



**Department
of Health**

Medicaid
Redesign Team

Delivery System Reform Incentive Payment

From Achievement Value to Payment

August 2015

Agenda

- Introduction
- Step by Step Examples - Forestland PPS
 - Project 2.b.iv DY 3, Project 3.a.i DY 3, and Project 4.a.iii DY 3 – Payment 1 illustration
 - Step 1 - Net Project Valuation
 - Step 2 - Annual Funding Distribution
 - Step 3 - Domain (2, 3, 4) Funding and P4P Distribution
 - Step 4 - Domain 1 Percentage Achievement Value (PAV)
 - Step 5 - Domain (2, 3, 4) P4P and P4R Achievement Values (PAV)
 - Step 6 - Total Payment Summary
 - Forestland PPS DY3 Payment 1 Total Payment Summary
 - Additional Notes and Outstanding Issues

Introduction

- DOH has provided PPS with previous guidance regarding the calculation of Domain 1 AVs and Domain 2-4 AVs in previous webinars and presentations.
 - This presentation builds upon previous guidance and outlines the process for semi-annual payment calculations based on the number of AVs earned in each Domain.
- This presentation demonstrates examples of the use of individual net project valuations to calculate earned payments for three Forestland (fictitious PPS) projects—one project in each of Domains 2, 3, and 4.
 - A full illustration of Forestland project valuation and earned payment calculations are included in the accompanying Forestland 5 Year Valuation Example worksheet.
- DSRIP payments are based upon the payment model presented in Attachment I of the program Special Terms and Conditions (STCs); this presentation includes clarifications and demonstration of the payment model as applied to projects in each domain.

Step By Step Example

Forestland PPS
Project 2.b.iv Valuation
Demonstration Year 3, Payment 1

Step 1 - Net Project Valuation

- Total net project valuation for all projects is shown in a valuation letter to each PPS.
- The net project value for project 2.b.iv in this example is \$20,089,957.
- Total valuation by project is based on project index scores, PPS attribution, and project plan application scores.

Project Selection	Index	Net Project Value
2.a.i	56	\$27,302,524
2.a.iv	54	\$21,984,836
2.b.ii	40	\$19,829,157
2.b.iv	43	\$20,089,957
2.d.i	56	\$23,297,524
3.a.i	39	\$18,090,239
3.a.ii	37	\$13,625,608
3.b.i	30	\$14,329,539
3.c.i	30	\$14,638,335
4.a.iii	20	\$10,347,156
4.b.ii	17	\$9,829,798
Total		\$193,364,673



DSRIP Project Plan Award Letter

Between
The New York State Department of Health (DOH)
 and
Forestland PPS

Period of Agreement From: April 1, 2015 To: December 31, 2020
Valuation Award Amount: \$233,503,510

Net Project Value	Net High Performance Fund (3%)	Additional High Performance Fund (State Only)	Total Valuation
\$193,364,673	\$22,219,463	\$17,919,374	\$233,503,510

Step 2 - Annual Funding Distribution

- DSRIP funding is not distributed evenly over the life of the waiver. Annual funding percentages, as defined in the STCs, factor into the allocation of project funding by Demonstration Year (DY).

Project 2.b.iv Valuation	\$20,089,957				
Year	DY 1	DY 2	DY 3	DY 4	DY 5
Funding Percentage	15.84%	16.88%	27.29%	24.16%	15.84%
Funding Amount	\$3,181,311	\$3,390,232	\$5,482,431	\$4,854,672	\$3,181,311

Step 2 - Annual Funding Distribution cont'd

- DSRIP funding is not distributed evenly over the life of the waiver. Annual funding percentages, as defined in the STCs, factor into the allocation of project funding by Demonstration Year (DY).
- For DY 3, the funding percentage of 27.29% results in a DY 3 funding amount of \$5,482,431.

Project 2.b.iv Valuation	\$20,089,957				
Year	DY 1	DY 2	DY 3	DY 4	DY 5
Funding Percentage	15.84%	16.88%	27.29%	24.16%	15.84%
Funding Amount	\$3,181,311	\$3,390,232	\$5,482,431	\$4,854,672	\$3,181,311

$$\$20,089,957 * 27.29\% = \$5,482,431$$

Step 3 - P4P and P4R Allocation

- DSRIP annual funding is distributed by Domain and Pay-For-Reporting (P4R) and Pay-For-Performance (P4P) payment allocation percentages in accordance with the STCs. The payment allocation percentages are applied to the funding amounts to delineate the possible payment amount per DSRIP Year.

