NEW YORK STATE | Department of Health | Office of Mental Health | Office of Alcoholism and Substance Abuse Services

Value-Based Payments (VBP)

Overview

September 27, 2016

VBP Overview Agenda

NYS

- What is Value Based Payment?
- NYS Timeline
- VBP Outcomes and Levels
- P4P vs. VBP

MCTAC

- VBP Arrangements & Principles
- What Do BH Providers Need to Know?
- Resources
- Questions and Answers

Value Based Payment (VBP)

- ✓ VBP is a payment strategy used to promote health care service quality and value.

- ✓ The goal of VBP arrangements is to shift from pure **volume-based payment**, as exemplified by **fee-for-service payments**, to **quality outcome dependent payments**.

VBP Roadmap

The State is required to submit a multi-year roadmap for comprehensive Medicaid payment reform, including how the State will amend its contracts with MCOs, in order to ensure the long-term sustainability of improvements made possible by the DSRIP investments.

https://www.health.ny.gov/health_care/medicaid/redesign/dsrip/docs/vbp_roadmap_final.pdf

Timeline

	BH Transition to Medicaid Managed Care	DSRIP/VBP Payment Reform
DY1 (2015)	NYC - Adult BH Transition to Medicaid Managed Care	Medicaid VBP approach will be finalized and refined
DY2 (2016)	ROS Adult Transition to Medicaid Managed Care	MCO – PPS combination submit a growth plan outlining path towards 90% value-based payments.
DY3 (2017)	Continued ramp-up of Adult HARP/BH HCBS, Children's Transition to Medicaid Managed Care, Technical Assistance Building BH continums and networks	The Pilot Year
DY4 (2018)	Building BH continuum and networks continues and VBP contracting	At least 50% of the State's MCO payments will be contracted through Level 1 VBPs.
DY5 (2019)	VBP Contracting	80-90% of the State's total MCO-PPS payments (in terms of total dollars) will be captured in at least Level 1 VBPs. By the end of DY 5, 35% of total managed care payments (full capitation plans only) will be tied to Level 2 or higher.

Desired Outcomes

VBP arrangements aim to align financial incentives to achieve reduced:

1) Avoidable (re)admissions
2) ED visits
3) Potentially avoidable complications

This is achieved by using more effective clinical and service models which integrate physical and behavioral health care across the continuum of care.

VBP Approach

A delivery system should encompass three types of integrated care services:

- Integrated Primary Care
- Episodic care for services (e.g. maternity)
- Specialized continuous care services (e.g. HARP, SUD)

VBP Levels

Payment levels reflect different degrees of risk and/or reward:

- ✓ Level 0: Fee-for-Service payment with bonus and/or withhold based upon **quality scores**
- ✓ Level 1: Fee-for-Service with upside-only sharing when **quality** scores are sufficient
- ✓ Level 2: Fee-for-Service with risk sharing (upside available when **quality** scores are sufficient; downside is reduced when quality scores are high)
- ✓ Level 3: Global capitation (with **quality-based** component); PMPM driven; Need experience with other levels first; Mature ACO

Pay for Performance (P4P) vs. Value Based Payment (VBP)

P4P

- P4P (Level 0) is the most basic "value" payment.
- It's a simple bonus (or withhold penalty) based upon achieving a quality target.
- P4P doesn't address overall cost of a population, episode of care, and/or treatment of chronic condition.
- Quality target/s can still be met by providing overly comprehensive expensive care.

VBP

- VBP (levels 1-3) addresses both the cost and quality dimensions that comprise "value."
- VBP addresses both cost and quality targets.
- Savings can be generated if the target budget for a population, episode of care, and/or treatment of chronic condition comes in under projected total and quality targets are achieved.

