



NEW
YORK
STATE

Department
of Health

Medicaid
Redesign Team

Health Home Biweekly Webinar: Strategies for Success in Value Based Payment

November 29, 2017

Agenda

I. Overview of Value Based Payment

- Types of VBP Arrangements
- Levels of VBP Arrangements
- VBP Attribution

II. Lessons from VBP Pilots/ Examples of Contracting Options

III. Role of Health Homes beyond driving attribution in VBP

- How to Develop a Value Proposition

Logistics

- All participants have been muted upon entry
- Please submit all questions via the chat box
- Q&A and slide deck will be forwarded to participants as well as posted to the Health Home website



All participants have been muted upon entry – this will prevent issues with background noise on the calls and participants placing their calls on hold

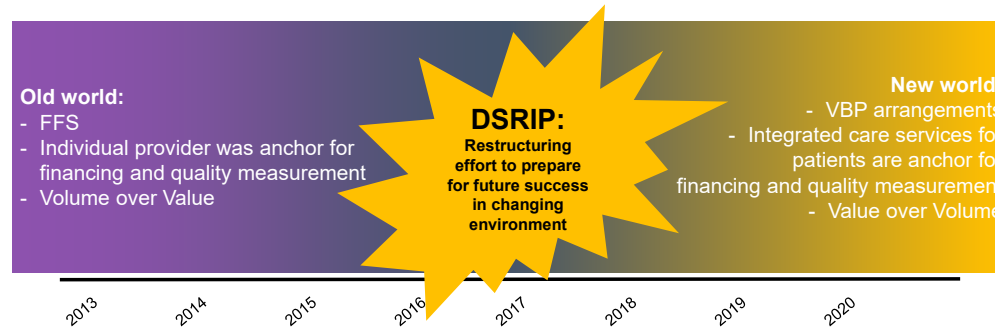
Please submit all questions via the chat box – we won't be answering questions today but plan on reviewing the questions and placing them in a Q&A format which will be sent out with the slide deck.

The Q&A and slide deck will also be posted to the Health Home website



Overview of Value Based Payment

Value Based Payment is the Future



By DSRIP Year 5 (2020), all MCOs must employ VBP systems that reward value over volume for at least 80 % of their provider payments.

VBP is the future and it's here to stay

We are looking at a New World: Paying for Outcomes not Inputs

By DSRIP year 5 (2020), all MCOs must employ VBP systems that reward value over volume for at least 80% of their provider payments – that's why it's important for HHs to understand, be prepared and start the process for VBP now.

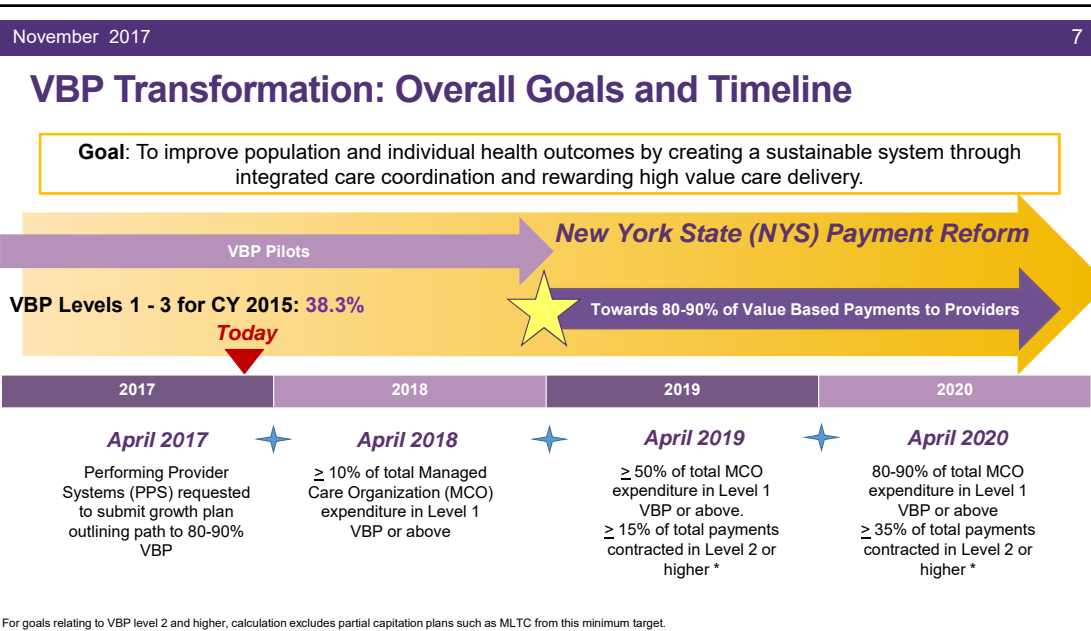
Key principals of NYS VBP program

- **Improve the overall quality of care**
- **Focus on the root causes of poor health**
- **Evaluate appropriate levels of care**
- **Improve the patient experience**
- **Create a mechanism to reinvest in our health care system**
- **Reduce cost and increase efficiency**
- **Enable and encourage innovation**



