VBP Bootcamp Finance Course, Supplemental Materials

MCO Adjustments – Stimulus – Full View





MCO Adjustments – Penalty – Full View

Year	Penalty
2018	If less than 10% dollars of total MCO expenditure are captured in Level 1 or above VBP contracts then a penalty of 0.5% on the marginal difference between 10% of Medicaid Managed Care expenditure and their total expenditure on Level 1 or above VBP contracts, will be assessed.
2019	
	marginal difference between 50% of Medicaid Managed Care expenditure and their total expenditure on Level 1 or above VBP contracts, will be assessed.
	If less than 15% of total MCO expenditure in 2018 is captured in Level 2 or higher contracts, then a penalty of 1.0% on the marginal difference between
	15% of Medicaid Managed Care expenditure and their total expenditure on Level 2 or above VBP contracts, will be assessed.
	If both penalties are incurred, then only the larger penalty will be applied.
2020	Fully Capitated MCOs: If less than 80% of total MCO expenditure in 2019 is captured in Level 1 or higher contracts then a penalty of 1.0% on the
	marginal difference between 80% of Medicaid Managed Care expenditure and their total expenditure on Level 1 or above VBP contracts, will be assessed
	If less than 35% of total MCO expenditure in 2019 is captured in Level 2 or higher contracts, then a penalty of 1.0% on the marginal difference between
	35% of Medicaid Managed Care expenditure and their total expenditure on Level 2 or above VBP contracts, will be assessed.
	If both penalties are incurred, then both will be applied.

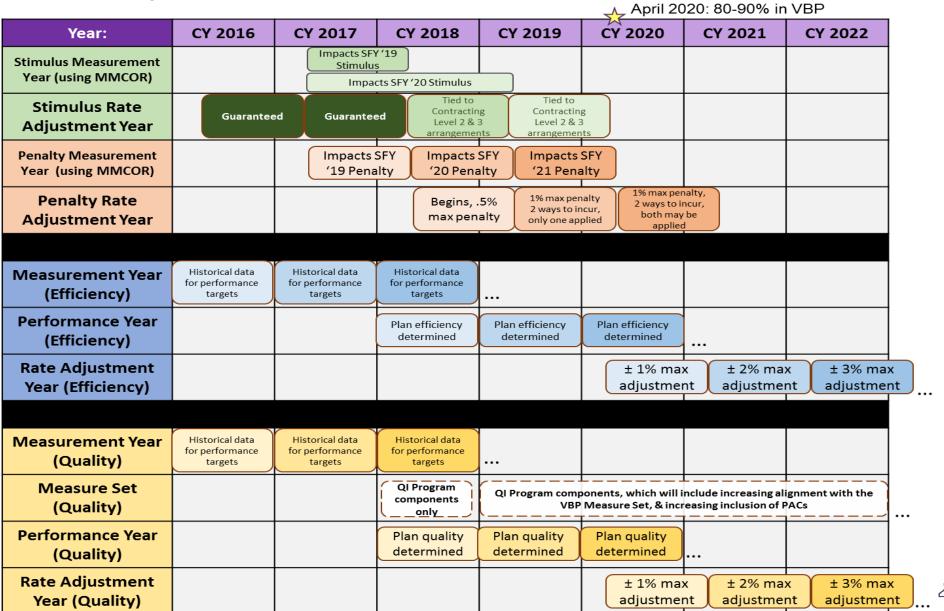


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VBP Rate Adjustment Timeline



Questions (write any questions you may have during the class here)

