



**Department
of Health**

Value Based Payments Quality Improvement Program (VBP QIP) – Demonstration Year 2 Guidance

**Last Edited:
July 5, 2016**

Purpose

The purpose of this document is to provide Value Based Payment Quality Improvement Program (VBP QIP) participants information they need to progress into the second year of the program. This document is designed to be useful to both Group 1 participants (who began VBP QIP in August of 2015) and Group 2 participants (who are currently beginning VBP QIP in 2016). This document should be considered as a supplement to the Department's regularly released VBP QIP FAQs.

Included in this document is:

1. State guidance given to VBP QIP participants during the VBP QIP DSRIP Year 2 Webinar (held on June 8, 2016), divided into several related themes.
2. A detailed Q&A taken down from the questions asked during the Webinar.
3. The most up-to-date timeline (as of June 8, 2016) for VBP QIP for the coming year.
4. The proposed MCO-PPS-Facility pairings for all VBP QIP partnerships in DY2, along with their award amounts.



State Guidance

Theme	State Guidance
<p>Program Purpose and Compliance</p>	<p>VBP QIP's purpose</p> <p>The purpose of VBP QIP is to transition financially distressed Facilities to a VBP model, improve their quality of care, and as a result of improved quality and VBP contracting, achieve financial sustainability over the duration of the Program. The Program's purpose is not to sustain current operations, but to ensure long-term financial sustainability through active changes in the delivery and contracting of healthcare services.</p> <p>VBP QIP is not VAPAP</p> <p>As stated above, the purpose of VBP QIP is not to solely sustain Facility operations, like its predecessor program, VAPAP, was designed to do. If a partner finds that their paired partners are not making efforts to meet their responsibilities within the Program, then DOH should be notified to help ensure participant compliance with the Program. Additionally, it should be noted that VBP QIP is a voluntary program and the State will take action to ensure that the all participants meet their respective responsibilities.</p> <p>VBP QIP and compliance</p> <p>The Medicaid Director, Jason Helgerson, issued a formal letter to Program participants at the initiation of VBP QIP, which stated that the Program is in compliance with State and Federal regulations. The State stands by this letter and affirms that the design of the program and the payments that have been made for the prior year are in compliance as implemented. The State will continue to monitor the program to ensure its continued compliance with State and Federal law.</p>



Theme	State Guidance
Participant Roles	<p>The MCO’s role in VBP QIP</p> <ul style="list-style-type: none"> • Develop the Governance Plan • Develop the template for the Facility Plan in accordance with DOH-provided criteria • Approve Facility Plans (in collaboration with the PPS) • Oversee the program, and distribute and report on funding • <i>Note: The MCO is not responsible for ensuring that the Facilities achieve the goals of VBP QIP</i> <p>The PPS’s role in VBP QIP</p> <ul style="list-style-type: none"> • Consult with facilities and MCOs to ensure facility plan aligns with DSRIP goals • Provide support (non-financial) and guidance to the participating facilities • Flow funds from MCO to facility <p>The Facility’s role in VBP QIP</p> <ul style="list-style-type: none"> • Complete the VBP QIP Facility Plan • Implement the Plan in accordance with contractual obligations to move towards VBP, improve quality of care, and achieve financial sustainability over duration of the Program • Engage in continuous communication with PPSs and MCOs regarding obstacles and successes



Value Based Payment Quality Improvement Program

DY2 Guidance Document

Theme	State Guidance
<p>Reporting and Monitoring Requirements</p>	<p>Reporting in VBP QIP</p> <p>Reporting requirements in VBP QIP will differ from Facility to Facility based on each agreement between paired partners. The Program participants should abide by the arrangements in their VBP QIP contracts, Facility Plans, and Governance Documents for reporting on their progress towards Program milestones. If a deliverable or report is not submitted, the State should be notified to help ensure participant compliance within VBP QIP.</p> <p>By DY3, when Facility Plans will be finalized, there is a strong expectation that partners will work towards program milestones and report on their progress in order to receive payment.</p> <p>Like in DSRIP, once a Facility meets its milestones, it is awarded a performance payment to aid in its transformation. The MCO is not responsible for auditing the VBP QIP payments or the use of funds earned by the Facility. The MCO's responsibility is to oversee the Facility's progress throughout the duration of VBP QIP. MCOs will issue reports to DOH tracking payment amounts, progress towards meeting level one VBP status, and quality improvements.</p>
<p>Funds Flow</p>	<p>Funding for VBP QIP</p> <p>It is the State's commitment to ensure that MCOs have adequate resources to distribute Program funding without making MCOs advance their own funds prior to receiving monies from the State. Additionally, MCOs should only release funds when a Facility successfully meets its metrics as well as other reporting and contractual agreements for that period.</p>



