Department of Health | Office of Health Insurance Programs

NYS Value Based Payment: Progress and the Road Ahead

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New York State Department of Health | Office of Health Insurance Programs

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Agenda

I. DSRIP & VBP
II. Progress Towards VBP
III. VBP Roadmap Updates
IV. Ongoing Support for VBP
V. VBP Best Practices
VI. Emerging Trends & Priorities

The Role of Medicaid Payment Reform

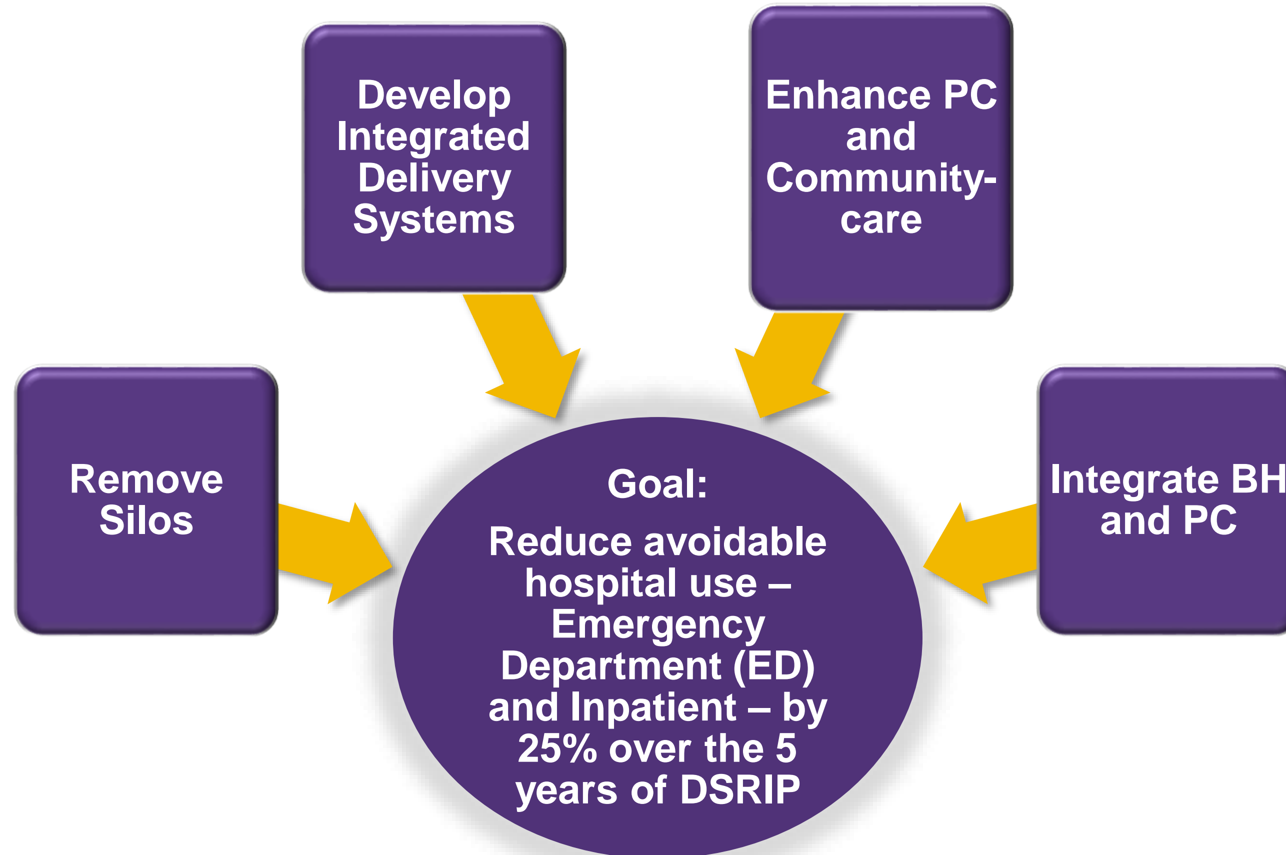
Two critical components to achieve improved quality and efficiency include:

- *Healthcare transformation*
- *Payment reform*

•Collectively, we have invested in transforming healthcare delivery systems to be successful in value based payment arrangements.

