



**Department  
of Health**

# Value Based Payment Quality Improvement Program (VBP QIP)

## Frequently Asked Questions

As of 8/4/2017



As of 7/31/2017
VBP QIP FAQs

Value Based Payment Quality Improvement Program (VBP QIP) Frequently Asked Questions

Table with 4 columns: Item #, Category, Question, Response. Contains 7 rows of frequently asked questions regarding MCO participation, application requirements, and facility assignments.



**As of 7/31/2017  
VBP QIP FAQs**

Item #	Category	Question	Response
8	MCO-PPS-Facility Assignment	Will the Department approve programs or transformation plans associated with VBP QIP?	DOH only reviewed and provided feedback on Governance Plans. Paired MCOs were responsible for approving the Facility Transformation Plans. DOH provided a Facility Plan Guidance Document in March 2017 that outlined programmatic guidance. Additionally, although the MCO has ultimate approval authority, DOH expects the partners to collaborate, meaning the MCO should reach out to the PPS for its input.
9	MCO-PPS-Facility Assignment	If more than one MCO is working with the same PPS, to what degree can the MCOs collaborate on milestones and metrics?	In the rare case that a single Facility is working with more than one MCO through its PPS for VBP QIP, DOH expects the MCOs to collaborate with each other. The Facility should not be made to create more than one separate Facility Plan, so milestones and metrics should align between the MCOs. In general, the MCOs can collaborate to the extent that their collaboration ensures that the Facility is not put under undue pressure because it is working with more than one MCO.
10	MCO-PPS-Facility Assignment	Is this program restricted to Facilities that are or were once part of VAPAP?	Typically, only previously eligible VAPAP Facilities are participating in VBP QIP, however, DOH may add other Facilities to the program.
11	Structure and Timeline	When does Year 1 start for metrics and payments? How are the years in the DOH vision attributed?	Year 1 is State Fiscal Year (SFY) 2015-2016, thus it starts April 2015. Year 2 will be SFY 2016-2017 and accordingly starts April 2016, and so on for all future years of the program.
12	Structure and Timeline	How long will VBP QIP run for?	VBP QIP is a 5-year program that runs in line with DSRIP.
13	Structure and Timeline	When will VBP QIP payments begin?	Payments should have already begun for both Group 1 and Group 2 Facilities.
14	Structure and Timeline	When do the VBP QIP contracts need to be finalized for Group 2 participants, who joined the Program in April 2016?	DOH expected the MCOs, PPS, and Facilities in Group 2 to have a contract or an agreement in place by July 1 <sup>st</sup> , 2016.



As of 7/31/2017  
VBP QIP FAQs

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15	Structure and Timeline	What are the MCOs specifically administering in VBP QIP?	The MCOs will be overseeing the transformation of the Facility as outlined in its Facility Plan. Specifically, the MCO will monitor the Facility's progress to ensure that it meets program objectives and milestones, and will forward payment based on the achievement thereof.
16	Structure and Timeline	What is the purpose of the VBP QIP MCO Governance Plan?	The purpose of the Governance Plan is to document a detailed outline of the MCOs plan for governance over the 5 years of the program. The administration of the program and evaluation of the Facility's progress is the main role of participating MCOs, so the Governance Plan must be a thorough plan that supports a smooth transition to VBP.
17	Structure and Timeline	How will the VBP QIP MCO Governance Plan be assessed and scored?	DOH previously provided feedback for each MCO's Governance Plan, which DOH expects each MCO to act upon by making the suggested improvements. DOH's feedback was designed to provide guidance on where the State felt that the MCO's Governance Plan could be improved. If the MCO wishes to receive technical assistance from the State, the MCO can request it and the State will provide it. Group 1 Governance Plans were due to DOH on September 16, 2016. Group 2 Governance Plans were due to DOH on December 10, 2016.



As of 7/31/2017  
VBP QIP FAQs

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18	Structure and Timeline	What is the role of the MCOs throughout VBP QIP?	<p>As described in the VBP QIP DY2 Guidance Webinar held on June 8, 2016, the role of the MCO is as follows:</p> <ul style="list-style-type: none"> <li>• Develop the Governance Plan</li> <li>• Develop the template for the Facility Transformation Plan in accordance with DOH-provided criteria</li> <li>• Review and approve Facility Plans (in collaboration with the PPS)</li> <li>• Oversee the program milestone achievement; perform and report on program funding distribution</li> <li>• Review and approve programmatic deliverables outlined in the Facility Plan.</li> <li>• <i>Note: The MCO is not responsible for ensuring that the Facilities achieve the goals of VBP QIP.</i></li> </ul>
19	Structure and Timeline	What is the role of the PPSs throughout VBP QIP?	<p>The role of the PPS in VBP QIP is as follows:</p> <ul style="list-style-type: none"> <li>• Consult with Facilities and MCOs to ensure Facility Transformation Plan aligns with DSRIP and VBP goals</li> <li>• Provide support (non-financial) and guidance to the participating Facilities</li> <li>• Flow funds from MCO to Facility</li> </ul>
20	Structure and Timeline	Does DOH envision a one-to-one relationship between MCO and Facility?	<p>This will almost always be the case, but other pairing structures are possible depending on current quality pool payments and other complexities.</p>
21	Structure and Timeline	In the VBP QIP Governance Document, what is the difference between a baseline metric and milestone?	<p>In the Governance Plan, milestones are tasks, deliverables, or states of progress that only require reported to achieve successful completion. Metrics are measured to determine performance, and performance of a certain degree above the Facility's baseline is required to achieve successful completion.</p>



