# Everything You Wanted To Know About Value Based Payment

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Value Based Payment: The Basics

# What is value based payment?

An approach to Medicaid reimbursement that rewards value (improved health) over volume (amount billed)

An approach to incentivize providers through shared financial savings and risk

A method to directly tie revenue to providers with quality of care and health outcomes

# Reshaping healthcare



VBP rewards providers for caring for and improving the health and lives of the people they serve

Current FFS rewards volume (including admissions and readmissions) more than value (and the delivery of quality healthcare)

In VBP the focus is on quality, preventive, and primary care and to coordinate care with other providers

# What's the goal?

To improve health outcomes by creating a sustainable system through integrated care coordination and rewarding high value care delivery

By DSRIP year 5 (2020), all MCOs must employ VBP systems that reward value over volume for at least 80-90% of their provider payments



# Who benefits?

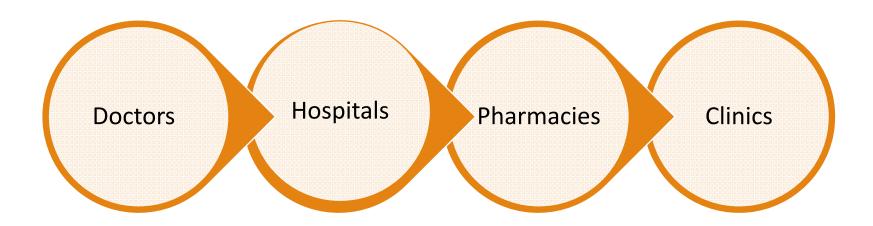
**Individuals** 

**Providers** 

Payers



# The old FFS system



Providers were previously organized separately and paid based on the services they provide. The more they deliver, the more they receive, regardless of outcomes

#### Value based care

The "value" in value-based healthcare is derived from measuring health outcomes against the cost of delivering the outcomes.



# What are the potential benefits of value based care?

Less money is spent to achieve better health

Providers achieve efficiencies and greater client satisfaction

Payers control cost and reduce risk

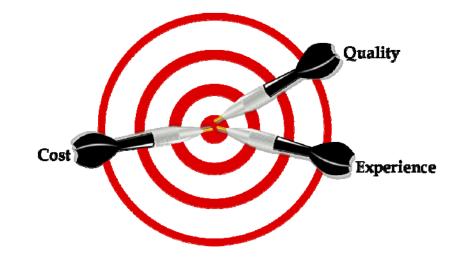
Society becomes healthier while reducing overall healthcare spending

# The triple aim of healthcare transformation

Improve the experience of care

Improve the health of populations

Reduce the cost of care



# Value through the lens of the triple aim

#### Improve the experience of care

 How do your services engage individuals in care that results in the adoption of healthy behaviors?

#### Improve population health

 How does your service philosophy and practice positively impact the health of high risk populations?

#### Reduce the cost of care

• How do your services keep people in community based care and divert them from ERs and hospitals?



Shift from Volume to Value

# Bigger is not always better

It's better to tackle a condition while it's small (in the community) than to let it get bigger (hospital treatment)

It's even better to prevent it altogether.

The person receiving services is the focus!



#### Coordination

Value based payment encourages providers to work together

Create networks of care

Providers are paid based on the value and the quality of the health care they provide

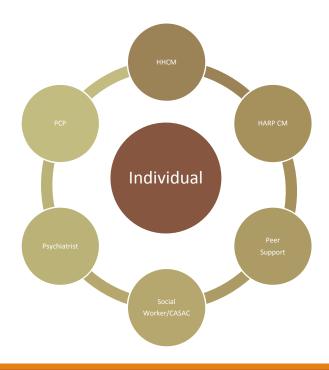
Rewarded for keeping people healthy

Providers will share in savings created from developing high value care

# Putting the person at the center of the system

VBP puts the individual receiving services at the center of the health care system

 Providers work together to help make sure that people receive the care they need, when they need it, from the provider best suited to provide it



#### Volume to value

High volume = limited availability, difficulty accessing care, assembly line approach to treatment

 This approach can be difficult for people with behavioral health issues to manage so they may seek services in ERs or hospital settings instead.