Theme	State Guidance
<p>Governance and Contracting Expectations</p>	<p>The purpose of the VBP QIP Governance Plan</p> <p>Each MCO participating in VBP QIP must complete a Governance Plan. The purpose of the Governance Plan is to ensure program integrity and formalize lines of accountability and communication between participating MCOs, PPS, and Facilities. The Governance Plan’s requirements have been revised since they were first developed, and were provided to Group 1 MCOs on June 7th, 2016. Note that the deadline for Group 1 MCOs to submit their updated Governance Plans has been extended to September 16th, 2016. Governance Plans for Group 2 MCOs are due to DOH for by December 10th, 2016.</p> <p>VBP QIP contracts and contract extensions</p> <p>The State expects MCOs, PPS, and Facilities to either renew contracts over the course of the Program or create a contract that lasts for the Program’s duration. Ultimately, it is the responsibility of the participants to negotiate contracts that are acceptable to all parties, so that all aspects of the Program can progress uninterrupted.</p> <p>Participants should inform the Department of any expected delay between the expiration of DY1 contracts and the completion of contracts for DY2.</p> <p>VBP contracts with other MCOs as part of VBP QIP</p> <p>For VBP QIP, Facilities need to take steps towards transitioning to VBP contracting with all MCOs who have a significant portion of their patients. Their paired MCO is not responsible for making sure the contracts occur, but it is responsible for overseeing the Facility’s progress in meeting its milestones outlined in its Facility Plan.</p> <p>Facilities do not need to send their paired MCOs the contracts they form with other MCOs. However, Facilities must submit attestations of VBP contracting with other MCOs in accordance with the expectations detailed in their Facility Plans (the specific MCOs/arrangements do not need to be identified as part of the attestation). As well, Facilities are expected to retain records of attested contracts in the case of an audit by an oversight agency related to the Program.</p>



Questions and Answers

As recorded during the VBP QIP DY2 Webinar on June 8th 2016

Item #	Webinar Attendant Question	State Response
1	What are the next steps for Group 2 Facilities participating in VBP QIP?	DOH has approved MCOs to participate in VBP QIP. Paired MCOs are now expected to reach out to their respective Facilities and begin contract negotiations. Upon execution of contract agreements, MCOs and PPS will develop Facility Plan Templates that will be sent to Facilities to complete.
2	In the light of phase 2 VBP QIP contracting, are phase 1 VBP QIP milestones valid?	Yes, VBP QIP phase 1 milestones are valid; however, for Group 2 participants, both phases are combined.
3	Is there an MCO Governance Plan template?	Yes. Both MCO Governance Plan and a Facility Plan templates are available. In addition, DOH has distributed a revised VBP QIP Governance Plan Scorecard for MCOs to use when completing their Governance Plans. If further clarification is necessary, DOH recommends that Plans contact their respective Associations.
4	What is the difference between VBP and VBP QIP performance measurements for Pay for Reporting (P4R) in DY1-DY2 and Pay for Performance (P4P) during DY3-DY5?	The purpose of VBP QIP is to transition financially distressed Facilities to VBP, improve their quality of care, and as a result, achieve financial sustainability over the duration of the Program. The measures established in the Facility Plan should reflect the purpose and therefore should align to the metrics in the VBP Roadmap provided by DOH.
5	What information should a Facility share with its paired MCO regarding other MCO contracts?	Facilities are expected to provide paired MCOs with attestations of Level 1 VBP contracting with all other MCOs that they work with in a significant manner by the beginning of DY3 of VBP QIP.
6	Are Facilities required to submit monthly financial reports to MCOs?	DOH expects Facilities to report based on their contractual obligation with their VBP QIP paired MCOs.
7	When are Facilities expected to enter into Level 1 contracting?	DOH expects that by April 2017 (the start of DY3) Facilities should enter into Level 1 VBP contracting with its Medicaid MCOs. The only exception to a Level 1 VBP contract between MCOs and the Facility should be in cases where MCO's patient population is insignificant compared to Facility's total population. Furthermore, the PPS should be consulted to ensure that exceptions do



