



# Initiative: Medicaid Primary Accountable Care Transformation (PACT)

## Overview

PACT is an alternative payment model that shifts the focus from fee-for-service to value-based care while also investing in case management and population health. The PACT model replaces primary care E&M billing with a monthly Prospective Primary Care Payment, to primary care practices, and adds yearly value-based payments to incentivize both providers and patients for outcomes while promoting shared accountability for cost and utilization.

## Key Activities

- **Provider Infrastructure Support:** Offer transformation grants for care coordination, care managers, population health tools, and technology enhancements.
- **Enhanced Payments for Quality and Quality Payment System:** Incorporate annual quality incentive and deploy a vendor-supported platform for real-time performance dashboards, HEDIS tracking, and year-end bonus calculations.
- **Data Analytics Infrastructure:** Implement population health tools to identify high-risk patients, track care gaps, and enable reporting and data exchange across value-based arrangements.
- **Payer Alignment Coordination:** Align payment methodologies across Medicare, commercial insurers, and tribal health programs, including systems coordination for dually eligible populations.
- **Practice Support & Training:** Provide technical assistance on care coordination, chronic disease management, behavioral health integration, and value-based operations.

## Partners & Stakeholders

Medicaid-Enrolled Primary Care Clinics, RHCs, FQHCs, Tribal Partners, Medicaid Recipients, Other Payers in South Dakota, Professional Medical and Quality Improvement organizations.

## Amount Requested

- \$62,735,000 over five years

## Expected Outcomes

- **Increased Quality of Care:** Improved quality of patient care, as measured by in five primary-care centric HEDIS measures.
- **Reduce Emergency Department Visits:** Decrease unnecessary emergency department utilization.
- **Improve Sustainability of Primary Care for Clinicians:** Amplify efforts to recruit/retain primary care physicians to rural/frontier locations.
- **Transform South Dakota Primary Care Landscape:** Engage with stakeholder payors for alignment work

## Why This Matters

Transforming the payment methodology for primary care in South Dakota will ultimately lead to financial sustainability for providers, better outcomes for patients, and alignment of outcomes and payment that will improve the work sustainability of physicians and other clinicians working in rural areas. This model will also help the South Dakota Medicaid program improve predictability of primary care expenditures and decrease utilization/costs of unnecessary and costly services such as excessive ER visits.