

Introduction to Value Based Payment (VBP) Risk Levels

For more information please visit:
https://www.health.ny.gov/health_care/medicaid/redesign/dsrp/vbp_reform.htm

VBP Levels 1, 2, & 3 describe the level of risk providers choose to share with the MCO.

VBP risk levels allow providers to gradually increase the level of risk in their contracts. Levels of risk offer a flexible approach for providers in moving to VBP.

Level 0 VBP	Level 1 VBP	Level 2 VBP	Level 3 VBP (feasible after experience with Level 2; requires mature contractors)
Fee for Service (FFS) with bonus and/or withhold based on quality scores	FFS with upside-only shared savings available when outcome scores are sufficient	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 Only	↑ Upside & ↓ Downside Risk	↑ Upside & ↓ Downside Risk

New York State Medicaid is transitioning to VBP now.

- The State established a goal in the terms and conditions of the DSRIP waiver, by 2020:
 - 80-90% of Managed Care Organization (MCO) expenditures in VBP Level 1 or higher
 - ≥35% of MCO expenditures in VBP Level 2 or higher

Mandate



*"...the state will plan and implement its stated goal of 90% of managed care payments to providers using value based payment methodologies."**

NYS 1115 Demonstration Waiver, Part VIII § 39 a

*the VBP Roadmap relaxes the requirement to a range of 80 – 90%

"...total DSRIP payments...may be reduced based on statewide performance [targets] ...

...These targets will include one associated with the degree to which plans move away from traditional fee for service payments to payment approaches rewarding value"

NYS 1115 Demonstration Waiver, Part VIII § 14 g

Performance Goals

- To reach this goal, payers and VBP contractors must adopt VBP contracts at VBP Levels 1 and higher
- If the goal is not met, New York State may risk Federal funding

	DSRIP Year 1 '15 – '16	DSRIP Year 2 '16 – '17	DSRIP Year 3 '17 – '18	DSRIP Year 4 '18 – '19	DSRIP Year 5 '19 – '20
% of total MCO expenditure in <u>Level 1 VBP or above</u>	N/A	N/A	≥ 10%	≥ 50%	80-90%
% of total MCO expenditure in <u>Level 2 VBP or above</u>	N/A	N/A	N/A	≥ 15%	≥ 35%
DSRIP Waiver Potential Penalty	N/A	N/A	\$74.09 million	\$131.71 million	\$175.62 million