

# 2017 – 2018 Value Based Payment Bootcamp Course Summaries

VBP U Sophomore Year: Semester 1

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# 2017 – 2018 VBP Bootcamp: Contracting Course

#### Overview

This section serves as a summary of the 2017-2018 Value Based Payment (VBP) Bootcamp Contracting course, which highlighted key concepts and considerations for payers and providers as they negotiate and submit their VBP contracts to the New York State Department of Health (DOH). The course also reviewed best practices for VBP contractors, as well as the DOH's review process upon obtaining a submitted contract. Specifically, the State has implemented a three-tiered approach under which the level of review needed is dependent upon the level of risk included in each submitted contract. For further details, please reference the 'Contract Risk Review Process' subsection of the VBP Roadmap.

# **Key Takeaways**

#### Negotiating a contract

During the negotiation phase, VBP contractors should consider the following leading practices:

- Be prepared. Know your business by understanding your mission, finances, ability to take on risk, data capabilities, partnerships, and timeline for State approval. Assess your readiness and capabilities to take on risk.
- Familiarize yourself with and utilize available resources (data from the State, technical assistance from potential partnering contractors, etc.). Specifically, reference the Provider Contract Statement and Certification to understand the standards for contract submission and review.
- Engage with your plan partner early and often. Coming to an agreement may take time.
- **Engage downstream providers.** VBP contractors will want a robust network to cover the full care continuum and to ensure that providers that drive attribution are included in their contracts.
- Consider partnerships with Community Based Organizations (CBOs), which are critical for
  addressing population health and social determinants of health. Reference the Community Based
  Organization Guidance document for further information on strategies for contracting with CBOs.
- Review the VBP Contracting Lessons Learned 101 Video for additional best practices to consider when negotiating a VBP contract.

#### Manage Care Organization (MCO) submission of a MCO-Provider contract to DOH

- MCOs should review the VBP On-Menu Contract Review Checklist and ensure that each of the elements included in the checklist are incorporated in your contract, prior to submission.
- For Off-Menu Arrangements, submission of an Off-Menu Supplemental Checklist and additional
   DOH review is required to ensure that the arrangement aligns with the intent of the VBP Roadmap.

#### Your Organization's Next Steps

Consider taking the next steps to initiate or continue your transition to VBP.

1) **Determine who your partners will be,** based on existing partnerships, geographic region, population type served, etc.



- 2) For providers, determine if you will be a lead VBP contractor or will be partnering with a lead VBP contractor.
- 3) **Consider which risk level you will contract at** (Level 1 upside-only, Level 2 upside and downside, Level 3 prospective capitation).
- 4) Determine who your provider network will consist of:
  - a. Level 1 Potentially create a virtual network and engage in separate contracts with an MCO.
  - b. Level 2 or 3 Consider a more defined network, as you are taking on risk and will be sharing risk with your provider partners.
- 5) Determine the key components of your VBP design:
  - a. Risk level
  - b. Arrangement
  - c. Percentage of shared savings/losses
  - d. Risk mitigation (if necessary)
  - e. Social Determinants of Health/Community Based Organization component
  - f. Quality measures
- 6) Determine how you will account for risk for your covered population in consultation with your MCO partner(s).
- 7) **Reach out!** Engage with entities that you may want to partner with, including community based organizations to strengthen your network. CBOs should reach out to providers and MCOs as well, to formulate partnerships and strengthen provider networks.

#### Additional Resources

Please find the following documents at the <u>DOH Resource Library</u> and <u>VBP U</u> Home Page:

| DOH Resource Library and DOH Website               |
|--|
| New York State VBP Roadmap                         |
| Provider Contract Statement and Certification      |
| On Menu Contract Review Checklist                  |
| VBP U Materials (Semesters 2 & 3)                  |
| VBP Contracting Lessons Learned 101 Video          |
| VBP CBO Contracting Strategy Guidance 103 Document |

As previously stated, please note this document summarizes information as discussed in the 2017-2018 Bootcamp sessions. Additional resources and guidance can be found in the VBP Resource Library on the DOH website.