Domain	Payment	Annual Domain Funding Percentages				
		DY1	DY2	DY3	DY4	DY5
Domain 1 (Project Process Milestones)	P4R	80%	60%	40%	20%	0%
Domain 2 (System Transformation Milestones)	P4P	0%	0%	48%	70%	91%
	P4R	20%	40%	12%	10%	9%

**Attachment I P4R and P4P distribution percentages are currently being updated and are subject to change based upon final approval by DOH and CMS.*

Step 3 - P4P and P4R Allocation cont'd

- Two DSRIP payments are made annually with the exception of DY1. Since there are two payment periods in DY3, the payment allocation percentages are halved to determine the DY3 payment period 1 potential project earnings.
- DY1 has three payments because 60% of funding was paid following approval of project applications.

Domain	Payment	Annual Domain Funding Percentages										
		DY1			DY2		DY3		DY4		DY5	
Payment		P1	P2	P3	P1	P2	P1	P2	P1	P2	P1	P2
Domain 1 (Project Process Milestones)	P4R	60%	10%	10%	30%	30%	20%	20%	10%	10%	-	-
Domain 2 (System Transformation Milestones)	P4P	-	-	-	-	-	24%	24%	35%	35%	45.5%	45.5%
	P4R	-	10%	10%	20%	20%	6%	6%	5%	5%	4.5%	4.5%
Total		100%			100%		100%		100%		100%	

* Due to semi-annual payments, payment allocation percentages are halved in DY 1 – DY 5. However, in Domain 1 DY 1, there are three payments.

*Attachment I P4R and P4P distribution percentages are currently being updated and are subject to change based upon final approval by DOH and CMS.



Step 3 - P4P and P4R Allocation cont'd

- For example, in DY3, the total Domain 1 allocation of annual project valuation (40%) is divided evenly between payment 1 and payment 2 (payment 1 includes 20% and payment 2 includes 20%).

DY3 Project 2.b.iv – Payment 1 Potential Project Earnings			Domain Funding Percentages					
Project 2.b.iv Total DY3 Funding Amt. = \$5,482,431			DY3		DY4		DY5	
Domain	Funding Percentage	Potential \$ Amount	P1	P2	P1	P2	P1	P2
Domain 1	20%	\$1,096,486	20%	20%	10%	10%	-	-
Domain 2 P4P	24%	\$1,315,783	24%	24%	35%	35%	45.5%	45.5%
Domain 2 P4R	6%	\$328,946	6%	6%	5%	5%	4.5%	4.5%
Total DY 3 Payment 1	50%	\$2,741,215	100%		100%		100%	

*Attachment I P4R and P4P distribution percentages are currently being updated and are subject to change based upon final approval by DOH and CMS.
 * Due to semi-annual payments, payment allocation percentages are halved in DY 1 – DY 5. However, in Domain 1 DY 1, there are three payments.



Step 4 – Domain 1 Earned Payment

- In this example, Forestland earned 5 of 6 possible Domain 1 AVs, resulting in a Percent Achievement Value (PAV) of 83%.
- This project does not have any DY3 Project Implementation Speed requirements, hence Payment 1 and Payment 2 are NA for Project Implementation Speed.

Domain 1 AV Category		DY3	
		Pmt 1	Pmt 2
Organizational	Governance	1	1
	Workforce	1	1
	Cultural Competency / Health Literacy	1	1
	Financial Sustainability	1	1
Project	Quarterly Progress Reports / Budget / Flow of Funds	1	1
	Patient Engagement Speed	0	1
	Project Implementation Speed	NA	NA
Total AVs Possible		6	6
Total AVs Earned		5	6

Step 4 – Domain 1 Earned Payment cont'd

- In this example, Forestland earned 5 of 6 possible Domain 1 AVs, resulting in a Percent Achievement Value (PAV) of 83%.

DY3 Payment 1 *Domain 1* PAV = $\frac{5}{6} = 83\%$

		DY3 Project 2.b.iv Example – Domain 1 Payment 1 Earned Payment Amount			
	Organizational	Domain	Payment Possible	Percent AV (%)	Earned Payment
	G	Domain 1	\$1,096,486	83%	\$910,084
	W	Domain 2 P4P	\$1,315,783		
	C	Domain 2 P4R	\$328,946		
	Fi	Total DY3 P1 Amt.	\$2,741,215		
	Project			No.	
	Q	Project Implementation Speed		6	6
	P			5	6
		Total AVs Possible		6	6
		Total AVs Earned		5	6

* Note: This project does not have any DY3 Project Implementation Speed requirements, hence Payment 1 and Payment 2 are NA for Project Implementation Speed.

