

# VBP Implementation: Community Based Organization

## Value Based Payment (VBP) Guidance Document

### Preparing for the Transition to VBP

This document is intended to help community based organizations (CBOs) prepare for and make the transition to VBP. This document covers several areas that CBOs may focus on, to streamline their transition to VBP.



### Governance

CBOs must consider how they will engage in a VBP arrangement when establishing their governance models. In many instances a CBO will not contract directly with a payer as a lead VBP contractor, and instead, will subcontract with a lead VBP contractor as a “provider partner.” To facilitate successful participation in VBP, it is important that a CBO understand if it meets the Tier 1, 2, or 3 definition. This is critical because lead VBP contractors participating in VBP Level 2 and 3 arrangements are required to contract with at least one Tier 1 CBO. Each tier is described below:

**Tier 1**—Non-profit, non-Medicaid billing, community based social and human service organizations (e.g. housing, social services, religious organizations, food banks)

**Tier 2**—Non-profit, Medicaid billing, non-clinical service providers (e.g. transportation, care coordination)

**Tier 3**—Non-profit, Medicaid billing, clinical and clinical support service providers (licensed by the NYS Department of Health, NYS Office of Mental Health, NYS Office for Persons with Developmental Disabilities, or NYS Office of Alcoholism and Substance Abuse Services)

The Tier 1 CBO contracting requirement for Level 2 and 3 arrangements can be met if a Tier 1 CBO contracts with either a managed care organization directly or subcontracts with a VBP contractor.



### Stakeholder Engagement

For CBOs that intend to contract a VBP arrangement, engaging provider partners, and perhaps payers, early and often is key. CBOs may leverage existing contracts they share with other providers or payers as a starting point to enter into a VBP arrangement. This may prove to be a streamlined approach, depending on each contracting party.

In many instances, CBOs may contract with a lead VBP contractor as a downstream “provider partner.” Depending on the terms of the contract, the provider partner may be eligible to receive a portion of shared savings. CBOs should explore opportunities to include their services among a lead VBP contractor’s network. It will be important to engage lead VBP contractors with a clear sense of the value that your CBO brings in helping the lead VBP contractor deliver low-cost, high-quality care, while meeting the standards of the NYS VBP Roadmap.

Ideally, you would want to engage payers that may have knowledge of provider groups seeking to include a CBO. Remember, payers that execute VBP contracts have a vested interest in bringing comprehensive networks that are capable of effectively covering the complete care spectrum of a population together (whether the providers are contracted with the payer separately or together).

Finally, engaging a Delivery System Reform Incentive Payment (DSRIP) Program Performing Provider System (PPS) may help your organization identify other parties or organizations that are interested in contracting with a CBO.



## Business Strategy

When deciding the CBO's role as a provider partner, it is key that the technical design of the arrangement be in alignment with the type of care/support the CBO provides. For example, your CBO may have experience in addressing social determinants of health (SDH) for a population. This will be critical for nearly all VBP arrangements being contracted. Understand the type of community based services your organization provides, and seek VBP arrangements that align with your business model and population served. For example:

- A CBO providing prenatal support services, education around infant/maternal care, and lactation consulting may elect to support the Maternity Care arrangement rather than the HARP Arrangement.
- A CBO providing supportive housing with air conditioning for asthmatics during summer months may elect to support the Integrated Primary Care (IPC) arrangement, since asthma is a chronic condition included in the IPC arrangement

There are key programmatic components of the VBP program that support a CBO's value proposition. These include, but are not limited to:

- a) VBP contractors in Level 2 or 3 are required to implement a SDH intervention ([VBP Roadmap](#), page 41); CBOs may be well positioned to support a VBP lead contractor's ability to implement a SDH intervention.
- b) Starting January 2018, all Level 2 and 3 VBP arrangements are required to include a minimum of one Tier 1 CBO ([VBP Roadmap](#), page 42).
- c) CBOs may have different perspectives and key insights into the drivers of poor health in a specific region. Identify how your organization can help combat these drivers. This is part of your value proposition to VBP contractors seeking to improve population health.



## Finance

CBOs should understand the potential financial impact of entering into a VBP arrangement based on the population served. CBOs should consider:

- How participating with a VBP contractor as part of its network could mutually benefit both organizations (through the identification of opportunities for improvement or areas with a high rate of potentially avoidable complications).
- If your organization is capable and prepared to share in risk agreements with contractors. If so, consider including shared risk in your value proposition. If not capable of taking on risk, CBOs can participate in a VBP arrangement by subcontracting VBP Level 1 (upside only) or subcontracting for services provided (fee based, not value based) with a VBP contractor. Tier 1 CBOs are not required to enter into a risk sharing agreement to satisfy the Tier 1 CBO contracting requirements in Level 2 & 3 arrangements.

The NYS VBP Roadmap provides a framework to incentivize providers (including CBOs) to identify social determinant(s) of health and financially reward them for addressing them. ([VBP Roadmap](#), page 42). Per the Roadmap, funding will be based on the risk level of the arrangement in which the CBO is participating.

- *Level 1 providers will get an additional bonus if they address at least one SDH.*

- *Level 2 and 3 providers will receive a funding advance (investment or seed money) if they commit to addressing one or more SDs. This funding advance will provide financial assistance to the provider investing in an intervention. The provider may benefit financially if the intervention is successful in lowering the health care costs of its respective members. If the interventions are successful, the savings generated can encourage reinvestment.*

Given a CBO's critical role in helping to improve a population's health and taking into account the NYS VBP Roadmap's requirements related to CBOs, CBOs are uniquely positioned to engage and support providers and payers in VBP arrangements. CBOs may support VBP arrangements in a variety of ways, by either contracting directly with a managed care organization, or subcontracting with a Lead VBP Contractor. It is also important to note that CBOs are not required to execute risk sharing agreements with the party they contract with (MCO or Lead VBP Contractor) when supporting a VBP arrangement. Although the CBO will support the MCO or Lead VBP contractor in their level 2 or 3 VBP arrangements, the CBO is not required to hold a risk sharing agreement between itself and the party (MCO or Lead VBP Contractor) it contracts with.



## Data

Data will enable CBOs to make informed decisions and will support a CBO's analysis of the population it serves and the value the CBO provides in improving care and lowering cost. As opposed to other provider types, CBOs may likely put more emphasis on data and analysis related to social determinants of health. CBOs will need to be able to collect and report metrics related to one (or multiple) SDH intervention(s) to the Lead VBP contractor and/or payer. The State has made available best-practice guidelines to support successful SDH interventions:

- [Social Determinants of Health Intervention Menu](#)
- [SDH and CBOs Subcommittee Recommendation Report](#)

CBOs may consider engaging provider partners, payers and other entities to support their ability to access and analyze data. PPSs may also be a valuable resource since pertinent data analysis may have been generated as part of their DSRIP efforts.