NEW YORK STATE | Department of Health | Office of Health Insurance Programs

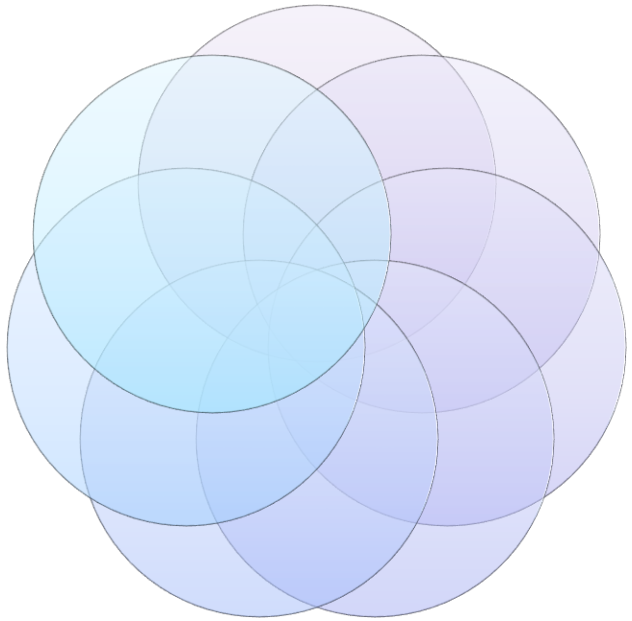
Value Based Payment and Community Based Organizations

Emily Engel, Program Manager
Martina Ahadzi, Project Manager
OHIP/DPDM/BSDH

July 2018

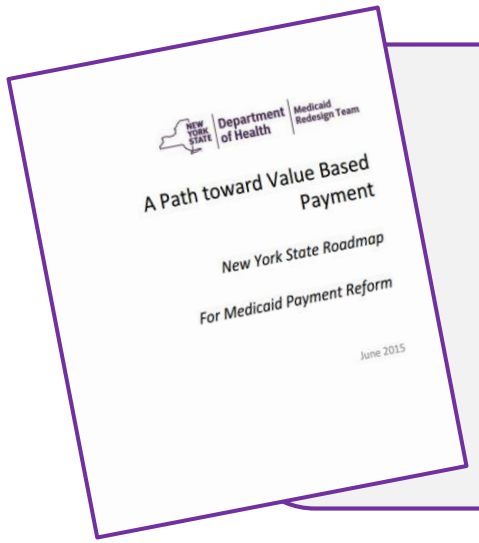
Agenda

1. SDH and CBO Requirements in VBP and where we are now
2. CBO Engagement in VBP–Myths and Facts
3. VBP Contractors- Exactly what are they looking for?
4. How do CBOs Fit into VBP
5. Building Your Value
6. CBO Contracting Strategies
7. Key Contracting Terms



Quick Refresher: SDH and CBO Requirements

Standard: Implementation of SDH Intervention



"To stimulate VBP contractors to venture into this crucial domain, VBP ***contractors in Level 2 or Level 3 agreements*** *will be* ***required****, as a statewide standard,* ***to implement*** *at least* ***one social determinant of health intervention****. Provider/provider networks in VBP Level 3 arrangements are expected to solely take on the responsibilities and risk." (VBP Roadmap, p. 41)*

Description:

VBP contractors in a Level 2 or 3 arrangement must implement 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.

Guideline: SDH Intervention Selection

*"The **contractors will have the flexibility to decide on the type of intervention** (from size to level of investment) that they implement…The guidelines recommend that selection be based on information including (but not limited to): SDH screening of individual members, member health goals, impact of SDH on their health outcomes, as well as an assessment of community needs and resources." (VBP Roadmap, p. 42)*

Description:

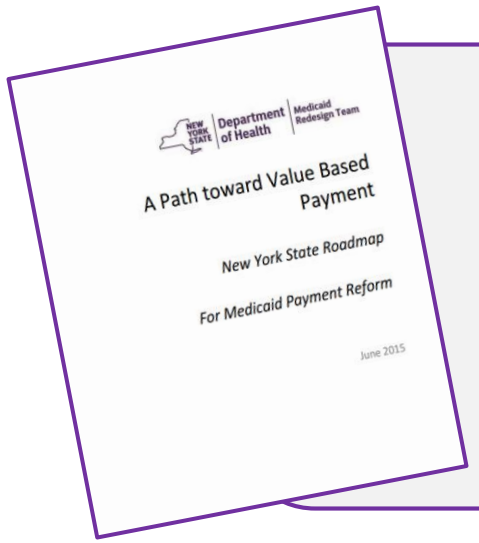
VBP contractors may decide on their own SDH intervention. Interventions should be measurable and able to be tracked and reported to the State. SDH Interventions must align with the five key areas of SDH outlined in the *SDH Intervention Menu Tool,* which includes:

1) Education, 2) Social, Family and Community Context, 3) Health and Healthcare 4) Neighborhood & Environment and 5) Economic Stability

The SDH Intervention Menu Tool was developed through the NYS VBP SDH Subcommittee and is available here: https://www.health.ny.gov/health_care/medicaid/redesign/dsrip/vbp_library/

Community Based Organizations (CBOs) VBP Roadmap Standards & Guidelines

Standard: Inclusion of Tier 1 CBOs



"Though addressing SDH needs at a member and community level will have a significant impact on the success of VBP in New York State, it is also critical that community based organizations be supported and included in the transformation. It is therefore a ***requirement*** *that* ***starting January 2018, all Level 2 and 3 VBP arrangements include a minimum of one Tier 1 CBO****."*
(VBP Roadmap, p. 42)

Description:

Starting January 2018, VBP contractors in a Level 2 or 3 arrangement **MUST contract with at least one Tier 1 CBO**. Language describing this standard must be included in the contract submission to count as an "on-menu" VBP arrangement.