Value Based Payment Quality Improvement Program

DY2 Guidance Document

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		not impact the PPS’s objectives, and the Facility should still maintain compliance with the VBP Roadmap.
8	According to DOH, what will constitute a “small” patient population for which a Facility would not need to enter in a Level 1 VBP contract with an MCO?	DOH would like for Facilities to enter Level 1 VBP agreements with all of its MCOs; however, the Department understands that there are instances, in the case of small populations, it is not appropriate to enter into Value Based Contracts. While DOH does not have a specific number or a percentage of patient population that would be considered “small/insignificant,” Facilities and their VBP QIP partners should perform their own analysis to make the determination. In making this determination, the PPS should be consulted to ensure that exceptions do not impact the PPS’s objectives, and the Facility should still maintain compliance with the VBP Roadmap.
9	Can the Facility Plan template that was provided by DOH in DY1 be used for DY2?	The base Facility Plan Template has provided by DOH to MCOs in DY1 can be used by Group 2 MCOs entering VBP QIP in DY2. Like with the Group 1 MCOs, the base Facility Plan Template should be shaped by each MCOs to fit its own VBP QIP program. This then serves as the template for Facilities to use in creating their Facility Plan.
10	What should a Facility do if it does not want contract with an MCO/ participate in VBP QIP?	The Facility should contact DOH immediately. Please note, VBP QIP is a voluntary program; however, there are few, if any, alternative programs for financial distressed Facilities.
11	How are MCO-PPS-Facility pairings selected?	DOH pairs MCOs to PPS and Facilities based on Plan attribution. DOH first looks at the Plan to PPS attribution and then at the Facility’s specific attribution when determining pairings.

VBP QIP Timeline as of June 10, 2016

Please note that the dates included herein are the Department’s recommended completion dates for past, present, and upcoming VBP QIP milestones. It is up to individual pairings of VBP QIP partners to determine the exact completion dates for each of the following items. To successfully participate in VBP QIP and to continue to receive payments, these milestones must be met and reported on in the proper order as detailed below, but the exact timing is left to the discretion of the MCO as program administrator, in coordination with its paired PPS and Facilities.

Note that dates in **red** must be completed by their listed times and cannot be pushed back.

Group 1 Timeline: DSRIP Year (DY) 1 – 2

The timeline for Group 1 is for participants who began participating in VBP QIP in DY1.

Milestones

Applications / Contracts

Milestone	Due Date	Completed
MCOs submit VBP QIP applications to DOH	August 21, 2015	✓
MCO VBP QIP applications approved by DOH	September 11, 2015	✓
MCOs, PPS, and Facilities put VBP QIP contract agreements in place ¹	October 9, 2015	✓

Rates / Payments

Milestone	Due Date	Completed
DOH finalizes rates and sends to CMS/DOB for review	September 18, 2015	✓
DOH effectuates the State share payment to the MCOs	October 14, 2015	✓
MCOs to submit December 2015 interim report (for VBP QIP payment disbursements made during the month of October 2015 - two month lag) ²	December 4, 2015	✓
January rate adjustments for DY1 approved by CMS	July 2016	
DOH finalizes Year 2 rates and sends to CMS/DOB for review	July/August 2016	

¹ It is expected that the agreements will be put in place to extend until 2020, knowing that these agreements will be amended over time as the program matures.

² Monthly reporting will be submitted to DOH through April 2016 using a manual approach via Microsoft Excel. It is expected that the monthly reports will be transitioned to an electronic submission through the Medicaid Managed Care Operating Report (MMCOR) beginning in the second quarter of the State Fiscal Year 2016-17.