Step 5 – Domain 2 Earned Payment

Performance Measure – Project 2.b.iv	P4R AV	P4P AV
Medicaid Spending on ER and Inpatient Services ±	0 out of 1	NA
Medicaid spending on Primary Care and community based behavioral health care	1 out of 1	NA
Percent of eligible providers with participating agreements with RHIOs, meeting Meaningful Use criteria and able to participate in bidirectional exchange	1 out of 1	NA
Percent of PCP meeting PCMH (NCQA) or Advance Primary Care (SHIP) standards	1 out of 1	NA
Percent of total Medicaid provider reimbursement received through sub-capitation or other forms of non-FFS reimbursement	1 out of 1	NA
Adult Access to Preventive or Ambulatory Care - 20 to 44 years	NA	.33 out of .33
Adult Access to Preventive or Ambulatory Care - 45 to 64 years	NA	.33 out of .33
Adult Access to Preventive or Ambulatory Care - 65 and older	NA	.33 out of .33
CAHPS Measures - Care Coordination with provider up-to-date about care received from other providers	NA	1 out of 1
Children's Access to Primary Care- 12 to 19 years	NA	.25 out of .25
Children's Access to Primary Care- 12 to 24 months	NA	.25 out of .25
Children's Access to Primary Care- 25 months to 6 years	NA	.25 out of .25
Children's Access to Primary Care- 7 to 11 years	NA	.25 out of .25
Getting Timely Appointments, Care and information (Q6, 8, 10, and 12)	NA	0.5 out of 0.5
Helpful, Courteous, and Respectful Office Staff (Q24 and 25)	NA	0.5 out of 0.5
H-CAHPS – Care Transition Metrics	NA	1 out of 1
PDI 90– Composite of all measures +/-	NA	0 out of 1
Potentially Avoidable Emergency Room Visits	NA	1 out of 1
Potentially Avoidable Readmissions	NA	1 out of 1
PQI 90 – Composite of all measures +/-	NA	1 out of 1
Primary Care - Length of Relationship - Q3	NA	0.5 out of 0.5
Primary Care - Usual Source of Care - Q2	NA	0.5 out of 0.5
Total Possible AVs	5	10
Total Earned AVs	4	9
PAV	80%	90%

Step 5 – Domain 2 Earned Payment cont'd

$$\text{DY3 Payment 1 Domain 2 P4P} = \frac{9}{10} = 90\%$$

$$\text{DY3 Payment 1 Domain 2 P4R} = \frac{4}{5} = 80\%$$

DY3 Project 2.b.iv Example – Domain 2 Payment 1 Earned Payment Amount (P4R and P4P)

	Payment Possible	PAV	Earned Payment
Domain 1	\$1,096,486	83%	\$910,084
Domain 2 P4P	\$1,315,783	90%	\$1,184,205
Domain 2 P4R	\$328,946	80%	\$263,157
Total Funding	\$2,741,215	--	\$2,357,446

By applying the payment allocation percentages to Domain 1 (20%) and Domain 2 (24% P4P and 6% P4R) and factoring in the appropriate PAVs, the total earned payment for project 2.b.iv is \$2,357,446.

$$= 90\% * \$1,315,783$$

$$= 80\% * \$328,946$$

Potentially Avoidable Emergency Room visits		
Potentially Avoidable Readmissions		
PQI 90 – Composite of all measures +/-	NA	0.5 out of 1
Primary Care - Length of Relationship - Q3	NA	0.5 out of 0.5
Primary Care - Usual Source of Care - Q2	NA	0.5 out of 0.5
Total Possible AVs	5	10
Total Earned AVs	4	9
PAV	80%	90%

Step 6 - Total Payment Summary

Forestland PPS Project 2.b.iv Valuation, Payment 1

Project Valuation (2.b.iv)	\$ 20,089,957
Demonstration Year	DY3
DY3 Annual Percentage	27.29%
Annual Funding Amount	\$5,482,431
Payment Period	P1

The total payment earned is the sum of the Domain 1 and Domain 2 payments earned (\$2,357,446). Funds in the second payment of DY3 would be separately earned.

Category	Semi-Annual Percentage	Potential Amount	Earned AVs	Possible AVs	PAV	Payment Earned
Domain 1	20%	\$1,096,486	5	6	83%	\$910,084
Domain 2 P4P	24%	\$1,315,783	9	10	90%	\$1,184,205
Domain 2 P4R	6%	\$328,946	4	5	80%	\$263,157
Total	50%	\$2,741,215				\$2,357,446

Step By Step Example

Forestland PPS
Project 3.a.i Valuation
Demonstration Year 3, Payment 1

Step 1 - Net Project Valuation

- Total net project valuation for all projects is shown in a valuation letter to each PPS.
- The net project value for project 3.a.i in this example is \$18,090,239.
- Total valuation by project is based on project index scores, PPS attribution, and project plan application scores.