This requirement **does not preclude VBP contractors from including Tier 2 and 3 CBOs in an arrangement** to address one or more social determinants of health. In fact, **VBP Contractors and Payers are encouraged to include Tier 2 and 3 CBOs in their arrangements.**

Tier 1, Tier 2, and Tier 3 CBO Definitions

01

Tier 1 CBO

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

02

Tier 2 CBO

- Non-profit, Medicaid billing, non-clinical service providers
  - e.g. transportation provider, care coordination provider

03

Tier 3 CBO

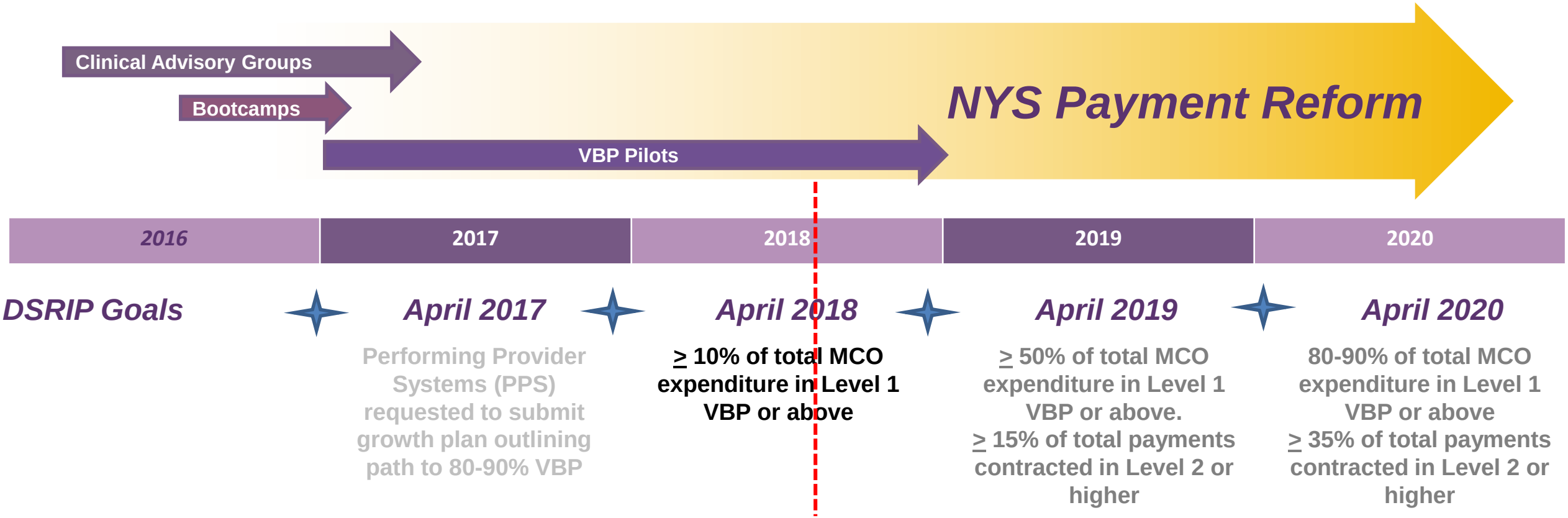
- Non-profit, Medicaid billing, clinical and clinical support service providers
- Licensed by the NYS Department of Health, NYS Office of Mental Health, NYS Office for Persons with Developmental Disabilities, or NYS Office of Alcoholism and Substance Abuse Services.

Use the **CBO list** on **DOH's VBP website** to find CBOs in your area

Positive Progress Toward Medicaid Payment Reform

Ryan Ashe
Director of Medicaid Payment Reform, DOH

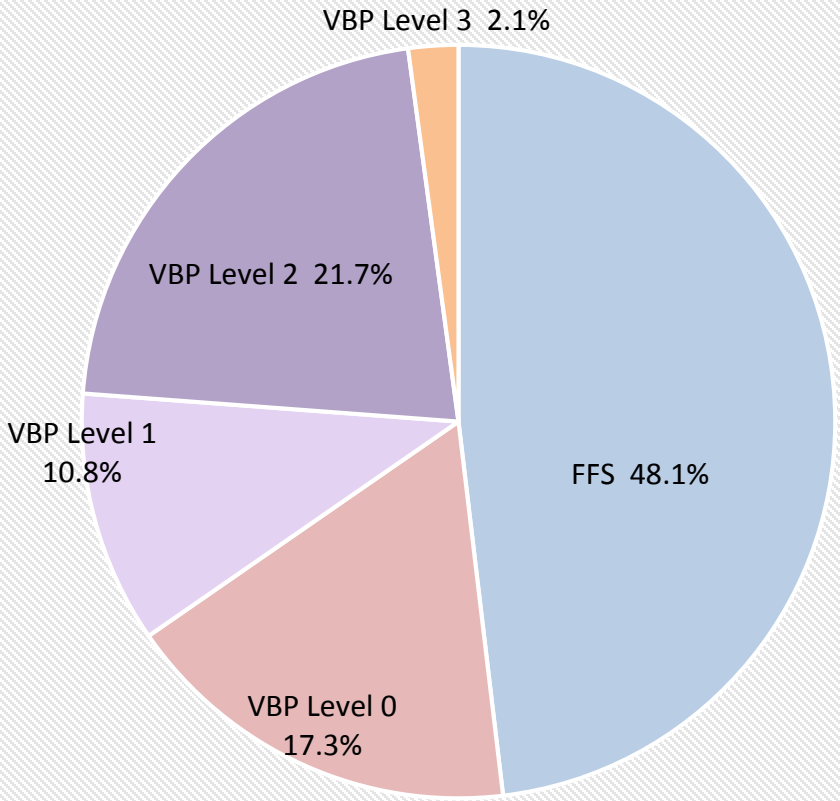
Positive progress toward payment reform



NEW YORK STATE OF OPPORTUNITY. Department of Health

Broad Overview of Results – (Combined MMC and MLTC)

As of Dec. 31st, 2017 VBP Levels 1 - 3 first 9 months of SFY 17-18: **34.63%**



TOTAL Medical Expenses *	**$**	**22,539,413,024**	
Exclusions**	**$**	**(994,634,712)**	
Net Medical Expenses	**$**	**21,544,778,312**	
FFS	$	10,365,979,601	48.11%
VBP0	$	3,718,224,000	17.26%
Level 0/Quality Only	$	3,476,846,564	16.14%
Level 0/ Cost Only	$	241,377,436	1.12%
VBP1	$	2,330,577,816	10.82%
VBP2	$	4,669,366,075	21.67%
VBP3	$	460,630,818	2.14%
Level 1-3	**$**	**7,460,574,709**	**34.63%**

