



Improving Health Care Quality and Access throughout Kentucky

Kentucky's University Directed Payment Program

Product Summary

Sellers Dorsey worked with a long-standing provider coalition, including the University of Louisville (UofL) School of Medicine, UofL Health (collectively UofL), and the Norton Children's Medical Group (NCMG), to implement a directed payment program (DPP). The project involved Sellers Dorsey redesigning managed care Medicaid programs focused on improving access and patient outcomes throughout Kentucky.

In addition to enhancing collaboration between coalition members, the new DPP increased provider resources and as a result improved quality of care for Medicaid members. Raising funding levels from the Medicare equivalent to the average commercial rate (ACR) expanded access to value-based care at both UofL Health, one of Kentucky's most significant health systems, and NCMG, the area's largest pediatric provider.

Program Focus

Kentucky's University DPP was created in 2019 to bring existing Medicaid managed care supplemental payment programs into compliance with federal regulations. To increase focus on improving quality of care, the program included a value-based component designed to improve patient outcomes and provide cost-effective care. The quality-based program has centered on improving:

- Children's health.
- Substance use disorders (SUD) and behavioral health.
- Chronic disease management.
- Access to preventive services.
- Reduction of unnecessary and wasteful care.

Despite the COVID-19 pandemic emerging at the start of the first program year (PY1), program participants demonstrated double-digit improvement on several of the program's 14 quality measures within the first three program years, and providers qualified for 100% of the at-risk payments as of November 2022. For example, between 2020 and 2022, the rate of children who received the required number of well-child visits during their first 15 months of life increased by 56%.

The Medicaid population's performance for important preventive measures, such as controlling diabetes, exceeded the national 90th percentile. Since the university systems provide care to one in five Kentucky Medicaid child beneficiaries, this program is critical for the health of Kentucky's future generations.

Emerging Impacts

- The program supports statewide access to UofL's system, including a physician group comprising more than 700 providers with 80 subspecialties at over 200 practice locations.
- The Sellers Dorsey team's work facilitated the purchase of Kentucky One Jewish Hospital, a failing health system and critical provider in the state, and all of its assets.
- By opening an Urgent Care Plus clinic in West Louisville's medically underserved Parkland neighborhood, UofL Health increased access to urgent and primary care services.
- Within the program's first three years, UofL and NCMG surpassed quality thresholds, earning 100% of the program's value-based payments. Despite adverse conditions caused by the pandemic, UofL and NCMG deployed system-wide enhancements that resulted in measured quality improvement and increased access for Medicaid patients.
- Changing workflows and programs to increase focus on preventive care metrics has improved staffing levels for care coordination and engagement. Required reporting has demonstrated how the direct connection between changes in care delivery and program payment improved quality of care.

Client Quotes

"I'm so pleased with all the success we have enjoyed over the past few years and know we would not be where we are without the help of Sellers Dorsey. I am very appreciative of that help and the relationship we have developed."

Jerry Johnson,

Chief of Staff to the Executive Vice President
for Health Affairs, University of Louisville

Program Creation

The Sellers Dorsey project team:

- Assessed all UofL's Medicaid financing programs.
- Collaborated with the State on innovative methodologies and approaches.
- Developed and maintained relationships with key stakeholders, including UofL, NCMG, and University of Kentucky (UK) staff as well as State officials and State vendors.
- Increased the hospital payment methodology to the commercial equivalent for all coalition members.
- Ensured that entities from UofL's acquisition of the Louisville-based Kentucky One system would be eligible for immediate participation in the DPP.
- Secured CMS approval for a multiyear value-based DPP through June 30, 2023.



"The success we've been able to achieve has been in partnership with Sellers Dorsey. They've made a tremendous impact, and we are thankful for the relationship we've been able to grow over the years."

Shelly Gast,

System Vice President Managed Care & Payor
Strategy, Norton Healthcare