendable” thresholds for at least two (2) payment metrics	Have lower average risk-adjusted episode spend than statewide peer median	Episode minimum volume of more than fifteen (15) valid episodes
Substance Use Disorder (SUD) Participation Incentive	None	None	Episode minimum volume of more than fifteen (15) valid episodes  Serve the highest percentage (top 20% of all providers) of patients with an SUD diagnosis

# Perinatal Episode of Care: Participants' Roles

## Role of the **Participating Provider:**

- Provide high quality care
- Coordinate across the spectrum of care
- Bridge connections to essential resources
- Provide education and support to alleviate disparities

All NJ FamilyCare MCOs are required to participate:

- Aetna Better Health of NJ
- Amerigroup NJ Inc
- Horizon NJ Health
- United Healthcare
- WellCare

MCOs are responsible for making incentive payments to participating providers.



Aetna Better Health® of New Jersey



# Perinatal Episode of Care Program: Next Steps

- Tweak program requirements in subsequent years, based on initial experience
  - The Perinatal Episode of Care is a 3-year pilot. Additional providers have the option to join the program in subsequent years.
- Evaluate the effectiveness of PEOC in improving quality and reducing cost of maternity and infant care, per a legislative mandate.
  - Evaluation expected to take place after conclusion of initial 3-year pilot period.

# Quality Maternal Infant Health Outcomes

As part of Nurture NJ initiative, Medicaid engages in various projects targeted to drive high quality outcomes in the Maternal Infant Health space, including:

## – NJ Family Care

- [Cover All Kids](#)
- [12 Months Postpartum Coverage](#)
- [Integrated Care for Kids \(InCK\)](#)
- [Perinatal Episode of Care Pilot](#)
- [Doula Learning Collaborative](#)
- [Increased Reimbursement Rate for Maternity Care](#)

## – QIP-NJ

- [Maternal Learning Collaborative](#)





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