



**Department
of Health**

Medicaid
Redesign Team

Value Based Payment: PPS & Facility Roles in Quality Improvement Program (VBP QIP)

September 2015

Expectations for Today

- 1. What is VBP QIP?***
- 2. VBP QIP Structures and Timelines***
- 3. VBP QIP Roles: PPS and Facility Role***
- 4. Next Steps***

What is VBP QIP?

VBP QIP Terminology. What is VBP QIP? What's the difference between VBP QIP and VAPAP?

VBP QIP Terminology

Facilities

- The hospitals for the VBPQIP program are referred to as ‘facilities’

Plans

- The transformation plans that the Facilities must develop and implement are referred to as the ‘plans’

Programs

- The governing documents of the program run by each MCO will collectively be referred to as that MCO’s VBP QIP ‘Program’

MCOs

- Managed Care Organizations (MCOs) are at times referred to as ‘plans.’ To differentiate these entities from the plans being created within this program, they may be capitalized, referred to individually, or identified as ‘MCOs,’ and will manage the contracts and payments associated with VBP-QIP

Regional Plans

- *A term used in some initial communications which will be retired to minimize confusion*

What is VBP QIP?

- Funds have been allocated to support the transition of certain struggling facilities to VBP; this is an alternative to the State-administered VAPAP program.
- VAPAP & VBP QIP are mutually exclusive programs post-September 2015.
- Separate funds have been allocated for public facilities such as HHC to participate in the VBP QIP program
- Align qualified facilities to a PPS and PPS to participating MCO via attribution snapshot.

Managed Care Premium Methodology:

- Limit the number of facility to PPS and PPS to participating MCO combinations in order to alleviate administrative complexities.
- Calculate the gross dollar target for each MCO including surplus and applicable taxes.
- Calculate administrative adjustment add-on for participating MCO.
- Using SFY15-16 projected enrollment, calculate the VBP QIP per member per month (PMPM) add-on for each participating MCO. PMPM will be calculated on a statewide basis.
- Validate MCO statewide VBP QIP PMPM add-on falls within reasonable range and meets CMS quality threshold requirements.
- Include the VBP QIP PMPM add-on on MCO specific Schedule B as part of the overall Quality Incentive (QI) portion of the Mainstream Managed Care premium.
- Provide MCO specific addendum schedule which will breakout the detailed components of the QI premium add-on.
- Provide MCOs with MMCOR and encounter reporting guidance.