For VBP contracting questions, please contact the Division of Health Plan Contracting and Oversight at:

Bmcfhelp@health.ny.gov



# 2017 – 2018 VBP Bootcamp: VBP Arrangements and Associated Measure Sets Course

#### Overview

This section serves as a summary of the 2017-2018 Value Based Payment (VBP) Bootcamp VBP Arrangements and Associated Measure Sets course, which highlighted each of the VBP Arrangements included in the **New York State VBP Roadmap**, as well as associated quality measure sets. The course also presented the measure set development and maintenance cycle, so that providers are aware of critical performance periods and timelines related to quality measurement.

# **Key Takeaways**

#### Provider Considerations – VBP Arrangements

There is no single path towards Value Based Payments. Rather, there are a variety of options from which MCOs and their providers ("VBP Contractors") can jointly choose. The New York State VBP Roadmap outlines several arrangements that maintain a standard set of quality measures. Each arrangement's quality measures are intended to be used to determine the amount of shared savings or risk distributed between MCOs and VBP Contractors. The Roadmap includes the following arrangements: Total Care for the General Population (TCGP), Integrated Primary Care (IPC), Maternity Care, and Total Care for Special Needs Populations. These special needs groups include HIV/AIDS, Health and Recovery Plans (HARP), Managed Long Term Care (MLTC), and the Intellectually/Developmentally Disabled (I/DD) populations.

#### **Total Care for the General Population (TCGP)**

- Goal: Improve population health through enhancing the quality of the total spectrum of care
- TCGP allows for maximum impact for health systems focusing on both population health and
  ensuring the most appropriate place for health care, which is often in outpatient and community
  settings.
- All patients attributed to the VBP Contractor, not just the patients seeking services, are included in TCGP.
- TCGP excludes the special needs populations.
- For further information, please reference the TCGP Arrangement Video and the TCGP VBP Arrangement Fact Sheet.

#### **Integrated Primary Care (IPC)**

- Goal: Improve the quality of preventive care, sick care, and the most prevalent chronic and high-cost conditions.
- IPC focuses most on the preventive care that is within a provider's control, aiming to prevent downstream costs through avoided hospital use.
- Many IPC contractors may opt to contract a Level 1 TCGP arrangement for their attributed population.

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- Many of the chronic care episodes are related to behavioral health.
  - Providers should focus on the integration of physical and behavioral health to address the entire spectrum of a patient's needs. The TCGP/ IPC measure set includes quality measures from both domains.
  - o Providers should engage and include other providers who may provide behavioral health services to their attributed population.
- For further information, please reference the IPC Arrangement Video and the IPC VBP Arrangement Fact Sheet.

#### **Maternity Care**

- Goal: Improve the quality of care for both the mother and the newborn.
- Dedicated incentive to streamline the total spectrum of maternity care.
- Providers can manage risk by including stop loss provisions in their contracts, protecting the
  provider from bearing risk for high costs from Neonatal Intensive Care Unit (NICU) admissions
  above their stop loss thresholds.
- For further information, please reference the Maternity Care Arrangement Video and the Maternity Care VBP Arrangement Fact Sheet.

#### **Total Care for Special Needs Populations**

- Goal: Improve population health through enhancing the quality of care for specific populations that often require highly skilled, specific care.
- As part of the movement towards managed care, the State has already identified several special needs populations that have their own dedicated managed care arrangements:
  - o HIV/AIDS
  - o Health and Recovery Plan (HARP) members
  - o Managed Long-Term Care (MLTC) members
  - o Intellectually/ Developmentally Disabled (I/DD) individuals
- All services covered by the associated managed care plans are included, and all members fulfilling
  the criteria for eligibility to such plans are included. In this way, these arrangements are similar to
  TCGP, but are limited to the specific Special Needs Population.
  - Providers should identify who these members are and tailor approaches to reduce inefficiencies and avoid complications.
- Specialized providers that are dedicated to serving these populations will be in a strong position to generate shared savings.
- Providers should collaborate with community-based organizations (CBOs) and address social determinants of health (SDH).
- For further information, please reference the Subpopulation Arrangement Video, the Health and Recovery Plan (HARP) Arrangement Video, the HARP VBP Arrangement Fact Sheet, the HIV/AIDS Arrangement Video, and the HIV/AIDS VBP Arrangement Fact Sheet.



