

**Policy Advisory Panel  
Work Plan Elements, July 2007 through June 2008**

**Policy Issues, General**

A. Costs

Define for all categories of service

Identify how to measure for all categories of service (will be a technical issue as well)

B. Services

How should diagnostic and ancillary services (line zero) be defined? How should utilization and cost be estimated?

C. Risk management and adjustments

How should risk be assigned for special diagnoses and services (e.g. HIV AIDS, maternity care, neonatal intensive care)?

How should the cost of care for these diagnoses be treated in setting capitation payments?

When is risk sharing/reinsurance appropriate and how should it be designed?

How can financial incentives in rate-setting be aligned to reflect OHP policy guidelines?

D. Enrollment

Should patients with certain diagnoses be excluded from enrollment under capitation? Under what circumstances and for what duration?

### **Policy Issues, Specific**

1. How are costs derived from:
  - a) billed charges
  - b) paid amount data
2. How is utilization estimated when benefits are added? When benefits are reduced?
3. What trending period is appropriate?
4. Should capitation rates be adjusted mid-contract to reflect changes in health plan responsibilities (e.g., change in coverage area)?
5. What are the implications of bringing actuarial analysis into DHS?
  - a) What basic actuarial issues should be revisited?
  - b) How can we assure that methodology reflects policy?
  - c) What is the role of the PAP in the transition from PWC to DHS?

### **Ongoing Tasks**

1. Identify additional policy issues (general and specific)
2. Identify additional policy guidelines
3. Reports to and from ASTAP to assure effective collaboration

### **Critical Timeframes**

Critical work plan dates will be established to match critical timeframes such as:

1. Per capita cost development by \_\_\_\_\_
2. Actuarial analysis brought within DHS by December 2007
3. SB 329 planning reports due to Legislature February 2008