VBP is a transformation in the way we think about health care and Medicaid. It drives us to:

- **Improve the overall quality of care** (Think NYS' VBP arrangements and population health)
- **Focus on the root causes of poor health** (Think Social Determinants of Health and the importance in VBP)
- **Evaluate appropriate levels of care** (Think value of care over volume of care)
- **Improve the patient experience** (Think quality outcomes tied to the NYS VBP arrangements)
- **Create a mechanism to reinvest in our health care system** (Think shared savings and the opportunity to reinvest in infrastructure, capacity, delivery of care, etc., a cornerstone of the NYS VBP program.)
- **Reduce cost and increase efficiency** (Think about rewards based on quality improvements and increased efficiency)
- **Enable and encourage innovation...**(Think flexibility and cutting edge practices in the system to address root causes of poor health)



The NYS growth rate had become unsustainable while quality outcomes were lagging, to stop this course, NYS developed the Delivery System Reform Incentive Payment Program (DSRIP) with aims to improve core population and patient outcomes by transforming the NYS delivery system

A thorough transformation of the delivery system can only become and remain successful when the payment system is transformed as well

A Value Based Payment system is required to ensure that value-destroying care patterns (avoidable admissions, ED visits, etc.) do not simply return when the DSRIP funding stops in 2020

Currently, over 38% of MCO payments are in Level 1-3.

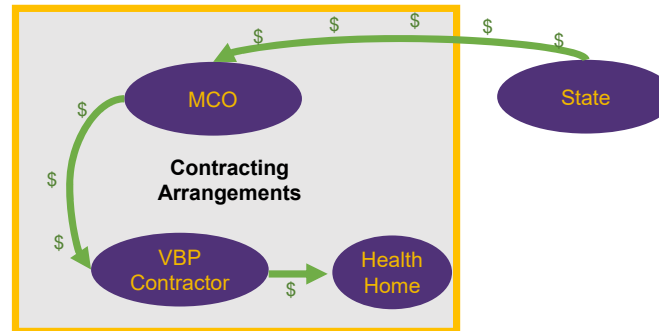
As depicted in the chart – every April the requirement regarding the percentage of expenditures in VBP arrangements increases with all Managed Care Organizations required to employ non fee-for-service payment systems that reward value over volume for at least 80-90% of their provider payments by 2020

The VBP pilots and early adopters (MCOs that have already developed VBP arrangements) have been instrumental in moving the arrow toward the 2020 goal.

Providers will contract with MCOs to implement value based payment arrangements

A **VBP Contractor** is the entity that contracts the VBP arrangement with the MCO. This can be a(n):

- **Accountable Care Organization (ACO)**
- **Independent Physician Association (IPA)**
- **Individual provider*** (either assuming all responsibility and upside/downside risk or subcontracting with other providers)
- **Individual providers brought together by an MCO** to create a VBP arrangement through individual contracts with these providers.
- **Health Homes** most likely will not be a lead VBP contractor but will subcontract



Note: A PPS is not a legal entity and therefore cannot be a VBP Contractor. However, a Performing Provider System (PPS) can form one of the entities above to be considered a VBP Contractor.

*A provider must be a professional services LLC or partnership (PLLC), or professional corporation (medical group of all like professions)



Let's talk about what entities can be a lead VBP contractor

- Funds will flow from the state to the MCO to the VBP contractor – in this illustration you can see that the HH is a subcontractor of the lead VBP contractor. Although **Health Homes** most likely will not be a lead VBP contractor but will subcontract HH's can have a contract with the MCO if appropriate – we will be providing a scenario that showcases a HH contracting directly with a MCO
- Must be legally structured to contract Medicaid with an MCO
- Must adhere to the standards set forth in the VBP Roadmap
- Provider Partners or downstream providers contracting with the Lead VBP Contractor: Do not have to take on risk. Shared savings and shared risk between the Lead VBP Contractor and their partners is dependent on their individual agreements.

