



**Department
of Health**

Medicaid
Redesign Team

Value-Based Payment Program Integrity (PI): Issues and Considerations

Policy Design

October 14, 2016

VBP PI Workgroup Agenda

<u>Meeting 1</u>	
Data Quality	<ul style="list-style-type: none"> • Policy Question • Discussion
<u>Meeting 2</u>	
Policy Design	<ul style="list-style-type: none"> • Policy Question • Discussion • <i>Draft & Finalize</i> Consensus Recommendation(s)
<u>Meeting 3</u>	
Risk Management	<ul style="list-style-type: none"> • Policy Question(s) • Discussion • <i>Draft & Finalize</i> Consensus Recommendation(s)



Topics and policy questions were the output of the Regulatory Impact Subcommittee which convened in July-December 2015

Policy question frames and provides context, work subsequent workgroup discussion

Provide the State with a consensus recommendation on each of the workgroup's three policy questions

Agenda

Today's agenda includes the following:

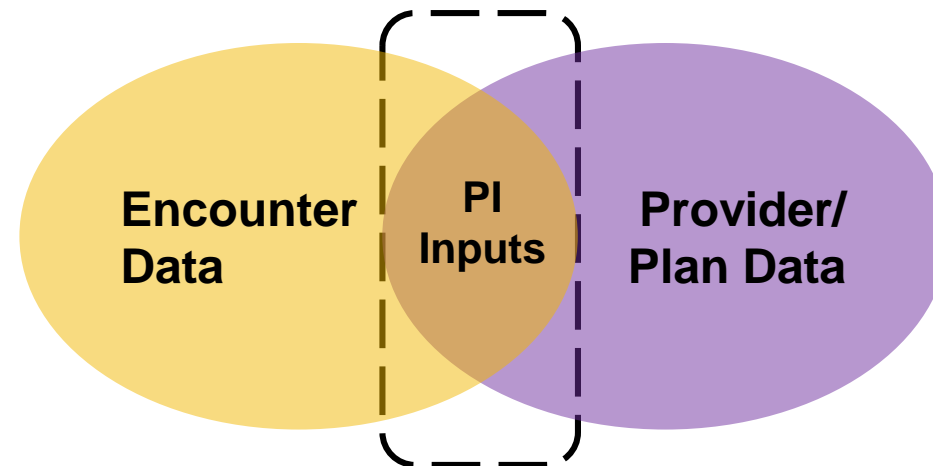
Agenda Item	Time
Data Quality Recap	1:05
Finalize Recommendations	1:15
Policy Design: Issues and Considerations	2:00
Current State & Policy Question	2:20
Formulate Potential Recommendations	3:00
Conclusion	4:00

Data Quality Recap

Detailed findings and finalization of recommendations

VBP Program Integrity Data Quality Challenges

- PI efforts rely on various sources of data, from different entities, in order to administer, validate, and finance Medicaid Managed Care services
- Various state entities (e.g., Office of the Medicaid Inspector General, Medicaid Fraud Control Unit, Department of Health) rely on encounter data to carry out program integrity activities



Encounter Data Continues to be Foundational to Program Integrity

The implementation of VBP brings new significance to the accuracy of this data.

- Encounter Data is currently measured for Timeliness, Accuracy and Completeness
 - Error rates are as high as 15%
 - NYS is in the process of enacting penalties to help ensure integrity
- Increased scrutiny must be placed on claims and encounter data in cases where a provider and plan have entered into a VBP arrangement

Validation of Additional Data Sets in VBP

- Measuring **Value** over Volume
 - Cost Measures + Quality Measures
- Validation of new arrangements and payment streams:
 - Shared Savings
 - Provider Capitation
 - Stop Loss

Data Quality: Policy Questions

How does New York State attempt to ensure that they collect timely, accurate, and complete data for care, quality and costs?

- A. Could the existing encounter reporting and enforcement process be leveraged more effectively in support of VBP?
- B. Aside from encounter data, are there other sources of data, or potential enhancements to data sources, that could serve to ensure that NYS is able to collect high quality submissions? (i.e. MMCOR, RHIO, other)

Draft Recommendations: Policy Question A

A) Could the existing reporting and enforcement process be leveraged more effectively in support of VBP?

- I. NYS and Health Plans should formalize protocols for Health Plan Special Investigative Units' (SIU) review of provider-submitted claims specifically for VBP contractors. In support of this effort, certain State oversight authorities should be delegated to the Plans.
 - a) SIUs should focus their investigative efforts more intensely on VBP contractors due to the possibility of greater challenges associated with the transition to VBP.
 - b) Protocols should seek to ensure accuracy and completeness of claims and other data associated with both retrospective and prospective VBP.
 - c) NYS should provide minimum reporting parameters for Plans to demonstrate comprehensiveness of the SIU activity. Reports will provide insight into level of VBP investigation and quality of provider submissions.
 - d) Develop exception reports, specific to VBP contractors, which are data-driven and provide the opportunity to flag reported behavior that is divergent.

