



**Department
of Health**

Medicaid
Redesign Team

Managed Long Term Care (MLTC) Value Based Payment (VBP) Webinar

December 21, 2018

Meeting Purpose and Agenda

Purpose:

To provide MLTC plans with guidance for Year 2 (Y2) of VBP program implementation

Agenda

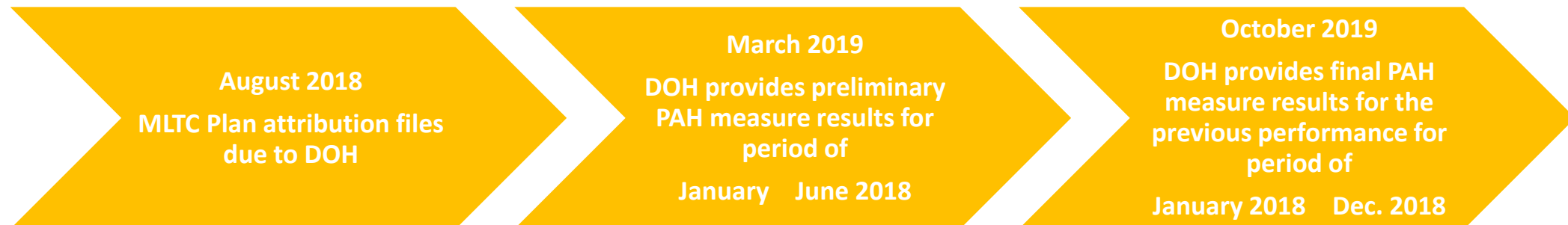
- Welcome and Introductions
- Level 1 Agreements PAH Baseline
- MLTC VBP Quality Measure Data Reporting Timeline
- Level 2 Design
- Nursing Home VBP Status
- VBP Goals and Penalty Calculation and Why the VBPTR is important
- Payment Methodology
- Where we are with VBP and What the next milestones are

MLTC VBP Level 1 Agreements PAH Baseline

- On November 2nd and November 26th, The Office of Quality and Patient Safety (OQPS) released emails that establish July through December 2016 as the baseline period for the potentially avoidable hospitalization (PAH) measure in the 2018 MLTC contract template.
- **Contract templates for 2019 should reference January through June 2017 as the baseline for the upcoming (2019) VBP year.**
 - (there will be a delay in providing July – December 2017 PAH rates due to completeness issues with the SPARCS dataset.
 - Other category 1 measures may use the most recent previous year of complete data as the baseline.
- https://www.health.ny.gov/health_care/medicaid/redesign/dsrip/vbp_library/2018/docs/2018-jan_mltc_vbp_qmd_rpt_timeline.pdf

MLTC VBP Quality Measure Data Reporting Timeline

- August: MLTC Plan attribution files are due to DOH
 - These attribution files inform:
 - the preliminary performance of the community PAH measure, provided in March of the following year, and
 - The final performance of the community PAH measure, provided in September (also of the year following the submitted attribution file
- It is imperative and expected that MLTC plans share the preliminary performance and final performance measurement of facility performance against the PAH measure, with providers.



MLTC VBP Level 2 for Partially Capitated Plans

Flat Percentage Upside/Downside Quality Incentive Payments

Arrangement qualifies when the minimum percentage of potential risk allocated to a provider is at least 1% of total annual expenditures in the contract between the plan and provider

- Plans and providers would still maintain flexibility to negotiate higher risk/shared savings
- Not a target budget; incentive payment is based on quality performance only

Quality Measures are Aligned from Plan to Provider

Level 2 contracts:

- Require the providers to include the PAH measure; and
- Require the providers to include *at least one* long-term care measure from the MLTC Quality Incentive (MLTC QI) measures recommended by the MLTC CAG

Social Determinant of Health (SDH) / Community Based Organization Requirements (CBO)