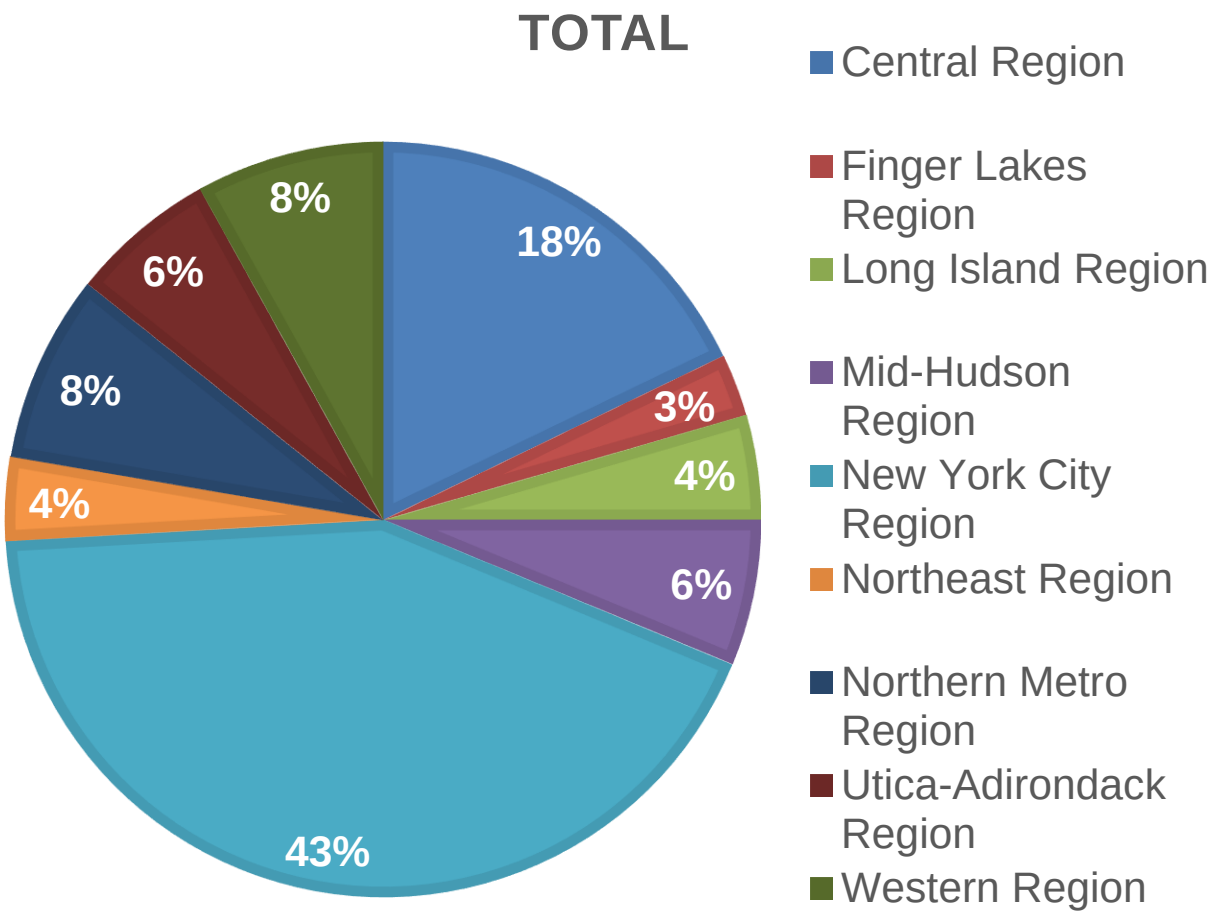
* Total Medical Expenses for period 4/1/17- 12/31/17

** Reflects exclusions specified in the Roadmap associated with e.g., Financially Challenged Providers; High Cost Specialty Drugs, Transplant Drugs, Certain Emergency services as well as the spending for various Supplemental programs (i.e., QIP, EIP, EPP, AHPP).

NEW YORK STATE OF OPPORTUNITY. Department of Health

VBP Progress by Region

MCOs and providers throughout the State are moving to VBP. The chart below illustrates the percent of total VBP arrangements occurring in each region.*



Progress by Level

- ~ 61% are Level 1
- ~ 24% are Level 2
- ~ 14% are Level 3

* Regions are designated by MMCOR regions

Momentum in Social Determinants of Health

As MCOs and their provider partners move to progressive levels of VBP, the healthcare system is experiencing an uptake in social determinants of health interventions. Examples are illustrated below:

- To improve medication management and adherence, a provider is identifying social services needs among patients who are high utilizers of service, connecting them with SDH related service providers
- Peer to peer counseling to encourage engagement with primary care doctors
- Training to health system employees on how to address trauma conditions induced caused by lack of social supports
- Training and engagement to treat suicide including screening and intervention techniques
- Integration with 211 services completed by warm hand offs to service providers
- Community health worker (CHW)/ peer bridge and wellness coaching, home-based coaching, chronic disease self-management programs

❖ *Another provider engaged and eventually partnered with a Tier 1 CBO by accessing the State's CBO directory, which identifies CBOs across the State and intends to connect CBOs with interested parties.*

Highlight – SDH Interventions in Action

Very real opportunities exist for health-care system providers and stakeholders as we move to VBP. The benefits will improve health for members, and also, create financial rewards for those involved.

- Bronx Health System has invested in housing to reduce avoidable hospital visits.
- Return on Investment (ROI) analysis showed that the lowest ROI was at least 300%
- 66 percent of physicians said they believed transportation assistance for healthcare would aide their patients to a great or moderate extent.
- 48 percent indicated that help with food security would benefit their patients.
- 45 percent reported that assistance with affordable housing would help their patients.

Value-based care and managed care has spurred many to realize that food insecurity, isolation, lack of housing and other factors must be addressed in their populations for continuity of care to succeed as a real goal

"Investing in the social determinants of health is becoming more commonplace"

http://www.healthcarefinancenews.com/news/what-montefiores-300-roi-social-determinants-investments-means-future-other-hospitals#.W0C_GtkqmtB.email

CBO Engagement in VBP: Facts and Myths

Facts and Myths

VBP is different then grant funding because it allows for flexibility and shared savings.

Facts and Myths

VBP is different then grant funding because it allows for flexibility and shared savings.

- Unlike grant contracts, funding is flexible and does not risk expiring or running out
- CBOs do not have to compete for a limited grant, but instead can partner up to boost their value
- CBOs are able to be innovative in what and how services are provided
- Contracts can have a shared savings component

Facts and Myths

Tier 2 and 3 CBOs may implement an SDH intervention to satisfy Level 2 & 3 arrangement requirement.

Facts and Myths

Tier 2 and 3 CBOs may implement an SDH intervention to satisfy Level 2 & 3 arrangement requirement.

- 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. **The State has proposed a change to the VBP Roadmap to emphasize this fact**
- Tier 2 & 3 CBOs may partner with Tier 1 CBOs to help support the implementation of an SDH Intervention
- Tier 2 and 3 CBOs may be the logical partners for specific types of arrangements if the services the CBO provides are aligned with the arrangement a lead VBP contractor is implementing

Facts and Myths

CBOs MUST take on risk to be part of VBP Level 2 and 3 arrangements.