Different Types of VBP Arrangements

| Types | Population-based VBP Arrangements | | Episode-based VBP Arrangements | |
|----------------------------|---|--|--|--|
| | Total Care for General Population (TCGP) | Special Need Populations | Care Bundles | Integrated Primary Care (IPC) |
| Definition | Party(ies) contracted with the MCO assumes responsibility for the total care of the attributed population | Total Care for the Total Sub-population <ul style="list-style-type: none"> • HIV/AIDS • MLTC • HARP • I/DD | Episodes in which all costs related to the episode across the care continuum are measured <ul style="list-style-type: none"> • Maternity Bundle | Patient Centered Medical Home or Advanced Primary Care, includes: <ul style="list-style-type: none"> • Care management • Practice transformation • Savings from downstream costs • Chronic Bundle (includes 14 chronic conditions related to physical and behavioral health related) |
| Contracting Parties | IPA/ACO, Large Health Systems, FQHCs, and Physician Groups | IPA/ACO, FQHCs and Physician Groups | IPA/ACO, FQHCs, Physician Groups and Hospitals | IPA/ACO, Large Health Systems, FQHCs, and Physician Groups |

VBP Arrangement Fact Sheets : https://www.health.ny.gov/health_care/medicaid/redesign/dsrip/vbp_library/index.htm



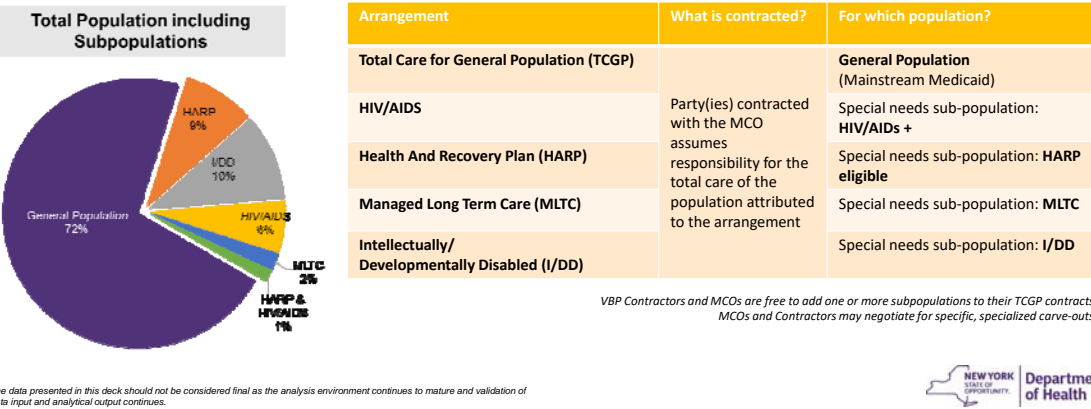
This chart is a high-level list of the types of VBP arrangement options and gives examples of who might be contracting parties

Keep in mind the arrangement that you may enter into will depend on the strategy of your contract and the members you serve

The next slides will go a little more in depth

Population-based VBP Arrangements

In population-based arrangements (total care and special needs sub-populations) the VBP Contractor assumes responsibility for the care of the general population (TCGP) and/or a specific subpopulation.

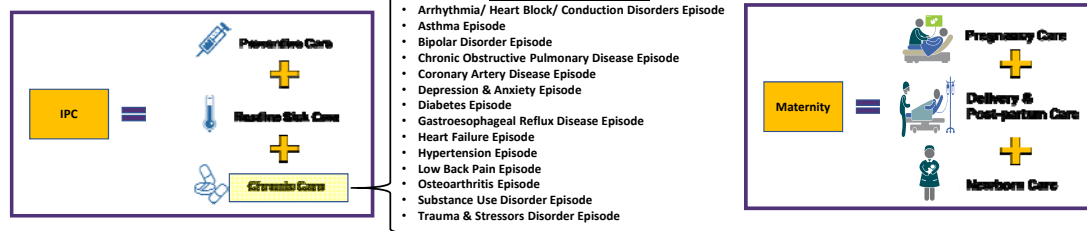


Population –Based arrangements include the total care and costs of care for the included member irrespective of where, how, or for what reason the care was delivered

