



**Department  
of Health**

Medicaid  
Redesign Team

# **VBP Learning Diffusion Series:**

## **Key Implementation Considerations for VBP**

November 7, 2016

# Agenda

1. Session Learning Objectives
2. VBP Program Implementation Considerations
3. VBP Case Study
4. Questions & Discussion
5. Appendix
  - VBP Program Organizational Roles & Budgeting Example

# Session Learning Objectives

# Session Learning Objectives

- Discuss organizational readiness factors critical to the successful implementation of VBP
- Share strategies that organizations may undertake, within each organizational domain, to successfully transition to VBP
- Understand how an organization implementing VBP may be structured and governed

# VBP Program Implementation Considerations

# VBP Program Stakeholder Roles

## New York State Department of Health

The State will support the transition to VBP in alignment with the NYS VBP Roadmap.

The State's support will include:

- Support communication and collaboration between prospective VBP contractors and MCOs working to transition to VBP
- Support knowledge sharing and learning diffusion to empower the stakeholder community.
- Convene stakeholders to support the design and implementation of VBP, taking into account stakeholder feedback.
- Provide data to support providers in improving population health.
- Provide continued guidance on the key areas of the NYS VBP Roadmap

## VBP Contractors / Managed Care Organizations (MCOs)

VBP contractors and MCOs across the State are engaging in collaborative conversations aimed at adopting VBP arrangements. Successfully transitioning to VBP will require that VBP Contractors and MCOs work together in the following manner:

- Implement VBP arrangements in alignment with the NYS VBP Roadmap. Ensure learning diffusion role for VBP Contractors
- Share and review relevant data to inform strategies for VBP implementation and to improve population health.
- Understand the goals and milestones of the VBP Roadmap, supporting the State's successful transition to VBP.
- Engage each other early and often!

# Key Organizational Domains and Implementation Considerations

There are a number of key considerations that organizations may take into account when transitioning to VBP. Organizations may benefit from internal readiness assessments, taking into account design changes in business processes, workflows, and infrastructure. Additional roles and responsibilities may arise to support the adoption of VBP. The following slides provide a framework for assessing the current state of these key organizational domains and the possible resources and/or roles that may be affected:

1. Program Management
2. Finance
3. Provider Network Management
4. Health Plan Coordination
5. Clinical Team
6. EHR Capabilities
7. Data and Analytics
8. Quality and Performance Improvement
9. Compliance and Documentation

# 1. Program Management

What are the core program management functions that my organization must be aware of to successfully meet the requirements as set forth by the NYS VBP Roadmap, and successfully manage in a VBP environment?

It is critical that organizations fundamentally understand the following program management components:

- **Milestones & Objectives:** Understand the goals and milestones outlined in the NYS VBP Roadmap, and the impact on the timeframe and extent to which contracting entities move to progressive levels of risk.
- **External Communications:** Assign accountability for communication to external partners (e.g. network partners and MCOs) and coordinate these outgoing messages within the organization.
- **Internal Support and Communication:** Ensure the various organizational domains or departments within the organization have an accountable program manager and an effective communication plan.
- **Incentives and Penalties:** Consider incentives/penalties outlined in the NYS VBP Roadmap, and how aggressively an organization and its partners may move to more progressive levels of risk.
- **Program Management Infrastructure:** Evaluate core program management functions necessary to meet overall VBP timeline (including contracting, penalties, and resource implementation).

## 2. Finance

What are the core finance-related activities that my organization needs to be aware of to adopt and implement VBP arrangements?

Among other finance-related activities, there are financial considerations specific and paramount to successful VBP implementation:

- **Understand the Target Budget\*:** Ensure a thorough understanding of each step of the target budget.
- **Determine Risk Tolerance:** Understand the organization's appetite and ability to take on risk and any risk mitigation strategies (e.g. stop-loss), that may need to be negotiated.
- **Analyze Data:** Use relevant cost and quality data as inputs for negotiations, highlighting how costs have trended historically. Determine the organizations ability to forecast future projections.
- **Monitor Performance:** Ensure effective monitoring of costs, and maintain an accurate forecast of how reconciliation will impact the organization, both in the short, and long-term.
- **Manage Funds:** Work with quality and performance management to appropriately manage shared savings/losses, and negotiate and administer the distribution of these funds across the network.

