



**Department  
of Health**

**Medicaid  
Redesign Team**

# **VBP Bootcamp Series 2017**

## **New York City**

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NYS Medicaid Director

January 2018

## Overview

- VBP Bootcamps 2017 – Logistics
- VBP Bootcamps 2017 – “Where are we now and where are we going?”
- VBP 101 - “A Refresher”

# VBP Bootcamps 2017 - Logistics

- Session 1: Capital Region – Oct. 10<sup>th</sup>
- Session 2: New York City – Oct. 18<sup>th</sup>
- Session 3: North Country – Oct. 23<sup>rd</sup>
- Session 4: Central NY, Finger Lakes, Western NY – Nov. 3<sup>rd</sup>
- Session 5: Long Island – Nov. 15<sup>th</sup>
- Session 6: New York City – Jan. 9<sup>th</sup>

# Today's Class Schedule and Room Assignments

VBP Bootcamp Schedule and Room Assignments							
#NYSLearnsVBP							
8 - 9AM	9 - 10AM	10 - 11:00AM	11 - 12:00PM	12 - 1:00 PM	1 - 2:00 PM	2 - 3:00 PM	3 - 4:30 PM
Registration	Jason Helgerson  Opening Remarks and VBP 101	Introduction to VBP Finance Topics		Networking Lunch	Payer & Provider Led Finance Discussion	MCO Adjustments Deeper Dive	Jason Helgerson Closing Keynote and Q&A Session
			VBP Arrangements and Associated Measure Sets (Timelines & QM Considerations)	Networking Lunch		Contracting Best Practices, Lifecycle & Checklist (Repeat class)	
			SDH/CBO Roadmap Requirements and SDH Strategies		Networking Lunch	CBO Contracting and Provider Led SDH Discussion	
		VBP Arrangements and Associated Measure Sets (VBP Arrangement Exploration)		Contracting Best Practices, Lifecycle & Checklist (Repeat class)	Networking Lunch	MLTC Design & Quality Measures	

# Important Reminders...

## Your welcome packets contain helpful information:

- **Name Tag:** Includes the classes you registered for on the back
- **Schedule of the Day:** Class schedule including room assignments
- **DOH Contact Information**
- **Food Options:** Available food in the area
- **Map:** Location of classes in the building

## Key topics covered in today's VBP Bootcamp include:

- Finance
- Social Determinants of Health and CBOs
- Contracting
- VBP Arrangements and Quality Measures
- Managed Long Term Care

Access the NYS VBP website for more VBP guidance material and information about the 2017 VBP Bootcamps! [www.health.ny.gov/VBP](http://www.health.ny.gov/VBP)

*Use the hashtag #NYSLearnsVBP throughout the day!*

# Supplemental Handouts

The following handouts are available upon check-in at the front desk

Document Name	Document Description
VBP Bootcamp Acronym List and Key Terms	This document outlines important terms in the NYS VBP program.
Introduction to Value Based Payment (VBP) Arrangements	This visual outlines the types of VBP Arrangements that are outlined in the NYS VBP Roadmap and the populations served under each arrangement.
Introduction to Value Based Payment (VBP) Risk Levels	This visual outlines the VBP Risk Levels and the specific payment methodology associated with each level. The document also highlights the NYS Performance Goals for the movement of managed care payments into value based payment methodologies.
Helpful Organizations by Region	This document provides a list of PPSs, MCOs, and other provider groups within the region. The list is intended to help payers, providers and stakeholders engage each other for the purpose of potential partnerships.
Community Based Organizations by Region	This document provides a list of Community Based Organizations by region. The list of organizations is intended to help payers, providers and stakeholders engage each other for the purpose of potential partnerships.

# Supplemental Handouts

The following handouts are available upon check-in at the front desk

Document Name	Document Description
Contracting Strategies: Community Based Organizations	The document outlines contracting strategies for CBOs and provides details on how CBOs are uniquely positioned to address social determinants of health.
Social Determinants of Health (SDH): Implementing an Intervention	This document outlines the key steps in implementing an SDH intervention within a VBP contract and includes SDH intervention success stories and specific strategies to consider when implementing an SDH intervention.
VBP Implementation Strategies (3 separate handouts- 1 for CBOs, PCPs and BH providers)	These documents help CBOs, BH providers and PCPs identify what they should be doing now to support their transition to VBP.
VBP Finance Course: Supplemental Materials	This document assists organizations in understanding the payment adjustments distributed from NYS to MCOs and the factors and timing associated with the payment adjustments. This packet is particularly useful for attendees taking Finance Course 1 or 3.