DSRIP and VBP

- By the end of DSRIP Year 5, the State's goal is to have 80-90% of total MCO/contractor payments in Level 1-3 Value Based Payment Arrangements.
- Goal of 35% total dollars moving through VBP Level 2 or higher

Value Based Payment Arrangements & Principles

Risk and Reward

- VBP arrangements offer different levels of risk and reward built into the provider contract
- If a provider enters into an arrangement with any amount of risk assumed, the provider is required to have enough resources in the bank to cover losses if outcomes don’t meet the contract expectations
- Contractors need to take responsibility for a pool of patients large enough to mitigate the impact of outliers
- VBP requires provider to have tools to monitor performance in real time so can correct course based on data and meet targets

Types of VBP Arrangements

Types	Total Care for General Population (TCGP)	Integrated Primary Care (IPC)	Care Bundles	Special Need Populations
Definition	Party(ies) contracted with the MCO assumes responsibility for the total care of its attributed population	Patient Centered Medical Home or Advanced Primary Care, includes: • Care management • Practice transformation • Savings from downstream costs • Chronic Bundle (includes 14 chronic conditions related to physical and behavioral health related)	Episodes in which all costs related to the episode across the care continuum are measured • Maternity Bundle	Total Care for the Total Sub-pop • HIV/AIDS • MLTC • HARP
Contracting Parties	IPA/ACO, Large Health Systems, FQHCs, and Physician Groups	IPA/ACO, Large Health Systems, FQHCs, and Physician Groups	IPA/ACO, FQHCs, Physician Groups and Hospitals	IPA/ACO, FQHCs and Physician Groups

Total Care for Total Population

Providers needed to meet all the needs of the members included in the payment bundle, such as:

- Inpatient: Medical, Surgical, Behavioral Health
- Outpatient: Physical and Behavioral Health
- Primary Care
- Care Management
- Testing (lab services, X-Ray, etc.)
- Health and Wellness Services
- Other

The dollars in the bundle would be shared among all participating providers.

Episodes in Chronic Bundle

Hypertension, Coronary Artery Disease, Arrhythmia, Heart Block and Conductive Disorders, Congestive Heart Failure, Asthma, Chronic Obstructive Pulmonary Disease, **Bipolar Disorder, Depression & Anxiety, Trauma & Stressor, Substance Use Disorder (SUD),** Diabetes, Gastro-esophageal reflux disease, Osteoarthritis, Lower Back Pain

Special Needs Subpopulations

For some populations with severe co-morbidity or disability that require highly specific and costly care, the majority of the care would be included in the full year of care bundles, including the HARP subpopulation.

Special Needs Subpopulations

One fixed payment provided to cover the cost of all services for this special needs population, such as the HARP population.

Included in the payment bundle would be providers needed to meet all member needs, such as:

- Inpatient: Behavioral Health
- Primary Care
- Health and Wellness Services
- Outpatient: MH and SUD
- Care Management
- Other
- Home & Community Based Services (HCBS)

The dollars in the bundle would be shared. Includes both risk and reward.

What Do I Do Now?

Your Role as a Provider

- ✓ Behavioral health providers bring an expertise to the primary health care system that is needed to treat the whole person
- ✓ Purpose of affiliating is to increase your power and influence, not reduce.

What Can You Do?

- ✓ Determine what VBP approach(es) make sense for your agency
  - ✓ Understand your costs to deliver care
  - ✓ Know your population – OTO
  - ✓ Identify the landscape
- ✓ Develop strategic marketing and communication plan
- ✓ Demonstrate your value
- ✓ Positioning and affiliating
- ✓ Need to document what works
- ✓ Talk to PPS

Important!

- ✓ Behavioral Health service providers will need to collaborate in order to successfully engage in VBP arrangements.
- ✓ MCOs are more likely to contract with entities that include the entire continuum of care.
- ✓ Significant financial reserves are needed to take on risk, spreading across a continuum of providers reduces individual risk.

Stronger Together

To be viable, Behavioral Health providers need to come together in different organizational structures for VBP arrangements:

- Mergers
- IPAs
- Contractual relationships

MCTAC Role

Training & Technical Assistance:

- ✓ In-person and web-based offerings
- ✓ Information Dissemination
- ✓ Tool & Resource Development

All activities informed by ongoing provider/plan/state partner feedback.

Additional Resources

DOH Value Based Payment Page:
https://www.health.ny.gov/health_care/medicaid/redesign/dsrip/vbp_reform.htm

CTAC/MCTAC Website and System Transformation Page:
http://ctacny.org/systems-transformation

Resources

- VBP Roadmap
- DOH VBP Information Page
- VBP Resource Library