- All Level 2 arrangements must address at least one SDH Intervention **AND** must include a contract with at least one Tier 1 CBO
- The SDH intervention being addressed can not be a service included in the MLTC Benefit Package

Community Based Organizations (CBO) Tier Definitions

- Tier 1: Non-profit, non-Medicaid billing, community based social and human organizations (e.g. housing, social services, religious organizations, food banks.)
- Tier 2: Non-profit, Medicaid billing, non-clinical service providers (e.g. transportation, care coordination)
- Tier 3: 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).
- *More information on Community Based Organization and Social Determinants of Health requirements can be found in the VBP Roadmap (pp.42-45)*

Social Determinant of Health (SDH) and Community Based Organization (CBO) Requirements

MLTC VBP Level 2 Contract Checklist

- ✓ 4255
- ✓ Agreement between MCO and Provider
- ✓ SDH Intervention Template →
- ✓ Tier 1 CBO Contract



SOCIAL DETERMINANT OF HEALTH INTERVENTION AND COMMUNITY BASED ORGANIZATION CONTRACTING TEMPLATE

This template is required for reporting for Medicaid Managed Care Value Based Payment (VBP) contracting for Social Determinants of Health (SDH) and Community Based Organization Requirements. The Report must be submitted by the VBP contractor or CBO to Medicaid Managed Care Organization(s) (MCO) as part of the MCO-CBO contracting process. MCOs must include this template and a copy of the executed contract with a CBO with all Medicaid Value Based Payment Level 2 or Level 3 contract submissions to DOH.

A. Social Determinant of Health Requirement:

1. **MCO/VBP Contractor Name and Contact Information**
Click here to enter text.
2. **Name of Entity(ies) Implementing the SDH Intervention (including any community based organizations)**
Click here to enter text.
3. **SDH Intervention Detailed Description**
Click here to enter text.
4. **Project Scope**
Click here to enter text.
5. **Geographic Location(s)**
Click here to enter text.
6. **Need Assessment (i.e. how has the intervention been deemed necessary for the targeted members/population)**
Click here to enter text.
7. **Targeting and Evaluation (i.e. How will the intervention target a specific population, how will the intervention be evaluated, what are the measures of success.)**
Click here to enter text.
8. **Implementation and Timeline**
Click here to enter text.



9. SDH Intervention Funding

- a. **Providers (or CBOs) implementing SDH interventions in Level 2 or 3 arrangements shall receive a funding advance (investment or seed money). Please provide a brief overview of the funding advance to include the intent of the funding¹.**
- b. **Describe the payment structure to the CBO or provider.**
- c. **How will utilization of SDH funds be reported to the MCO?**

B. Contract with Tier 1 CBO Requirement:

Please submit a copy of the executed contract with MCO or VBP contractor and CBO. If the Tier 1 CBO is subcontracted through a Tier 2 or 3 CBO, please include the subcontract.

1. **Name of Contracted CBO and Contact Information (if different from Q2.)**
Click here to enter text.
2. **CBO Contract Term:**
Click here to enter text.
3. **CBO Service(s) Provided (including direct services and referrals)**
Click here to enter text.

¹ NYS VBP Roadmap https://www.health.ny.gov/health_care/medicaid/reform/2017/06/01/2018-08_vbp_roadmap_final.pdf, Page 42

Nursing Home Status

- The VBP arrangement for Skilled Nursing Facilities (SNFs) will continue to use the Long-stay SNF Potentially Avoidable Hospitalization (PAH) measure.