Project Selection	Index	Net Project Value
2.a.i	56	\$27,302,524
2.a.iv	54	\$21,984,836
2.b.ii	40	\$19,829,157
2.b.iv	43	\$20,089,957
2.d.i	56	\$23,297,524
3.a.i	39	\$18,090,239
3.a.ii	37	\$13,625,608
3.b.i	30	\$14,329,539
3.c.i	30	\$14,638,335
4.a.iii	20	\$10,347,156
4.b.ii	17	\$9,829,798
Total		\$193,364,673



DSRIP Project Plan Award Letter

Between
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 and
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Period of Agreement From: April 1, 2015 To: December 31, 2020
 Valuation Award Amount: \$233,503,510

Net Project Value	Net High Performance Fund (3%)	Additional High Performance Fund (State Only)	Total Valuation
\$193,364,673	\$22,219,463	\$17,919,374	\$233,503,510

Step 2 - Annual Funding Distribution

- DSRIP funding is not distributed evenly over the life of the waiver. Annual funding percentages, as defined in the STCs, factor into the allocation of project funding by Demonstration Year (DY).

Project 3.a.i Valuation	\$18,090,239				
Year	DY1	DY2	DY3	DY4	DY5
Funding Percentage	15.84%	16.88%	27.29%	24.16%	15.84%
Funding Amount	\$2,864,649	\$3,052,775	\$4,936,720	\$4,371,446	\$2,864,649

Step 2 - Annual Funding Distribution cont'd

- DSRIP funding is not distributed evenly over the life of the waiver. Annual funding percentages, as defined in the STCs, factor into the allocation of project funding by Demonstration Year (DY).
- For DY 3, the funding percentage of 27.29% results in a DY 3 funding amount of \$ 4,936,720.

Project 3.a.i Valuation	\$18,090,239				
Year	DY1	DY2	DY3	DY4	DY5
Funding Percentage	15.84%	16.88%	27.29%	24.16%	15.84%
Funding Amount	\$2,864,649	\$3,052,775	\$4,936,720	\$4,371,446	\$2,864,649

$$\$18,090,239 * 27.29\% = \$4,936,720$$

Step 3 - P4P and P4R Allocation

- DSRIP annual funding is distributed by Domain and Pay-For-Reporting (P4R) and Pay-For-Performance (P4P) payment allocation percentages in accordance with the STCs. The payment allocation percentages are applied to the funding amounts to delineate the possible payment amount per DSRIP Year.

Domain	Payment	Annual Domain Funding Percentages				
		DY1	DY2	DY3	DY4	DY5
Domain 1 (Project Process Milestones)	P4R	80%	60%	40%	20%	0%
Domain 3 (Clinical Improvement Milestones)	P4P	0%	24%	50%	69%	87.5%
	P4R	20%	16%	10%	11%	12.5%

**Attachment I P4R and P4P distribution percentages are currently being updated and are subject to change based upon final approval by DOH and CMS.*

Step 3 - P4P and P4R Allocation cont'd

- Two DSRIP payments are made annually with the exception of DY1. Since there are two payment periods in DY3, the payment allocation percentages are halved to determine the DY3 payment period 1 potential project earnings.
- DY1 has three payments because 60% of funding was paid following approval of project applications.
- Note that the Domain 3 P4P payment allocation is delayed until payment 2 of DY2 to account for measurement reporting timelines (24% P4P in DY2).

Domain	Payment	Annual Domain Funding Percentages											
		DY1			DY2		DY3		DY4		DY5		
Payment		P1	P2	P3	P1	P2	P1	P2	P1	P2	P1	P2	
Domain 1 (Project Process Milestones)	P4R	60%	10%	10%	30%	30%	20%	20%	10%	10%	-	-	
Domain 3 (Clinical Improvement Milestones)	P4P	-	-	-	0%	24%	25%	25%	34.5%	34.5%	43.75%	43.75%	
	P4R	-	10%	10%	8%	8%	5%	5%	5.5%	5.5%	6.25%	6.25%	
Total		100%			100%		100%		100%		100%		

* Due to semi-annual payments, payment allocation percentages are halved in DY 1 – DY 5. However, in Domain 1 DY 1, there are three payments.

*Attachment I P4R and P4P distribution percentages are currently being updated and are subject to change based upon final approval by DOH and CMS.



Step 3 - P4P and P4R Allocation cont'd

- Two DSRIP payments are made annually with the exception of DY1. Since there are two payment periods in DY3, the payment allocation percentages are halved to determine the DY3 payment period 1 potential project earnings.
- For example, in DY3, the total Domain 1 allocation of annual project valuation (40%) is divided evenly between payment 1 and payment 2 (payment 1 includes 20% and payment 2 includes 20%).