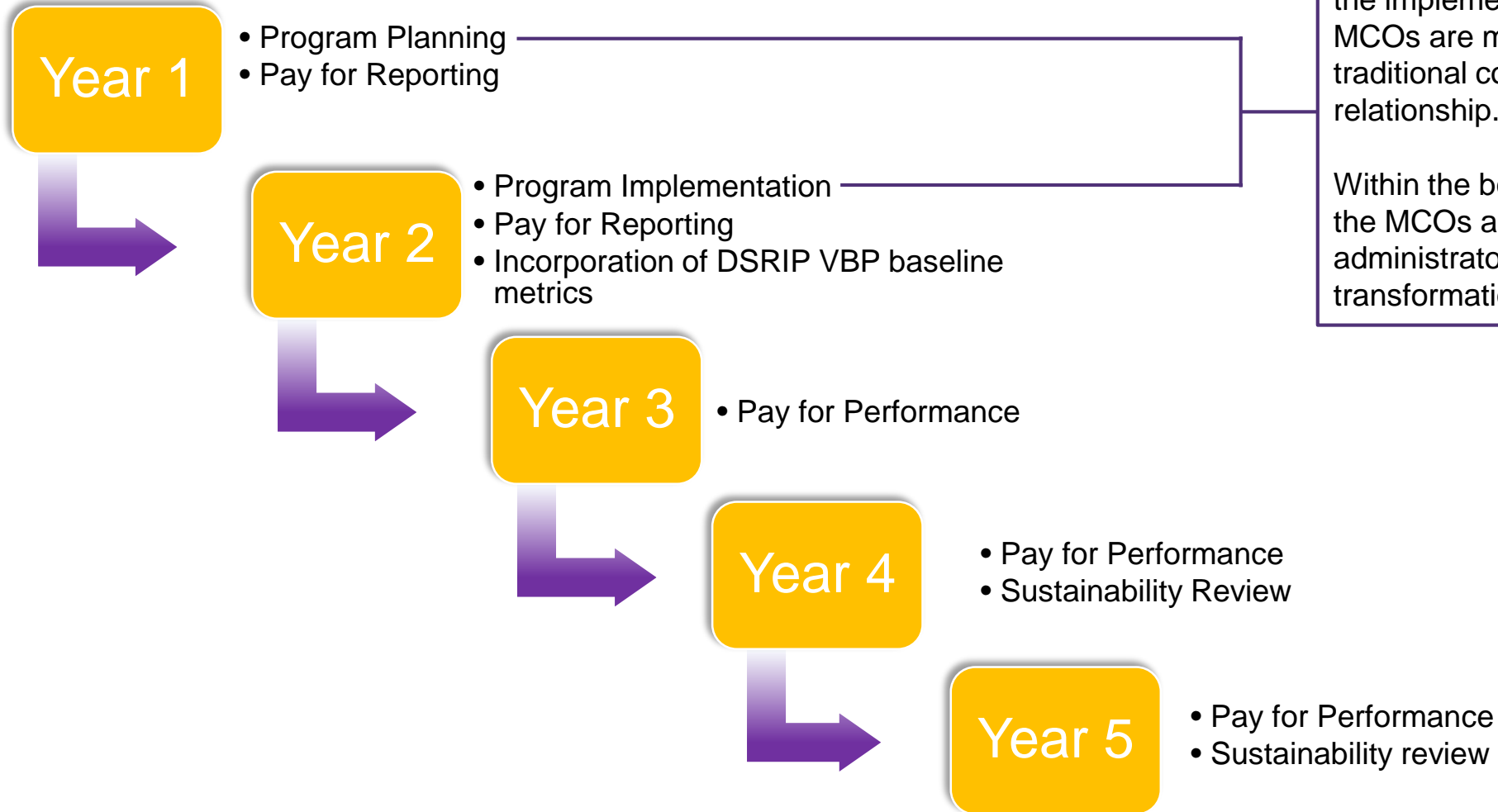
VAPAP vs VBP QIP

VAPAP		VBP QIP
Provide funding to allow facilities to implement a financial sustainability transformation	Transformation Plan	Provide funding to allow facilities to implement a VBP contracting transformation
Provide funding to financially distressed facilities.	Purpose	Provide funding to financially distressed facilities while pushing the facilities toward longer-term sustainability and improved quality.
OPCHSM	Governance	OHIP
Department of Health	Administering	MCO
State	Funding	MCO

