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

Data Quality
Today’s agenda includes the following:

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Welcome & Introductions

Brief Background and Context
Workgroup Background

Brief Background and Context
### How we got here

The Regulatory Impact Subcommittee recommended the development of additional stakeholder engagement efforts to continue the dialogue about particular topics. During DSRIP Phase 3, support and analysis of two workgroups will be focused on these topics, respectively:

1. **Program Integrity**
2. **New York State (NYS) Patient Confidentiality**

<table>
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<tr>
<th>Meeting Number</th>
<th>Topics Discussed</th>
<th>Topic of Additional Work Group, if Necessary</th>
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| 1              | 1. Provider Risk Sharing  
                2. Default Risk Reserves  
                3. Insurance Law          |                                             |
| 2              | 1. Medicaid Managed Care Model Contract Changed  
                2. Network Adequacy        3. DOH/DFS Contract Review and Approval Process |                                             |
| 3              | 1. Anti-Kickback (Fee-Splitting)  
                2. Self-Referral (Stark Law)  
                3. Prompt Payment Regulations |                                             |
| 4              | 1. Fraud, Waste & Abuse (Program Integrity)  
                2. Civil Monetary Penalty    3. HIPAA/ Patient Confidentiality (NYS) |                                             |
| 5              | 1. De-Regulation and Administration Reduction  
                2. Dispute Resolution       |                                             |

= A recommendation was drafted on this topic during the meeting
= No recommendation was drafted during the meeting, requiring an additional Group session to be scheduled
Workgroup Role & Charge

Workgroup relevancy to Value Based Payments (VBP)?

• VBP **workgroups will play a crucial role** in defining VBP implementation details

• The PI workgroup is comprised of stakeholders who have direct interest in, and/or knowledge of, Program Integrity.

• Each workgroup will have co-chairs who will manage the workgroup’s progress toward the development of a final Workgroup Recommendation Report.
Workgroup Process

Policy Question

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

Discussion

• Policy question frames and provides context, work subsequent workgroup discussion

Consensus Recommendation(s)

• Provide the State with a consensus recommendation on each of the workgroup’s three policy questions
# VBP PI Workgroup Tentative Agenda

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<td>3. Encounter Data Deep Dive</td>
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<td>Finalize recommendation from previous meeting Policy Design</td>
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<td>Finalize recommendation from previous meeting Risk Management</td>
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<td>1. Risk Management and Fraud, Waste and Abuse Deep Dive</td>
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VBP Refresher

Brief Background and Context
MRT 2.0: The 2014 1115 MRT Waiver Amendment & DSRIP

In April 2014, New York State and CMS approved the Waiver Amendment

- **$8 Billion FFP Total Investment:** Reinvestment of $8 billion of $17.1 billion in Federal savings generated by MRT reforms
- **$6.4 Billion FFP DSRIP Investment:** $6.4 billion of the $8 billion is allocated for Delivery System Reform Incentive Payment Program (DSRIP)

Waiver Goals

- Transformation to Value Based Payments
- Bend the Medicaid Cost Curve
- Quality Care Access for all Medicaid Members
- Financially sustainable Safety Net infrastructure
Delivery Reform is Sustainable Through Value Based Payment Reform

Reimbursement Methodology Drives System and Provider Behavior

- **FFS Pays for Inputs**
  Fee-for-service (FFS) pays for inputs rather than outcome

- **Incentivize Desired Outcomes**
  FFS does not incentivize high-quality healthcare → prevention, coordination, integration and quality

Financial and regulatory incentives drive...

a delivery system which realizes...

cost efficiency and quality outcomes: **value**
VBP Reform Coincides with DSRIP’s Culmination

*The New York State Roadmap for Medicaid Payment Reform (the “Roadmap”) is available online at the following link: https://www.health.ny.gov/health_care/medicaid/redesign/dsrip/docs/vbp_roadmap_final.pdf
VBP Ties Provider Margins to Value

**Current State**
*Increasing the value of care delivered more often than not threatens providers’ margins*

**Future State**
*When VBP is done well, providers’ margins go up when the value of care delivered increases*
The VBP Roadmap’s Contemplates a Comprehensive Integrated Delivery System

Integrated Physical & Behavioral Primary Care

Includes social services interventions and community-based prevention activities

Maternity Care (including first month of baby)
Chronic care
(Diabetes, CHF, Hypertension, Asthma, Depression, Bipolar …)
Diabetes
COPD
Depression & Anxiety
HIV/AIDS
Multimorbid disabled / frail elderly (MLTC/FIDA population)
Severe SMI/SUD conditions (HARP population)
Intellectually/Developmentally Disabled population
Foster Care