Draft Recommendations: Policy Question A

A) Could the existing reporting and enforcement process be leveraged more effectively in support of VBP?

II. Current State Assessment & Future State Design of Encounter Intake System

- a) Perform an evaluation of the current Encounter Intake System, with a focus on supporting VBP program integrity. Special consideration should be given to data elements and measures that are integral to VBP by adding new edits or adjusting the encounter intake process.
- b) Evaluate and enhance front-end data edits for Plan-submitted encounter data that focus specifically on fields that are necessary for VBP implementation and VBP program integrity efforts. This would include rejecting claims submissions that do not meeting particular thresholds for fields necessary for efficiency measurement, target bundle/capitation pricing, and quality measurement.
- c) Assess the extent to which recent changes to policies and procedures are expected to impact data integrity (e.g. the increasing reliance on encounter data to risk adjust rates is expected to improve data integrity throughout the implementation of VBP). This assessment could be performed as a component of the audit of plan-submitted encounter data, or other means.

Draft Recommendations: Policy Question B

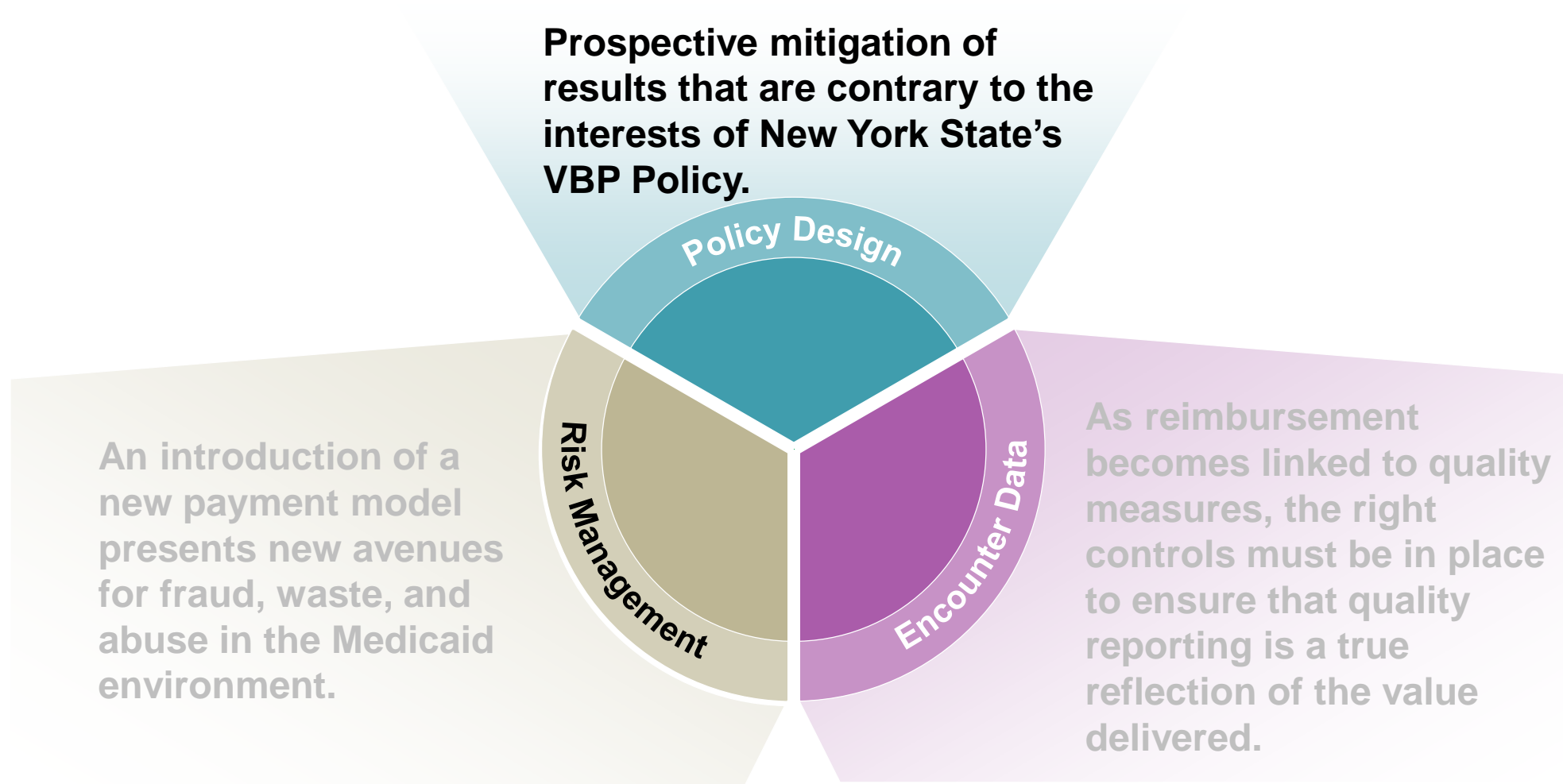
B) Aside from the encounter data, are there other sources of data, or potential enhancements to data sources, that could potentially serve to ensure that NYS is able to collect high quality submissions?