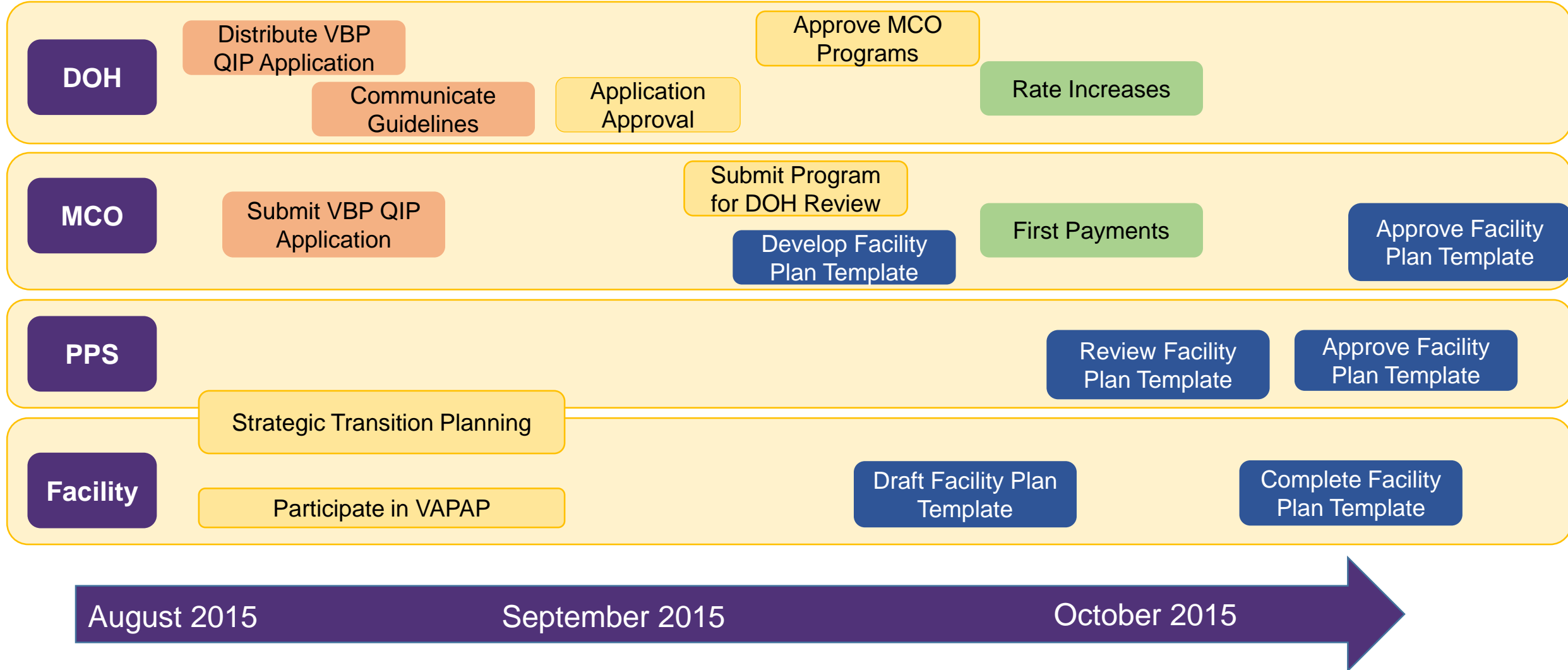
VBP QIP Structure and Timelines

DOH's VBP QIP Vision: Year-by-Year. VBP QIP: Timeline. DOH's VBP QIP Structure - What it should look like. DOH's VBP QIP Structure - What it should NOT look like.