Population Health Focus on Overall Outcomes and Total Costs of Care

Sub-Population Focus on Outcomes and Costs Within Sub-Population / Episode

Episodic
Continuous

September 6, 2016
VBP-PI Core Concepts

PI Relevancy and Core Concepts
VBP Drives Opportunities and Changes

Program Integrity (PI) Issues

VBP:

- How do we shift from a retrospective, to a prospective PI system?
- How do we measure value across all arrangements?
- How do we measure quality across all arrangements?
- What data is necessary to measure value?
- What data is necessary to measure quality?
- How do we secure the necessary data?
- What is the current state of encounter data?
- How will customized performance metrics be measured?
- To what extent will the OMIG interact with MCOs?
- To what extent will the OMIG interact with providers?
- What new compliance efforts will be created?

VBP: Diabetes
Under VBP, there is a need to establish recommendations around risk management in order to avoid inadvertent FW&A.

Payors, providers, and the State will benefit from setting agreed upon rules that determine fair play under this new payment model.

By issuing clarifying guidance and/or identifying behaviors that need to be corrected to uphold the spirit of VBP, the State is encouraging collective success and efficient care delivery.
VBP Program Integrity is the Foundation that Balances Key Programmatic Questions

**Programmatic VBP Questions:**

- Is NYS VBP Meeting Its Stated Objectives?
- Are Stakeholders Operating in a VBP Environment in the Way the State had Intended?
- Is The System Achieving The Right Mix Of Quality And Cost To Realize Value?
- Is Money Bleeding Out Of The System?
As reimbursement becomes linked to quality measures, the right controls must be in place to ensure that quality reporting is a true reflection of the value delivered.

PI Component 1: Data Quality
The mitigation of undesirable results that are contrary to the interests of New York State’s VBP Policy.

As reimbursement becomes linked to quality measures, the right controls must be in place to ensure that quality reporting is a true reflection of the value delivered.
September 6, 2016

PI Component 3: Risk Management

An introduction of a new payment model presents new avenues for fraud, waste, and abuse in the Medicaid environment.

The mitigation of undesirable results that are contrary to the interests of New York State’s VBP Policy.

As reimbursement becomes linked to quality measures, the right controls must be in place to ensure that quality reporting is a true reflection of the value delivered.
Program Integrity Workgroup Policy Questions

• **Workgroup #1: Data Quality**
  • How does New York State attempt to ensure that they collect timely, accurate, and complete data for care, quality and costs?

• **Workgroup #2: Policy Design**
  • What safeguards should be enacted to ensure that the transition to VBP does not create incentives that are not in the spirit of the program?

• **Workgroup #3: Risk Management**
  • What Program Integrity infrastructure needs to be put into place that establishes a solid foundation for Medicaid risk management as it relates to VBP implementation in NYS?
Introduction to Data Quality and Workgroup Questions

Brief Background and Context
Why is Data Important to VBP-PI?

In May 2016 CMS finalized a sweeping reform that will impact several components of the managed care programs that states operate. These reform initiatives include:

- Fiscal integrity components that enhance rate setting transparency and establish a minimum medical loss ratio (MLR) of 85%
- Quality improvement efforts that:
  - Promote transparency
  - Encourage stakeholder engagement
  - Align quality measurement with Marketplace standards
- Network adequacy requirements that include state developed provider-to-member time and distance standards
- VBP and delivery system reform efforts that grant states the authority to incentivize and/or compel Medicaid managed care plans to transition to VBP
- Program Integrity initiatives that require auditing of Managed Care Entity (MCE) reported encounter data (among other requirements) once every three years
Overarching Data Policy Question: How does New York State attempt to ensure that they collect timely, accurate, and complete data for care, quality, and costs?

Policy Question A

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

**Goal:** Identify positive and negative elements of existing encounter reporting and enforcement process; Outline options for improvement moving toward VBP.

Policy Question B

Aside from 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.e. MMCOR, RHIO, other)

**Goal:** Identify other data sources beyond encounter data; Identify positive and negative elements of extra-encounter data sources; Outline options for improvement moving toward VBP.
Policy Question A

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

General Questions to Consider

1. Are there potential enhancements or alterations to current monitoring efforts for timeliness, accuracy and/or completeness?

2. What supplemental monitoring efforts could be implemented to monitor quality?

3. Other
Current Encounter Data Provisions

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

The Affordable Care Act and this final rule require that the state report to CMS encounter data that is timely, accurate and complete in order to receive federal matching payments on MCO contract expenditures.