I. DSRIP & VBP

DSRIP Program Objectives



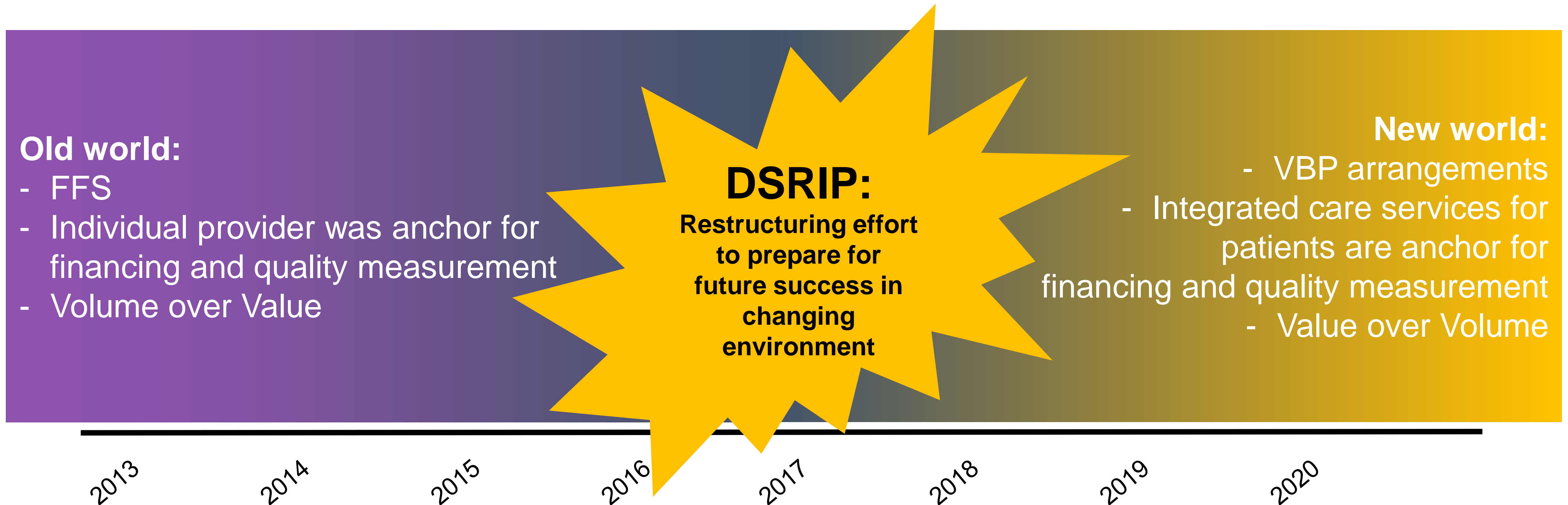
- DSRIP was built on the Center for Medicare and Medicaid Services (CMS) and the State's goals towards achieving the Triple Aim:
  - ✓ Better care
  - ✓ Better health
  - ✓ Lower costs
- To transform the system, DSRIP will focus on the provision of high quality, integrated primary, specialty and behavioral healthcare in the community setting with hospitals used primarily for emergent and tertiary level of services
- Its holistic and integrated approach to healthcare transformation is set to have a positive effect on healthcare in NYS
- $7.3 Billion investment over 5 years