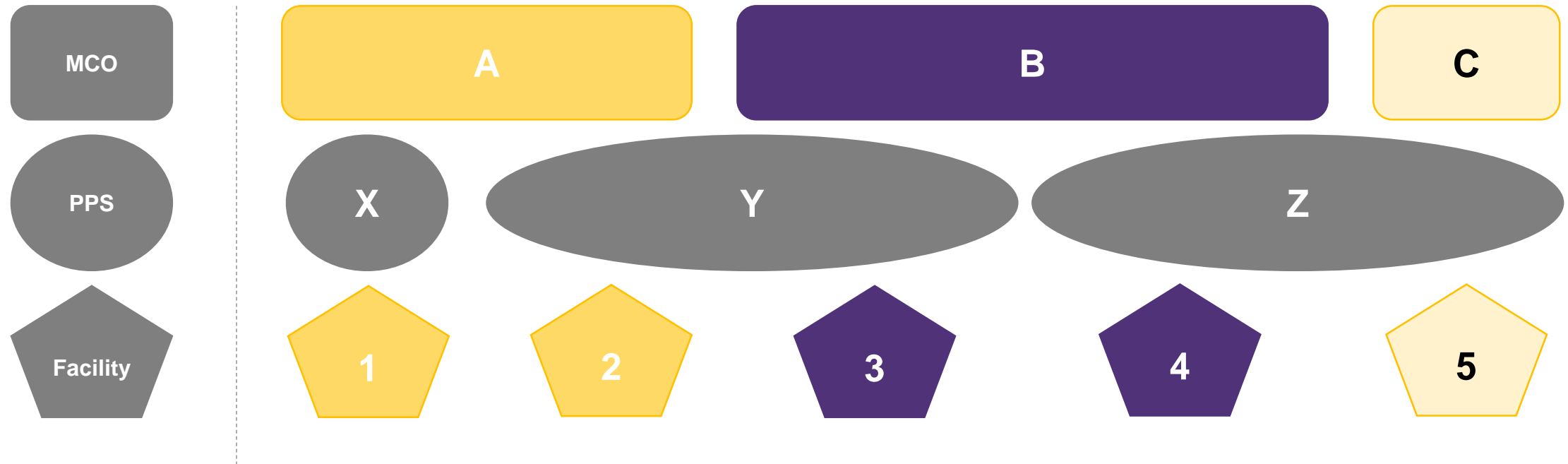
DOH's VBP QIP Vision: Year-by-Year



VBP QIP: Timeline



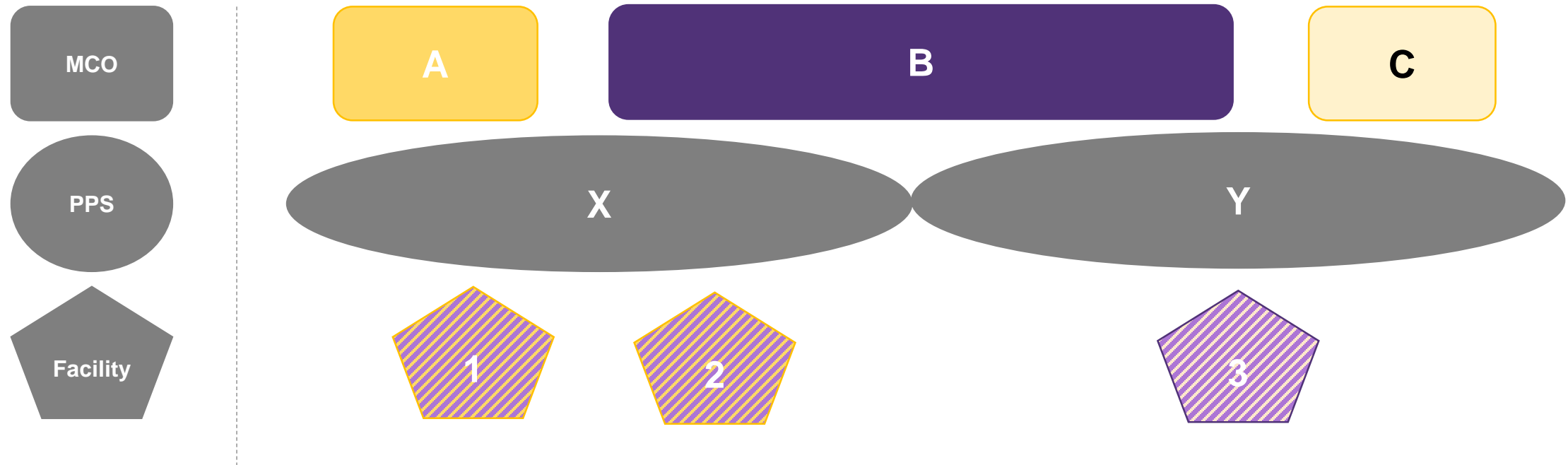
DOH's VBP QIP Structure* - What it should look like



- MCO A will work with Facilities 1 & 2 under MCO A's VBP QIP **PROGRAM**. Facilities 1 & 2 will develop a Transformation **PLAN** that aligns with this Program, with PPS X input on Facility 1 and PPS Y input on Facility 2
- MCO B will work with Facilities 3 & 4 under MCO B's VBP QIP **PROGRAM**. Facilities 3 & 4 will develop a Transformation **PLAN** that aligns with this Program, with PPS Y input on Facility 3 and PPS Z input on Facility 4
- MCO C will work with Facility 5 under MCO C's VBP QIP **PROGRAM**. Facility 5 will develop a transformation plan that aligns with this Program, with PPS Z input.