- I. The State's data protocol should compare encounter data against non-encounter data for VBP quality and efficiency-related fields.
 - a) Establish a mechanism for comparing plan-submitted encounters against non-encounter data, and automatically flagging discrepancies for further review.
 - b) Develop a framework for sharing the health record and quality of care data found in UAS, the RHIOs, and other sources with the relevant stakeholders, to support program integrity through retrospective analysis.
 - c) Patient confidentiality safeguards should be evaluated and updated to ensure that non-encounter data are used to evaluate data timeliness, accuracy, and completeness within the scope of patient privacy laws.

Policy Design: Issues and Considerations

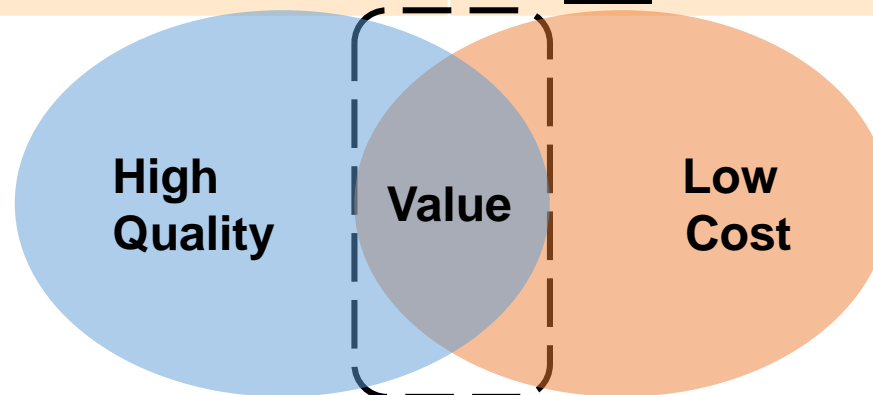
Brief background and context

PI Component #2: Policy Design



Distinguishing Policy Design from Fraud, Waste & Abuse

Policy Design	Fraud, Waste & Abuse
Prospective adjustment to the <u>policy, systems, and structures</u> necessary to ensure that providers deliver high value care to all enrollees.	Enforcement focus on <u>system gaming</u> related to anti-kickback & Stark laws, inappropriate payments, default risk reserve, VBP bundle gaming etc.
Output: changes to policy, systems and structures to prospectively avoid undesired behavior.	Output: identification of FWA activities and successful enforcement actions against violators.
The <u>what</u>	The <u>how</u>



Overarching Policy Design Question

What framework should be put in place to ensure that the transition to VBP does not create incentives contrary to the spirit of the program?