# VBP University Certificate and Photo

- **VBP Champions** are individuals who have successfully passed the Semester 1, 2 and 3 quizzes of VBP University. For those of you who have completed VBP-University, your certificate is in your packet.
- **Please join me at the conclusion of today's bootcamp session, immediately following my closing remarks for a group photo.**

*Your presence is testament to the tremendous strides we are making to improve NYS' health care system, but more importantly, the quality of care for our members.*



# VBP Bootcamps 2017 Overall Goals

This year's VBP Bootcamp sessions are designed to continue supporting providers, community based organizations (CBOs) and MCOs in their transition to VBP.

- a) Bridge the gap between the initial VBP Bootcamps in 2016 and VBP Bootcamps 2.0
- b) Position VBP Contractors, payers and stakeholders to transition into VBP
- c) Provide a forum for continued discussion and collaboration on topics most important to VBP
- d) Share insights, lessons learned and support to providers, payers and community based organizations that are transitioning to VBP

# **VBP: Where Are We Now and Are We Going?**

# VBP Transformation: Overall Goals and Timeline

**Goal:** To improve population and individual health outcomes by creating a sustainable system through integrated care coordination and rewarding high value care delivery.



2017	2018	2019	2020
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**April 2017**

Performing Provider Systems (PPS) requested to submit growth plan outlining path to 80-90% VBP



**April 2018**

≥ 10% of total Managed Care Organization (MCO) expenditure in Level 1 VBP or above



**April 2019**

≥ 50% of total MCO expenditure in Level 1 VBP or above.  
 ≥ 15% of total payments contracted in Level 2 or higher \*



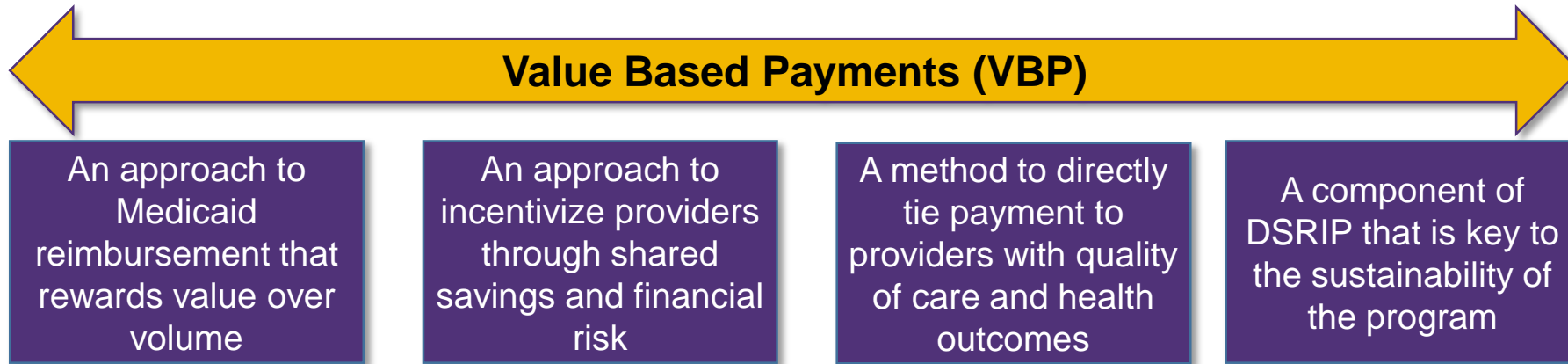
**April 2020**

80-90% of total MCO expenditure in Level 1 VBP or above  
 ≥ 35% of total payments contracted in Level 2 or higher \*

\* For goals relating to VBP level 2 and higher, calculation excludes partial capitation plans such as MLTC from this minimum target.