* Scenarios may differ in complexity and scale; accordingly may require DOH to assign more than one MCO to a single facility (in the form of a primary and secondary MCO)

DOH's VBP QIP Structure* - What it should NOT look like



- MCOs A and B will work with Facilities 1 & 2 under MCO A's and MCO B's MCO's VBP QIP **PROGRAM**, requiring alignment from the MCOs. Facilities 1 & 2 will develop a Transformation **PLAN** that aligns with this Program, with PPS X input on Facilities 1 & 2
- MCOs B and C will work with Facility 3 under MCO B's and MCO C's VBP QIP **PROGRAM**, requiring alignment from the MCOs. Facility 3 will develop a Transformation **PLAN** that aligns with this Program, with PPS Y input on Facility 3.

* Scenarios may differ in complexity and scale; accordingly may require DOH to assign more than one MCO to a single facility (in the form of a primary and secondary MCO)

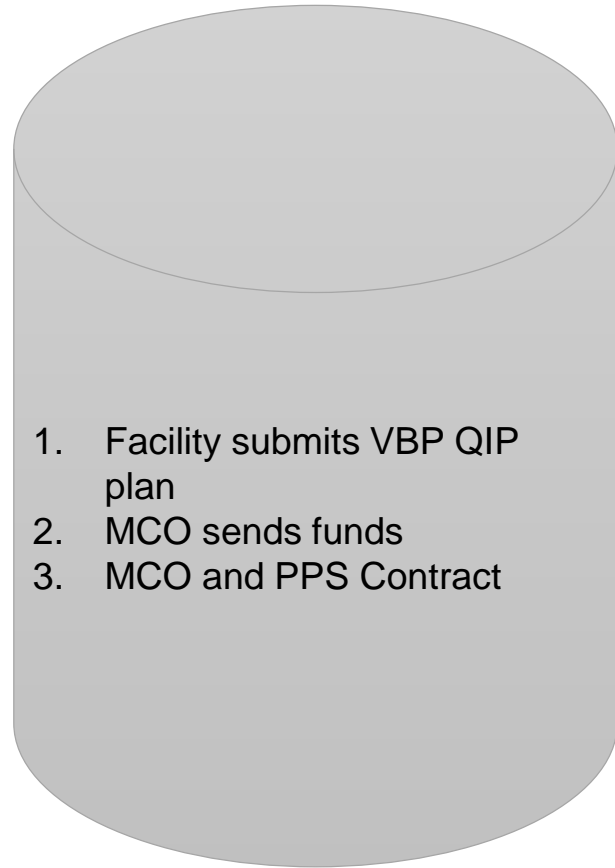
VBP QIP Roles

General Roles, PPS' Roles, Facility's Roles

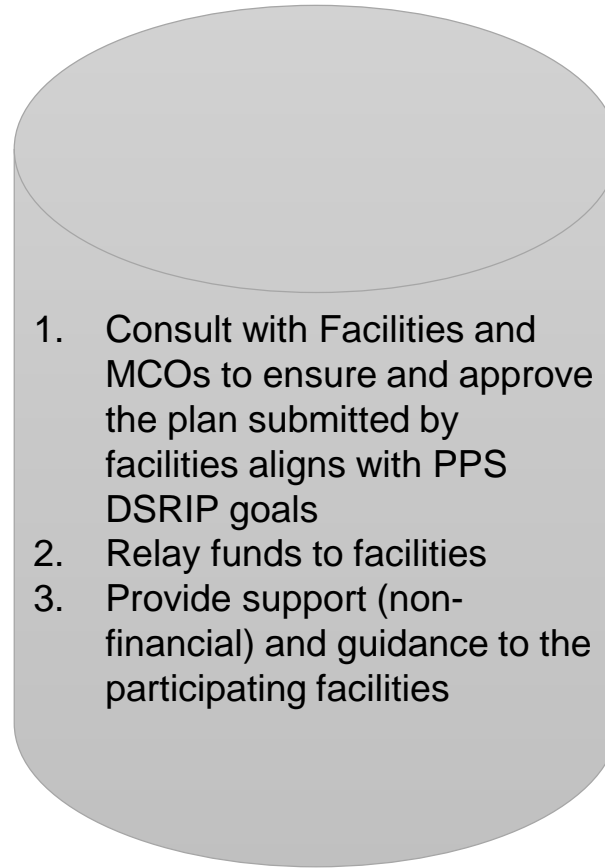
VBP QIP Roles