- Total Care for General Population** = Contractor assumes responsibility for the total care of its attributed population | General Population (Mainstream Medicaid)
- Special Needs Population** – Contractor assumes responsibility for the total care for its attributed subpopulation
 - **HIV/AIDS**
 - **HARP** = HARP eligible
 - **MLTC**
 - **IDD** | State recognizes I/DD and is reconvening the clinical advisory group on how to align with VBP- stay tuned

Episode-based VBP Arrangements (IPC, Maternity Care)

In episodic arrangements the VBP Contractor assumes responsibility for the care for the *conditions* of its attributed members.



| Arrangement | Definition | Arrangement | Definition |
|-------------------------------|---|--------------------------------|--|
| Integrated Primary Care (IPC) | <ul style="list-style-type: none"> • Preventive care • Routine sick care • Chronic Bundle (includes 14 chronic conditions related to physical and behavioral health) | Maternity Bundle (care bundle) | Arrangement in which all costs related to the episode across the care continuum are measured |

Episode –Based arrangements on the other hand are arrangements where costs of a patients office visit, tests, treatments and hospitalization associated with a patients illness or condition are grouped together

1. **Integrated Primary Care** – MCO contracts for preventive care, routine sick care and coordination for patients with chronic conditions
 - If you look at the 14 episodes included in Chronic care they are definitely describing HH members so this may be an arrangement space that HH's can be a partner
2. **Care Bundles**
 - **Maternity Care** = contractor focuses on episodes in which all costs related to maternity service

MCOs and Contractors can Choose Different Risk Levels of VBP Arrangements

There are different levels of risk that the providers and MCOs may choose to take on in their contracts:

| Level 0 VBP* | Level 1 VBP | Level 2 VBP | Level 3 VBP (feasible after experience with Level 2; requires mature contractors) |
|---|---|---|--|
| FFS with bonus and/or withhold based on quality scores | FFS with upside-only shared savings available when outcome scores are sufficient (For PCMH/IPC, FFS may be complemented with PMPM subsidy) | FFS with risk sharing (upside available when outcome scores are sufficient) | Prospective capitation PMPM or Bundle (with outcome-based component) |
| FFS Payments | FFS Payments | FFS Payments | Prospective total budget payments |
| No Risk Sharing | ↑ Upside Risk Only | ↑↓ Upside & Downside Risk | ↑↓ Upside & Downside Risk |

**Level 0 is not considered to be a sufficient move away from traditional fee-for-service incentives to be counted as value based payment in the terms of the NYS VBP Roadmap.*



Within the arrangements it is up to the provider and MCO to choose how much risk they can take on

- **Level 1 no downside risk if savings are achieved a portion of the savings is received**
- **Level 2 and Level 3 includes sharing of achieved savings or incurred losses**

Quality plays an important role in VBP arrangements

1. MCOs and VBP Contractors select arrangements.

| |
|--|
| Total Care for the General Population (TCGP) |
| Total Care for the HARP Subpopulation |
| Total Care for the HIV/AIDS Subpopulation |
| Total Care for the MLTC Subpopulation |
| Total Care for the I/DD Subpopulation |
| Integrated Primary Care (IPC) |
| Maternity Care |

The image shows two overlapping screenshots of a 'DRAFT MEASURE SET' interface. The top screenshot is titled 'IPC - Category 1 Measures' and the bottom one is 'IPC - Category 2 Measures'. Both screens show a table with columns for 'Measure', 'Measure Keyword', and 'Measure ID'. The Category 1 table lists measures like 'Continuing Engagement in Treatment (CET)', 'Alcohol and other Drug Dependence', and 'Long-Term/Continuity of Care (LCC)'. The Category 2 table lists measures like 'Hepatitis C Virus (HCV) Treatment', 'Hepatitis B Virus (HBV) Treatment', and 'HIV-1 RNA Viral Load (VL)'. The interface includes search filters and a table with columns for Measure, Measure Keyword, and Measure ID.

2. Per the NYS VBP Roadmap, MCOs and VBP Contractors must report on quality measures associated with their selected arrangement(s).

(June 2016 NYS VBP Roadmap, p. 12)



3. The quality measure results are intended to be used to determine the amount of shared savings for which VBP contractors are eligible. Adjustments to the target budget are based on quality measure performance.



So to recap –

- MCOs and VBP Contractors select arrangements.
- And as according to the VBP Roadmap the MCO and VBP contractors must report on quality measures associated with their selected arrangement(s)
- The quality measure results are intended to be used to determine the amount of shared savings for which VBP contractors are eligible. Adjustments to the target budget are based on quality measure performance.