Transforming the System…

Through DSRIP…

- “improving healthcare by better integrating people, process, and healthcare technology through ***Integrated Delivery System project”***
- “reducing the unnecessary use of emergency department services, by helping patients connect with providers (like primary care practices and community based organizations) through the ***Emergency Department Care Triage project"***
- “Bringing primary care, mental health and substance use services together ***through Primary Care/Behavioral Health Integration”***
- “creating more community based options for individuals who are experiencing a mental-health or substance-use related crisis through ***Behavioral Health Crisis Stabilization”***

Value Based Payment Sustaining Transformation



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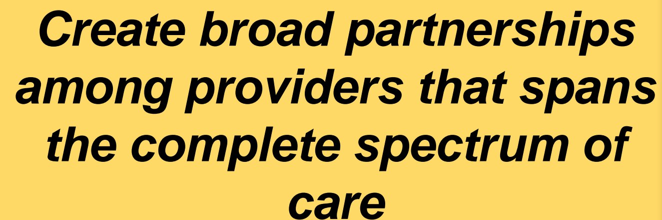
New York State Value Based Payment Framework

Supports providers that…



- *Primary care infrastructure*
- *Care coordination*
- *Referral pattern and discharge management activities*
- *Care integration… partner primary, acute, home and community based care, physical and behavioral health*
- *Population health data and analytics*
- *Reduce health inequities or disparities among different population groups and address social determinants of health*

The Future is Value Based Payment

Value-Based Care Reduces Costs by 5.6%, Improves Care Quality

Payers are seeing value-based care models start to achieve the Triple Aim as fee-for-service declines to just 37.2 percent of reimbursements in 2018.

CMS Proposes "Pathways to Success," an Overhaul of Medicare's ACO Program

"There is no turning back to an unsustainable system that pays for procedures rather than value." – Alex Azar, US Secretary of HHS

UnitedHealthcare expands bundled payments for orthopedics

In its bundled-payment pilot, employers saved on average at least $10,000 per operation, UnitedHealthcare said. Bundled payments are just one of the more than 800 value-based arrangements the insurer says are tied to nearly $50 billion a year in reimbursements. By 2018, it expects such reimbursements to reach $65 billion.

Next Generation ACO risk model generates savings, CMS says

Agency evaluation of Next Gen sets stage for ACOs to qualify as Advanced APMs under MACRA and get incentive payments.