**Encounter data must include:**

- rendering *provider information*,
- all *services received* by an enrollee,
- *pricing information* for capitation payments,
- appropriate to industry standard formats

No later than rating period for contracts starting on or after July 1, 2018

States must conduct or contract for an independent audit of the accuracy, truthfulness, and completeness of the encounter and financial data submitted by each MCO once every 3 years.
Encounter Data Current State

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

States are required by federal law to report encounter data to CMS as part of their quarterly Medicaid Statistical Information System (MSIS) submissions.

Under federal regulations (42 CFR §438.242), MCOs are required to:

- Collect encounter data
- Ensure that the data is accurate and complete
- Submit the data to the State in a timely manner
Reporting: Encounter Data Quality Issues

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

**Encounter Data: Usable or Need Work?**

**Usable**
- Variance explained by MCO “Margin” (MLR)
- Provider subcapitated encounter noise
- Variance explained by taxes and other NYS specific add ons
- Quality premium adjustments

**Need Work**
- Inaccurate Data
  - Service Line Specific
  - Global
- Incomplete Data
- Untimely Data

Note: These lists are not exhaustive

**So What?**

*Encounter data that is not usable* = Limited ability to accurately analyze Medicaid delivery system:
- Could impact VBP Target Budget methodology
- Could impact VBP Efficiency Adjustments
- Could impact VBP Quality Adjustments
- Other
Enforcement: Encounter Data Future Punitive Provisions

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

• Encounter data is foundational for the measurement of quality and costs under a VBP environment

• CMS and New York State have enacted financial penalties for encounter data that is not accurate, timely, or complete:

CMS: Medicaid MC Final Rule

Requires that the state report encounter data to CMS that is complete, timely, and accurate in order to receive federal matching payments on MCO contract expenditures

NYS: Article VII Language

DOH will levy a 1.5% penalty to premiums of MCOs that submit encounter data that is inaccurate, late, or incomplete
Overarching Data Policy Question: How does New York State attempt to ensure that they collect timely, accurate, and complete data for care, quality, and costs?

Policy Question A

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

Goal: Identify positive and negative elements of existing encounter reporting and enforcement process; Outline options for improvement moving toward VBP.

- What are the positive elements of the existing encounter reporting and enforcement process?
- What are the negative elements of the existing encounter reporting and enforcement process?
- What are options for improving the existing encounter reporting process?
Policy Question B

Aside from 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.e. MMCOR, RHIO, other)

General Questions to Consider

1. Can NYS more effectively leverage data sources such as the MMCOR and RHIO to create a robust framework for PI and bring NYS into compliance with CMS rule?

2. How can NYS ensure access to data sets for all relevant stakeholders?

3. Other
RHIO Overview

- Regional Health Information Organization (RHIO)
  - A non-governmental organization that exists as a NYS NFP corporation to enable interoperable health information exchange via a common Statewide Health Information Network for New York (SHIN-NY)
- There are 8 RHIOs throughout NYS
- Each RHIO is a Qualified Health IT Entity Organization (QE):
  - Intended to preserve health information and patient confidentiality
  - Can share data and information within and across regions using common standardized protocols
MMCOR Overview

• MMCOR is a quarterly report used to monitor the financial position and operations of the various Medicaid Managed Care health plans in New York State (NYS).

• Plans are required to submit information for each region it services as well as a statewide report on a quarterly and annual basis.

• The MMCOR report demonstrates the financial picture by department at both an aggregate level and in detail and has information about spending and quality metrics related to category of service.

• Quarterly MMCOR data available to the Department includes:
  • Health plan spending in different care settings
  • Amount of capitation rate spent on administrative expenses compared to services
  • The types/level/cost of various services provided to members
  • The number of members receiving different types of service or no service
  • A variety of other elements
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?
Overarching Data Policy Question: How does New York State attempt to ensure that they collect timely, accurate, and complete data for care, quality, and costs?

Policy Question B

Aside from 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.e. MMCOR, RHIO, other)

Goal: Identify other data sources beyond encounter data; Identify positive and negative elements of extra-encounter data sources; Outline options for improvement moving toward VBP.

• What other data sources are available and relevant?
• What are the positive elements of these sources?
• What are the negative elements or shortfalls of these sources?
• What are options for improving the existing sources?
• Should completely new data sources be created?
Next Meeting

- **When:** September 29th at 1:00 PM
- **Location:** SPH – Café Conference Room
- **Agenda:**
  1. Policy Design Deep Dive
  2. Safeguards Overview
Contact Us:

Jeffrey Gold  
Co-Chair  
jgold@hanys.org

Robert Hussar  
Co-Chair  
rhussar@barclaydamon.com

Erica Carbone  
KPMG Lead  
ericacarbone@KPMG.com