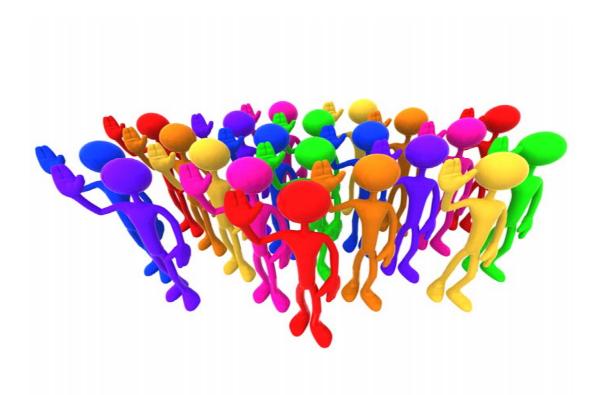
Social determinants of health often take priority over, and interfere with, the management of pressing health issues.



#### What is the value?

How do your services result in positive health outcomes for people?
• That's your value!





Your Role in the Value Proposition

# Value proposition

A promise of value that you will deliver

The reason someone comes to you for a service



# Your role in the value equation

What do you bring to the table that is valuable?

Why would someone want to seek out your services?

How does the service you provide promote value?

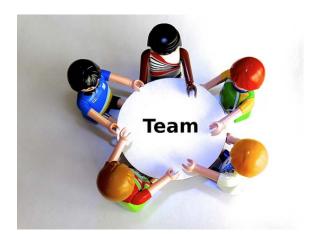
What is the gap that your service fills?

How do you promote a healthy lifestyle?

How do you know your services are meaningful?

How do you communicate with the team?

• Who is the team?



### Supports

What supports do you need from your supervisor to help you achieve success in this new work environment?

How do you see healthcare integration affect change for the people you work with?





# Integrated Care Rethinking Your Role





Peer providers can address risk factors that interfere with primary care

Peer providers see individuals more often than their PCPs

 Address healthy eating, smoking cessation, physical activity (all of the things that contribute to improving health)

#### Health literacy

 Basic knowledge of chronic disease management (Diabetes, Hypertension, Cardiovascular Disease, HIV, Asthma)

## More on integration

What is the role of person-centered care?

 How does someone's chronic health condition (like diabetes) interfere with their goal of employment?

What person centered practices do you employ that address

whole health?





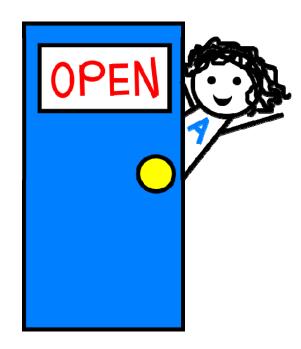
The Importance of Access

#### Access

Access is the 1st step in expressing value

Engagement is key!

• What do you do that makes people come back?



# Every interaction has impact

Website

**Community Connections** 

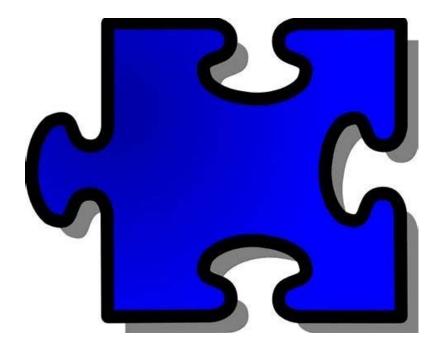
Scheduling

**Physical Environment** 

Reception

**Initial Meeting** 





You are an Important Piece of the Puzzle

# Key points to take with you

VBP is an approach to Medicaid reimbursement that rewards value (improved health) over volume (amount billed)

VBP ties revenue to providers with quality of care and health outcomes

The goal is to improve population and individual health outcomes through integrated cre coordination

VBP puts the individual at the center of the health care system and providers work together to ensure that people get the care they need, when they need it, from the provider that's best suited to provide it.