II. Progress Towards VBP Goals

General VBP Updates

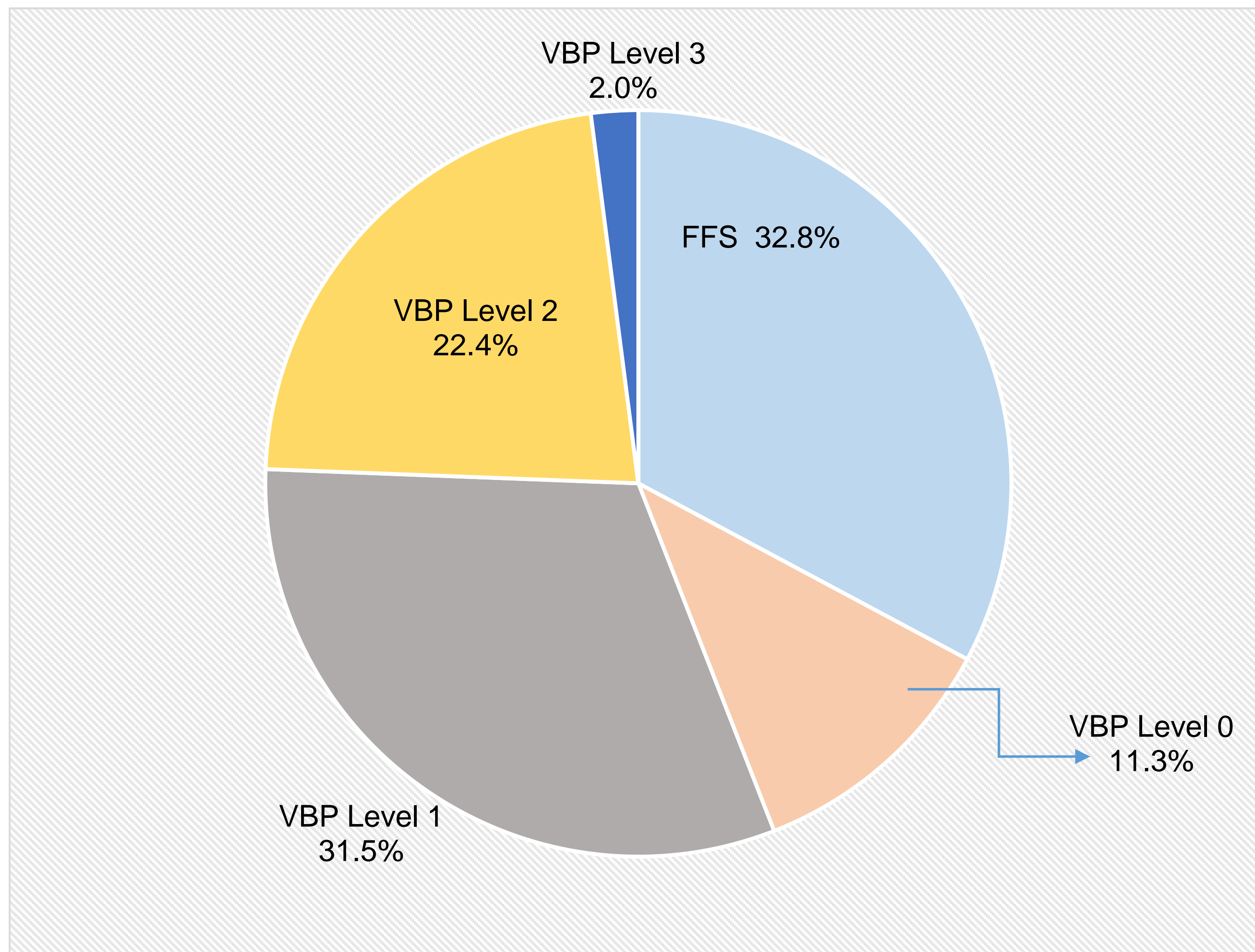
Positive progress toward payment reform

Meeting DSRIP year 4 VBP statewide goals

DSRIP Goals	*April 2017*	*April 2018*	*April 2019*	*April 2020*
	Performing Provider Systems (PPS) requested to submit growth plan outlining path to 80-90% VBP	≥ 10% of total MCO expenditure in Level 1 VBP or above	≥ 50% of total MCO expenditure in Level 1 VBP or above. ≥ 15% of total payments contracted in Level 2 or higher	80-90% of total MCO expenditure in Level 1 VBP or above ≥ 35% of total payments contracted in Level 2 or higher

Overview of Results thru 3/31/2018 (across all Medicaid MC Lines of Business)

VBP Baseline of Levels 1 - 3 : 55.93%



TOTAL MA $	$30,488,178,060.00	
FFS	**$10,004,181,391.00**	**32.81%**
VBP0	**$3,432,158,217.00**	**11.26%**
Level 0/Quality Only	**$3,182,622,231.00**	*10.44%*
Level 0/ Cost Only	**$249,535,986.00**	*0.82%*
VBP1	**$9,614,982,659.00**	**31.54%**
VBP2	**$6,815,276,468.00**	**22.35%**
VBP3	**$621,579,325.00**	**2.04%**
Level 1-3	**$17,051,838,452.00**	***55.93%***