Facts and Myths

CBOs MUST take on risk to be part of VBP Level 2 and 3 arrangements.

- CBOs contracts are NOT required to include risk. VBP Level 2 and 3 risk arrangement is between the MCO and VBP Contractor
- CBO contracts may be structured as **Payment for Services** provided for the entire contractual relationship
- CBOs may scale up to include **Upside Only or Upside and Downside risk** if they are successful and want to share savings generated through their intervention

Facts and Myths

CBOs can not be contracted to support more than one VBP arrangement

Facts and Myths

CBOs can not be contracted to support more than one VBP arrangement

- The VBP roadmap does not limit the number of contracts that a CBO can enter. In fact the roadmap encourages providers and provider networks to partner with CBOs. Acknowledging the crucial work and expertise that CBOs.
- CBOs may be contracted to support more than one VBP arrangement as long as the services the CBO provides are aligned with the arrangement
- CBO must be capable and large enough to serve the selected geographical area(s)

Facts and Myths

Non-profit, non-Medicaid billing community based social and human service organizations may lose their Tier 1 status if they engage in VBP arrangements

Facts and Myths

Non-profit, non-Medicaid billing community based social and human service organizations may lose their Tier 1 status if they engage in VBP arrangements

- As a Tier 1 CBO, your organization is providing non-Medicaid billable social services and are not required to become a Medicaid billing entity.
- The VBP provider or MCO may bill Medicaid for specific Medicaid services related to the VBP arrangement but this does not make your organization a Medicaid billing entity.
- If there is a need for a Medicaid billing component, your organization can partner with a tier 2 or 3 CBO to provide that additional work through Medicaid.

How CBOs Can Get Involved

What are VBP contractors looking for?

- CBOs that have a strong relationship with the local community and understand the root causes of poor health among their population
- A partnership that provides value and aligns with their goals and objectives
- An intervention that can make a measurable impact on their population
- CBOs that have subcontracts to other CBOs and can coordinate social services for them
- An intervention that is flexible and can be scaled up as savings are recognized

How To Get Involved

- **Understand Community Needs**

- **Know Your Key Community Partners:**
  - Performing Providers Systems (PPS)
  - Managed Care Organizations (MCOs)
  - Large Provider Systems
  - CBOs

- **Understand the Local VBP Level 2 or 3 Arrangements**
  - TCGP, IPC, Maternity, HIV/AIDS, HARP, MLTC

- **Use Data to Determine the SDH Intervention Needed**
  - e.g. Housing, Nutrition, Health-based Housing Design

- **Leverage Existing Resources**
  - CBO Planning Grantees, CBO Consortiums and Hubs

- **Develop Your Value Proposition**

Reach out Often and Engage your Existing Partners to get Involved!

Building Your Value Proposition

Developing a Value Proposition

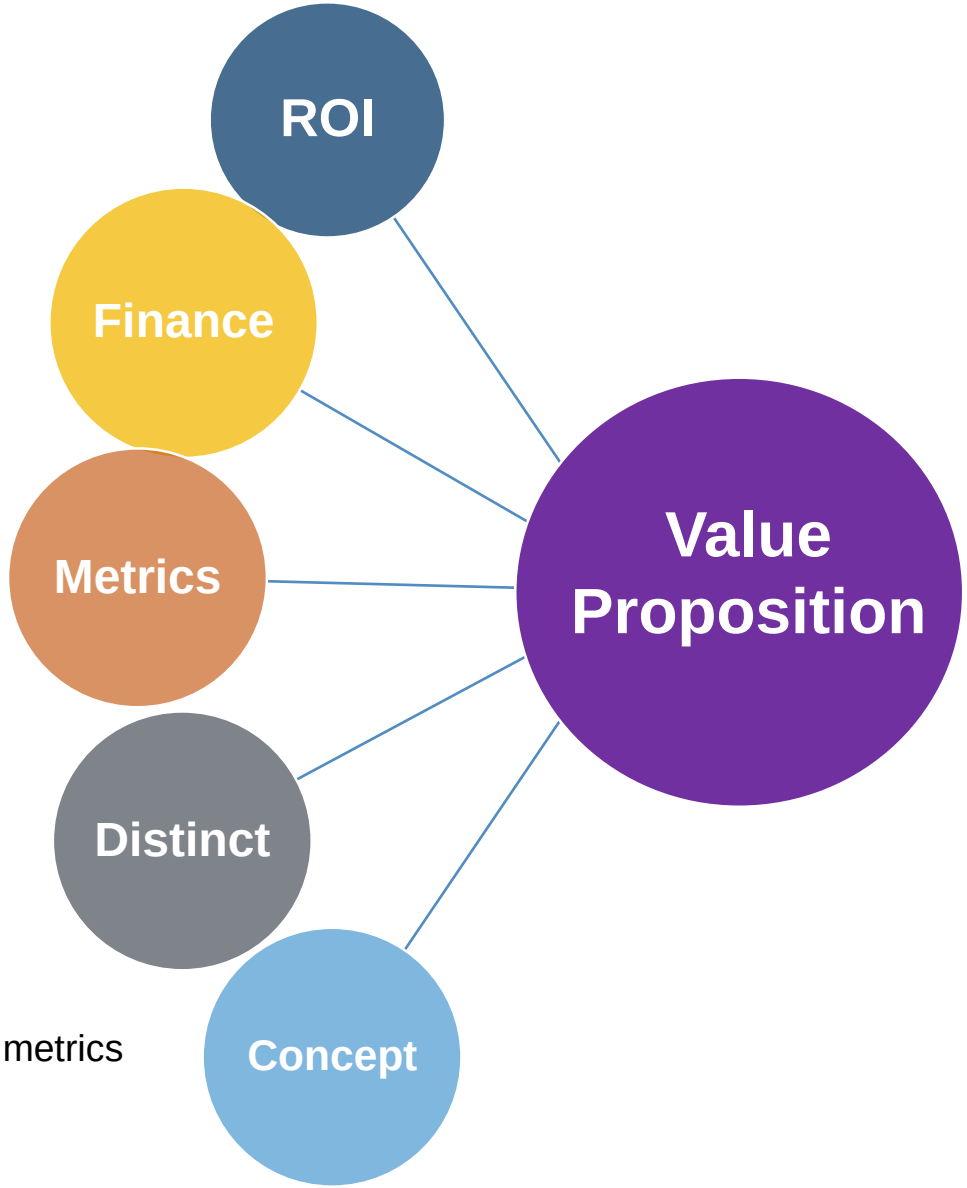
A value proposition is a promise of value to be delivered. It's the primary reason a prospective VBP contractor or MCO will want to work with your organization. Your proposition must explain how your services will align with and add to the success of the VBP arrangement (relevancy). The key questions to answer when developing a proposition are:

1. What services does your organization provide?
2. Who are your community partners?
3. How much does it cost to do what you do?
4. What is the community need and how does that overlap with the MCO's membership?
5. How does the service and geographic reach provide value to the arrangement/ Medicaid population?