Attribution - Methodology

The State considers VBP member attribution in a majority of arrangements to be based on provider assignment and not utilization of services

| Arrangement | Attribution Driving Provider |
|--|--|
| Total Care for General Population (TCGP) | MCO-Assigned PCP |
| ⚠️ Integrated Primary Care (IPC) | MCO-Assigned PCP and minimum amount of primary care-related services |
| HIV/AIDS | MCO-Assigned PCP |
| ⚠️ Maternity | 1*: Obstetrician/Midwife that delivered the majority of pregnancy care 2*: If no obstetrician or midwife is found, then the obstetrician or midwife performing the delivery |
| HARP | 1*: MCO-assigned Health Home 2*: If no MCO-assigned Health Home, then MCO-Assigned PCP |
| MLTC | The State is assessing the role of a home care provider or nursing home (depending on the residential status of the member) as the attribution driving provider(s) for the MLTC subpopulation. |

Contractors may deviate from guidelines and agree on a different type of provider to drive the attribution on the condition that the State is adequately notified.



Members are prospectively attributed to a provider through assignment (PCP, Health Home) or start of care (bundle). If the member switches their assigned PCP/Health Home within the first six months of the year, the member will be attributed to the VBP arrangement of the latter

We have been asked what happens when VBP arrangements do not align with the HH's defined counties – we are currently working on this

Example: HARP Arrangement Component

| Component | Level 1 | Level 2 | Level 3 |
|--|---|---------|---------|
| Scope of Services | All Medicaid covered services for all members eligible for HARP (excluding duals) | | |
| Attribution | Member attributed to 1. MCO-assigned Health Home based on most recent one-month Health Home assignment 2. If no Health Home assignment, Managed Care PCP based on assignment at least three continuous months of assignment | | |
| Quality Measures | Reporting of all HARP Category 1 Measures | | |
| Contracts must include Target Budget, Shared Savings / Losses, and all other requirements appropriate for the VBP level. | | | |

Scope of services: All Medicaid covered services for all members eligible for HARP (excluding duals)

Quality Measures: VBP contractors and MCOs are required to report to the State on all (reportable) Cat 1 Measures.

However, contractors and MCOs have the flexibility to decide which measures they will include in the arrangement for determining shared savings/losses distribution. DOH is adding to the Roadmap a requirement that at least one Category 1 pay-for—performance quality measure be used to determine shared savings/losses. VBP Contractors and MCOs may negotiate to add additional Cat 1 or Cat 2 measures if they choose, so as long as they include at least one Cat 1 measure.

Roadmap guidelines and standards



What might VBP arrangements look like for Health Homes

Initial VBP Implementation Efforts - Pilots

- The State is providing additional financial incentives and support for early adoption of Value Based Payment through the VBP Pilot Program.
- Pilots: 2 HARP, 1 Integrated Primary Care and 9 Total Care for the General Population

VBP Pilot Program

The goal of the Pilots is to help the State and its participating organizations learn how VBP transformation will work in practice, as well as to incentivize early adoption of VBP. This is a voluntary, 2- year program.

Pilot participants are required to:

- Adopt on-menu VBP arrangements, per NYS VBP Roadmap guidelines.
- Submit a VBP contract (or contract addendum)
- Report all Category 1 measures and a minimum of two (2) distinct Category 2 measures for each arrangement being contracted, or have a State and Plan approved alternative.
- Move to Level 2 VBP arrangements in Year 2 of the Pilot Program. Pilots that are unable to move to Level 2 in Year 2 (April 2018) will be disqualified from the Program.

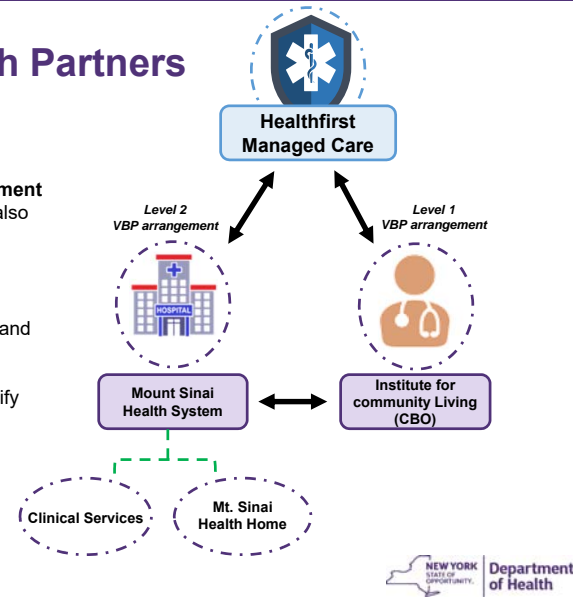
We are going to focus in on the HARP pilots to serve as an example of how things can come together

Notes:

As background knowledge, the State provides incentives for pay for reporting and incentive for adoption of maternity and IPC arrangements. I would not list that, rather, keep it as a talking point in the event you are asked what the incentives exactly are.