#### The Role of Quality Measures in VBP Contracting

- Quality of all contracted care (whether VBP or not) is rewarded through upward and downward
  adjustments of premiums received by the Managed Care Organization (MCO) from the State,
  following the same guidelines as have been created by the VBP Subcommittees.
- According to VBP Contracting Guidelines, quality performance impacts the target budget set by the MCO for the VBP Contractor.
  - High/Low Quality = Higher/Lower Target Budget
- Quality performance also determines the percentages of savings / losses shared with the VBP contractor.
- The VBP Performance Measurement program was designed to allow **maximum flexibility** between the VBP Contractor and MCO.
- Performance on the selected pay-for-performance (P4P) measures determines the **percentage of savings/losses shared** with VBP contractors.
- **Performance improvement** is determined by the MCO and the VBP Contractor. In other words, both the number of P4P measures and the particular P4P measures chosen, as well as how improved performance is measured, are determined in the MCO and VBP contracting process.
- The VBP Quality Measure Sets for each arrangement will be finalized and posted to the NYSDOH VBP Resource Library by the end of October of the year preceding the measurement year.
- The **VBP Measure Specification and Reporting Manual** will be released alongside the Quality Assurance Reporting Requirements (QARR) reporting manual in late October of the measurement year.

#### Your Organization's Next Steps

Consider taking these next steps to initiate or continue your transition to VBP:

- Strong linkages between the clinical practice and the contracting office will be critical to creating
  a holistic measurement strategy in preparation for negotiations with the MCOs. To consider
  before contracting:
  - 1) Determine synergies between your organization's existing quality programs and the NYS VBP model and associated quality measures. Leverage areas of overlap and consider modifying your quality programs to take into account VBP quality measures. This will help maximize your quality and potential for shared savings.
  - 2) Review the quality data you are already reporting to the MCO and see how you can align these programs.
  - 3) Determine how a contracted arrangement will incorporate quality measures as outlined in the relevant VBP Measure Set.
  - 4) When adding new measures into your contract, consider whether your contracting provider sites are able to collect the data necessary to calculate measure results.
    - a. Consider the administrative burden of the data acquisition at the provider site level and the subsequent data transfer to the MCO.



- 5) Meet with your organization's clinicians and performance measurement team. Ensure your teams understand the role of quality measures in VBP.
- Establish and further develop a collaborative relationship with the Plan. You are partners in VBP.
  - 1) Build a plan for measuring baseline performance and setting performance goals that work for the MCO and provider.
  - 2) Work with the MCO to clearly define expectations and timeline for reporting of measure data elements.
    - a. Include processes for data extraction, submission, and validation and the anticipated resource requirements (staff, time, and associated costs).
  - 3) Processes should be transparent and both parties should understand expectations and agree on procedures for:
    - a. Validation of calculated performance rates;
    - b. Production of interim and final quality measure feedback reports; and
    - c. The process to request a review and correction of any perceived errors.

#### Additional Resources

Please find the following documents at the <u>DOH Resource Library</u> and <u>VBP U</u> Home Page.

| DOH Resource Library                      |
|---|
| New York State VBP Roadmap                |
| TCGP VBP Arrangement Fact Sheet           |
| IPC VBP Arrangement Fact Sheet            |
| Maternity Care VBP Arrangement Fact Sheet |
| HARP VBP Arrangement Fact Sheet           |
| HIV/AIDS VBP Arrangement Fact Sheet       |
| VBP U Materials (Semester 2)              |
| HIV/AIDS Arrangement Video                |
| TCGP Arrangement Video                    |
| IPC Arrangement Video                     |
| Maternity Care Arrangement Video          |
|   |
| Subpopulation Arrangement Video           |

As previously stated, please note this document summarizes information as discussed in the 2017-2018 Bootcamp sessions. Additional resources and guidance can be found in the VBP Resource Library on the DOH website.

