Managed Care Contracting Considerations

What is Value Based Payment

And How Will it Impact Future

Managed Care Negotiation and Contracting?

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On deck for today's discussion…

- Review the VBP Program
- Discuss VBP in the MMC context and the MLTC context (with a focus on MLTC)
- Review VBP Arrangement Levels
- Look at Quality Measurement Categories
- Discuss what's next

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Value Based Payment

- Value Based Payment ("VBP") came out of the NYS Delivery System Reform Incentive Payment ("DSRIP") Program.
- DOH has been moving toward VBP for the New York State Medicaid Program.
- Original VBP Roadmap was published in July 2015, and was updated in March 2016 and June 2016, and was submitted to CMS for approval in accordance with the DSRIP Program.
- DOH received final CMS approval in March 2017.

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Value Based Payment Defined

A payment strategy that is used by purchasers and providers to promote quality and value of health care services. The goal of any VBP program is to shift from volume-based payment, as exemplified by fee-for-service payments, to payments that are more closely related to both quality and cost outcomes.

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Goal of Value Based Payment and Cost Containment

- The goal of VBP is improvement in individual and overall population health outcomes through:
  - The provision of more integrated care
  - Care coordination
  - Incentives for high quality care in a financially sustainable delivery system

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What is a Value Based Payment Arrangement

A payment method in which a portion of the compensation is dependent on ***quality*** and/or ***cost*** outcomes. VBP agreements can include traditional fee-for-service arrangement (for MLTC only) as well as upside (Shared Savings) and downside (Shared Risk) arrangements.

VBP arrangements will be based upon DOH-defined VBP Levels 0, 1, 2 and 3

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VBP Payment Arrangements
MMC v. MLTC

For MY 2017…

MLTC VBP payment arrangements will focus on ***quality*** outcomes.

MMC VBP payment arrangements will focus on ***quality*** and ***cost.***

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VBP Levels
MMC v. MLTC

MMC VBP Levels	
Level 0	FFS with bonus/withhold based upon quality scores
Level 1 80-90% by April 1, 2020	FFS with upside-only shared savings when quality scores are met
Level 2	FFS with risk sharing (upside and downside) when quality scores are met/unmet
Level 3	Capitation with quality based component

In MLTC, DOH is taking a different approach.

"Level 1" will be equivalent to MMC Level 0 for purposes of meeting VBP contracting requirements.

By December 31, 2017, 100% of MLTC contracts are expected to be VBP contracts (at the MLTC "Level 1"

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VBP Arrangements
MMC v. MLTC

- Key difference in VBP approach is hospitalization;
- VBP is a component of DSRIP, and the goal of DSRIP is decreased hospitalization
- MMCs are responsible for payment of hospital claims
- MLTCs are not responsible for payment of hospital claims.

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Value Based Payment Arrangements in MLTC… It’s a heavy lift!

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Level 0 VBP Arrangement Under MMC

- Performance bonus agreement between an MMC Plan and a provider;
- Payment is based upon meeting performance targets for a set of specific quality measures; and
- Specific quality measures are agreed to in the contract between the MLTC Plan and the provider.
- Will not count as a VBP arrangement.
- Would become a “Level 1” if it involved a “Shared Savings” component.

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Level 1 VBP Arrangement Under MLTC

- Will equate to a “Level 0” VBP Arrangement in MMC;
- DOH recognizes that, at the present time, savings in Medicare cannot be shared with Medicaid providers; and
- Will be difficult for long term care providers to achieve scale in VBP.
- Therefore, for MLTC, Level 0 (referred to as “Level 1” for MLTC) is considered a sufficient move away from traditional FFS so as to be counted as a VBP arrangement for MLTCs.

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Level 1 VBP Arrangement Under MLTC

- Provider will be paid on a traditional FFS basis;
- Plan and Provider may agree to a withhold that will be paid to Provider if quality scores are achieved;
- Plan and Provider may agree to a bonus payment that will be paid to Provider if quality scores are achieved.

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Level 1 VBP Arrangement Under MLTC

- Any payments made will be based upon achieving ***quality*** measures.
- Payments will be made based upon MLTC Quality Measure Categories.
- MLTC Quality Measure Categories were developed by the MLTC Clinical Advisory Group (CAG).