CBO Value Proposition

Key Considerations:

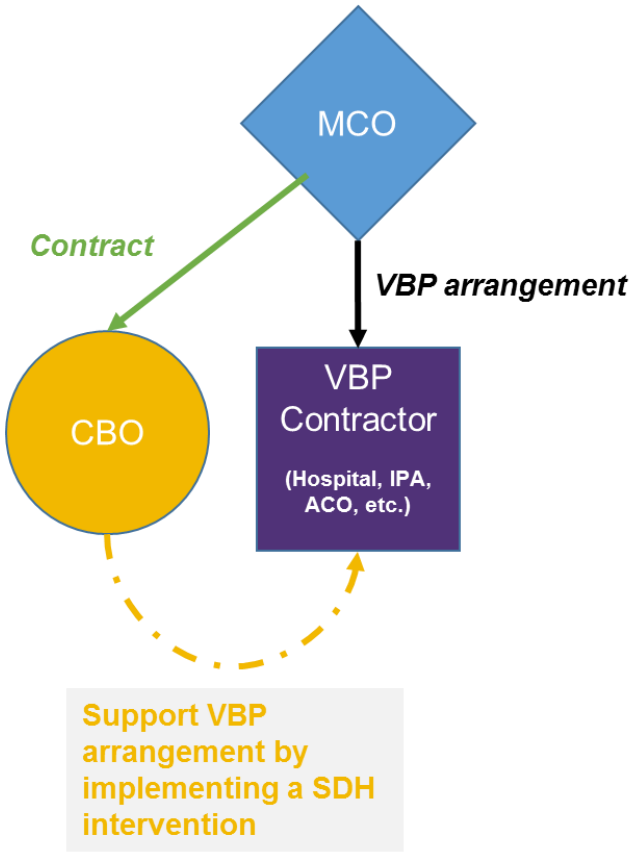
1. Make your value proposition short and concise
2. Use data to create a compelling argument:
   - To show what's needed but is lacking in the community
   - Health impact of that lack on clients, members, patients
   - Financial impact on the stakeholder (i.e. MCO, VBP Contractor)
   - Why your organization is uniquely positioned to address this need
3. Know how much it costs to provide your service
   - Setup cost, Staffing cost, Administrative overhead cost, etc.
4. How will you track and measure outcomes?
   - Know the metrics that are important to the stakeholder
   - Identify and communicate your process for tracking and reporting on those metrics
5. Overall value of your service to the Stakeholder



CBO Contracting Strategies

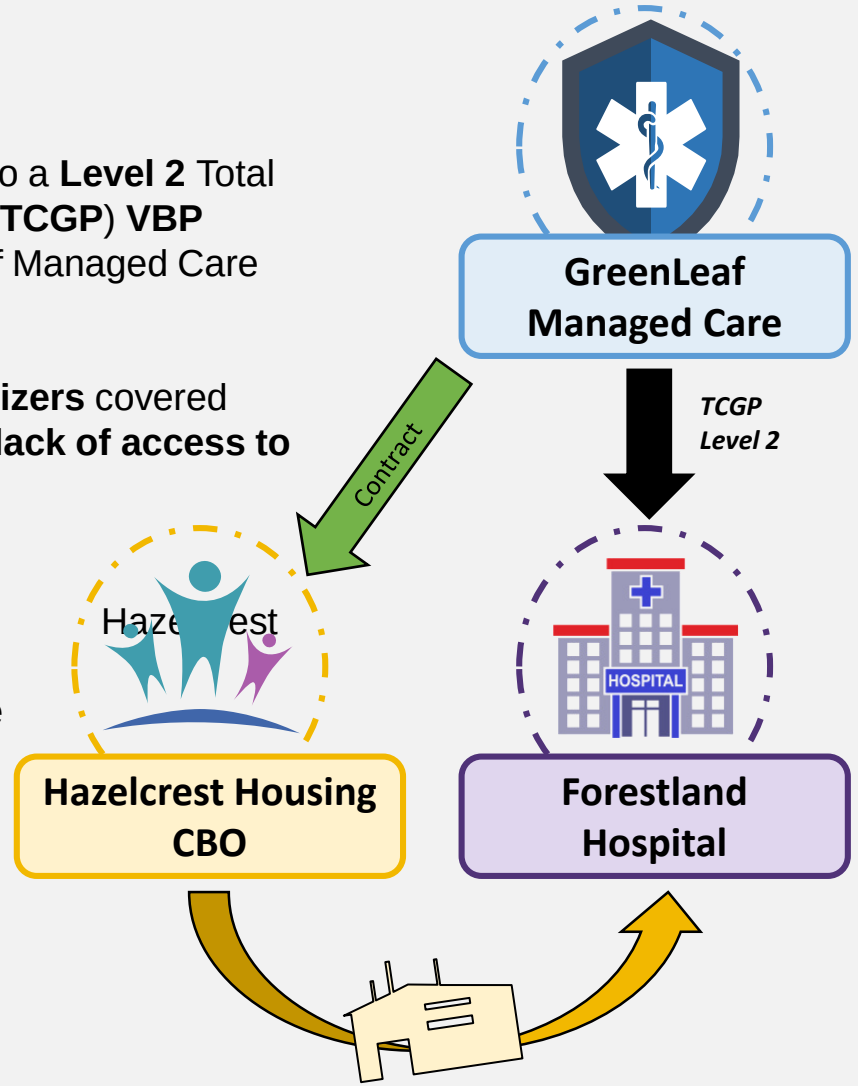
CBO Contracting Strategies – Scenario A

- **CBOs may support VBP arrangements by:**
  - **A contracting directly with an MCO to support a VBP arrangement**



Hypothetical Example

- Forestland Hospital enters into a **Level 2** Total Care for General Population (**TCGP**) **VBP arrangement** with GreenLeaf Managed Care
- Many of the **highest E.D. utilizers** covered under the arrangement have **lack of access to affordable housing**
- Greenleaf contracts with Housing CBO to implement a **Housing Intervention** for the highest utilizers covered under Forestland's VBP arrangement