\*Additional details around the target budget can be found in Session 2 of the DSRIP-VBP Camps at the following link:  
[https://www.health.ny.gov/health\\_care/medicaid/redesign/dsrip/vbp\\_bootcamp/vbp\\_bootcamps\\_session\\_2.htm](https://www.health.ny.gov/health_care/medicaid/redesign/dsrip/vbp_bootcamp/vbp_bootcamps_session_2.htm)

# 3. Provider Network Management

What is the role and scope of services of the provider network? Does the provider network cover the entire continuum of care?

Integrated provider networks enable the delivery of high quality, efficient care by providing care in the most appropriate settings. Consider the following elements for the management of the provider network:

- **Access and Service Delivery:** Assess the network to identify gaps in services, geography, or misalignment of resources.
- **Network Availability:** Determine the contracted arrangement and consider whether the requisite providers are included in the network to adequately deliver services to the contracted (sub)population.
- **Network Expansion:** For identified gaps in the continuum of care, consider building relationships with other providers and integrating them into the network to improve population health outcomes; Community Based Organizations (CBOs) and other existing services can be leveraged in lieu of expanding or building internal capabilities.
- **Care Optimization:** Build standardized care pathways for episodes negatively impacting network performance, and identify partners that may be able to improve efficiency and/or quality.
- **Performance Monitoring:** Continuously monitor providers within the network to identify trends and/or outliers in performance and design and discuss performance improvement plans regularly.

## 4. Health Plan Coordination

What best practices exist to effectively engage, manage and coordinate with MCOs in a VBP environment?

Coordinating effectively with health plan partner(s) is crucial for successful VBP programs. Consider the following elements for managing relationships with MCOs:

- **Engage Prospective Partners:** Identify the MCOs in the region and confirm the size of your combined organizations' volumes and budgets; for the VBP Pilot Program, ensure that volume across contracts reaches the minimum threshold for the designated arrangement.
- **Align Objectives:** Review respective volumes, timelines for prospective levels of risk, target budgets, networks, and infrastructure with major MCOs in the region.
- **Align Incentives:** Understand the proposed performance incentives core to VBP. Discuss VBP contractor and MCO goals and alignment in working toward successful performance outcomes.
- **Legal Involvement:** Ensure the legal team is aware of any discussions with MCOs and that the MCO's legal team understands the structure of the VBP contract, including DOH guidelines.

# 5. Clinical Team

Is my organization's clinical team aware of the shift to value-based payment and are they prepared for the transition?

As part of the transition to value-based care pathways, there are specific considerations related to front-line provider engagement:

- **Discuss Objectives, Arrangement, Services, and Metrics:** Understand the specific VBP arrangement adopted, services included and associated quality measures. The NYS VBP Work Group is in the process of finalizing the quality measures associated with each VBP arrangement.
- **Align Expectations:** Communicate to the clinical team their role in helping to maximize shared savings, how quality of care is measured, and effective ways to deliver high quality and efficient care.
- **Offer Training:** Facilitate training sessions and educational forums focused on the importance of high efficient, high quality care to realize shared savings and positive performance adjustments.
- **Communicate Potential Financial Impact:** Ensure that the clinical team is aware of any upcoming changes to the funds flow model and the specific impact at the individual provider level if applicable (e.g. reimbursement, reconciliation, impact timeline).
- **Engage Team in Care Delivery Initiatives:** Continuously assess care delivery processes and identify opportunities to align with VBP goals given the specific arrangements adopted; connect members to appropriate care settings (e.g. specialized CBOs or behavioral health providers).

## 6. EHR Capabilities

To what extent does the network utilize centralized, interoperable EHR systems that will facilitate data sharing and reporting as part of the VBP arrangement?