VBP Pilot: Mount Sinai Health Partners

- Consists of multiple partnerships.
- Mount Sinai Health System is in a **Level 2 VBP arrangement** with Healthfirst Managed Care Organization. Healthfirst also has Level 1 VBP arrangement with ICL.
- Mount Sinai also has a **Health Home**.
- Mount Sinai identified issue in enrolling HARP members and then identified the primary goals of the pilot.
- Healthfirst and Mount Sinai worked with partners to identify and implement an intervention.



Note that we are only looking at their pilot HARP arrangement. The MCO may have other arrangements.

Issue:

From the HARP arrangement they want to find HARP eligible and enroll so that they can begin impact the quality of the attributed population. Therefore the known issue of getting to HARP members and enrolling them into HCBS services is a challenge.

Goal:

Therefore the primary initial goal of the pilot was a new workflow, rapid identification, engagement and enrollment of HARP members into the Health Home and HCBS services via rapid communication between all partners.

[Many Health Homes are already doing this]

Intervention:

Mount Sinai identifies the major service sites where HARP members get care, and provide real-time notification when a member is in the ER. The Mount Sinai Health Home Care Managers attempt to engage and enroll on-site in Health Home, if not already enrolled, then offer HCBS services, with the option of ICL as the HCBS service provider.

Pilot Key takeaways

- **Engage Early and often, things may take longer then anticipated**
- **Know who your contacts are** (MCO, Lead VBP Contractors etc.)
- **Keep things simple and straight forward**
- **Make sure to layout everyone's role upfront in the arrangement**
- **Keep in mind that VBP can be a benefit to the health homes – increased coordination with a quality focus = increased referrals**
- **Rate on investment (ROI) – Should be able to demonstrate measurable success and cost savings**



After speaking with both pilots they shared that the key takeaways that they have learned or would share would be to

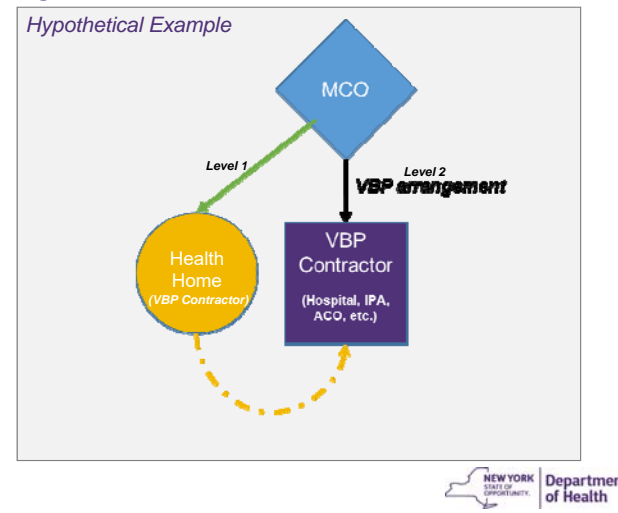
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- Make sure to layout everyone's role upfront in the arrangement
- Keep in mind that VBP can be a benefit to the health homes – increased coordination with a quality focus = increased referrals
- Rate on investment (ROI) – Be able to demonstrate measurable success and cost savings

With that I would like to share a few more VBP contracting scenarios (transition)

VBP Contracting – Scenario A

- Health Homes may support a VBP arrangements by:

- **A** Contracting directly with an MCO to support a VBP arrangement.