Please send questions and feedback to: vbp@health.ny.gov



# 2017 – 2018 VBP Bootcamp: Social Determinants of Health Course

#### Overview

This section serves as a summary of the 2017 - 2018 Value Based Payment (VBP) Bootcamp Social Determinants of Health (SDH) courses, which highlighted key considerations around the VBP Roadmap standards involving Community Based Organizations (CBOs) and Social Determinants of Health (SDH). The course also featured the role of Plans, Providers, CBOs, and other stakeholders who implementing cost saving initiatives throughout New York State, while addressing SDH interventions.

# Key Takeaways

Social Determinants of Health/Community Based Organizations Roadmap Requirements and Social Determinants of Health Strategies

#### I. Key VBP Roadmap Requirements

- All Level 2 & 3 VBP contracts must include at least one Social Determinant of Health intervention. Language fulfilling this standard must be included in the MCO contract submission to count as an "on-menu" VBP arrangement.
- All Level 2 & 3 VBP contracts must include at least one Tier 1 Community Based Organization. Language describing this standard must be included in the MCO contract submission to count as an "on-menu" VBP arrangement.
- Level 2 & 3 contracts must contain the aforementioned requirements to be approved by the State.
- A VBP contract could have a Tier 1 CBO help implement an SDH intervention; this would satisfy both VBP Roadmap requirements.

#### II. CBO Tier definitions

- Tier 1: Non-profit, non-Medicaid billing, community based social and human service organization.
  - All or nothing: All business units of a CBO must be non-Medicaid billing; an organization cannot have one component that bills Medicaid and one component that does not and still meet the Tier 1 definition.
- o Tier 2: Non-profit, Medicaid billing, non-clinical service provider.
- o Tier 3: Non-profit, Medicaid billing, clinical and clinical support service provider.

#### III. Understand Community Needs

 CBOs should understand the key drivers of poor health and cost in their local area and identify how they can help combat these key drivers. This is part of a CBO's value proposition to VBP contractors seeking to improve population health.

#### IV. Making Connections & Identifying Partnerships

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- CBOs should engage large provider groups and systems to explore opportunities for CBO inclusion in VBP arrangements.
- CBOs should engage payers that may (a) have knowledge of lead VBP Contractors seeking CBOs, or (b) may wish to contract with a CBO directly.
- Performing Provider Systems (PPSs) can be leveraged as a center for collaboration to identify interested contracting parties.
- o CBOs should remain aware of Level 2 or 3 VBP Arrangements in your region.
- MCOs and VBP Contractors can use the CBO Directory to find CBOs in their local area
- VBP Contractors should identify SDH intervention resources to select/develop an intervention:
  - The SDH Intervention Menu provides examples of evidence-based SDH interventions
  - Health Impact in 5 Years Interventions from CDC
  - Prevention Agenda: Evidence Based Interventions
- MCOs and VBP contractors should tailor the intervention to the needs of the respective communities being served.
  - Performing a community needs assessment (CNA) is critical to develop an intervention that improves outcomes and generates savings.

Community Based Organizations Contracting and Provider Led Social Determinants of Health Discussion

#### I. Understand CBO Contracting Strategies

- o CBO contracts are not required to include risk
- CBO contracts can be structured as:
  - i. Payment for services rendered:
    - 1. Contracts without a risk-based component

#### ii. Upside only:

- 1. No downside risk
- 2. If savings are achieved, CBO receives a portion of shared savings
- 3. If losses are incurred, CBO would **not** take on any losses

#### iii. Upside and downside risk:

- 1. Risk sharing contract
- 2. If savings are achieved, CBO receives a portion of shared savings
- 3. If losses are incurred, CBO would take on some degree of loss
- o CBOs may be held to performance measurement standards by the party they are contracting with (VBP Contractor or MCO) in order for contracting to continue
- Potential CBO contracting scenarios could include:
  - i. <u>Scenario A:</u> A CBO may support a single VBP arrangement by contracting directly with an MCO to implement an SDH intervention.
  - ii. <u>Scenario B:</u> A CBO may support multiple VBP arrangements by contracting directly with an MCO to implement several SDH interventions.