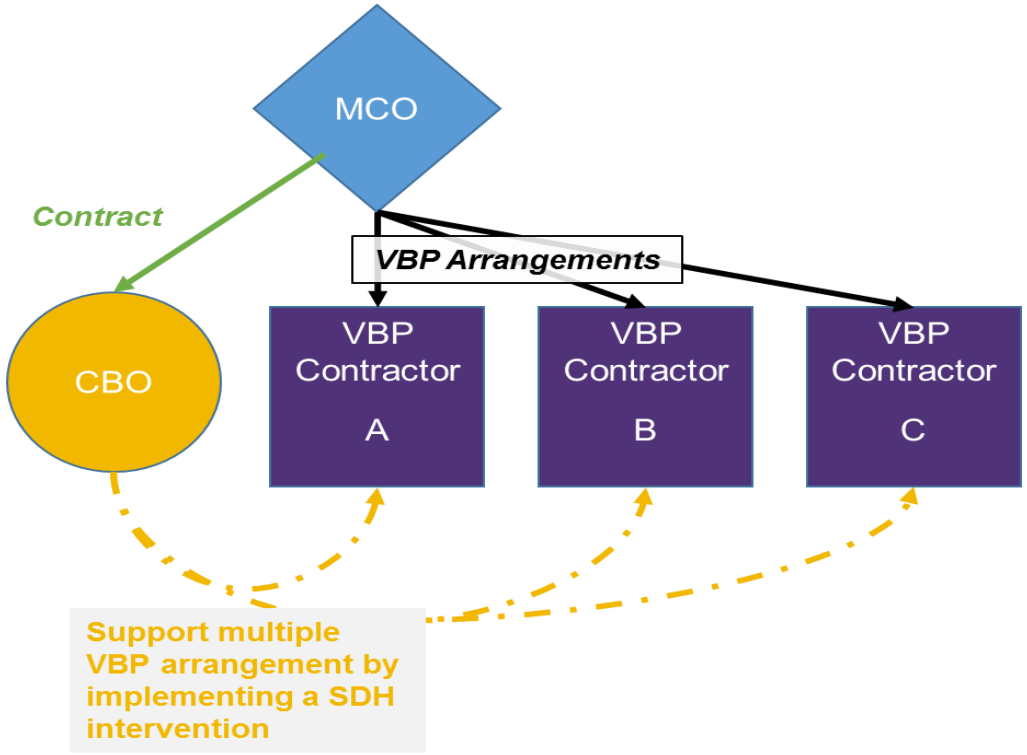


CBO Contracting Strategies – Scenario B

- **CBOs may support VBP arrangements by:**

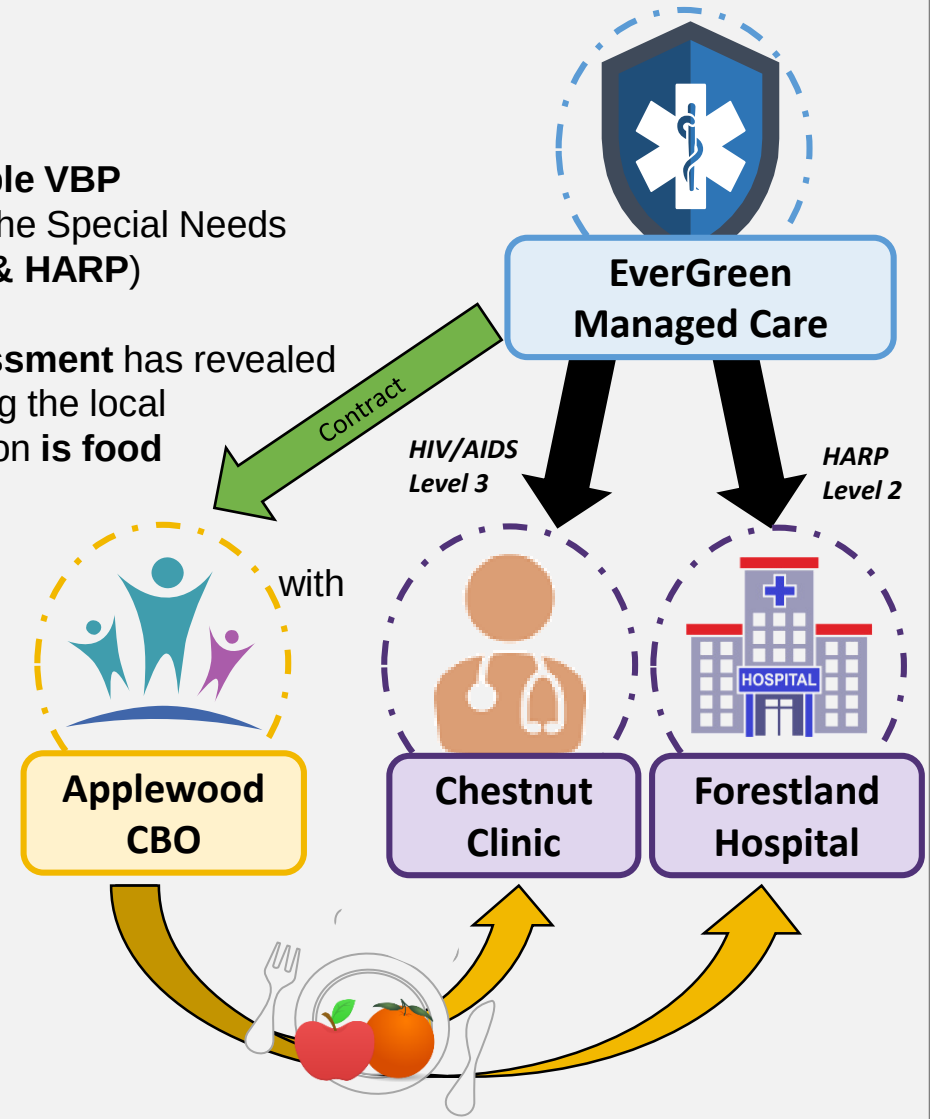
  A contracting directly with an MCO to support a VBP arrangement