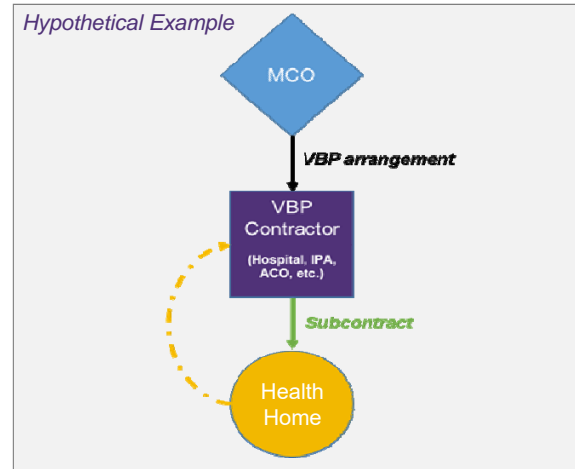
Example: Working on HIV/AIDS arrangement

In this scenario the Health Home and another VBP contractor would work together on one group of attributed members.

This would likely occur because the Health home may work to focus on the care management component and the other contractor on the medical components

VBP Contracting – Scenario B

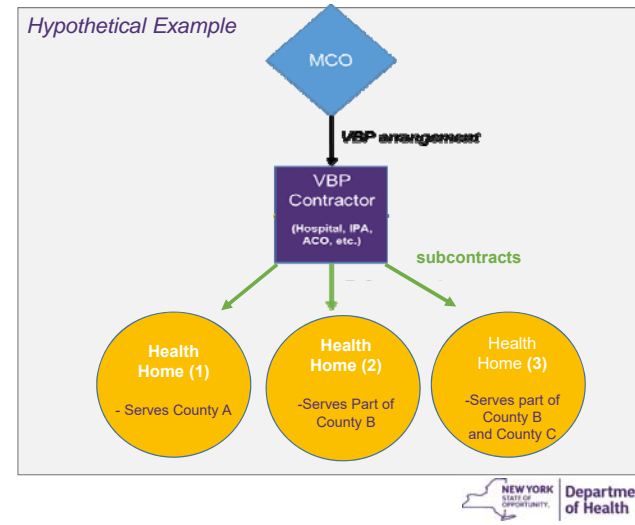
- **Health Homes may support a VBP arrangement by:**
 - Ⓐ Contracting directly with an MCO to support a VBP arrangement.
 - Ⓑ **Contracting directly with an Lead VBP contractor to support a VBP arrangement**



Health Home supports a lead

VBP Contracting – Scenario C

- **Health Homes may support a VBP arrangements by:**
 - Ⓐ Contracting directly with an MCO to support a VBP arrangement.
 - Ⓑ Contracting directly with an Lead VBP contractor to support a VBP arrangement
 - Ⓒ **Multiple Health Homes contracting directly with a Lead VBP contractor to support one arrangement.**
 - **Example: The MCO member population attribution spans over 3 Counties (A,B,C) and may need multiple health homes to support the VBP arrangement.**



Multiple Health Homes supporting a lead

So now that you understand that VBP is the future and have seen examples of the contracting options that your health home may be well suited for – So Now What ? How do you get your foot in the door ?



Role of Health Homes beyond driving attribution in VBP

Developing a Value Proposition

Definition

- A value proposition is a promise of value to be delivered. It's the primary reason a prospect VBP contractor or MCO will want to work with your Health Home. Your proposition must explain how your services will align and add to the success of the VBP arrangement (relevancy).

Strategize Implementation and Formulate your Value Proposition

- Know your population
- Educate yourself around VBP
- Know the arrangements in your region / within your organization
- Determine what VBP approach(es) make sense for your Health Home
- Develop strategic marketing and communication plan
- Demonstrate your value



You must be prepared to when going to the table, when formulating your value proposition:

- **Know your population** – are you an expert serving a specific population, do you have CMAs in your network that have expertise with a specific population?
- **Educate yourself around VBP** – utilize VBP resources specifically the types of arrangements and measure sets | identify which VBP measures align with HH measures | In addition, HH's can highlight other measures they are individually tracking that will impact VBP measures For example: does the HH reach out after ED visits within 24-48 hours and can you provide stats that support this intervention – the HH can show they can assist with decreasing readmission rates based on their interventions
- **Know the arrangements in your region / within your organization** : Find out what the current MCO and Lead contractors arrangements/ if a HH is apart of a larger network they may already be in an arrangement
- **Determine what VBP approach(es) make sense for your Health Home**
- **Develop strategic marketing and communication plan** : using your education on VBP measure sets and arrangements
- **Demonstrate your value**

Value Proposition: Health Home Considerations in VBP

Health Home core services makes Health Homes a valuable partner in VBP

- **Emphasize care coordination**
- **Highlight positive impact on quality (HARP, IPC, TCGP)**
- **Address behavioral health issues**
- **Includes a comprehensive care network**
- **Highlight value driven care**



Emphasize care coordination – Health Homes complete a comprehensive health assessment, inclusive of medical, behavioral, rehabilitative and social services needs. Health Homes can then help members coordinate care across the physical and behavioral health domains, and address social determinants of health such as housing, social supports, and economic self-sufficiency.