As of 7/31/2017  
VBP QIP FAQs

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22	Structure and Timeline	Is there an MCO Governance Plan template?	<p>No. However, DOH distributed a revised VBP QIP Governance Plan Scorecard for MCOs to use when completing their Governance Plans. Additionally, DOH provided guidance on Governance Plan components in the VBP QIP application.</p> <p>If further clarification is necessary, DOH recommends that participating MCOs contract their respective Associations.</p>
23	Structure and Timeline	What is the difference between Pay for Reporting (P4R) and Pay for Performance (P4P)?	<p>The purpose of VBP QIP is to transition financially distressed Facilities to VBP, improve their quality of care, and as a result, achieve financial sustainability over the duration of the Program. The measures established in the Facility Transformation Plan should reflect the purpose of VBP and align to the metrics in the VBP Roadmap provided by DOH.</p> <p>DOH issued the Facility Plan Guidance Document prior to April 2017. In it, P4P refers to the quality measures the Facility selects to perform on for the duration of VBP QIP, and P4R refers to VBP contracting milestones</p>



As of 7/31/2017  
VBP QIP FAQs

Item #	Category	Question	Response
24	Facility Plan	Do the transformation plans for VBP QIP already exist?	<p>No. As part of the Program, each MCO will be responsible for developing a Facility Transformation Plan template for the Facility to complete.</p> <p>Facilities who are involved in VAPAP may already have a transformational plan. However, these plans were developed based on transforming to become financially sustainable primarily in the short-term, but do not include information on transitioning to VBP. This is what will need to be addressed in the VBP QIP Transformation Plan. While some content from the VAPAP plan can likely be used, a new Plan will need to be developed by each Facility entering VBP QIP from VAPAP.</p> <p>Prior to April 2017, DOH released a Facility Plan Guidance Document to outline programmatic guidance for DY3-5 of the program. This document should have been used as a guide to help partners develop the Facility Plan.</p>
25	Facility Plan	What happens if the MCOs do not approve of the Facility VBP Plans that are approved by the PPSs?	<p>DOH is aware that there may be disagreements between the MCOs and the PPSs related to the transformation plans developed by the Facilities for VBP QIP. DOH expects the MCOs and PPSs to work together and come to a consensus with the Facilities to identify a plan that is mutually agreed upon by all the parties involved.</p>



As of 7/31/2017
VBP QIP FAQs

Table with 4 columns: Item #, Category, Question, Response. Contains 4 rows of FAQ items (26-29) regarding Facility Transformation Plans and contracts.





As of 7/31/2017  
VBP QIP FAQs

Item #	Category	Question	Response
30	Contracts and Plans	Are the dollar amounts being contracted for known? Is there a set amount that would flow through one of these contracts?	An amount will be built into the MCO's premium annually based on the estimated need of the VBP QIP Facilities.
31	Contracts and Plans	Will DOH consider deeper involvement or an escalation process for Facilities that do not make progress toward the agreed upon goals set forth in their Facility Plans?	It is first and foremost the responsibility of the MCO to oversee the implementation of VBP QIP milestones by its paired Facilities. DOH should be notified in the case that any party is not meeting their responsibilities. This includes Facilities not meeting their goals set forth in the Facility Plans, and also MCOs and PPS that fail to provide oversight and guidance to the Facilities.
32	Contracts and Plans	Will contracting be for a specific sub population?	No. The singular VBP QIP contract between the Facility, its PPS, and its MCO (or, in special cases, multiple MCOs) will cover the entire program, inclusive of all of the Facility's operations, and inclusive of all of the patient populations it serves.
33	Contracts and Plans	What happens if a contract between an MCO and PPS expires within the 5 years of VBP QIP and is not renewed?	The State expects MCOs, PPS, and Facilities to either renew contracts over the course of the Program or create a contract that lasts for the Program's duration. Ultimately, it is the responsibility of the participants to negotiate contracts that are acceptable to all parties, so that all aspects of the Program can progress uninterrupted.
34	Contracts and Plans	Do Facilities need to move to VBP contracting with all of their MCOs or just their paired VBP QIP MCO?	Facilities need to take steps towards transitioning to VBP contracting with its contracting MCOs that <u>account for 80% of the Facility's Medicaid Managed Care revenue based on calendar year 2016 data.</u> That may include paired MCOs and other MCOs that are not participating in this program. The paired MCO is not responsible for making sure the contracts occur or for approving VBP contracts, but is responsible for holding the Facility accountable and providing support in guidance in VBP contracting.