MLTC VBP Finance

VBP
Performance
Adjustments

Penalty
Adjustments

VBPTR Reporting

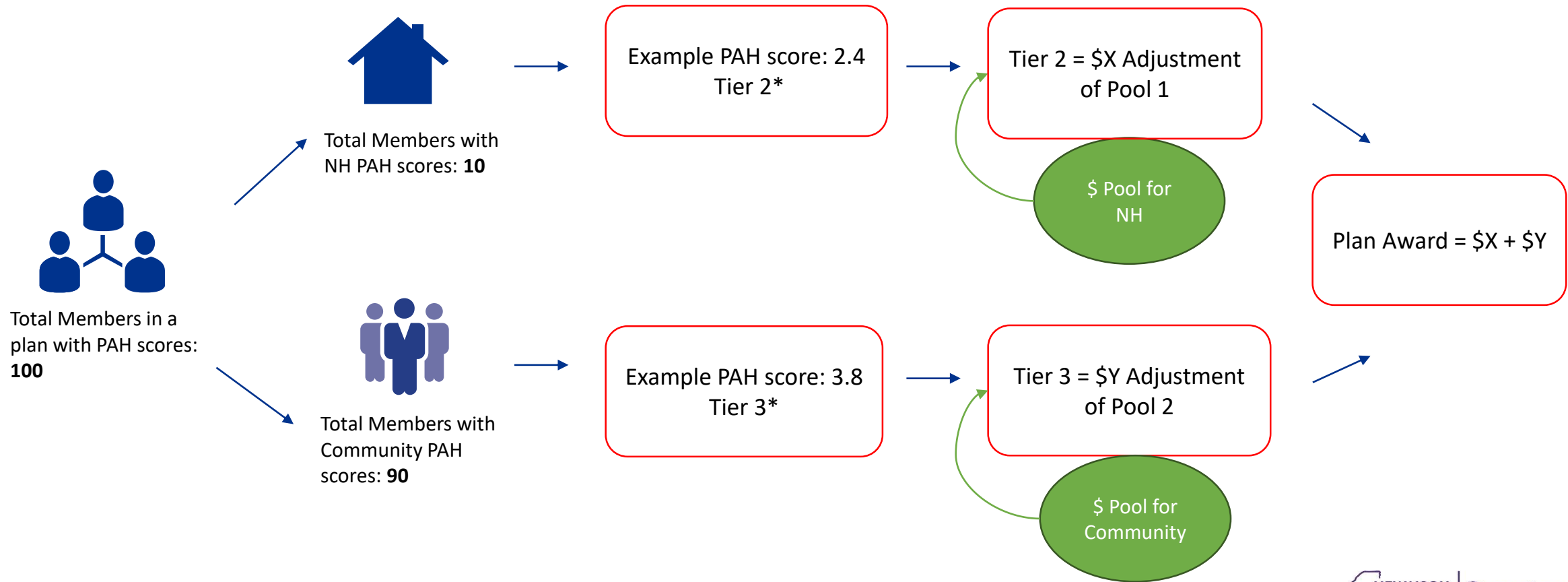
MLTC VBP Performance Adjustment Timeline

State to MCO

Year:	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022
Penalty Measurement Year (using MMCOR)			1 st Year Penalty Measure	2 nd Year Penalty Measure	3 rd Year Penalty Measure		
Penalty Rate Adjustment Year			Year 1 Penalty	Year 2 Penalty	Year 3 Penalty		
\$50M VBP Quality Performance Year			Impacts SFY '21 rates	Impacts SFY '22 rates	Impacts SFY '23 rates	Impacts SFY '24 rates	
\$50M VBP Quality Rate Adjustment					SFY '21 Adjustment	SFY '22 Adjustment	SFY '23 Adjustment

PAH Measure Calculation for VBP – Each group gets its own pool and adjustment

- Each plan will receive two PAH scores, one for NH and one for community PAH. These scores result in two population specific award amounts for plans that have performance which qualifies them for an award. The pool of dollars is currently a total of \$50M for all MLTC Partial Cap Plans.



*DLTC/OQPS/DFRS will set the tiers. Based on the tiers and the dollars available in the pool DFRS will then distribute the pool dollars into the tiers. In the future a calculated method will be considered.

MLTC Member Month Pool Composition

- For the below hypothetical measurement year, the pool amounts would be approximately \$45M in the community pool and \$5M in the NH pool.