DY3 Project 3.a.i – Payment 1 Potential Project Earnings Project 3.a.i Total DY3 Funding Amt. = \$4,936,720			Main Funding Percentages					
Domain	Funding Percentage	Potential \$ Amount	DY3		DY4		DY5	
			P1	P2	P1	P2	P1	P2
Domain 1	20%	\$ 987,344	20%	20%	10%	10%	-	-
Domain 3 P4P	25%	\$ 1,234,180	25%	25%	34.5%	34.5%	43.75%	43.75%
Domain 3 P4R	5%	\$ 246,836	5%	5%	5.5%	5.5%	6.25%	6.25%
Total DY3 Payment 1	50%	\$ 2,468,360	100%		100%		100%	

* Due to semi-annual payments, payment allocation percentages are halved in DY 1 – DY 5. However, in Domain 1 DY 1, there are three payments.
 *Attachment I P4R and P4P distribution percentages are currently being updated and are subject to change based upon final approval by DOH and CMS.



Step 4 – Domain 1 Earned Payment

- In this example, Forestland earned 5 of 6 possible Domain 1 AVs, resulting in a Percent Achievement Value (PAV) of 83%.
- This Forestland example completes the DY3 Project Implementation Speed requirements in DY3 Q4. Hence, Payment 1 is labeled NA for Project Implementation Speed as the requirements were not completed for this payment period.

Domain 1 AV Category		DY3	
		Pmt 1	Pmt 2
Organizational	Governance	1	1
	Workforce	1	1
	Cultural Competency / Health Literacy	1	1
	Financial Sustainability	1	1
Project	Quarterly Progress Reports / Budget / Flow of Funds	1	1
	Patient Engagement Speed	0	1
	Project Implementation Speed	NA	1
Total AVs Possible		6	7
Total AVs Earned		5	7

Step 4 – Domain 1 Earned Payment cont'd

- In this example, Forestland earned 5 of 6 possible Domain 1 AVs, resulting in a Percent Achievement Value (PAV) of 83%.

$$\text{DY3 Payment 1 Domain 1 PAV} = \frac{5}{6} = 83\%$$

DY3 Project 3.a.i Example – Domain 1 Payment 1 Earned Payment Amount

Domain	Payment Possible	Percent AV (%)	Earned Payment
Domain 1	\$987,344	83%	\$819,496
Domain 3 P4P	\$1,234,180		
Domain 3 P4R	\$246,836		
Total Funding	\$2,468,360		

Organizational	Project	Project Implementation Speed	Number of AVs Possible	Number of AVs Earned
Organizational	G			
	W			
Project	C			
	Fi			
	Q			
	P			
Total AVs Possible			6	6
Total AVs Earned			5	6

Step 5 – Domain 3 Earned Payment

Performance Measure 3.a.i	P4R AV	P4P AV
Follow-up care for Children Prescribed ADHD Medications - Continuation Phase	0.5 out of 0.5	NA
Follow-up care for Children Prescribed ADHD Medications - Initiation Phase	0.5 out of 0.5	NA
Screening for Clinical Depression and follow-up	0 out of 1	NA
Adherence to Antipsychotic Medications for People with Schizophrenia	NA	1 out of 1
Antidepressant Medication Management - Effective Acute Phase Treatment	NA	0.5 out of 0.5
Antidepressant Medication Management - Effective Continuation Phase Treatment	NA	0.5 out of 0.5
Cardiovascular Monitoring for People with Cardiovascular Disease and Schizophrenia	NA	0 out of 1
Diabetes Monitoring for People with Diabetes and Schizophrenia	NA	1 out of 1
Diabetes Screening for People with Schizophrenia or Bipolar Disease who are Using Antipsychotic Medication	NA	0 out of 1
Follow-up after hospitalization for Mental Illness - within 30 days	NA	0.5 out of 0.5
Follow-up after hospitalization for Mental Illness - within 7 days	NA	0.5 out of 0.5
Engagement of Alcohol and Other Drug Dependence Treatment (initiation and 2 visits within 44 days)	NA	0.5 out of 0.5
Initiation of Alcohol and Other Drug Dependence Treatment (1 visit within 14 days)	NA	0.5 out of 0.5
Potentially Preventable Emergency Department Visits (for persons with BH diagnosis) ±	NA	1 out of 1
Total Possible AVs	2	8
Total Earned AVs	1	6
PAV	50%	75%

Step 5 – Domain 3 Earned Payment cont'd

$$\text{DY3 Payment 1 Domain 3 P4P} = \frac{6}{8} = 75\%$$

$$\text{DY3 Payment 1 Domain 3 P4R} = \frac{1}{2} = 50\%$$

DY3 Project 3.a.i Example – Domain 3 Payment 1 Earned Payment Amount (P4R and P4P)

