

HEALTH WEALTH CAREER

VALUE BASED PURCHASING:

GUIDELINES FOR SUBMISSION OF THE PRIMARY CONTRACTOR'S FIRST PROPOSAL

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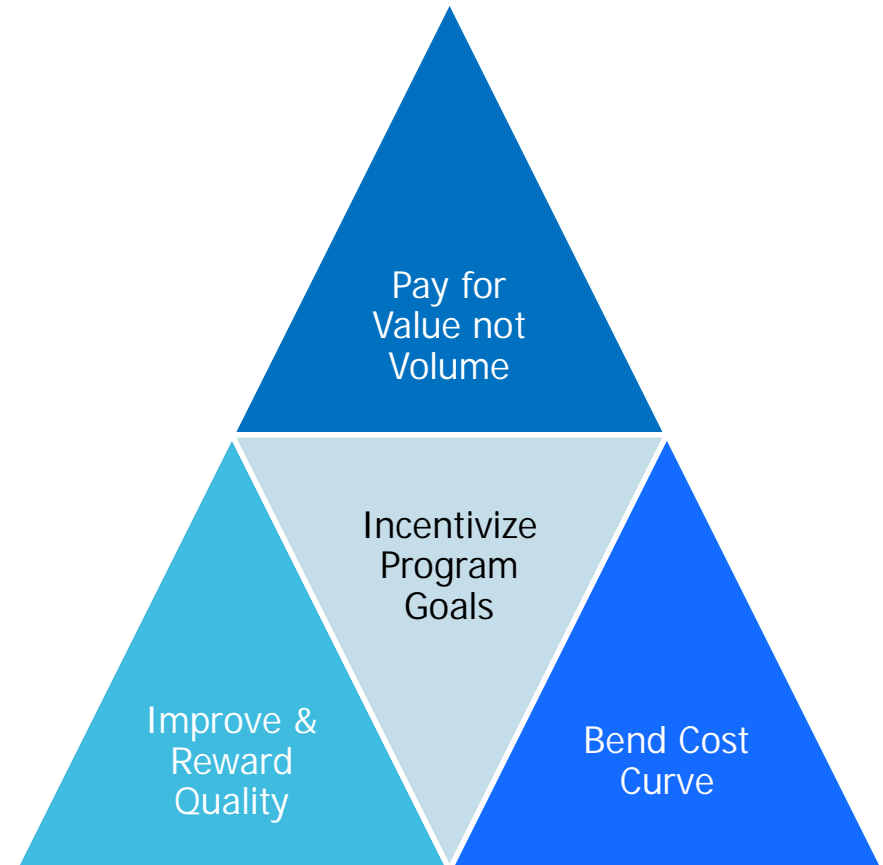


VALUE-BASED PURCHASING (VBP) THE CORE CONCEPT

Encouraging providers and purchasers to

- *Rethink*
- *Reengineer*
- *Transform*

how care is delivered while achieving higher quality outcomes and controlling cost growth.



HEALTHCHOICES BEHAVIORAL HEALTH THE VBP FRAMEWORK

CONTRACT YEAR	YEAR 1 (CY2018)	YEAR 2 (CY2019)	YEAR 3 (CY2020)
VBP Requirement	5%	10%	20%
VBP Models			
1. Performance-Based Contracting (S)	Any combination of models 1–6.		
2. Bundled and Episodic (M)		At least 50% of the 10% must be from a combination of models 2–6.	At least 50% of the 20% must be from a combination of models 2–6.
3. Shared Savings (M)			
4. Shared Risk (M)			
5. Capitation (L)			
6. Capitation + Performance-Based Contracting (L)			

OMHSAS VBP FRAMEWORK

Risk Category (Small, Medium, Large)	VBP Model	Description
S	1	Performance-based Contracting (PBC): Contracts in which payment is linked to provider performance and requires providers to undertake specific activities or meet certain benchmarks for services. These contracts may include incentives and penalties, caseloads and Pay-for-Performance.
M	2	Bundled and Episodic: A single bulk payment for all services rendered to treat an individual for an identified condition during a specific time period. These payments also include case rates.
M	3	Shared Savings: Supplemental payments to providers if they are able to reduce health care spending for a defined patient population relative to a benchmark. The payment is a percentage of the net savings generated by the provider.
M	4	Shared Risk: An arrangement of shared financial responsibility between payer and provider that allows for cost control, efficiency of service use and quality. In this arrangement, both financial savings and losses are shared.
L	5	Capitation: A payment arrangement for health care service providers that pays a set amount for each enrolled person assigned to them, per period of time, regardless of whether the person receives services during the period covered by the payment.
L	6	Capitation + Performance-based Contracting: This payment arrangement adds performance based contracting as a supplemental incentive to a capitation contract.