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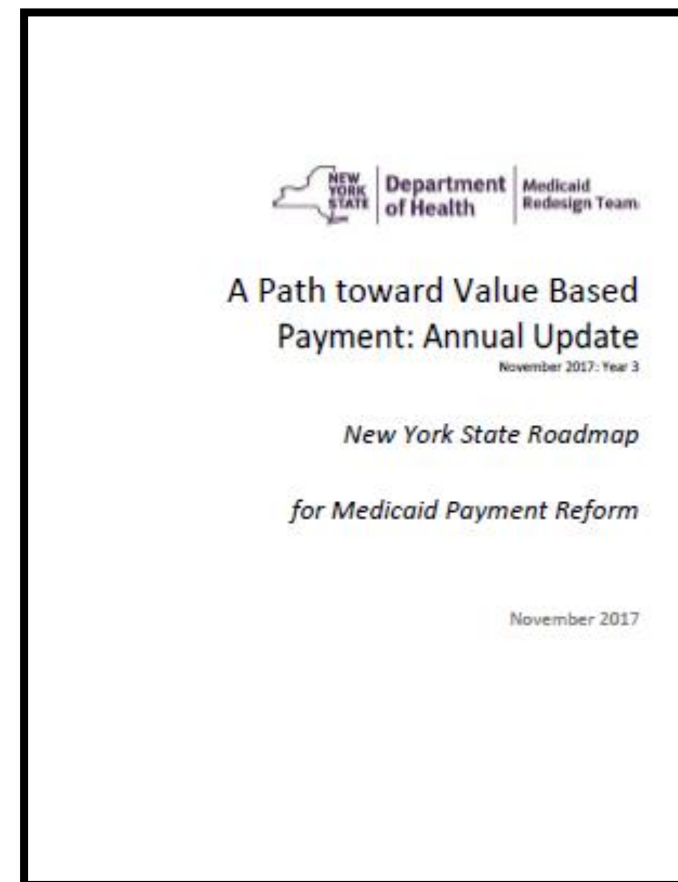
New York State Value Based Payment Implementation

General overview of contracting

- Total number of Level 2/3 contracts approved to date: ~ ***46***

Overview of provider types entering VBP

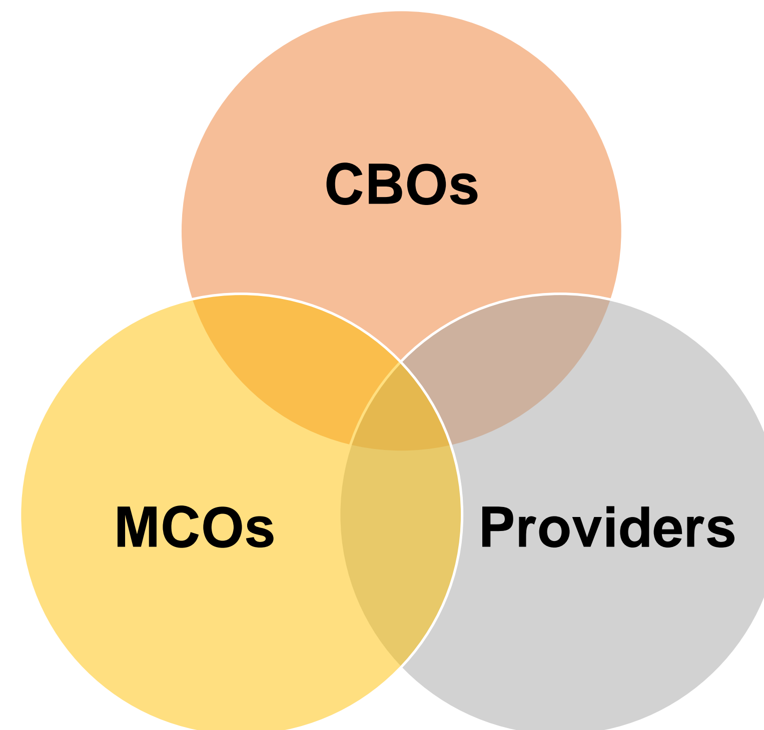
- Hospital systems
- IPAs
- ACOs
- Individual Practitioners
- Medical Groups
- Skilled Nursing
- Home Care Agency
- Home Health Agency



New York State Value Based Payment Implementation (continued)

CBOs Engaged in VBP

- Institute in NYC focusing on care for children
- Organization in upstate NY focusing on prevention education & emergency shelter
- Mission in capital region focusing on food security
- Crisis services in Western NY focusing on education and suicide prevention
- Inst. in Hudson Valley focusing on peer to peer education.