# Value Based Payments: Why is this important?

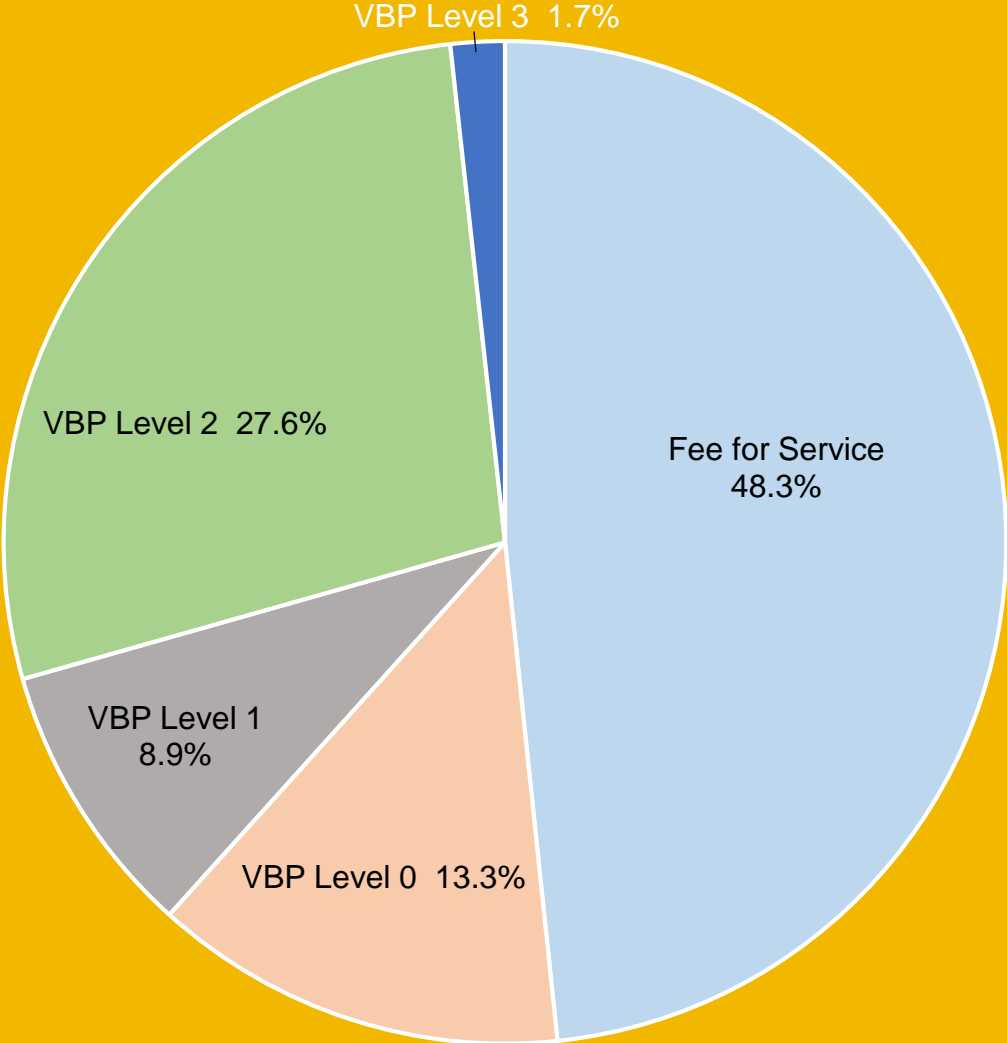
- By DSRIP Year 5 (2020), all Managed Care Organizations (MCOs) must employ VBP systems that reward value over volume for at least 80 – 90% of their provider payments.
- Currently, 38.32% of Medicaid payments are value based.



Source: New York State Department of Health Medicaid Redesign Team. *A Path Towards Value Based Payment, New York State Roadmap for Medicaid Payment Reform*. NYSDOH DSRIP Website. Published June 2015.