THE VBP PLAN

PURPOSE AND TIMELINES

DELIVERABLE	CY = CALENDAR YEAR CYCLE (JAN 1–DEC 31)	CY = FISCAL YEAR CYCLE (JUL 1–JUN 30)
Initial submission of VBP Plan.	January 1, 2018	April 1, 2018
Submission of updated VBP Plan describing plans for upcoming CY.	October 1, 2018 and annually thereafter	April 1, 2019 and annually thereafter
Annual submission of actual VBP arrangements to support evaluation of previous year's outcomes.	June 30, 2019 and annually thereafter	December 31, 2019 and annually thereafter

SECTION A

A.1: GENERAL STRATEGY

EVALUATION CRITERIA A.1

1. The Baseline VBP tab in the Excel tool is completed correctly.
2. The Planned VBP tab is completed correctly and the VBP Plan clearly outlines the following:
 - A. Providers/agencies anticipated to participate in VBP arrangements in CY2018.
 - B. Targeted populations and/or services included in VBP arrangements each year.
 - C. The amount of medical spend that each VBP arrangement contributes to the overall VBP plan for each year.
 - D. Total Expected Primary Contractor Medical Spend for each year.
 - E. Confirmation/attestation that the same dollars are not counted twice in any given year.
3. A feasible phased-in approach of target population(s)/service(s) and VBP models that reflect progressive movement toward more advanced VBP models over time.
4. The projected percent medical spend for each VBP model and in total across the all VBP models aligns with target percent in framework (see Attachment 1).

OMHSAS DETERMINATION

Met	Not Met	Required Action(s):
<input type="checkbox"/>	<input type="checkbox"/>	

A.1: GENERAL STRATEGY

BASELINE VBP TAB

BASELINE VBP ARRANGEMENTS IN CY2017

Primary Contractor: <insert Primary Contractor name here>

BH-MCO: <insert BH-MCO name here>

Target Area [population(s)/ service(s)]	VBP Medical Spend (\$) Payment Model 1 Performance Based Contracting (PBC) (Risk Category Small)	VBP Medical Spend (\$) Payment Model 2 Bundled/Episodic Payment (Risk Category Medium)	VBP Medical Spend (\$) Payment Model 3 Shared Savings (Risk Category Medium)	VBP Medical Spend (\$) Payment Model 4 Shared Risk (Risk Category Medium)	VBP Medical Spend (\$) Payment Model 5 Capitation (Risk Category Large)	VBP Medical Spend (\$) Payment Model 6 Capitation+PBC (Risk Category Large)	Total VBP Medical Spend (\$) by Target Area
ACT	\$1,000,000.00	\$2,000,000.00					\$3,000,000.00
Veterans		\$100,000.00					\$100,000.00
ASD			\$500,000.00				\$500,000.00
Case Management	\$750,000.00						\$750,000.00
TOTAL	\$1,750,000.00	\$2,100,000.00	\$500,000.00	\$0.00	\$0.00	\$0.00	\$4,350,000.00
Total Medical Spend for Entire Contract in Baseline Year							\$100,000,000.00
	% of Spend for VBP in Small Risk Category			% of Spend for VBP in Moderate Risk Category		% of Spend for VBP in Large Risk Category	Total % Medical Spend for All VBP Models
	1.75%			2.60%		0.00%	4.35%

ATTESTATION STATEMENT

Confirm the same dollars are not double counted in any cell in any given year.