As of 7/31/2017  
VBP QIP FAQs

Item #	Category	Question	Response
35	Contracts and Plans	What information should a Facility share with its paired MCO regarding other MCO contracts?	Facilities are expected to provide paired MCOs with attestations stating that they already have VBP contracts per the programmatic milestones outlined in the Facility Plan Guidance Document. The Facility should submit MCO Contract Lists directly to the VBP QIP mailbox at <a href="mailto:vbp_qip@health.ny.gov">vbp_qip@health.ny.gov</a> . The contracting MCO should submit the VBP contract with required documentation to <a href="mailto:contracts@health.ny.gov">contracts@health.ny.gov</a> .
36	Contracts and Plans	When are Facilities expected to enter Level 1 contracting?	Facilities were required to submit one Level 1 VBP contract that meets NYS Roadmap requirements by June 30, 2017. Facilities must submit Level 1 VBP contracts that <u>account for 80% of the Facility's Medicaid Managed Care revenue based on calendar year 2016 by April 1, 2018.</u>
37	Contracts and Plans	According to DOH, what will constitute a "small" patient population for which a Facility would not need to enter in a Level 1 VBP contract with an MCO?	As per the program requirements, Facilities must submit Level 1 VBP contracts that <u>account for 80% of the Facility's Medicaid Managed Care revenue based on calendar year 2016 data by April 1, 2018.</u> Reaching the 80% VBP contracting target may mean having more than one VBP contract, with more than one MCO.  Facilities and potential MCO partners together should analyze their patient population to understand whether there are significant opportunities to improve care and reduce cost (e.g., through addressing potentially avoidable complications (PACs)). The decision to enter into a VBP contract should be determined based on the analysis of the population as well as financial interest and viability of the contracting parties.
38	VBP QIP Disbursement	How do you envision the division of the program funding when multiple PPSs deal with a Facility?	In most cases, a Facility is paired with one PPS and one MCO. Though there are some special cases where more than one MCO is paired with the same Facility, there is never a case where multiple PPS are paired with the same Facility.



As of 7/31/2017  
VBP QIP FAQs

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39	VBP QIP Disbursement	Will the PPSs receive an administration fee as well?	No, at this time the PPSs will not receive an administration fee for participating in this program. PPSs were rewarded bonuses in their DSRIP Applications for taking on distressed partners, giving the PPS a higher valuation. Beyond helping ensure the stability of providers and the health system in the PPS's region, PPS are also expected to work with these distressed partners in their VBP QIP transformation in exchange for the aforementioned bonus.
40	VBP QIP Disbursement	Should MCOs prepare to provide funding for VBP QIP before payment from DOH?	It is the State's commitment to ensure that MCOs have adequate resources to administrate the Program without having MCOs advance funds prior to receiving programmatic funds from the State. This includes the State releasing funds early, initiating rate adjustments, expediting reconciliations for prior-year payments, and the development of a set funds flow schedule so that all parties can anticipate and plan for payment.
41	VBP QIP Disbursement	How should funds be accounted for when they are flowed down to the Facilities? Are MCOs expected to monitor the funds moving to the Facility?	MCOs must report on VBP QIP funds distribution in the Medicaid Managed Care Operating Report (MMCOR). There is also accountability via cost reports and in that manner the funds will be reconciled and validated. It is important to have a complete tracking system of the funds being distributed from the MCO to the PPS, and ultimately to the Facility.
42	VBP QIP Disbursement	What type of audit authority will ensure that the money gets to the Facilities?	Both MCOs and PPSs will be held accountable for the flow of funds through MMCOR reporting. The MCO is responsible for sending money to the PPS and making sure the money is then transferred to the Facility. Facility  The MCO is not responsible for auditing the Facility's expenditure of VBP QIP payments. The MCO's responsibility is to be a resource to the Facility, as it monitors and evaluates the Facility's progress throughout the 5 years of the program.