# Current State: **38.32%** of Contracts are Value Based

Calendar Year 2016 MCO Survey Results



**“Looking Ahead” - Where is your organization today and how are you transitioning to VBP?**

# As we get started... keep in mind a few guiding principles

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

- a) **Improve the overall quality of care** (Think NYS' VBP arrangements and population health)
- b) **Focus on the root causes of poor health** (Think Social Determinants of Health and the importance in VBP)
- c) **Evaluate appropriate levels of care** (Think value of care over volume of care)
- d) **Improve the patient experience** (Think quality outcomes tied to the NYS VBP arrangements)
- e) **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.)
- f) **Reduce cost and increase efficiency** (Think about rewards based on quality improvements and increased efficiency)
- g) **Enable and encourage innovation...** (Think flexibility and cutting edge practices in the system to address root causes of poor health)

These are all key principles of NYS' VBP program, keep them in mind throughout the day

# VBP 101: A Refresher



# What should my organization be doing to transition to VBP?

Every class today will emphasize a key set of considerations for providers - “what providers should know” as they advance in VBP. Begin to think holistically about your organization as you attend each of your classes.

- **Your Role in VBP:** Larger, more robust entities (typically Lead VBP Contractors) may be more likely to contract directly with an MCO, whereas smaller providers (typically downstream providers) and CBOs, may contract with the Lead VBP Contractor to support the provider network.
- **Governance:** Consider your organizational and legal structure. Determine if it supports your role in VBP.
- **Finance:** Evaluate your organization’s ability to take on and manage risk. Understand your opportunities to improve quality and efficiency. Determine where you should focus your investment.
- **Business Strategy:** Align your arrangement to your business model (Primary care networks consider IPC, behavioral health (BH) providers may consider focusing on BH aspects of each arrangement, etc.) Develop a strong value proposition for yourself and your partners.
- **Stakeholder Engagement:** Engage your partners early and often. Identify key partners. Consider how they strengthen your network. (payers, provider partners, CBOs, patients, etc.)
- **Data:** Understand your capabilities and leverage opportunities to access and share data

# Key takeaway for providers....

Your role in VBP will impact how you structure your organization.  
Consider if you will become:

- **Lead VBP Contractor:** These are typically larger provider system experienced and capable of contracting with an MCO
- **Provider Partners:** These are typically smaller or downstream providers that will contract with the Lead VBP Contractor. These providers may fill gaps in the type of care a Lead VBP Contractor can provide. Their inclusion in a provider network will strengthen the collective network's ability to provide higher quality care, across the care spectrum. These providers will also support the network's ability to generate shared savings.
- **Community Based Organization (CBOs):** CBOs are uniquely positioned to address root causes of poor health. Similarly to smaller providers, CBOs will support Lead VBP Contractors and the broader provider network in improving population health.

# VBP Financing Refresher

# Understanding Financial Incentives for MCOs

VBP incentives for MCOs are designed to encourage not only higher value, but also to encourage increased (and earlier) adoption of VBP contracting

## Performance Adjustments (Quality & Efficiency)

The measurement of efficiency and quality for the purposes of MCO performance adjustments takes into consideration **all eligible members**, regardless of whether or not they are covered by a VBP contract

## Stimulus Adjustment

Stimulus adjustments incentivize early adoption of Level 2 and Level 3 arrangements by providing an upwards rate adjustment for two years for contracts that start in SFY 2017-18, one year for those that start in SFY 2018-19

## Penalty Adjustments

Penalty adjustments beginning in SFY 2018-2019 will increase each year to support the attainment of state-wide contracting targets

## Target Budget

VBP Roadmap guideline establishes method for target budget setting. (Baseline, Trend, Risk Adjustment, Performance Adjustment)

# Key takeaways

It is important to understand the overarching finance structure when negotiating your contract.

- Lead VBP Contractors:
  - Consider if stimulus funds are available as a result of your engagement in the transition to VBP
  - Consider how you impact efficiency and quality of care
- Provider Partners or downstream providers contracting with the Lead VBP Contractor:
  - Consider the services you provide and the impact on potential for shared savings, and understand your value proposition.
  - Consider your role in addressing social determinants of health. You support MCOs and Lead VBP Contractors fulfill a VBP Roadmap requirement!
- All parties:
  - Understand the population you serve and how your organization has supported and will continue to support quality health outcomes for your population.