	Payment Possible	PAV	Earned Payment
Domain 1	\$987,344	83%	\$819,496
Domain 3 P4P	\$1,234,180	75%	\$925,635
Domain 3 P4R	\$246,836	50%	\$123,418
Total Funding	\$2,468,360	--	\$1,868,549

By applying the payment allocation percentages to Domain 1 (20%) and Domain 3 (25% P4P and 5% P4R) and factoring in the appropriate PAVs, the total earned payment for project 3.a.i is \$1,868,549.

$$= 75\% * \$1,234,180$$

$$= 50\% * \$246,836$$

14 days)		
Potentially Preventable Emergency Department Visits (for persons with BH diagnosis) ±	NA	1 out of 1
Total Possible AVs	2	8
Total Earned AVs	1	6
PAV	50%	75%

Step 6 - Total Payment Summary

Forestland PPS Project 3.a.i Valuation, Payment 1

Project Valuation (3.a.i)	\$ 18,090,239
Demonstration Year	DY3
DY3 Annual Percentage	27.29%
Annual Funding Amount	\$4,936,720
Payment Period	P1

The total payment earned is the sum of the Domain 1 and Domain 3 payments earned (\$1,868,549). Funds in the second payment of DY3 would be separately earned.

Category	Percentage	Potential Amount	Earned AVs	Possible AVs	PAV	Payment Earned
Domain 1	20%	\$ 987,344	5	6	83%	\$819,496
Domain 3 P4P	25%	\$ 1,234,180	6	8	75%	\$925,635
Domain 3 P4R	5%	\$ 246,836	1	2	50%	\$123,418
Total	50%	\$ 2,468,360				\$1,868,549

Step By Step Example

Forestland PPS
Project 4.a.iii Valuation
Demonstration Year 3, Payment 1

Step 1 - Net Project Valuation

- Total net project valuation for all projects is shown in a valuation letter to each PPS.
- The net project value for Project 4.a.iii in this example is \$10,347,156.
- Total valuation by project is based on project index scores, PPS attribution, and project plan application scores.

Project Selection	Index	Net Project Value
2.a.i	56	\$27,302,524
2.a.iv	54	\$21,984,836
2.b.ii	40	\$19,829,157
2.b.iv	43	\$20,089,957
2.d.i	56	\$23,297,524
3.a.i	39	\$18,090,239
3.a.ii	37	\$13,625,608
3.b.i	30	\$14,329,539
3.c.i	30	\$14,638,335
4.a.iii	20	\$10,347,156
4.b.ii	17	\$9,829,798
Total		\$193,364,673



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 and
Forestland PPS

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Net Project Value	Net High Performance Fund (3%)	Additional High Performance Fund (State Only)	Total Valuation
\$193,364,673	\$22,219,463	\$17,919,374	\$233,503,510

Step 2 - Annual Funding Distribution

- DSRIP funding is not distributed evenly over the life of the waiver. Annual funding percentages, as defined in the STCs, factor into the allocation of project funding by Demonstration Year (DY).

Project 4.a.iii Valuation	\$10,347,156				
Year	DY 1	DY 2	DY 3	DY 4	DY 5
Funding Percentage	15.84%	16.88%	27.29%	24.16%	15.84%
Funding Amount	\$1,638,506	\$1,746,109	\$2,823,678	\$2,500,356	\$2,662,017

Step 2 - Annual Funding Distribution cont'd

- DSRIP funding is not distributed evenly over the life of the waiver. Annual funding percentages, as defined in the STCs, factor into the allocation of project funding by Demonstration Year (DY).
- For DY 3, the funding percentage of 27.29% results in a DY 3 funding amount of \$2,823,678

Project 4.a.iii Valuation	\$10,347,156				
Year	DY 1	DY 2	DY 3	DY 4	DY 5
Funding Percentage	15.84%	16.88%	27.29%	24.16%	15.84%
Funding Amount	\$1,638,506	\$1,746,109	\$2,823,678	\$2,500,356	\$2,662,017

$$\$10,347,156 * 27.29\% = \$2,823,678$$

Step 3 - P4P and P4R Allocation

- DSRIP annual funding is distributed by Domain and Pay-For-Reporting (P4R) and Pay-For-Performance (P4P) payment allocation percentages in accordance with the STCs. The payment allocation percentages are applied to the funding amounts to delineate the possible payment amount per DSRIP Year.