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MLTC Quality Measure Categories

Quality Measures were drawn from the MLTC Quality Incentive measurement set and were a collaborative effort between the MLTC Clinical Advisory Group (CAG) and the VBP Workgroup. Quality Measures were categorized into one of three buckets:

Category 1: Approved quality measures that are felt to be both clinically relevant, reliable, valid and feasible.

Category 2: Measures that are clinically relevant, valid, ***probably reliable***, where feasibility could be problematic. These measures will be further investigated during 2017.

Category 3: Measures that are insufficient relevant, valid, reliable and/or feasible.

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MLTC Quality Measure Categories

Measures were also categorized based upon suggested method of use:

Pay for Performance (P4P): These measures are intended to be used in the determination of shared savings amounts for which providers are eligible. These measures may be included in both the determination of a target budget, and in the calculation of shared savings to the provider.

Pay for Reporting (P4R): These measures are intended to be used by MLTC plans to incentivize providers to report data related to the delivery of services to members when the provider is under a VBP contract. Incentive payments for reporting are to be based on timeliness, accuracy and completeness of data. P4R measures can be converted to P4P measures (may be done by CAG or by MLTC/provider).

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MLTC Category 1 Quality Measures

- DOH has set the Category 1 Quality Measures for Measurement Year 2017 (MY2017).
- All Category 1 Quality Measures are P4P.
- DOH expects MLTC plans and providers to include Category 1 quality measures in their contracts/amendments as part of an “MLTC Level 1” VBP arrangement.
- All Category 1 measures are required to be reported, but MLTC plans and providers can decide what measurements will link to payment.

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MLTC Category 1
P4P Quality Measures

Critical Prevention

Potentially Avoidable Hospitalization

- An inpatient hospitalization that might have been avoided if proper outpatient care was received in a timely manner
- Must be included in MLTC Level 1 VBP Arrangements

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MLTC Category 1
P4P Quality Measures

Critical Prevention

Emergency Room Use

Falls

Flu Vaccination

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MLTC Category 1
P4P Quality Measures

Quality of Life

Controlling Pain

Behavioral Health

(e.g. depression, loneliness, distress, etc.)

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MLTC Category 1
P4P Quality Measures

Functional Improvement

Pain Intensity

Nursing Facility Level of Care (NFLOC) Score

Urinary Incontinence

Shortness of Breath

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MLTC Category 2 Quality Measures

- DOH has set the Category 2 Quality Measures for Measurement Year 2017 (MY2017).
- All Category 2 Quality Measures are P4R.
- MLTC Plans and providers may include Category 2 quality measures in the contracts as part of an “MLTC Level 1” VBP arrangement.

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MLTC Category 2
P4R Quality Measures
General Use

Personal Choice/Satisfaction

Addressing Care Decisions

(where Member is unable to)

Involving Members in Decision Making

Reliability and Timeliness of Home Health Aides

Satisfaction with Home Health Aides

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MLTC Category 2
P4R Quality Measures
General Use

Medication Review

Use of High Risk Medications

Comprehensive Medication Review

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MLTC Category 2
P4R Quality Measures
Nursing Home Use

Critical Prevention

Pressure Ulcers

Falls

Flu & Pneumonia Vaccination

Weight Loss

UTI

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MLTC Category 2
P4R Quality Measures
Nursing Home Use

Quality of Life

Controlling Pain

Behavioral Health

(e.g. depression, loneliness, distress, etc.)

Antipsychotic Medication Use

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MLTC Category 2
P4R Quality Measures
Nursing Home Use

Functional Improvement

Help with ADLs

Bladder/Bowel Control

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Key Considerations in Managed Care Contracting

- What systems will you put in place to capture new data/process existing data to assure that you are properly paid for P4P and P4R measures?
- How can you look towards ways to integrate care – within your own entities and amongst yourselves?
- How will provider contracts be amended/redrafted to include VBP arrangements?
- What will be the ultimate source of funding for P4R measures? Plans will advocate for funds not to come out of the quality incentive pool. Will need to be "new money."
- What will 2018 look like?
- OMIG Compliance Alert 2017-01 – required providers encouraged to "closely review reimbursement methodologies so they can identify where they may need to update risk-assessment activities."

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QUESTIONS

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