Overview of SDH Interventions

Domains: housing instability, food insecurity, economic instability, health & healthcare, neighborhood & environment, education, social & community context

Intervention types: health needs assessments, wellness spaces, housing, literacy, food programs, etc.

Example 1: IPA

- ***Arrangement & Risk:*** TCGP, Level 2
  - Network comprised of 5 hospitals, nurses, pharmacists
  - Created centralized social work office for outpatient services
  - Member volume: ~100,000
- ***CBO/SDH Intervention:*** Emergency childcare to families through Crisis Nursery program with a focus on health literacy/connecting families with proper healthcare.

Example 2: ACO

- ***Arrangement & Risk:*** TCGP, Level 1
  - Network comprised of 8 hospitals, approx. 2000 physicians of various types, homecare agency, 5 substance abuse disorder facilities, pharmacy
  - Developed a robust Care Management program that supports high-risk patients
  - Working to create “hub and spoke” model through telehealth
  - Member volume: ~310,000
- ***CBO/SDH Intervention:*** Partner to provider comprehensive screening process and referral services to 3 year old members to identify risk for compromised development and education outcomes; referral to appropriate services to improve outcomes for these children.

Example 3: IPA

- ***Arrangement & Risk:*** VBP Level 2, TCGP
  - Primary care, social workers within their networks
  - Opioid management program
  - Care management fees included in arrangement
  - Member volume: ~100,000
- ***CBO/SDH Intervention:*** Program to perform street-level outreach to most at-risk, high utilizing population; connect underserved members of the community to healthcare related resources; care coordination with providers

Innovator Program

Watertown Daily Times

Serving the communities of Jefferson, St. Lawrence and Lewis counties, New York

NYS Department of Health announces new Value-Based Payment Roadmap innovator

NYSDOH Designates NYU Langone IPA as Medicaid VBP Roadmap Innovator

NYSDOH Designates Somos-IPA Medicaid VBP Innovator

The Innovator Program is a voluntary program for VBP contractors prepared for participation in Level 2 (full risk or near full risk) and Level 3 value based arrangements. These providers will be entering into Total Care for General Population and/or Subpopulation arrangements, and will be eligible for up to 95% of the total dollars that have been traditionally paid from the State to the MCO.

Current Innovators include:

Montefiore

NYU Langone

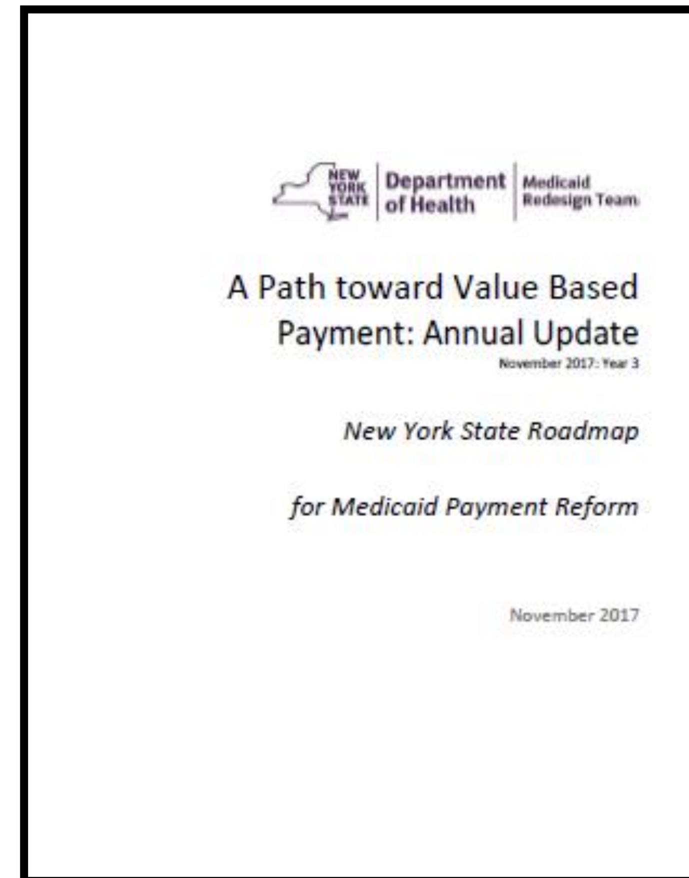
SOMOS

III. VBP Roadmap Updates

NYS VBP Roadmap & VBP Model

Core Components of VBP Model

- 3 Levels of risk
- Quality measures
- Attribution
- Finance and target budget setting
- VBP Arrangements
    - Population based (total care for a population)
    - Episodic (primary care and chronic condition)
- Social Determinants of Health Interventions & Community Based Organizations



NYS VBP Roadmap Updates & Future Considerations

A Path toward Value Based Payment: Annual Update
November 2017: Year 3
New York State Roadmap
for Medicaid Payment Reform
November 2017

Updates

- Inclusion for Tier 2 & 3 CBOs & key SDH domains
- Emphasis of the goals of VBP
- Level 2 MLTC
- Roles document
- Children's VBP effort
- Financial Incentives

Future Considerations

- Skilled Nursing Facilities
- Third party investment in VBP
- Network adequacy
- Attribution

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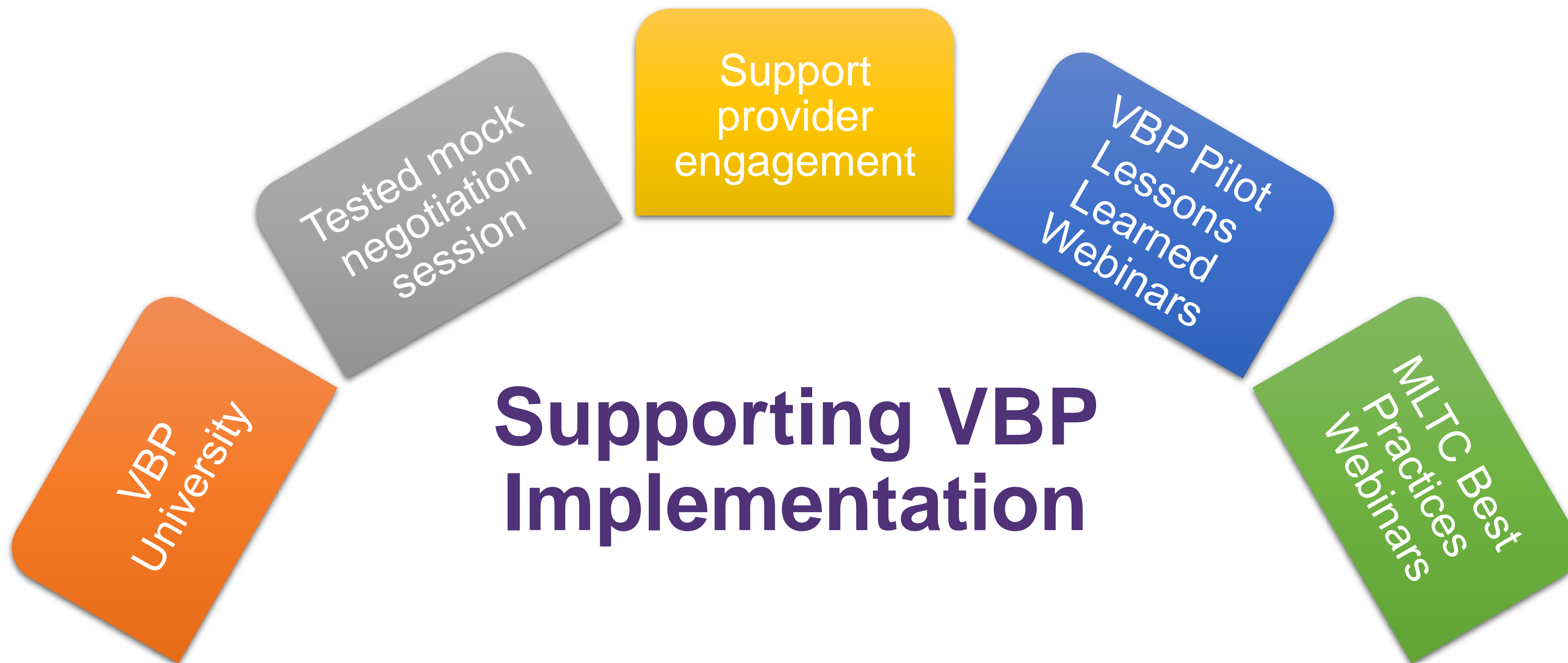
IV. Ongoing Support for VBP