Domain	Payment	Annual Domain Funding Percentages				
		DY1	DY2	DY3	DY4	DY5
Domain 1 (Project Process Milestones)	P4R	80%	60%	40%	20%	0%
Domain 4 (Population Health Milestones)	P4P	0%	0%	0%	0%	0%
	P4R	20%	40%	60%	80%	100%

**Attachment I P4R and P4P distribution percentages are currently being updated and are subject to change based upon final approval by DOH and CMS.*

Step 3 - P4P and P4R Allocation cont'd

- Two DSRIP payments are made annually with the exception of DY1. Since there are two payment periods in DY3, the payment allocation percentages are halved to determine the DY3 payment period 1 potential project earnings.
- For example, in DY3, the total Domain 1 allocation of annual project valuation (40%) is divided evenly between payment 1 and payment 2 (payment 1 includes 20% and payment 2 includes 20%).
- DY1 has three payments because 60% of funding was paid following approval of project applications.

Domain	Payment	Annual Domain Funding Percentages										
		DY1			DY2		DY3		DY4		DY5	
Payment		P1	P2	P3	P1	P2	P1	P2	P1	P2	P1	P2
Domain 1 (Project Process Milestones)	P4R	60%	10%	10%	30%	30%	20%	20%	10%	10%	-	-
Domain 4 (Population Health Milestones)	P4P	-	-	-	-	-	-	-	-	-	-	-
	P4R	-	10%	10%	20%	20%	30%	30%	40%	40%	50%	50%
Total		100%			100%		100%		100%		100%	

* Due to semi-annual payments, payment allocation percentages are halved in DY 1 – DY 5. However, in Domain 1 DY 1, there are three payments.

*Attachment I P4R and P4P distribution percentages are currently being updated and are subject to change based upon final approval by DOH and CMS.

Step 3 - P4P and P4R Allocation cont'd

- For example, in DY3, the total Domain 1 allocation of annual project valuation (40%) is divided evenly between payment 1 and payment 2 (payment 1 includes 20% and payment 2 includes 20%).

DY3 Project 4.a.iii – Payment 1 Potential Project Earnings			in Funding Percentages					
Project 4.a.iii Total DY3 Funding Amt. = \$2,823,678			DY3		DY4		DY5	
Domain	Funding Percentage	Potential \$ Amount	P1	P2	P1	P2	P1	P2
Domain 1	20%	\$564,736	20%	20%	10%	10%	-	-
Domain 4 P4R	30%	\$847,103	-	-	-	-	-	-
Total DY3 Payment 1	50%	\$1,411,839	30%	30%	40%	40%	50%	50%
Total			100%		100%		100%	

* Due to semi-annual payments, payment allocation percentages are halved in DY 1 – DY 5. However, in Domain 1 DY 1, there are three payments.
 *Attachment I P4R and P4P distribution percentages are currently being updated and are subject to change based upon final approval by DOH and CMS.



Step 4 – Domain 1 Earned Payment

- In this example, Forestland earned 4 of 5 possible Domain 1 AVs, resulting in a Percent Achievement Value (PAV) of 80%.
- Domain 4 projects do not have Patient Engagement or Project Implementation Speed requirements for any periods. Hence, these two components will always be NA.

Domain 1 AV Category		DY3	
		Pmt 1	Pmt 2
Organizational	Governance	1	1
	Workforce	1	1
	Cultural Competency / Health Literacy	1	1
	Financial Sustainability	0	1
Project	Quarterly Progress Reports / Budget / Flow of Funds	1	1
	Patient Engagement Speed	NA	NA
	Project Implementation Speed	NA	NA
Total AVs Possible		5	5
Total AVs Earned		4	5

Step 4 – Domain 1 Earned Payment cont'd

- In this example, Forestland earned 4 of 5 possible Domain 1 AVs, resulting in a Percent Achievement Value (PAV) of 80%.

DY3 Payment 1 *Domain 1* PAV = $\frac{4}{5} = 80\%$

DY3 Project 4.a.iii Example – Domain 1 Payment 1 Earned Payment Amount			
Domain	Payment Possible	Percent AV (%)	Earned Payment
Domain 1	\$564,736	80%	\$451,789
Domain 4 P4R	\$847,103		
Total Funding	\$1,411,839		

