



## VALUE BASED PAYMENT FOR PROGRAMS OF ALL-INCLUSIVE CARE FOR THE ELDERLY

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;
- 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.

### VBP Goal for Programs of All-Inclusive Care for the Elderly (PACE)

PACE provides comprehensive medical and social services and is responsible for directly providing or arranging all primary, inpatient hospital, long-term care, and any other services that may be beneficial for a PACE participant. Serving as both a Managed Long Term Care (MLTC) plan and a direct provider of services, PACE constitutes a total cost of care arrangement.

### What are the Levels of VBP Applicable to the PACE?

PACE receives a capitated payment to cover the total cost of care. This payment methodology – a global payment for all services required by members – is consistent with a Level 3 VBP arrangement in the VBP Roadmap. To fully meet the Level 3 requirements PACE are required to address specific social determinants of health (SDH) intervention and contract with a "Tier 1" community based organization (CBO) (nonprofit, non-Medicaid billing). Additional information on SDH interventions is available at the VBP Resource Library ([link](#)). A PACE may also provide for care through contracts with independent agencies and provider organizations. To the extent a PACE relies on providers not employed by the PACE, individual VBP contracts between PACE and providers under contract with the PACE may be Level 1, 2, or 3 VBP arrangements, following the full description of VBP Levels for mainstream managed care in the VBP Roadmap ([link](#)).

### Are PACE Subject to Penalties for Not Moving into VBP Arrangements?

Consistent with VBP Roadmap requirements, penalties applicable to mainstream managed care plans will also apply to PACE, beginning in January 2018.

### What Quality Measures are Recommended for PACE VBP?

Additional information on the quality measures recommended for VBP for PACE is forthcoming.

### What is the Deadline for VBP Contracting for PACE Plans?

PACE are required to implement VBP by March 31, 2018 and may retroactively cover the January 1 to March 31, 2018 period.

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