Value-Based Payments (VBP)

Overview
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.

<table>
<thead>
<tr>
<th>Year</th>
<th>BH Transition to Medicaid Managed Care</th>
<th>DSRIP/VBP Payment Reform</th>
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<tbody>
<tr>
<td>DY1 (2015)</td>
<td>NYC - Adult BH Transition to Medicaid Managed Care</td>
<td>Medicaid VBP approach will be finalized and refined</td>
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<tr>
<td>DY2 (2016)</td>
<td>ROS Adult Transition to Medicaid Managed Care</td>
<td>MCO – PPS combination submit a growth plan outlining path towards 90% value-based payments.</td>
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<td>DY3 (2017)</td>
<td>Continued ramp-up of Adult HARP/BH HCBS, Children’s Transition to Medicaid Managed Care, Technical Assistance Building BH continuums and networks</td>
<td>The Pilot Year</td>
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<td>DY4 (2018)</td>
<td>Building BH continuum and networks continues and VBP contracting</td>
<td>At least 50% of the State’s MCO payments will be contracted through Level 1 VBPs.</td>
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<td>DY5 (2019)</td>
<td>VBP Contracting</td>
<td>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.</td>
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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

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

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