  B contracting directly with an MCO to support <u>multiple</u> VBP arrangements



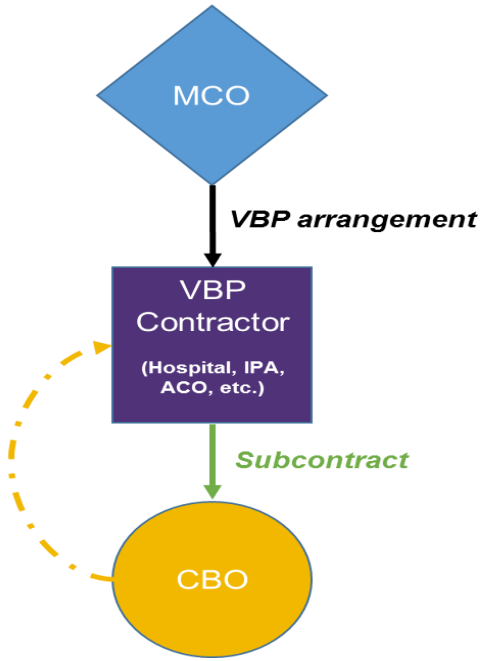
Hypothetical Example

- EverGreen contracts **multiple VBP arrangements** targeted at the Special Needs Subpopulations (**HIV/AIDs & HARP**)
- A **community needs assessment** has revealed that a large **challenge** facing the local Special Needs Subpopulation **is food insecurity**
- EverGreen contracts Applewood CBO to implement a **Nutrition Intervention** for the local Special Needs Subpopulation **served by the multiple VBP arrangements**



CBO Contracting Strategies – Scenario C

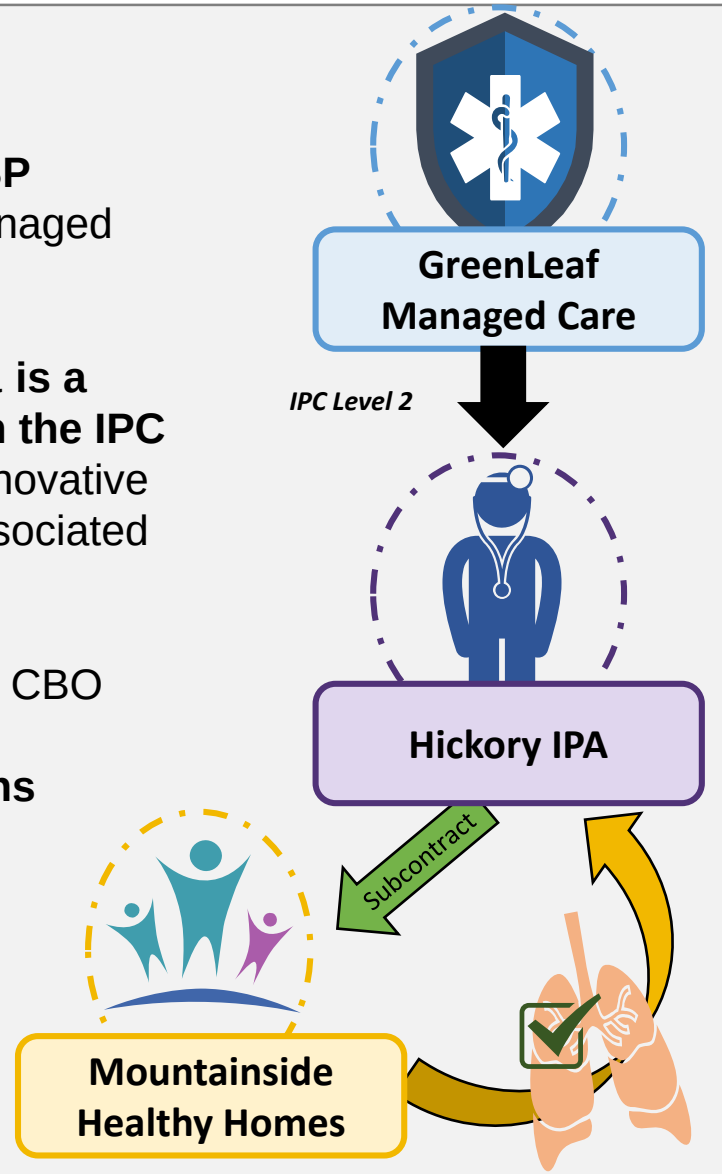
- **CBOs may support VBP arrangements by:**
  - A contracting directly with an MCO to support a VBP arrangement
  - B contracting directly with an MCO to support multiple VBP arrangements
  - C **subcontract with a VBP Contractor (Hospital, IPA, ACO, etc.)**



Support VBP arrangement by implementing a SDH Intervention

Hypothetical Example

- Hickory IPA enters into a **Level 2** Integrated Primary Care (**IPC**) **VBP arrangement** with GreenLeaf Managed Care
- Hickory IPA is aware that **Asthma is a** chronic care **episode included in the IPC arrangement**, and is exploring innovative ways to prevent complications associated with asthmatics
- Mountainside Healthy Homes is a CBO that is known regionally for **home environment-based interventions**
- Hickory IPA subcontracts with Mountainside Healthy Homes to **implement home-based interventions targeted at** improving air quality in the homes of **asthmatics**



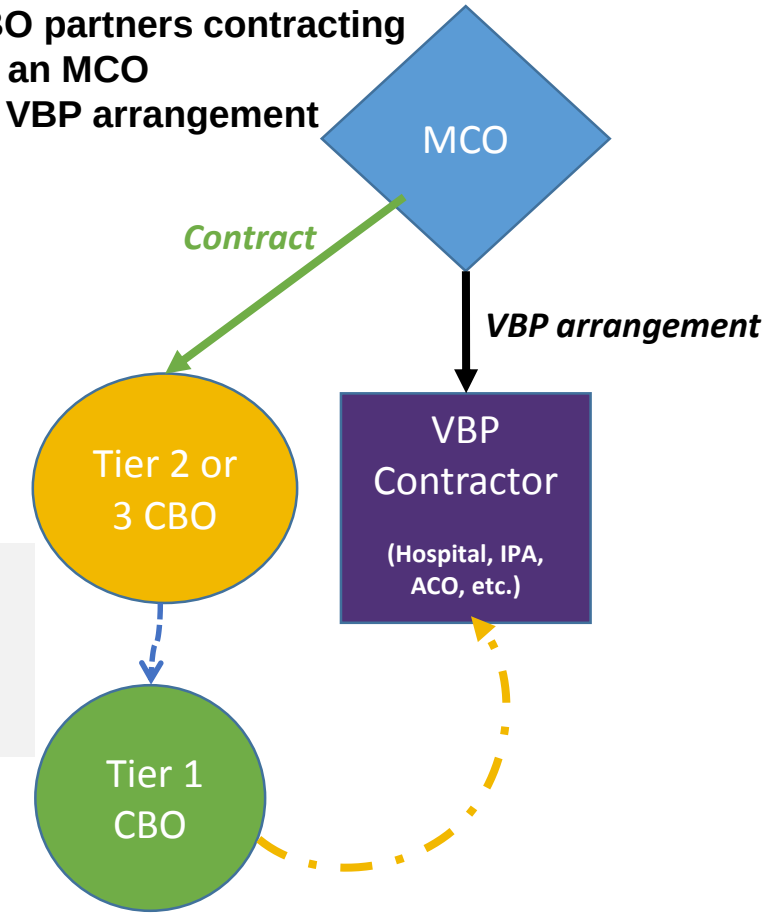
CBO Contracting Strategies – Scenario D

A **CBOs may support VBP arrangements by:** contracting directly with an MCO to support a VBP arrangement

B contracting directly with an MCO to support multiple VBP arrangements

C subcontract with a VBP Contractor (Hospital, IPA, ACO, etc.)

