



## VALUE BASED PAYMENT FOR MANAGED LONG- TERM CARE (MLTC) PLANS

The overall goal of the movement toward value based payment (VBP) in New York State's Medicaid program is to improve individual and population health outcomes by providing more integrated care, care coordination, and incentives for high quality care in a financially sustainable delivery system.

Key defining factors of New York State's VBP approach include:

- Addressing the Medicaid program with a holistic, all-encompassing approach rather than in pilots or a piecemeal plan;
- Leveraging managed care to deliver payment reforms;
- Addressing the need to change provider business models through positive financial incentives;
- Allowing maximum flexibility in implementation within a robust, standardized framework; and,
- Maximizing the focus on transparency for the costs and outcomes of care; and,
- Recognizing the importance of community level services and social determinant of health interventions.

### ***What is a Level 2 VBP Arrangement for Partially Capitated MLTC Product Lines?***

An MLTC Level 2 VBP Arrangement will continue to be a pay-for-performance, or P4P, agreement between MLTC plans and providers where incentive payments are based on meeting performance targets for quality measures agreed to in a VBP contract with the addition of a "downside" risk or quality withhold. To meet the Level 2 definition, plans and providers should establish a minimum downside of 1% of total annual expenditures in the contract between the plan and the provider. Plans and providers may use any reasonable methodology to calculate the quality bonus or withhold amount, including the use of the prior year's expenditures.

### ***What are the Level 2 Requirements for Partially Capitated MLTC?***

In order to avoid penalties assessed on MLTC partial capitation plans, the VBP Roadmap requires MLTC partial capitation plans to move 5 percent and 15 percent of total plan expenditures to Level 2 by April 1, 2019 and April 1, 2020, respectively. Plans and their providers may decide whether or not to pursue Level 2 arrangements according to what they deem appropriate for the type of clinical intervention to be employed by the plan and provider. Various types of providers—including Licensed Home Care Services Agencies (LHCSAs), Certified Home Health Agencies (CHHAs) and Skilled Nursing Facilities (SNFs)—may decide to enter Level 2 agreements with MLTC plans.

### ***What are the Quality Measures for Level 2 VBP for Partially Capitated MLTC?***

- MLTC Level 2 VBP contracts must continue to include the MLTC VBP Potentially Avoidable Hospital (PAH) measure.
- One additional measure from Category 1 must be included as a P4P measure as deemed appropriate by the contracting parties. The VBP Quality Measure Sets for MLTC for 2018 are available [here](#).
- Additional measures may be selected at the discretion of the contracting parties.

All Category 1 quality measures, including PAH, will be calculated by the Department of Health (DOH) for plan-provider combinations for attributed member groups submitted to DOH for Level 1. DOH will provide these calculations to the MLTC plans, who are expected to pass them on to the applicable providers. Updated attribution guidance is available in the Quality Measures file in the VBP Resource Library on the DOH website [here](#).

Contracts may be submitted to DLTC at any time for review.

Questions may be sent to [MLTCVBP@health.ny.gov](mailto:MLTCVBP@health.ny.gov).