Highlight positive impact on quality:

- **HARP** – With its focus on care coordination, Health Homes are able to align their HARP members with the appropriate services to limit acute care readmissions. For example, presently, 20% of HARP members discharged from general hospital psychiatric units are readmitted within 30 days. HARP- Health Home could identify that they have a lower readmission rate for their HARP members
- **IPC** – With a focus on care management and physical and behavioral care integration, Health Homes could reduce potentially avoidable complications (PACs) within the chronic bundle. Specifically, Health Homes could reduce PACs for patients who aren't quite HARP eligible, but whose combinations of behavioral and physical chronic conditions have led to poor outcomes overall.
- **TCGP** – Health Homes are able to coordinate care for TCGP members with chronic conditions.

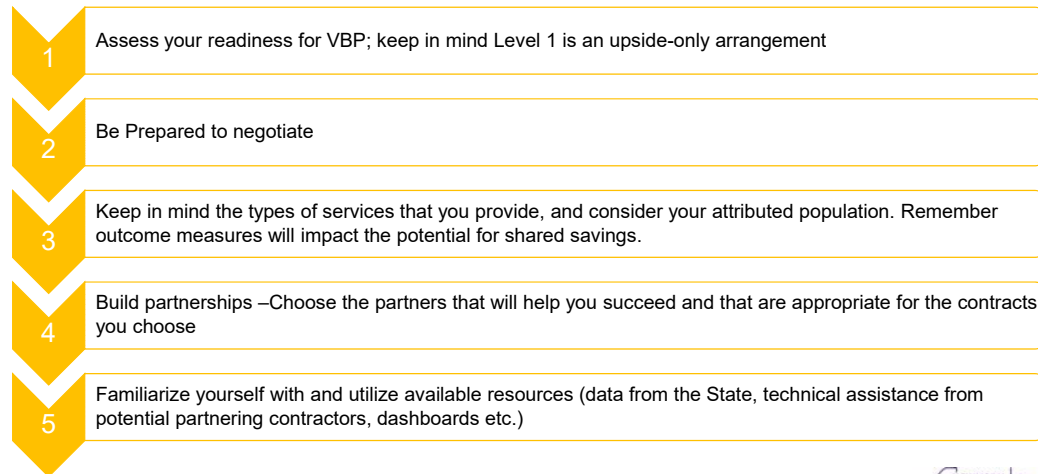
Address behavioral health issues – As part of their care coordination efforts, Health Homes coordinate regular behavioral health screenings for their members and manage the care of these members in order to align them with the appropriate services and address social determinants of health.

Includes a comprehensive care network – Care Managers/Health Homes have strong relationships/affiliations with physical health, behavioral health, community and social support organizations, for access to:

- a) Health care providers,
- b) Mental health and substance abuse providers,
- c) Medications
- d) Housing
- e) Social services (food, benefits, locating transportation)
- f) Other community programs to support and assist its members

Highlight value driven care - what are you doing in your regular business that effects the overall VBP goals

Key Takeaways: 5 Steps for Beginners



- Assess your readiness for VBP; keep in mind Level 1 is an upside-only arrangement – start small with the possibility of moving to Level 2 or 3 in the future but it's not necessary
- Be Prepared to negotiate – know your value proposition, what are you looking for? Will you receive shared savings?
- Keep in mind the types of services that you provide, and consider your attributed population. Remember outcome measures will impact the potential for shared savings. – You must meet outcomes if you are in a L1 or L2 arrangements
- Build partnerships –Choose the partners that will help you succeed and that are appropriate for the contracts you choose
- Familiarize yourself with and utilize available resources (data from the State, technical assistance from potential partnering contractors, dashboards etc.)

VBP Resources

[Value Based Payment Reform \(VBP\) Home Page](#)

[Value Based Payment \(VBP\) Bootcamp Information](#)

[Value Based Payment \(VBP\) Resource Library](#)

[VBP University](#)

Here are links to VBP resources

Questions?

Please send any questions to the [Health Home BML](#)
Select Email Subject: Performance Measurement