<p>PPS Role</p>	<ul style="list-style-type: none"> • Consult with Facilities and MCOs to ensure facility plan submitted by facilities aligns with PPS DSRIP goals • Provide support (non-financial) and guidance to the participating facilities • Flow funds from MCO to Facility • Document and report quarterly on the payments made to the facilities under VBP QIP. • Document and report quarterly on facility performance.
<p>MCO Role</p>	<ul style="list-style-type: none"> • Design VBP transition program in accordance with DOH-provided criteria • Administer program and distribute funds • Approve facility plans
<p>Facility Role</p>	<ul style="list-style-type: none"> • Adhere to plan submitted to MCO, including any application and reporting requirements • Become financially sustainability by transitioning to VBP
<p>DOH Role</p>	<ul style="list-style-type: none"> • Provide MCOs with criteria for funds distribution and program administration that aligns with NYS VBP Roadmap • Fund program through MCO rate increase which includes administrative fee

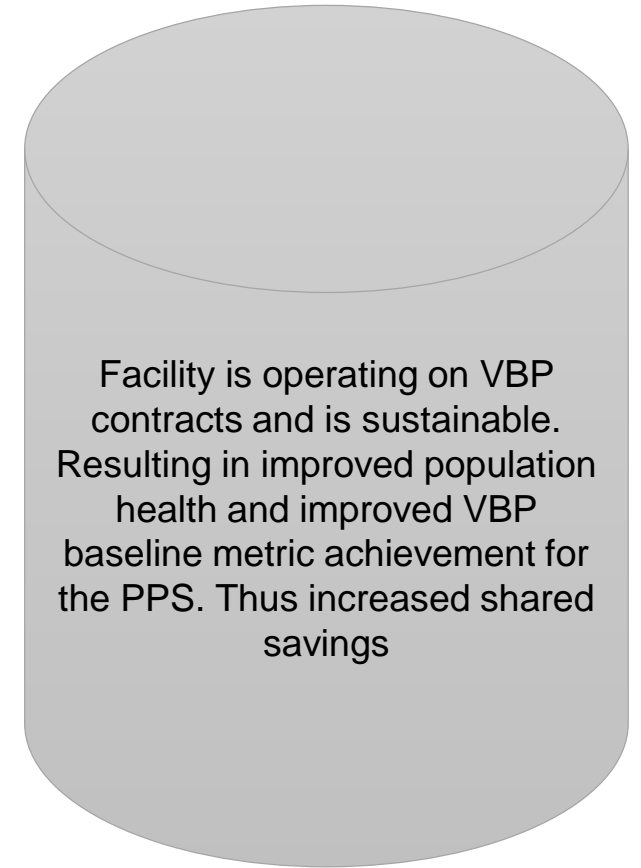
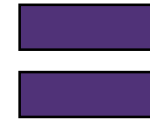
PPS' Role



