

Meeting #1

Date: July 20, 2015 10:30 AM

Location: School of Public Health, Rensselaer NY

Attendees:



Regulatory Meeting
1 Attendance July 20

Overview

This was the first meeting in a series of meetings for the Regulatory Impact Subcommittee (SC). The purpose of the meeting was to kick off the SC process, educate the SC members on Value Based Payments as well as provide context for the purpose and timeline of the SC work. In addition, the first two agenda items were introduced and will continue to be discussed in detail at the second SC meeting: Provider Risk Sharing and Default Risk Reserves. This meeting also served as a forum to discuss any questions related to the agenda items and raise questions or concerns.

The Agenda for this meeting included:

1. Welcome and Introductions
2. Subcommittee Role and Charge
3. Introduction to Value Based Payments (VBP)
4. Agenda Item # 1: *Are the regulatory requirements that are in place for providers taking on downside risk appropriate for the transition to VBP or should some alternate regulatory vehicle(s) be developed?*

Agenda Item # 2: Should state laws and regulations be amended to re-structure financial security deposits, escrow accounts, and contingency reserves so that there are adequate safeguards for the delivery system, but excess idle cash is avoided?

Key Discussion Points (reference the slide deck “Regulatory Impact Subcommittee Meeting 1”)

1) Welcome and Introductions

Jason Helgeson (DOH) along with the Co-chairs Harold Iselin and Jeffrey Gold facilitated the meeting. The SC members, as well as other present parties, were given the opportunity to introduce themselves.

2) SC Process and Timeline

The SC purpose, process and timeline were described to the members of the SC. The scope of materials the SC will discuss was generated through a full review of the VBP Roadmap. For each topic discussed, the members will collectively discuss if the SC recommendations should be a standard or a guideline. A *standard* would apply to all parties participating in the VBP arrangements statewide whereas *guidelines* will not be mandatory and will rather provide general guidance and direction.

Each recommendation from the SC will be organized into a recommendation report which will be submitted to the VBP workgroup for review and approval.

3) Introduction to VBP

NYS's transformation efforts were reviewed with highlighting of the VBP Roadmap.

4) Agenda Item # 1: Provider Risk Sharing

Discussion of Agenda Item 1 opened with the different types of risks that will be transferred from Managed Care Organizations (MCOs) to providers in VBP arrangements. The co-chairs explained that VBP Level 2 and VBP Level 3 arrangements will involve downside risk for providers. DOH and DFS both presented material on their current approval processes around provider risk sharing. The main distinction between the two agencies is that DFS currently only reviews arrangements that involve prepaid capitation.

The SC and both agencies stated that these review procedures would need to be altered to fit the new VBP arrangements associated with the implementation of the roadmap. The SC requested that the State 'bucket' (categorize) the arrangements on the VBP menu of options neatly into 2 buckets: one that would not involve significant risk or require added oversight and reserves, and one that would involve significant risk and therefore require heavy oversight and default reserves. The SC wanted this distinction clearly laid out in regulations and/or guidelines.

The State pointed out that these arrangements will span multiple providers and put some providers at financial risk for the performance of providers that they do not control. The ability for these arrangements to promote coordination across the care continuum is one of the key benefits that are anticipated from this transition.

The SC requested that DFS clearly state which activities that providers engage in constitute the business of insurance and require licensure. There is confusion on this issue in the provider community and that is a roadblock for progress towards VBP arrangements. The SC also requested examples of current arrangements and summaries of how other states have handled provider risk sharing.


5) Agenda Item # 2: Default Risk Reserves

The SC then discussed the relationship between existing Default Risk Reserves placed on MCOs and providers with financial risk transfers. The Co-chairs and DOH presented on the types of reserve

requirements currently in the system. SC members representing smaller providers or groups expressed that this might be a hurdle for their participation in VBP arrangements.

The State will consider the establishment of a state controlled and funded reserve pool for smaller providers that want to participate. This issue will be closely related to agenda items that will be discussed by the Technical Design SC. Such a reserve pool must include safeguards against moral hazard, or the incentive for providers to take unnecessary risks.

Materials distributed during the meeting:

Document	Description
<p>NYS VBP Regulatory Impact Meeting #1</p>  <p>NYS VBP Regulatory Impact_Meeting 1_F</p>	<p>A presentation deck introducing the SC role and charge, introduction to VBP and Provider Risk Sharing/Default Risk Reserves.</p>

Key Decisions

Consensus decisions on the two policy questions will be finalized in the next meeting scheduled for August 27, 2015 that will be held in NYC. The SC has requested greater clarification from the State around current contracting approval procedures and the structure of future arrangements. DOH, with the support of KPMG, is developing materials for the next SC meeting that include:

- Examples of Level Two and Three VBP arrangements and the providers and types of risk that may be involved.
- Additional background on how other states regulate provider risk sharing.
- Policy Briefs that discuss the major considerations and policy options around risk sharing and default risk reserves.

Conclusion

The next SC meeting will be held in NYC (details to come) and will further discuss the previous two policy questions regarding Provider Risk Sharing/Default Risk Reserves. In addition, the second SC meeting will introduce the following topics:

1. Contracting Entities and Network Adequacy
2. Medicaid Managed Care Model Contract Changes
3. DOH/DFS Contract Review and Approval Process