The ability to report and monitor data elements across organizations is critical to improving population health. Consider the following elements for managing and sharing data within the provider network:

- **Assess Quality Metric Tracking Capabilities:** Evaluate whether EHR systems are capable of measuring the quality metrics and program outcomes that are required for performance monitoring under contracted VBP arrangements.
- **Verify Data Sharing Abilities:** Understand the capabilities of EHR systems to export and share data securely to providers, CBOs, and collaborate with MCOs.
- **Determine Systems Support Potential:** Identify which of the VBP goals can be supported by IT systems in terms of patient flagging, reporting, monitoring, etc. to help reduce costs for target disease episodes and improve shared savings participation.
- **Develop Ongoing Tracking Mechanisms:** Determine whether EHR systems are capable of measuring clinical milestones and outcomes associated with the VBP arrangements; consider whether to attain these capabilities in-house or through collaboration.

# 7. Data and Analytics

From where and how frequently will my organization source data to report performance in the VBP arrangement?

Organizations should confirm they have the means to analyze and track data elements related to cost and performance for VBP arrangements. Whenever possible, organizations should consider using existing analytic platforms before creating new reports.

- **Determine Attributed Population:** Gain an understanding of the bundling/episode attribution, including costs over time, for each VBP arrangement.
- **Assess Patient Tracking Tools:** Consider methods for patient identification across each VBP arrangement (i.e. notifications for when a bundle is “triggered”).
- **Implement Performance Dashboards:** Build or utilize high-level reporting on patient populations within each VBP arrangement, including performance against arrangement goals, service mix, complications, and cost drivers; generate effective, routine monthly and quarterly reporting.
- **Evaluate Improvement Opportunities:** Collaborate with MCOs to identify areas of opportunity for performance improvement and cost reduction.
- **Ensure Ongoing Monitoring:** Implement proactive care planning to avoid unnecessary costs, and track and report data elements including attributed population, service mix, PACs, and cost distribution across the arrangements).

# 8. Quality and Performance Improvement

How does my organization support monitoring and improving quality in order to achieve important thresholds to optimize shared savings?

Organizations can implement quality and performance improvement programs across the organization to continuously monitor and improve on key metrics:

- **Educate Stakeholders:** Ensure the clinical team understands the VBP arrangement being adopted and the associated quality measures; the NYS VBP Work Group is in the process of finalizing the quality measures for each VBP arrangement.
- **Communicate Quality Measures\*:** Communicate to leadership how quality is being measured and monitored and the financial impact of high and low performance metrics.
- **Establish Baseline Performance:** Review baseline performance for each quality measure, identify a data source for each, and assign responsibility for reporting on a regular basis.
- **Identify Real-Time Opportunities:** Identify for the leadership and clinical teams whether specific quality measures may warrant additional attention based on their clinical and/or financial impact.
- **Analyze Return on Investment:** Understand inputs into the ROI of VBP arrangements; implement action plans to address initiatives that can improve ROI potential.
- **Foster Continuous Improvement:** Ensure there are forums to discuss suboptimal performance and initiate action plans for improvement.

\*Additional details around quality measures (proposed and final) can be found at the following DSRIP link:  
[https://www.health.ny.gov/health\\_care/medicaid/redesign/dsrip/vbp\\_reform.htm](https://www.health.ny.gov/health_care/medicaid/redesign/dsrip/vbp_reform.htm)

# 9. Compliance and Documentation

How does my organization support compliance with VBP Roadmap guidelines and additional regulatory documents when implementing VBP arrangements?

It is important that VBP contractors understand the expectations laid out in the VBP Roadmap and additional documents related to contracting within the State.

- **Comply with Legal Documentation:** Confirm the legal team understands the VBP guidance documents and they have a forum for communicating with senior leadership and disseminating information in a timely manner to front-line providers.
- **Confirm a Secure Documentation Repository:** Establish a secure repository for all documentation related to VBP, including contracts, financial statements, NPI lists, covered lives, and anything else required by the negotiated VBP contractor-MCO contract or outlined in other State documents (e.g. model contract).
- **Ensure Line of Sight for VBP Compliance:** Assign responsibility for maintaining the repository of documents related to VBP and consider including a plan for transitioning ownership in case individuals leave the organization.

A list of key documents is provided on the next slide.

