



**Department
of Health**

Medicaid
Redesign Team

Use of the PAH Measure for VBP

Value Based Payment (VBP) for Managed Long Term Care (MLTC)

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Introduction

VBP relies on the use of quality measures to ensure high quality care is provided to members. For MLTC plans and VBP Contractors, the Potentially Avoidable Hospitalization (PAH) measures help to assess whether a reduction in potentially avoidable hospital admissions among attributed members in VBP arrangements has occurred. The information depicted in the schematic on the next page explains how the PAH measures will be used in VBP.

Key Terminology & Concepts

- Attribution – Members to be included in the calculation of costs and quality performance for a VBP arrangement per the terms of a VBP contract for an MLTC plan and a provider or group of providers, called a “VBP Contractor.”
- PAH Skilled Nursing Facility (SNF) Rate – For members currently residing on a long-term basis in SNFs, the Nursing Home PAH measure is calculated for the facility.
- PAH Community Rate – For members residing in the community, the Community PAH measure is calculated for the group of members attributed to the VBP Contractor.
- VBP Performance Adjustment for MLTC – a \$50 million performance payment for VBP intended to support VBP pay-for-performance contracts with VBP Contractors.

Use of the PAH Measure for VBP

PAH SNF Rate

- Risk Adjusted – Calculated to the facility connected to the VBP arrangement

➤ **The VBP Performance Adjustment payment to the plan will be weighted by the number of members in SNF facilities and in community.**

PAH SNF Rate

- Risk Adjusted/Non-Risk Adjusted – Calculated to the facility under the VBP contract
 - Both risk-adjusted and non-risk-adjusted rates are available

New York State

VBP Performance Adjustment for MLTC (\$50 million)

MLTC Plan

Performance Payment

VBP Contractor

PAH Community Rate

- Risk Adjusted - Calculated to the specific group of members attributed to the VBP arrangement

➤ **In general, risk adjustment allows providers to be compared to one another. Non risk-adjusted rates may be used to track individual providers over time.**

PAH Community Rate

- Non Risk Adjusted - Calculated to the specific group of members attributed to the VBP arrangement