Defining Policy for VBP Program Integrity

General Medicaid Policy Considerations

PI Policy Consideration

Resources

Measuring Cost and Quality

ICD 10

Role of Enforcement Agencies

Affordable Care Act

Abuse

Adverse Incentives

Increased Managed Care

Waste

HIPAA

Fee For service

Bundled Payments

Fraud

Audits

Big Data

Novel Payment Methods

Shifting Incentives

Data mining

Legislative Mandates

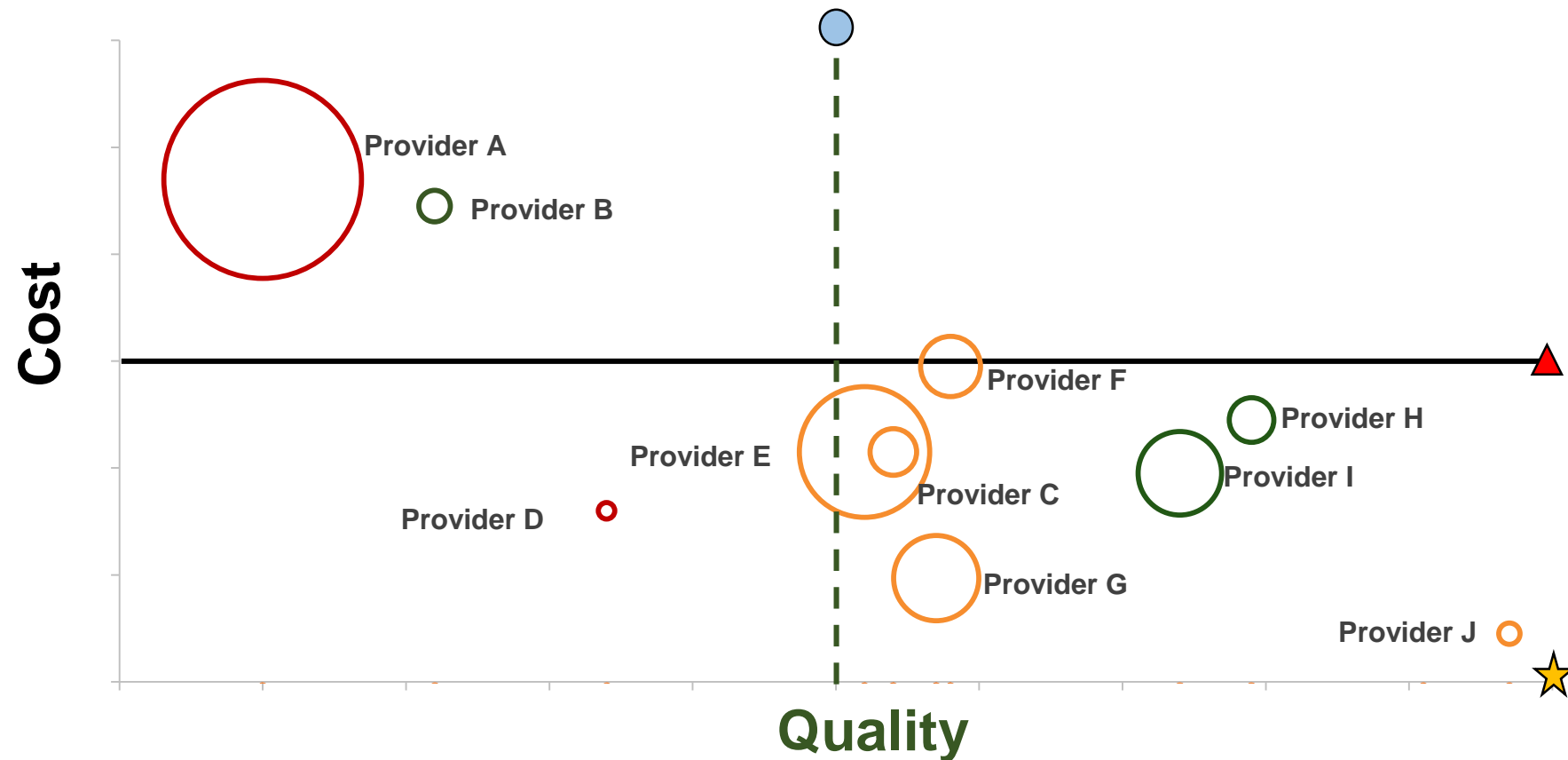
Accountable Care

Changed Responsibilities

Novel Payment Systems

Role of Oversight Agencies

VBP Program Integrity Policy Must Allow for the Identification of Outliers



LEGEND

- ▲ Represents a cost ceiling (highest tolerable cost)
- Represents the minimally acceptable quality threshold
- ★ Represents the point of highest possible care delivery value (lowest cost, best quality)

Delivery that:

- A)** Falls above ▲ and/or to the left of ● is not high ★ value care
- B)** Falls below ▲ and right of ● is high-value. However, it is not necessarily of the highest possible value ★ or best practices.

Note: size of the circle represents volume of dollars, color of circle represents arrangement type.

Responsibility for Policy Enforcement is Shared Between State and Non-State Entities

State	Non-State
<ul style="list-style-type: none">- <i>Provider Audits</i>- <i>Fraud Detection</i>- <i>Patient Abuse/Neglect</i>- <i>On-site review reports</i>	<ul style="list-style-type: none">- <i>Special Investigative Units</i>- <i>Internal monitoring & auditing</i>- <i>Screening of providers</i>- <i>Claims edits</i>

Note: this list is not exhaustive and intended only to demonstrate examples of enforcement activities

VBP Policy Design: Topics for Consideration

What framework should be put in place to ensure that the transition to VBP does not create incentives contrary to the spirit of the program?

1. Review current agreements in place between State, MCO, and providers to determine if additional program integrity elements need to be added or modified with respect to VBP.
2. Define the minimum necessary policy requirements for the creation of NYS's audit protocols in regards to VBP.
3. Define players, assigned responsibilities, and interactions between all entities involved in VBP oversight.
4. Clearly communicate oversight and audit protocols to plans and providers.

Next Meeting

- **When:** November 16, 2016
- **Location:** School of Public Health
- **Agenda:**
 1. Risk Management & Fraud, Waste, and Abuse
 2. Finalization of Recommendations

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