# Regulatory Compendium Guiding Documents

VBP contractors should be familiar with the following guiding documents that have regulatory implications for the transition from fee-for service to value-based payments\*:

## **1. Federal Laws and Regulations**

- i. United States Code (USC)
- ii. Code of Federal Regulations (CFR)
- iii. Social Security Act

## **2. New York State Laws and Regulations**

- i. NYS Education Law
- ii. NYS Insurance Law
- iii. NYS Mental Hygiene Law
- iv. NYS Public Health Law
- v. NYS Social Services Law

## **3. Medicaid State Plan**

## **4. Managed Care Model Contract**

## **5. Managed Care Provider Contract Guidelines**

## **6. Management Contract Guidelines**

## **7. NYS VBP Roadmap**

\*Given the potential for legislative reform this list should not be considered comprehensive

# VBP Case Study

# VBP Case Study: Context

- Integrated Health System based in New York
- More than 6,000 participating providers
- Multiple acute care facilities with additional ambulatory care network
- Launched organizational strategy to transition toward full risk for populations
- Approach to VBP arrangements driven by two aims:
  - To be the most effective population health manager in the NY market
  - To be the hospital system of choice for population health managers
- Teams had access to analytics but data was not standardized across the provider network

**Goal:** Design a data-driven, standardized approach to value-based payment arrangements across the entire care continuum in an effort to take on risk and manage the total cost of care of a population.

# VBP Case Study: Activities

Governance	Activities
Executive Sponsor and Physician Lead	Co-led monthly Steering Committee meetings
Physician Leads	<ul style="list-style-type: none"> <li>• Led Care Transformation Work Groups for each of the service lines involved (Primary Care Neurology, Cardiac Surgery, and Orthopedics)</li> <li>• Standardized care protocols in each service line across the system</li> </ul>
Finance, including CFO	Provided data and analyses
Communications	Provided program updates Shared data through appropriate channels for each stakeholder group
Legal and Compliance	Developed and tracked bonus adjustments in an auditable format with strong documentation
RN Care Navigator and Clinical Transformation Manager	Led the implementation of operational and clinical care protocols to standardize care delivery in each of the service lines involved

**Key Success Factor:** Coordinated approach with executive oversight, focused work groups, and designated project manager to drive accountability.

# VBP Case Study: Results

- Monthly standardized provider-level performance reports
- Higher level of physician engagement as a result of care transformation and program leadership
- Coordinated bundled payment strategies for stroke, CABG, valves, and total joint replacement procedures
- Implemented bundled payment arrangements with Medicare, commercial payers, and employers
- Significant cost reductions related to improved care coordination, reduced duplication and waste, more effective management of post-acute care utilization
- Stronger relationships with regional payers and employers
- Improved system financial performance and clinical quality
- Increased coordination with discharge planning and post-acute care providers
- Active preferred post-acute care provider network

# Questions and Discussion

## ***Contact Information:***

DOH: Carlos A. Cuevas

Questions: Please submit questions to the DSRIP mailbox with “VBP Operational Readiness Webinar” in the subject line:  
[dsrip@health.ny.gov](mailto:dsrip@health.ny.gov)

# Appendix:

# VBP Organizational Roles & Budgeting Example

# Example Organizational Roles & Responsibilities

Based on VBP best practices, each of the following roles identifies an essential component to implement VBP. Additional information about each role and the associated responsibilities can be found in Appendix B of this presentation.

- Executive Sponsor/VBP Lead
- Physician Lead
- VBP Implementation Manager
- Care Navigator
- Analytics and Quality Monitoring
- Compliance
- Legal
- Communications
- Care Management
- IT

