



**Office of
Mental Health**

Succeeding in the VBP Environment: Exploring New Strategies and Partnerships

April 27th, 2017

Presentation Overview

- Background and Goals
- VBP in New York State For Behavioral Health Providers

Background

In 2011, Governor Cuomo created the Medicaid Redesign Team (MRT)

- MRT BH workgroup developed principles for moving BH services into managed care
- Recommended BH savings related to Managed Care be reinvested for the benefit of the BH population
- NYS adopted this recommendation into law

\$110 M is available through declining premiums

- \$60 M will be reinvested to support the transition to Value Based Payment (VBP)
- The remainder will support new ACT teams and OASAS priorities

Why did we move Behavioral Health into Managed Care?

Improve Integrated Health Outcomes

- In NYS, Medicaid members with a BH diagnosis account for
 - 20.9% of the population but 60% of Medicaid expenditures
 - 53.5% of hospital admissions
 - 45.1% of ED visits
 - 82% of all readmissions within 30 days of the original admission
 - 59% of those readmissions were for a medical condition
- The average length of stay per admission for BH Medicaid users is 30% longer than for the overall Medicaid population
- People with a BH conditions experience poor inpatient to outpatient connection

Source: Measuring Physical and Behavioral Health Integration in the Context of Value-Based Purchasing. Greg Allen, December 7, 2016. <http://www.nashp.org/wp-content/uploads/2016/12/Allen-Slides.pdf> based on 2014 Medicaid claims data

Transformation Challenges

- BH benefits just moved into managed care
- Adult BH Home and Community Based Services are slow getting started
- There are currently few incentives to support integration within behavioral health (inpatient-ambulatory-rehabilitation) and across behavioral/general medical health care
- There is limited capacity to share information within and between the behavioral health and other systems
- Providers must achieve a certain critical mass of referrals to reduce the business risks and the competitive disadvantages small agencies face in the current environment
- Lack of nationally validated BH rehabilitation and recovery quality measures

VBP in New York State: Behavioral Health Providers

Where We Are Headed

- Achieving the NYS vision for improved care, recovery, and community integration requires a change in care delivery
 - Increasingly, value is placed on providing services and supports that address the whole person (person-centered)
 - Behavioral and physical health care integration is critical to achieving positive population health outcomes
- Under VBP providers are rewarded for achieving cross-system quality outcomes, at or below expected costs, rather than for volume

Getting to Value

- Collaboration is key
 - Organizational (i.e. Independent Practice Association (IPA), Accountable Care Organization (ACO))
 - Networked – looser affiliations of providers committed to achieving shared quality targets
 - Stakeholders must work together to measure, report, and respond to behavioral health quality metrics
 - Anti-trust considerations must taken into account
- Providers should weigh advantages and challenges before committing to a particular approach

How BH Providers Get Paid (Medicaid/Medicaid Managed Care Only)

Now

- ▶ Fee for service through Medicaid
- ▶ Fee for service through Medicaid Managed Care Plan

In Near Future

Fee for service Medicaid

Fee for Service Medicaid Managed Care

You might also get paid by ACO/IPA on Fee for Service Basis

Medicaid Managed Care and/or ACO/IPA can pay you additional funds as:

- Incentives
- Pay for Performance
- Shared Savings
- Subcapitation

MCOs and Contractors can Choose Different Levels of Value Based Payments

In addition to choosing which integrated services to focus on, the MCOs and contractors can choose different levels of Value Based Payments:

Level 0 VBP*	Level 1 VBP	Level 2 VBP	Level 3 VBP (feasible after experience with Level 2; requires mature contractors)
FFS with bonus and/or withhold based on quality scores	FFS with upside-only shared savings available when outcome scores are sufficient (For PCMH/IPC, FFS may be complemented with PMPM subsidy)	FFS with risk sharing (upside available when outcome scores are sufficient)	Prospective capitation PMPM or Bundle (with outcome-based component)
FFS Payments	FFS Payments	FFS Payments	Prospective total budget payments
No Risk Sharing	Upside Risk Only	Upside & Downside Risk	Upside & Downside Risk

**Level 0 is not considered to be a sufficient move away from traditional fee-for-service incentives to be counted as value based payment in the terms of the NYS VBP Roadmap.*

NYS BH VBP Readiness Program

Overview

- NYS will make funding available through MCOs to support qualified groups of community based BH providers that form Behavioral Health Care Collaboratives (BHCC)
- Partnerships will be organized around improving
 - Health outcomes
 - Managing member costs
 - Participating in VBP arrangements

Program Goals

- Enhance BH Provider readiness to succeed in VBP arrangements
- Payer recognition of the value of BH Rehabilitation and Recovery
- Promote strategic partnerships
- Promote development of data analytics to support:
 - Quality improvement across a continuum of providers
 - Measurable standards
 - Achievement of clinical and quality outcome targets

Funding

- Approximately \$60M will be available over 3 years
 - Subject to budget approval
- There will be two funding levels available:
 - Planning funds
 - Implementation funds
- Applications may be for either or both
 - Planning funds used to position applicant for implementation funds
- No funds can be used to reimburse previous effort
- Mandatory non-binding Notification of Interest to be released shortly
- Anticipated application- Summer 2017

What Can You Do?

- Determine what VBP approach(es) make sense for your agency
 - Understand your costs to deliver care
 - Know your population and payer mix
 - Identify the landscape
- Develop strategic marketing and communication plan
- Demonstrate your value
- Positioning and affiliating
- Consider partnerships
- MCTAC trainings for technical assistance: www.ctacny.org

Thank You