



## **VALUE BASED PAYMENT FOR MANAGED LONG TERM CARE PLANS**

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 rather than in pilots or a piecemeal plan;
- 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.

### **Initial VBP Goal for Managed Long Term Care (MLTC) Plans**

Every MLTC plan is to convert its provider contracts into MLTC Level 1 VBP arrangement contracts by December 31, 2017, using the State-recommended MLTC VBP Category 1 quality measures. The requirement to move to Level 1 VBP does not preclude MLTC Plans and providers from engaging in Level 2 or 3 VBP arrangements.

### ***What is an MLTC Level 1 VBP Arrangement?***

An MLTC Level 1 VBP Arrangement is a performance bonus agreement between an MLTC plan and a provider that is based on meeting performance targets for a set of specific quality measures agreed to in a VBP contract between an MLTC Plan and a provider or group of providers (the "VBP Contractor"). A cornerstone of MLTC Level 1 VBP arrangements is monitoring and reducing potentially avoidable hospital use. MLTC Level 1 VBP contracts must include the potentially avoidable hospitalizations (PAH) measure in use currently as a performance measure in the Managed Long Term Care Incentive.

### ***What are MLTC Category 1 quality measures?***

The MLTC VBP Category 1 quality measure set for measurement year 2017 (January 1 to December 31, 2017) is drawn from the MLTC Quality Incentive measure set, including the current PAH measure calculated by the Office of Quality and Patient Safety. MLTC plans should engage with their providers to discuss the inclusion of Category 1 quality measures in their contracts as a basis for VBP.

MLTC Plans and VBP Contractors may also choose to use the State-recommended MLTC VBP Category 2 quality measures in VBP contracts. The full list of MLTC quality measures is posted on the Department of Health website and can be accessed here:

[https://www.health.ny.gov/health\\_care/medicaid/redesign/dsrip/vbp\\_library/index.htm](https://www.health.ny.gov/health_care/medicaid/redesign/dsrip/vbp_library/index.htm)

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