Governance Document

Milestone	Due Date	Completed
MCOs submit VBP QIP Governance Document ³ for DOH review	March 7, 2016	✓
DOH completes first round of review of MCO VBP QIP Governance Document and provides comments to the MCOs	April 26, 2016	✓
MCOs submit a revised VBP QIP Governance Document to DOH for review	September 16, 2016 ⁴	
DOH reviews and approves VBP QIP MCO Governance Document	September 30, 2016	

Facility Plan

Milestone	Due Date	Completed
DOH to provide a Facility Plan ⁵ outline to the MCOs for review	September 30, 2015	✓
MCOs submit Facility Plans outline comments to DOH	October 9, 2015	✓
DOH to finalize Facility Plan template guidance with the MCOs, ensuring consistency with VBP Roadmap	October 23, 2015	✓
MCOs develop and issue Facility Plan templates	February 18, 2016	✓
MCOs to issue the Facility Plan template to the PPSs for comments	February 18, 2016	✓
Facilities submit draft Facility Plan to PPSs for initial review	May 2, 2016	✓
PPSs review Facility Plan and return them to facilities for revision	May 27, 2016	✓
Facilities complete Facility Plans and submit to PPS, MCO, and DOH for review	June 20, 2016	
Final Facility Plans approved by MCO in collaboration with PPS (final copies should be sent to DOH)	September 16, 2016 ⁴	
First steps towards VBP undertaken with PPS & MCO oversight in accordance with approved Facility Plan	Ongoing	

³ MCO Governance Document refers to the main documents of the VBP QIP program administered by each MCO.

⁴ While the Department encourages Facilities to start VBP purchasing discussions as soon as possible, the Governance Document and Facility Plan are expected to be in place by this date, so that the remainder of the year can be spent focusing on putting Level 1 VBP Contracts into place for the start of DY3 on April 1st, 2017.

⁵ Facility Plan refers to the transformation plans that the Facilities must develop and implement to move toward VBP.



Metrics / Benchmarks

Milestone	Due Date	Completed
Baseline metrics for future measurement are co-developed by facility, PPS, & MCO (submitted as part of the Facility Plan)	May 27, 2016	✓
Benchmarks for reporting & performance set to be revisited quarterly	Quarterly	

Reporting

Milestone	Due Date	Completed
MCO Monthly Reporting to DOH (January to March 2016), for disbursements made October to January 2016 – Manual Submissions ⁶	4th of the Month	✓
MCO Quarterly Reporting to DOH (April 2016 – Ongoing) – MMCOR Submissions	Month after Quarter End ⁷	

Group 2 Timeline: DY2

The timeline for Group 2 is for participants who began participating in VBP QIP in DY2.

Milestones

Applications / Contracts

Milestone	Due Date	Completed
MCOs submit VBP QIP applications to DOH	June 13, 2016	✓
MCO VBP QIP applications approved by DOH	June 17, 2016	✓
MCOs, PPS, and Facilities put VBP QIP contract agreements in place ⁸	July 1, 2016	

Rates / Payments

Milestone	Due Date	Completed
DOH finalizes rates and sends to CMS/DOB for review	June 2016	

⁶ Monthly reporting will be submitted to DOH through April 2016 using a manual approach via Microsoft Excel. It is expected that the monthly reports will be transitioned to an electronic submission through the Medicaid Managed Care Operating Report (MMCOR) beginning in the second quarter of the State Fiscal Year 2016-17.

⁷ Visit the DOH website to view [DSRIP Timelines](#) for reporting due dates.

⁸ It is expected that the agreements will be put in place to extend until 2020, knowing that these agreements will be amended over time as the program matures.



Value Based Payment Quality Improvement Program

DY2 Guidance Document

Milestone	Due Date	Completed
DOH effectuates the State share payment to the MCOs	July/August 2016	
MCOs to submit September 2016 interim report (for VIP QIP payment disbursements made during the month of July 2016 – two month lag)	September 5, 2016	

Governance Document

Milestone	Due Date	Completed
MCOs submit VBP QIP Governance Document ⁹ for DOH review	October 7, 2016	
DOH completes first round of review of MCO VBP QIP Governance Document and provides comments to the MCOs	October 21, 2016	
MCOs submit a revised VBP QIP Governance Document to DOH for review	December 10, 2016 ¹⁰	
DOH reviews and approves VBP QIP MCO Governance Document	February 3, 2017	