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iii. <u>Scenario C:</u> A CBO may subcontract with a VBP Contractor (as opposed to an MCO) to support a VBP arrangement.

#### II. The Role of Tier 2 & 3 CBOs in VBP

- While all Level 2 & 3 arrangements must include at minimum one Tier 1 CBO, a VBP Contractor can include more than one CBO (including Tier 2 & 3 CBOs) in an arrangement.
- Tier 2 & 3 CBOs may partner with Tier 1 CBOs to help support the implementation of an SDH Intervention.
- By addressing SDH, CBOs (including Tier 2 and 3 CBOs) can have a large impact on the overall health of Medicaid members, which may result in more shared savings for a VBP Contractor.
- Tier 2 and 3 CBOs may be the logical partners for specific of arrangements if the services the CBO provides are aligned with the arrangement being implemented by the lead contractor.
- Tier 2 and 3 CBOs can cover regions/communities not already impacted by an SDH Intervention.

#### III. Existing Resources for CBOs

- o CBO Planning Grants
  - Grants to support CBOs with contracting and administrative resources were provided to the following grantees. Grantees serve as regional resources for CBOs and may be contacted for assistance.
  - ii. Grantees:
    - 1. Arthur Ashe Institute for Urban Health (New York City)
    - 2. The Health and Welfare Council of Long Island (Long Island/Mid-Hudson Region)
- New York PPS Innovation Fund Awards
  - i. Approximately half of the PPSs are using "Innovation Funds" to support the efforts of CBOs and other partners to implement innovative approaches to achieve DSRIP and VBP performance goals. Consider engaging with your local PPS to see whether these funds are still available.

# **Next Steps**

#### **For Community Based Organizations**

- 1. Identify your Community Based Organization tier (1, 2, or 3) and determine your role accordingly.
- 2. Understand your Value Proposition.
  - a. Quantify your value: Interventions should have metrics identified to track impact on health outcomes and demonstrate success. For example, tracking the reduction in hospitalization of the population impacted by an SDH intervention.
  - b. Communicate your ROI: The savings that an intervention could generate should be estimated to demonstrate a return on investment to VBP Contractors and MCOs.



- 3. Know which Managed Care Organization(s)/VBP Contractor(s) is (are) in the areas you serve.
- 4. Connect with an MCO and/or VBP Contractor to determine if there are VBP contracts that you can support.
- 5. Present your Value Proposition and begin contracting.

#### **For VBP Contractors and MCOs**

- 1. Confirm which SDH and CBO requirements apply to your VBP contract.
- 2. Assess your attributed population and its community needs, developing an SDH intervention accordingly.
- 3. Consider which CBO partners are in your region, and identify those who fill the needs identified in your community, and that may support your SDH intervention.

#### Additional Resources

Please find the following documents at the <u>DOH Resource Library</u> and <u>VBP U</u> Home Page:

| DOH Resource Library  |
|---|
| New York State VBP Roadmap  |
| Social Determinants of Health and Community Based Organizations section: which includes CBO Directory and SDH Intervention Menu |
| VBP U Materials (Semester 3)  |
| VDF O Iviaterials (Serilester 5)  |
| Social Determinants of Health 101 Video   |
|   |

As previously stated, please note this document summarizes information as discussed in the 2017-2018 Bootcamp sessions. Additional resources and guidance can be found in the VBP Resource Library on the DOH website.