# VBP Contracting Refresher

# VBP Levels

MCOs and Lead VBP contractors may choose different levels (risk arrangements) of Value Based Payment:

Level 0 VBP	Level 1 VBP	Level 2 VBP	Level 3 VBP (feasible after experience with Level 2; requires mature contractors)
Fee for Service (FFS) with bonus and/or withhold based on quality scores	FFS with upside-only shared savings available when outcome scores are sufficient	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 Only	↑↓ Upside & Downside Risk	↑↓ Upside & Downside Risk

# Key takeaways

Your role in VBP will influence how you contract and with who

- Lead VBP Contractors:
  - Must be legally structured to contract Medicaid with an MCO. Typical groups include:
    - Independent Practice Associations (IPA)
    - Accountable Care Organizations (ACO)
    - Individual Providers (Hospital systems, FQHCs, large medical groups)
  - May assume all responsibility and upside/downside risk or make arrangements with other providers (a provider partner) to share savings or downside risk.
  - Must adhere to the standards set forth in the VBP Roadmap (along with MCOs)
- 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.




- ❖ Individual provider could either assume all responsibility and upside/downside risk or make arrangements with other providers; or
- ❖ MCOs may want to create a VBP arrangement through individual contracts with these providers



# **VBP Social Determinants of Health and Community Based Organizations Refresher**

# VBP Roadmap Standards for CBOs and Social Determinants of Health



A Path toward Value Based Payment  
New York State Roadmap  
For Medicaid Payment Reform  
June 2015

*The NYS VBP Roadmap establishes standards that support and encourage the inclusion of CBOs in VBP arrangements and implementation of SDH intervention.*

## CBO Inclusion

- ***“It is therefore a requirement that starting January 2018, all Level 2 and 3 VBP arrangements include a minimum of one Tier 1 CBO.”***

## SDH Intervention

- ***“... VBP contractors in Level 2 or Level 3 agreements will be required, as a statewide standard, to implement at least one social determinant of health intervention.”***

\*\*Tier 1 = Non-profit, non-Medicaid billing, community based social and human service organizations (e.g. housing, social services, religious organizations, food banks).

# Key takeaways

The NYS VBP Roadmap is clear in the importance of social determinants of health interventions and the role of CBOs.

The VBP Roadmap allows flexibility in the types of SDH interventions that may be implemented.

- Consider interventions that will have the most impact.
- Visit the NYS DOH website for a complete list of examples of SDH interventions, (housing, education, etc.)

CBOs may provide a number of services and functions within a provider's network.

- This may include implementing a social determinant of health intervention

Tier 2 and 3 CBOs play a vital role in strengthening a provider network.

- MCOs and Lead VBP Contractors are encouraged to engage all CBO types.

# VBP Arrangements and Quality Measures Refresher

# Types of Population-Based Arrangements

Episode Based Arrangements	Population Covered
Integrated Primary Care (Includes Chronic Conditions)	Focus on primary care and patients with chronic illness <i>(Preventive Care, Sick Care, Chronic Care)</i>
Maternity Care	<i>Prenatal care, Delivery Care, Newborn Care</i>
Population Based Arrangements	Population Covered
Total Care for General Population	General Population (Mainstream Medicaid)
HIV/AIDS	Special Needs Sub-Population: <b>HIV/AIDS</b>
HARP	Special needs sub-population: <b>HARP eligible (High need mental health population)</b>
Managed Long Term Care (MLTC)	Special needs sub-population: <b>MLTC</b>
Intellectually/ Developmentally Disabled (I/DD)	Special needs sub-population: <b>I/DD</b>

# Key takeaway

Each VBP arrangement (TCGP, IPC, Maternity, HARP, etc.) maintains a standard set of quality measures

- Visit the NYS VBP Website to view each VBP arrangement and associated measure sets.

## Quality measures:

- Intended to be used to determine the amount of shared savings or risk distributed between MCOs and Lead VBP Contractors.

A provider's organizational domains (finance, clinical, data, legal, etc.) should work to understand the role of quality measures in VBP. Based on where you sit, measures may mean something different.

- finance division: the impact on potential for shared savings or risk
- front line clinicians: how they transform care delivery to better meet each measure
- data and analytics: analyze data to identify opportunities to improve quality and increase efficiency.

# Go Forth and Learn!