Confirmed

Not Confirmed

A.1: GENERAL STRATEGY PLANNED VBP TAB

PLANNED VBP ARRANGEMENTS FOR CY2018

Primary Contractor: <insert Primary Contractor name here>

BH-MCO: <insert BH-MCO name here>

Provider Name	PROMISe™ ID (13 digit)	Provider Type	Specialty	Service Description	Program Type (If Applicable)	Target Area [population(s)/ service(s)]	1-EBPs & Programs (If Applicable)	2-EBPs & Programs (If Applicable)	3-EBPs & Programs (If Applicable)	4-EBPP	5-EBPP	Projected VBP Medical Spend (\$)	Risk Category (S, M, L)	Payment Model (1-6)
ABC	2345678901234	8	111	Psychiatric Outpatient	CCBHC		502					1,000,000	M	2
ABC	1234567890123	8	110	Psychiatric Outpatient		Veterans						1,000,000	S	1
ABC	1234567890123	8	558	Behavioral Specialist for Children with Autism		ASD						100,000	S	1
ABC	1234567890123	8	808	Psychiatric Outpatient Therapeutic Staff Support		TSS						1,000,000	S	1
ABC	1234567890123	8	808	Psychiatric Outpatient Therapeutic Staff Support		TSS						200,000	M	3
XYZ	3456789012345	11	548	Therapeutic Staff Support		TSS						500,000	S	1

PROJECTED 2018 SUMMARY

Contract Year	Total projected Medical Spend for Contract Year	Projected VBP Medical Spend (\$) Payment Model 1 PBC (Risk Category Small)	% of Spend for VBP in Small Risk Category	Projected VBP Medical Spend (\$) Payment Models 2 (Bundled/Episodic Payment), 3 (Shared Savings), and 4 (Shared Risk) (Risk Category Medium)	% of Spend for VBP in Moderate Risk Category	Projected VBP Medical Spend (\$) Payment Models 5 (Capitation) and 6 (Capitation + PBC) (Risk Category Large)	% of Spend for VBP in Large Risk Category	Projected Medical Spend for all VBH Models	% of Spend for All VBP Risk Categories
CY 2018	100,000,000		0.00%		0.00%	0	0.00%	3,800,000	3.80%

ATTESTATION STATEMENT

Confirm the same dollars are not double counted in any cell in any given year.

Confirmed

Not Confirmed

SECTION A

A.2: IMPLEMENTATION PLAN

TABLE A.2: IMPLEMENTATION PLAN

MILESTONES AND SUBTASKS	LEAD	START DATE	END DATE	% COMPLETE	COMMENTS
Year 1					
Milestone 1					
- Subtask 1					
- Subtask 2					
Year 2					
Etc.					

SECTION A

A.3: COLLABORATION

EVALUATION CRITERIA A.3

1. The description includes efforts at the PC and BH-MCO level to ensure that provider burden is reduced and that target population(s)/service(s) are coordinated to meet the specific Commonwealth of Pennsylvania VBP goals.
2. At a minimum, standard PMs are utilized across PCs and BH-MCOs for a single target area whenever appropriate and relevant to the VBP strategy, target population(s)/service(s) and goals.
3. PCs subcontracted with the same BH-MCO and shared providers are collaborating on specific initiatives, as appropriate to their geography.

OMHSAS DETERMINATION

Met	Not Met	Required Action(s):
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SECTION B

B.1: TARGET AREAS

TABLE B.1: TARGET AREA DESCRIPTION

TARGET AREA 1: (INSERT VBP TARGET AREA [e.g., ACT])

ELEMENT	DESCRIPTION
Population/service area characteristics	
Data source and approach to identify population/service	
Number of enrollees impacted	
Target area goals	
Planned interventions	
PMs	<p><i>[List and number PMs — e.g., 1. Seven day readmission rate using performance based contracting specifications, 2. Substance Use Disorder initiation and engagement rate using HEDIS specifications.]</i></p>

SECTION B

B.2: VBP MODEL DESCRIPTION

TABLE B.2: VBP MODEL DESCRIPTION

MODEL: (INSERT VBP MODEL NUMBER AND NAME [E.G., 2: BUNDLED & EPISODIC])

ELEMENT	DESCRIPTION
Payment amounts	
Funding source	
Payment methodology	
Data needs and availability	
Operational Plan	

SECTION B

B.3: WORKING WITH PROVIDERS

- Describe the process for selecting, engaging and assisting providers to move to more advanced VBP models.
- Address:
 - Your assessment of provider capabilities/readiness to participate in the target area(s) and VBP model(s) for the coming year.
 - The extent to which your current provider network has the capacity to move along the risk/reward continuum in the VBP framework to achieve quality outcomes and/or cost efficiency in the three year timeframe and any associated barriers or limitations.
 - Planned education and technical assistance with selected providers on implementation of VBP strategies.

QUESTIONS?