# Sample Organizational Role Detail

Role	Key Responsibilities
Executive Sponsor/VBP Lead	<ul style="list-style-type: none"> <li>• Responsible for overall VBP arrangement implementation oversight.</li> <li>• Accountable to ensure that best practices are spread across the participating organizations.</li> <li>• Oversee resource allocation across the organization.</li> <li>• Identify Implementation Team members.</li> <li>• Advise implementation work streams to ensure alignment where appropriate with other strategic priorities.</li> </ul>
Physician Lead	<ul style="list-style-type: none"> <li>• Actively participate, support and advise care redesign meetings with physicians.</li> <li>• Advise and review protocols and recommendations.</li> <li>• Communicate with physicians regarding new technologies, techniques, and evidence and serve as the lead for adoption of new standards.</li> <li>• Partner with administrators to address clinical concerns and questions.</li> </ul>
VBP Implementation Manager	<ul style="list-style-type: none"> <li>• Manage day-to-day implementation deliverables and communication with work groups, physicians, and administrators.</li> <li>• Serve as a central point of contact for questions from physicians, administrators, or other departments.</li> <li>• Oversee compliance with VBP arrangement provisions.</li> <li>• Engage additional departments for program implementation as needed.</li> <li>• Designate a data analytics lead to create and distribute the monthly dashboard.</li> </ul>
Care Navigator	<ul style="list-style-type: none"> <li>• Oversee care transitions across care settings with particular emphasis on transitions post-discharge.</li> <li>• Daily monitoring of the VBP arrangement census across the network with particular emphasis on identifying points of clinical variation and adherence to the arrangement protocol.</li> <li>• Create communication materials for patients, caregivers, and families to set expectations and answer questions.</li> <li>• Manage post-acute network development and post-acute partnership development.</li> </ul>

# Sample Organizational Role Detail, continued

Role	Key Responsibilities
IT	<ul style="list-style-type: none"> <li>• Manage the order set approval process.</li> <li>• Update the IT systems to reflect changes in order sets and care protocols as they are approved.</li> <li>• Support ongoing updates to the EHR system as it relates to the arrangement protocol.</li> <li>• Partner with the data analytics lead to set metric definitions for the monthly dashboard.</li> </ul>
Analytics and Quality Monitoring	<ul style="list-style-type: none"> <li>• Responsible for mandatory quality monitoring as set forth by the VBP arrangement.</li> <li>• Oversee quarterly claims analysis by site and by provider.</li> <li>• Manage and distribute monthly dashboard for the VBP arrangement.</li> <li>• Provide ongoing education to providers regarding analytics tools and reporting processes.</li> <li>• Manage relationship with third-party analytics providers as needed.</li> </ul>
Compliance	<ul style="list-style-type: none"> <li>• Oversee target budget to meet compliance standards.</li> <li>• Distribute compliance materials to compliance officers, administrators, physicians, and clinical staff as needed.</li> <li>• Maintain records of all compliance decisions and activities.</li> <li>• Retain VBP program records for auditing.</li> </ul>
Legal	<ul style="list-style-type: none"> <li>• Execute collaborator agreements and submit documentation to the compliance officer.</li> <li>• Introduce new physicians to the collaborator agreement and gainsharing program.</li> <li>• Oversee compliance with collaborator agreement stipulations.</li> <li>• Review documents prior to distribution for compliance with guidelines.</li> </ul>

# Sample Organizational Role Detail, continued

Role	Key Responsibilities
Communications	<ul style="list-style-type: none"> <li>• Identify the appropriate communications channel(s) for each organization and stakeholder group, including monthly newsletters, online tools, meetings, etc.</li> <li>• Distribute monthly communications related to the VBP arrangement either to the entire network or to identified contacts at each organization for broader distribution.</li> <li>• Manage both internal and external communications across participating organizations.</li> </ul>
Care Management	<ul style="list-style-type: none"> <li>• Designate a physician lead for each participating organization.</li> <li>• Provide recommendations for network-wide care protocols and order sets related to the VBP arrangement.</li> <li>• Coordinate discussion between physicians before changing network-wide protocols.</li> <li>• Coordinate with IT resources to ensure necessary updates are made in the EHR system.</li> </ul>

# Sample VBP Implementation Budget

VBP Programs are not intended or designed to add costs for an organization, but some resources may need to be allocated during the implementation phase to facilitate long-term success. The following is a sample annual budget for one organization, detailing the FTE resources and associated budgetary impact.

Organizational Role	FTE	Estimated Salary	Estimated Total
Physician Lead	0.25	\$500,000	\$125,000
VBP Implementation Manager	0.50	\$120,000	\$60,000
Care Navigator	0.50	\$120,000	\$60,000
Analytics and Quality Monitoring – Financial/Data Analyst	0.50	\$100,000	\$50,000
Care Management	0.25	\$150,000	\$37,500
<b>Total Budget</b>	<b>2.00</b>	<b>N/A</b>	<b>\$332,500</b>