Inputs

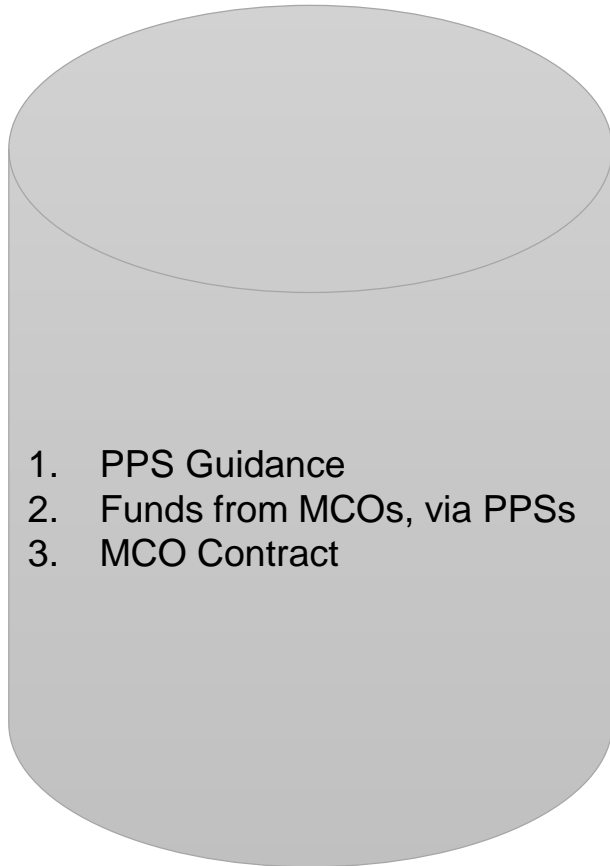


PPS Role

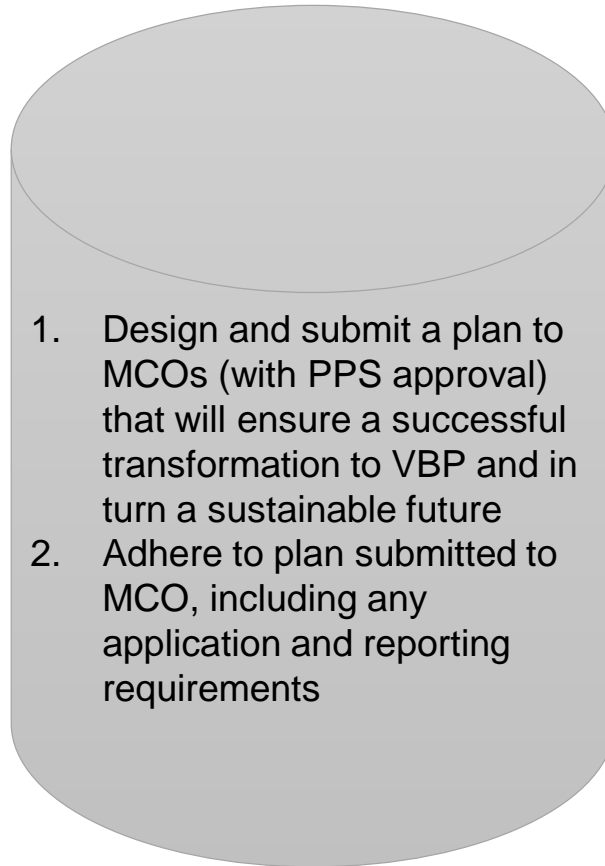
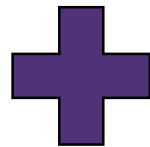