For VBP Social Determinants of Health questions, please contact the Social Determinants of Health Bureau at: <a href="mailto:SDH@healthy.ny.gov">SDH@healthy.ny.gov</a>



# 2017 – 2018 VBP Bootcamp: Finance Course

#### Overview

This section serves as a summary of the 2017 - 2018 Value Based Payment (VBP) Bootcamp Finance Course, which highlighted key financial considerations for Managed Care Organizations (MCOs), providers, and Community Based Organizations (CBOs) within the context of VBP. Specifically, the course outlined the rate adjustments that will be made by the State based on (a) MCO-provider movement to VBP, (b) MCO efficiency, (c) MCO quality. By gaining an understanding of the adjustments that will be made by the State, all parties involved (i.e. MCOs, providers, CBOs) can understand the key financial considerations when entering VBP contract negotiations.

### Key Takeaways

The State is adjusting the existing rate setting formulas for MCOs to support the goals of the VBP program. These State to MCO rate setting adjustments are inclusive of the **Stimulus Adjustment**, **Penalty Adjustment**, **and Performance Adjustments (which includes efficiency and quality adjustments)**. It is expected that VBP MCO-Provider contracts will seek to align with the incentive structure and funding flows established by MCO VBP rate adjustments. Therefore, all VBP contracting parties should be knowledgeable of the adjustments and **understand the data/tools available**, **risk mitigation strategies**, **and their value proposition** as they transition to VBP.

#### Stimulus Adjustment

- Overview: The Stimulus Adjustment is intended to incentivize VBP contractors to move to higher level VBP contracts. For State Fiscal Year (SFY) '16-17, this payment will begin as a guaranteed, predetermined payment to MCOs. In SFY '18-19, the Stimulus allocation will be based on new Level 2 and Level 3 contracts entered into by the MCO. For further information regarding the Stimulus Adjustment, refer to the section in the VBP Roadmap.
- Note to MCOs: Beginning SFY '18-19, MCOs are incentivized to move as many dollars as possible to VBP Level 2 and Level 3 arrangements.
- **Note to Providers:** Providers that are early adopters of Level 2 and 3 VBP arrangements may consider negotiating with MCOs to receive a share of the MCO's Stimulus Adjustment.

#### **Penalty Adjustment**

- **Overview:** The Penalty Adjustment is a penalty applied to VBP contractors that fall behind the goals for VBP contracting as outlined in the Roadmap. The Penalty Adjustment begins in SFY '18-19 and becomes more stringent over time. For further information regarding the Penalty Adjustment, refer to the section in the **VBP Roadmap**.
- MCO Impact: MCOs will receive downward adjustments if they are unable to meet the movement to VBP as outlined in the Roadmap.
- **Provider Impact:** Applies to Providers who are slow to move into VBP.

#### **Performance Adjustments**



- **Overview:** Beyond the Stimulus and Penalty adjustments, which are centered upon incentivizing the movement into VBP, the Quality and Efficiency performance adjustments are designed to incentivize efficient, quality care. Specifically, MCOs can receive positive or negative rate adjustments depending on their performance compared to the State defined quality and efficiency targets. For further information regarding the Performance Adjustments, refer to the section in the VBP Roadmap.
- MCO Impact: Beginning in SFY '19-20, MCOs will see a maximum +/- 1% adjustment for performance, with the potential for an increase to a maximum +/- 3% by SFY '22-23. Therefore, over time, MCOs should focus on rewarding providers that provide high quality and efficient care.
- **Provider Impact:** High quality and/or efficient providers have strong negotiating leverage. MCOs can only see a positive efficiency and stimulus adjustment if they meet minimum quality standards, so high quality providers are paramount.

#### **Data/Tools Available**

To understand the value proposition, as well as the ability for a contractor to impact financial incentive adjustments, all contracting parties should reference the data sources available to them.