Facility Plan

Milestone	Due Date	Completed
DOH to provide a Facility Plan ¹¹ outline to the MCOs for review	July 10, 2016	
DOH to send Facility Plan template guidance with the MCOs, ensuring consistency with VBP Roadmap	July 10, 2016	
MCOs develop and issue Facility Plan templates	September 9, 2016	
MCOs to issue the Facility Plan template to the PPSs for comments	September 9, 2016	
Facilities submit draft Facility Plan to PPSs for initial review	October 14, 2016	
PPSs review Facility Plan and return them to facilities for revision	October 28, 2016	
Facilities finalize Facility Plan and submit to PPS, MCO, and DOH for review	November 11, 2016	
Final Facility Plans approved by MCO in collaboration with PPS (final copies should be sent to DOH)	December 10, 2016 ¹⁰	
First steps towards VBP undertaken with PPS & MCO oversight in accordance with approved Facility Plan	Ongoing	

⁹ MCO Governance Document refers to the main documents of the VBP QIP program administered by each MCO.

¹⁰ While the Department encourages Facilities to start VBP purchasing discussions as soon as possible, the Governance Document and Facility Plan are expected to be in place by this date, so that the remainder of the year can be spent focusing on putting Level 1 VBP Contracts into place for the start of DY3 on April 1st, 2017.

¹¹ Facility Plan refers to the transformation plans that the Facilities must develop and implement to move toward VBP.



Metrics / Benchmarks

Milestone	Due Date	Completed
Baseline metrics for future measurement are co-developed by facility, PPS, & MCO (submitted as part of the Facility Plan)	October 28, 2016	
Benchmarks for reporting & performance set to be revisited quarterly	Quarterly	

Reporting

Milestone	Due Date	Completed
MCO Quarterly Reporting to DOH (April 2016 – Ongoing) – MMCOR Submissions	Month after Quarter End ¹²	

¹² Visit the DOH website to view [DSRIP Timelines](#) for reporting due dates.



VBP QIP DY2 (SFY2016-17) Pairings and Awards Table

MCO	PPS	Facility	Award
<i>Affinity</i>	Advocate Community Providers	Brookdale Hospital	\$31,000,000
	Montefiore Hudson Valley Collaborative	St. Joseph's Hospital	\$6,571,728
<i>Amerigroup</i>	Nassau Queens Performing Provider System, LLC	Nassau University Medical Center	\$40,000,000
<i>Excellus</i>	Central New York Care Collaborative, Inc.	Lewis County General Hospital	\$5,500,000
	Finger Lakes Performing Provider Systems, Inc.	St James Mercy Hospital	\$2,580,361
		Orleans Community Hospital	\$2,188,376
		Wyoming County Community Health	\$1,250,000
	Mohawk Valley PPS	A O Fox Memorial Hospital	\$3,200,000
<i>Fidelis</i>	Maimonides Medical Center	Interfaith Medical Center	\$50,000,000
	Montefiore Hudson Valley Collaborative	Kingsbrook Jewish Medical Center	\$50,000,000
		Montefiore – Mount Vernon	\$28,299,975
	Nassau Queens Performing Provider System, LLC	Nyack Hospital	\$4,579,744
		St. John's Episcopal	\$14,852,107
		Westchester Medical Center	Bon Secours Charity Health
<i>HealthFirst</i>	Advocate Community Providers	Brookdale Hospital	\$109,000,000
<i>MVP</i>	Montefiore Hudson Valley Collaborative	Montefiore - New Rochelle	\$22,922,530
	Westchester Medical Center	Health Alliance (Benedictine)	\$5,085,315
<i>United Health Plan</i>	Central New York Care Collaborative, Inc.	Rome Memorial Hospital	\$2,426,452
	Maimonides Medical Center	Wyckoff Heights Medical Center	\$50,000,000
<i>WellCare</i>	Montefiore Hudson Valley Collaborative	St. Luke's Hospital - Cornwall	\$14,000,000
<i>TBD*</i>	OneCity Health	NYC Health + Hospitals	TBD

*Pairing still under review