Output

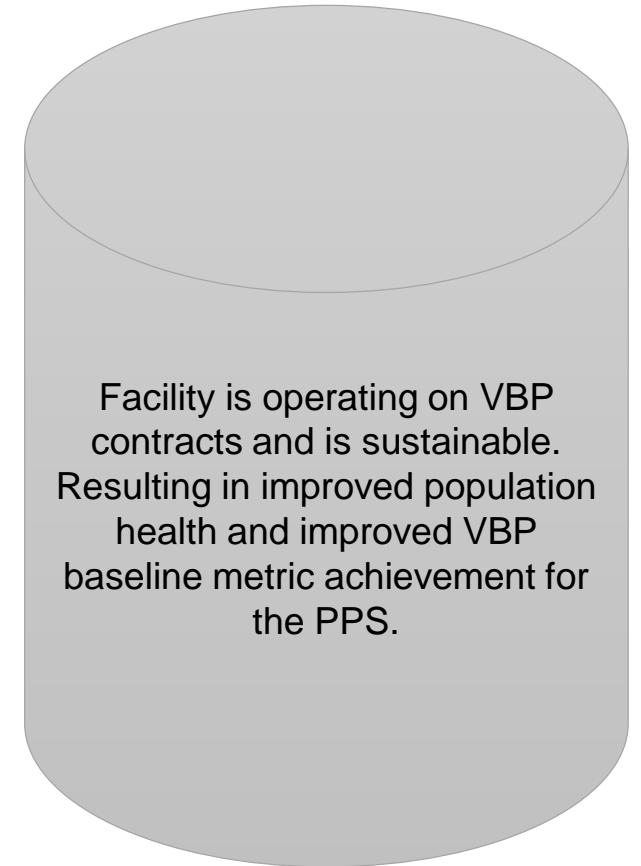
Facility's Role



Inputs



Facility Role



Outputs

MCO-PPS Contracting for VBP QIP

ASO Agreements

- The most promising vehicle for enabling contracting between PPSs & MCOs for VBP QIP is by recognizing PPSs ***Administrative Services Organizations (ASOs)***, and using ASO Agreements
- ASO Agreements can be used as a contracting vehicle so long as provider/medical services and/or management relationships are not involved in the resulting agreement

Other Potential Contracting Solutions

- Since ASO Agreements cannot be used for medical service contracts, they can be used for VBP QIP but not for the entirety of the VBP programs required by DSRIP
- One solution to this is for PPSs to be registered as IPAs and/or ACOs, giving them the required regulatory status
- An unlikely but possible solution is that PPSs will become established in statute, giving them the waiver extension from corporate practice that would enable them to engage in medical service contracts

The Department is actively engaged in developing contracting guidance for the purposes of VBP QIP. Greater detail will be made available as the process progresses. It should be noted that the Department will not be reviewing the contracts established for VBP QIP.

VBP QIP “Draft” Plan Pairings

MCO	PPS	Facility
Fidelis	Maimonides Medical Center	Interfaith Medical Center Kingsbrook Jewish Medical Center
	Montefiore Hudson Valley Collaborative	Montefiore – Mount Vernon Nyack Hospital
	Nassau Queens Performing Provider System, LLC	St. John’s Episcopal
	Refuah Community Health Collaborative	Good Samaritan Hospital Suffern
	Westchester Medical Center	Bon Secours Charity Health Good Samaritan Hospital Suffern
Healthfirst	Advocate Community Providers (AW Medical)	Brookdale Hospital
	New York City Health and Hospitals Corporation	Secondary Lead
HIP/Emblem	New York City Health and Hospitals Corporation	Secondary Lead
MetroPlus	New York City Health and Hospitals Corporation	Primary Lead
MVP/Hudson Health	Montefiore Hudson Valley Collaborative	Montefiore – New Rochelle
United Health Plan	Westchester Medical Center	Health Alliance (Benedictine)

What's Next?

What can Start Now? Next Steps.

What can Start Now?

Below are the priority actions that can and should commence following today's discussion

1. Facilities to begin developing facility plans with PPS guidance

- Review the VBP Roadmap and hold discussions with PPSs on what needs to take place to meet the DSRIP VBP baseline expectations

2. Continue contracting conversations

- While guidance for conducting VBP QIP contracting is being developed by the state, MCOs will use this time and the information currently available to build the framework for future contracting discussions with PPSs & Facilities

3. Develop contracting guidance

- The Department is actively creating guidance to assist all involved parties in upcoming MCO-PPS VBP QIP contract negotiations. It should be noted that the Department will not review the contracts established for VBP QIP.

Next Steps

Activity	Date
DOH to hold webinar on Equity Programs	By Sept 16 th
DOH to hold next discussion with MCOs on VBP QIP programs	By Sept 18 th
DOH to provide further guidance on VBP QIP PMPM add-on timing	By Sept 18 th
DOH to provide contractual guidance to MCOs	TBD



Questions?

Comments?

For any further questions, please contact the VBP QIP inbox:

vbp_qip@health.ny.gov