- Once developed, the Medicaid Analytics Performance Portal (MAPP) includes dashboards that can
  provide data related to efficiency and quality. The dashboards may be drillable to arrangement
  type, payer, and VBP contractor.
- Providers should not be completely reliant on the MAPP tool for data. There are a number of additional steps providers may take, including:
  - o Partnering with payers and other providers to access and share data.
  - Connecting with a Performing Provider System (PPS). A PPS is made up of both public hospitals and safety net providers, with a designated lead. Since one of a PPS' primary roles is health information exchange, this is a great place to start sharing data and comparing it with other providers' data. If not yet involved with a PPS, consider reaching out to a PPS lead. These can be found online at the Department's website.
  - o Explore setting up data feeds with partner hospitals, which in Total Cost of General Population (TCGP) and Integrated Primary Care (IPC) arrangements is one requirement (of three) that will allow the hospital to receive a portion of a professional-led VBP contractor's shared savings.
- Providers may consider sharing data related to: patient volume, member cost, cost trends, quality indicators, and efficiency metrics.

#### **Risk Mitigation**

All contracting parties should utilize data to understand their ability to take on risk. Specifically for Level 2 and Level 3 arrangements, which offer upside and downside risk, VBP contractors should consider risk mitigation strategies. Risk mitigation strategies can include:

• **Stop-loss and reinsurance**—a "risk ceiling" is created so that costs for a given service, which are over a predetermined threshold, are excluded from the VBP arrangement. This protects the VBP contractor from high-cost services/procedures that may not be directly in the VBP contractor's



control (e.g. Neonatal Intensive Care Unit (NICU) admissions, high-cost pharmaceuticals).

• Managing patient volume—a larger population can help VBP Contractors absorb the costs of high-cost outliers. This strategy is essentially "The Law of Large Numbers" in practice; generally, as the volume of attributed Medicaid members covered under an arrangement increases, the average per member cost will approach a more expected/predictable value.

#### **Provider Next Steps**

In order to negotiate VBP contracting provisions related to financial incentives, providers should consider taking the following steps:

- 1) Become more familiar with your data, including the sources of your data. This will help you better understand and be more confident in your value proposition. Understand the profile key cost drivers among your attributed population. Identify areas for improvement, and consider avoidable complications. Review your service mix and costs within each service type (inpatient, pharmacy, outpatient, etc.)
- 2) Gain a greater understanding of your ability to take on risk. This will assist you in determining which risk level to contract, as well as which risk mitigation strategies should be considered. Since MCOs are incentivized through the Penalty and Stimulus adjustments to contract Level 2 and 3 arrangements, MCOs may provide additional incentives for providers that are taking on greater risk.
- 3) **Consider your ability to drive quality.** MCOs with low quality scores will not be eligible for positive Quality, Efficiency, or Stimulus adjustments. Therefore, high quality providers with a large attributed population carry significant value. Additionally, review the quality measures that are part of your contracted VBP arrangement (TCGP, IPC, Maternity, etc.).
- 4) **Consider your role in a VBP arrangement.** Contract directly with an MCO. There other potential partners that could help drive quality for a specific population. To maximize your value and ability to impact MCO rate adjustments, consider what role you will play in a VBP arrangement.
- 5) **Consider partnering with CBOs.** CBOs play a critical role in helping to address the underlying root causes of poor health and can help you drive quality, and generate significant downstream cost savings.
- 6) **Develop your value proposition and engage your MCO to begin negotiations.** Communicate with your provider partners that will participate in your arrangement.

#### Additional Resources

Please find the following documents at the <u>DOH Resource Library</u> and <u>VBP U</u> Home Page:

| DOH Resource Library            |
|---------------------------------|
| New York State VBP Roadmap      |
| VBP Bootcamp Sessions           |
| VBP U Materials (Semester 2)    |
| VBP Business Strategy 101 Video |





**VBP Finance 101 Video** 

VBP Data 101 Video

As previously stated, please note this document summarizes information as discussed in the 2017-2018 Bootcamp sessions. Additional resources and guidance can be found in the VBP Resource Library on the DOH website.

For VBP Finance questions, please contact the Division of Finance and Rate Setting at: <a href="https://www.ubp@health.ny.gov">wbp@health.ny.gov</a>