Total AVs Possible	5	5
Total AVs Earned	4	5

Step 5 – Domain 4 Earned Payment

Performance Measure 4.a.iii	P4R AV
Age-adjusted preventable hospitalizations rate per 10,000 - Aged 18+ years – Ratio of Hispanics to White non-Hispanics	1 out of 1
Age-adjusted suicide death rate per 100,000	1 out of 1
Percentage of adults with health insurance - Aged 18- 64 years	0 out of 1
Percentage of premature death (before age 65 years)	1 out of 1
Percentage of premature death (before age 65 years) – Ratio of Black non-Hispanics to White non-Hispanics	1 out of 1
Percentage of premature death (before age 65 years) – Ratio of Hispanics to White non-Hispanics	1 out of 1
Age-adjusted percentage of adult binge drinking during the past month	0 out of 1
Age-adjusted percentage of adults who have a regular health care provider - Aged 18+ years	1 out of 1
Age-adjusted percentage of adults with poor mental health for 14 or more days in the last month	1 out of 1
Age-adjusted preventable hospitalizations rate per 10,000 - Aged 18+ years	1 out of 1
Age-adjusted preventable hospitalizations rate per 10,000 - Aged 18+ years – Ratio of Black non-Hispanics to White non-Hispanics	1 out of 1
Total Possible AVs	11
Total Earned AVs	9
PAV	82%

Step 5 – Domain 4 Earned Payment cont'd

$$\text{DY3 Payment 1 Domain 4 P4R} = \frac{9}{11} = 82\%$$

By applying the payment allocation percentages to Domain 1 (20%) and Domain 4 (30% P4R) and factoring in the appropriate PAVs, the total earned payment for project 4.a.iii is \$1,146,414.

$$= 80\% * \$564,736$$

$$= 82\% * \$847,103$$

DY3 Project 4.a.iii Example – Domain 3 Payment 1 Earned Payment Amount (P4R and P4P)			
	Payment Possible	PAV	Earned Payment
Domain 1	\$564,736	80%	\$451,789
Domain 4 P4R	\$847,103	82%	\$694,625
Total Funding	\$1,411,839	--	\$1,146,414

Age-adjusted preventable hospitalizations rate per 10,000 - Aged 18+ years	
Age-adjusted preventable hospitalizations rate per 10,000 - Aged 18+ years – Ratio of Black non-Hispanics to White non-Hispanics	1 out of 1
Total Possible AVs	11
Total Earned AVs	9
PAV	82%

Step 6 - Total Payment Summary

Forestland PPS Project 4.a.iii Valuation, Payment 1

Project Valuation (4.a.iii)	\$10,347,156
Demonstration Year	DY3
DY3 Annual Percentage	27.29%
Annual Funding Amount	\$2,823,678
Payment Period	P1

The total payment earned is the sum of the Domain 1 and Domain 4 payments earned (\$1,146,414). Funds in the second payment of DY3 would be separately earned.

Category	Percentage	Potential Amount	Earned AVs	Possible AVs	PAV	Payment Earned
Domain 1	20%	\$564,736	4	5	80%	\$451,789
Domain 4 P4R	30%	\$847,103	9	11	82%	\$694,625
Total Funding	50%	\$1,411,839				\$1,146,414

Forestland PPS

DY3 Payment 1 - Total Payment Summary

- Earned amounts for the remaining Forestland projects are illustrated in the accompanying Forestland 5 Year Valuation Example.
- Only payment period 1 examples calculated above are shown for the purposes of this example.

Project Selection	Index	Net Project Value	DY3 Funding Amount	DY3 D1 PAV	DY3 P4P PAV	DY3 P4R PAV	DY3 Payment 1 Earned Amount
2.b.iv	43	\$20,089,957	\$5,482,431	83%	90%	80%	\$2,357,446
3.a.i	39	\$18,090,239	\$4,936,720	83%	75%	50%	\$1,868,549
4.a.iii	20	\$10,347,156	\$2,823,678	80%	NA	82%	\$1,146,414
Total			\$13,242,829				\$5,372,409

Additional Notes and Outstanding Issues

- For performance measures calculated annually, AVs will be carried over to subsequent semi-annual payment periods. This is illustrated in the June 18th Domain 2-4 Achievement Value webinar.
- For some Domain 3 projects, P4R measures are not available in DY 4 or DY 5 for P4R allocation due to transition of measures to P4P. In these cases, the P4R measures in previous years (DY 3) will be utilized as the P4R measures in DY 4 and 5. This will enable PPS to earn P4R payments in these years.
- Projects 3.a.v, 3.d.i, 3.d.ii, and 3.d.iii do not have P4R measures in DY 2 and DY 3. To enable the PPS to earn P4R payments in these years, the P4R measures from DY1 will be again used as P4R measures in DY2 and DY3 (note, these measures will remain included as P4P measures in applicable years).
- Projects 3.g.i and 3.g.ii do not have P4P measures in DY 2 or DY 3. To enable the PPS to earn payment, the P4P payment allocation % for these projects only will be instead allocated to P4R in these years, meaning these projects will have an allocation of 40% P4R in DY 2 and 60% P4R in DY 3.
- Domain 1 measures will be reported on a quarterly basis.
 - Achievement of milestones and targets will be consolidated from quarterly reports to semi-annual AVs.

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