VBP University
Tested mock negotiation session
Support provider engagement
VBP Pilot Lessons Learned Webinars
MLTC Best Practices Webinars
Supporting VBP Implementation

V. VBP Best Practices

Lessons Learned from the Field

Define your organizations strategy and team

- *Lead VBP Contractor*
- *Provider partner*
- *Relationship building*
- *Finance*

Engage parties early and often when contracting

- *Build and leverage partnerships; bring providers together*
- *Assess existing relationships, build new…*

CBOs & SDH: Explore philanthropic and private investment to advance SDH

- *Engage local philanthropic organizations*
- *Often philanthropic organizations have very specific missions or priorities for a year; align programs with these missions or themes*
- *Uptick in innovation funds*

Be flexible in contracting

- *Consider alternative methods to move forward in contracting, for example, alleviate concerns about risk (i.e. stop loss)*

Build partnerships

- *Integrated care teams*
- *Discharge patterns*
- *Referral patterns*
- *Address gaps in care*

VI. Emerging Priorities & Trends

Emerging Trends

1. ***A. Quality measure alignment***
   - Multiple business lines that span Commercial, Medicare, and Medicaid
   - Multiple programs that may exist within business line
     - For example, VBP, DSRIP in Medicaid
     - MIPS, APM in Medicare

   B. Development of new quality measures to support specific subpopulations
     - Behavioral health
     - Intellectual & developmentally disabled

2. ***Virtual aggregation models to support VBP***
   - MCOs aggregate independent practices with low volume to support virtual value based payment arrangements
   - May build on top of existing quality bonus programs
   - Bases distribution of shared savings on efficiency, quality and volume of members attributed to a single practice

Emerging Trends Continued

3. ***Rise in "health innovation funds" seeking to support population health within value based payment***
   - Town Hall Ventures
   - Wellth app
   - Cityblock

4. ***Transforming relationship between community-based organizations (CBOs), insurers and providers***
   - CBOs refining their approach to payment and contracting
   - CBO hub model concept

Emerging Trends Continued

5. *Creating sustainable provider networks that may support VBP*

- Care coordination, network integration, population health are goals of payment reform
- Robust provider networks that include primary care, behavioral health and hospitals for example, are better positioned to succeed in VBP
- Quality and efficiency improvement in care will be supported by, for example:
  - Referral, discharge and coordination patterns between hospitals and primary care and specialty providers
  - Warm vs cold handoffs between physical and behavioral health providers
  - Colocation of providers

- Innovator program for context:
  - Maintains membership volume requirements
  - Maintains network adequacy requirements
  - Maintains financial solvency requirements