As of 7/31/2017  
VBP QIP FAQs

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43	VBP QIP Disbursement	Will the distribution and proportion of funds change as other Facilities enter the program?	Yes. Both the distribution and proportion of funds can change as other Facilities enter the VBP QIP, and as Facilities transform and gain financial stability through VBP. DOH will provide updated figures for VBP QIP Facilities annually.
44	VBP QIP Disbursement	How will the money be distributed over the 5 years of the program?	Each year will have its own distribution. It is expected that each year of the program will have an amount allocated for distribution. DOH expects to develop a set funds flow schedule so all parties can better anticipate and plan for receipt of payment.
45	VBP QIP Disbursement	Will the proposed 5% administrative fee be offered to the MCOs? Do you see the 5% administrative fee increasing with time since the MCOs see that there will be more work as they move from just paying for reporting to being more involved in the program?	The MCO's administrative fee is 5% of the total payment.
46	VBP QIP Disbursement	Will program payments be segregated for cost reporting and other purposes?	Payments for this program are segregated on the MCOs' Premium Schedule B's, addendum schedules for cost reporting, and other purposes within the cost reports (MMCOR). For those MCOs participating in the program, the cost report reporting directions can be found in the MMCOR Instructions located in the Healthcare Financial Data Gateway (HFDG) within the Health Commerce System (HCS).
47	VBP QIP Disbursement	Will a gross up of premium be added on to cover any required statutory reserves?	Yes. A gross up of premium will be added to cover any required statutory reserves.
48	VBP QIP Disbursement	Are VBP QIP budget amounts determined on a hospital-by-hospital basis?	Yes, VBP QIP allocations are determined by reviewing each Facility and working with the Health Economics Team at OPCHSM to understand the level of financial distress that the Facility is in. Then, calculations are done to determine the amount of money needed to sustain the Facility and aid them in moving towards VBP contracting.  For these calculations, DOH uses historical data, audits, budgets, and other sets of financial information to determine the VBP QIP funding amount.



As of 7/31/2017  
VBP QIP FAQs

Item #	Category	Question	Response
49	VBP QIP Disbursement	For Group 2 VBP QIP participants starting in April 2016, what is the earliest date for funding?	Group 2 funds began flowing when the April 2016 rates were approved in winter 2016.
50	Other	If an MCO doesn't participate will they see a rate cut to help fund VBP QIP? Is the 5% over and above what is in the April 2015 rate?	No. MCOs will not experience a rate cut should they choose to not participate in VBP QIP. The 5% on the transaction is over and above what was noted in the April rates.
51	Other	Will there be a specific line item where VBP QIP funds can be tracked?	Yes. There is a specific line item to identify the VBP QIP funds within the MMCOR. There are segregated adjustments in the MCOs' Schedule B's and addendum schedules so that MCOs can see the funds that are associated with surplus, taxes, additional administration, and what is distributed to the Facilities.
52	Other	Will the rates be sent to CMS for approval?	Yes. The rates will be sent to CMS for approval.
53	Other	Will payments pursuant to this program not be counted toward minimum loss ratio (MLR) calculation?	VBP QIP funds will count towards the MLR calculation. Should this change, DOH will provide guidance to the MCOs.
54	Other	Will the payments pursuant to this program affect total funding otherwise planned for the Medicaid quality incentive?	The payments under VBP QIP will not affect total funding planned for the existing Medicaid quality incentive program premium add-on.
55	Other	Is the program going to be based on shared savings, shared risk, or both?	It could be either, or both, depending on the MCO/Facility contract. See the VBP Roadmap for more detail on menu of VBP contracts available for MCOs and Facilities to enter into as the Facility transitions to VBP.
56	Other	Does this program affect the upper payment limit?	No. VBP QIP payments do not affect the upper payment limit.



As of 7/31/2017  
VBP QIP FAQs

Item #	Category	Question	Response
57	Other	How will the State handle the coordination of communication between DOH and VBP QIP participants as well as between program participants?	<p>To ensure an environment that promotes open dialogue and transparency, DOH expects to continue having one-on-one conversations with all VBP QIP participants. DOH also plans to develop an all-parties contact list, which will have main points of contact from each participant, and will distribute this list to all of the program's participants.</p> <p>DOH will be sure to inform participants of all Program developments in a timely manner as well as create a channel to ensure that DOH is immediately made aware of any party that is not fulfilling its programmatic obligations.</p> <p>DOH holds monthly webinars via WebEx every third Wednesday of each month for all participants to attend.</p>
58	Other	What are the next steps for Group 2 MCOs participating in VBP QIP?	DOH has approved certain MCOs to participate in VBP QIP. MCOs were expected to reach out to their paired Facilities and begin contract negotiations. Upon execution of contract agreements, MCOs should have gathered PPS input and then develop Facility Plan templates that will be sent to Facilities for completion.
59	Other	Are Facilities required to submit monthly financial reports to MCOs?	DOH expects Facilities to report on VBP QIP contractual obligations to their paired MCOs.
60	Other	What should a Facility do if it does not want to contract with an MCO / participate in VBP QIP?	A Facility should contact DOH immediately if it does not want to contract with an MCO or participate in the Program. Please note, VBP QIP is a voluntary program. There are few, if any, alternative programs for financial distressed Facilities.