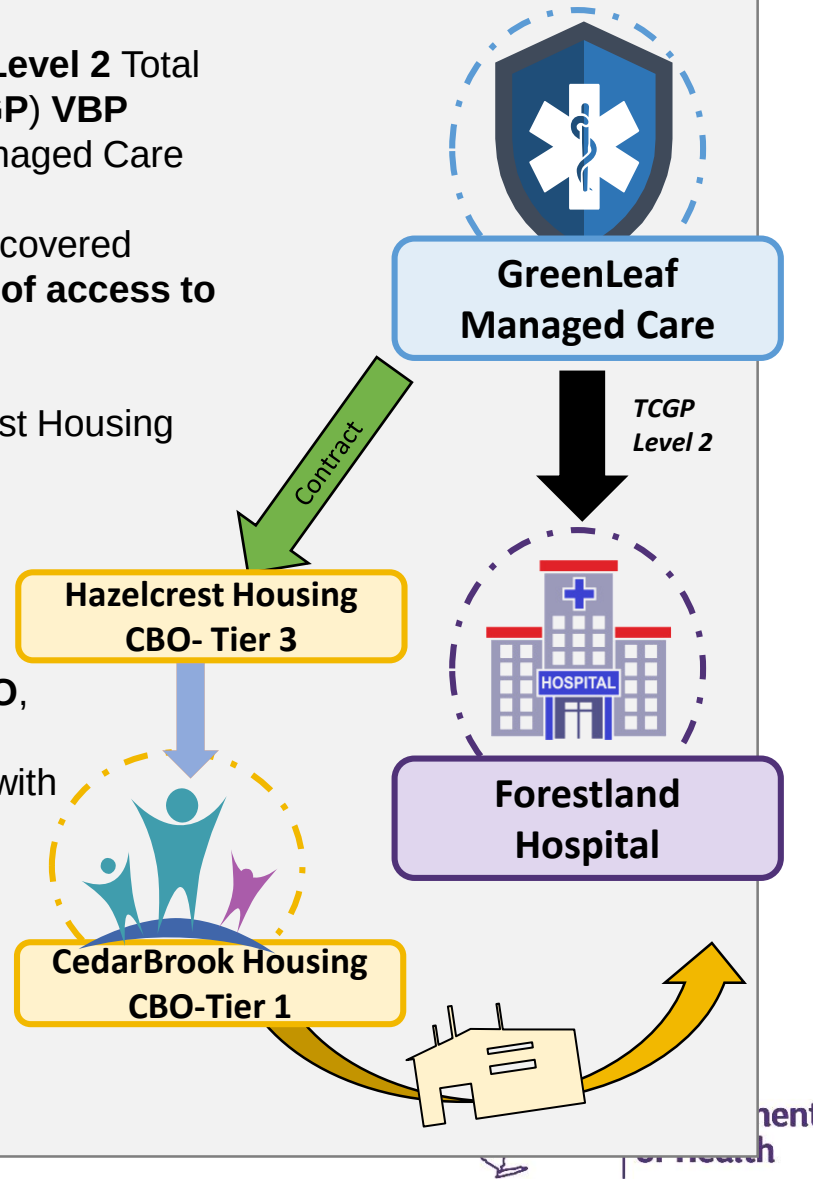
D **multi-tier CBO partners contracting directly with an MCO to support a VBP arrangement**



A tier 2 or 3 CBO subcontracting with a tier 1 CBO to support an arrangement.

Hypothetical Example

- Forestland Hospital enters into a **Level 2** Total Care for General Population (**TCGP**) **VBP arrangement** with GreenLeaf Managed Care
- Many of the **highest ED utilizers** covered under the arrangement have **lack of access to affordable housing**
- Greenleaf contracts with Hazelcrest Housing CBO to implement a **Housing Intervention** for the highest utilizers covered under Forestland's VBP arrangement
- **Hazelcrest Housing, a tier 3 CBO**, subcontracts with **CedarBrook Housing, a tier 1 CBO**, to assist with implementation of Housing Intervention by covering a specific geographical area.



CBO Contracting Options

- CBO contracts are **not** required to include risk
- CBO contracts could be structured as:

Payment for services rendered	Upside only	Upside and Downside risk
Contracts without a risk-based component	No downside risk	Risk sharing contract
	If savings are achieved, CBO receives a portion of shared savings	If savings are achieved, CBO receives a portion of shared savings
	If losses are incurred, CBO would **not** take on any losses	If losses are incurred, CBO would take on some degree of loss

- CBOs may be held to performance measure standards by the party they are contracting with (VBP Contractor or MCO) in order for contracting to continue

Key Contracting Terms

Key Items for Contracting

Contract Term

- What is the “Effective Date” of the contract and when does it end?
- Does the contract automatically renew after the initial period?

Contracting Parties

- Who are you contracting with, the MCO or VBP Contractor (Hospital, IPA, ACO)?
- Use the legal names for each entity in your contract

Scope of Project

- Describe your project implementation
- What services will be provided by the CBO?
- How many people will the intervention target? All members in the arrangement? Members that meet specific requirement?
- Will the MCO or VBP Contractor identify targeted members and refer members as needed?
- How will you evaluate/measure success?

Key Items for Contracting

Geographical Area

- What area(s) will the intervention cover

Payment Method

- How will your organization get paid? Lump sum? Monthly or quarterly reimbursement.
- Are payments tied to specific measures and outcomes? i.e. number of referrals made, number of visits or contact hours, number of patient who are successfully reconnected to healthcare provider.

Reporting and Data Collection

- How often are reports due?
- What data points are collected?
- How will you track the people that are served in the intervention?

We want to hear from you!

Please use survey link below to tell us what topics you would like us to cover in future webinar series

https://www.surveymonkey.com/r/cbowebinar

Thank you!

Contact Information: SDH@health.ny.gov

Our Website: https://www.health.ny.gov/health_care/medicaid/redesign/sdh/index.htm