	Community Member Months	Nursing Home Member Months	Total
Total Months	720,827	82,323	803,150
% of Total Months	89.75%	10.25%	
VBP Pool Amount to be split			
\$50,000,000	\$44,875,000	\$5,125,000	

*Data is for illustrative purposes only.

VBP Quality Score Tiering – Community PAH

Raw 2018 Data*		
Performance Adjustment Scores		
Plan Name	MY 2018 PAH Score	Tier
Plan A	1.64	3
Plan B	1.88	3
Plan C	2.19	2
Plan D	2.20	2
Plan E	2.37	2
Plan F	3.24	1
Plan G	3.25	1
Plan H	3.79	1
Plan I	3.86	1
Plan J	3.92	1
Plan K	3.99	1
Plan L	3.99	1
Plan M	5.01	0
Plan N	5.97	0
Plan O	6.13	0

- Community PAH Scores are member specific and the state develops plan-wide scores by rolling up this data
- Tiers are created by DOH based upon spread of the scores to create adequate separation between plans based upon their performance

*Data is for illustrative purposes only.

2018 Quality Performance - Community PAH

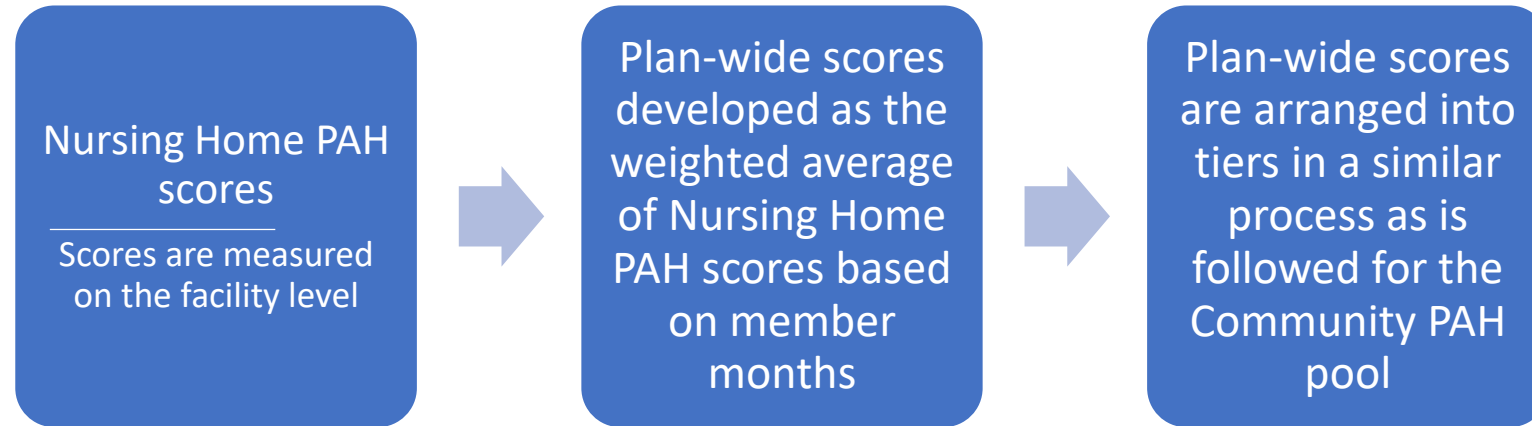
2018 Measurement Period Data*					
Plan Name	18 Premiums	MY18 Scores	Tier	+/-**	Quality Adjustment
Plan A	\$730,000,000	1.64	3	A%	\$10,950,000
Plan B	\$10,000,000	1.88	3	A%	\$150,000
Plan C	\$720,000,000	2.19	2	B%	\$9,000,000
Plan D	\$40,000,000	2.2	2	B%	\$500,000
Plan E	\$970,000,000	2.37	2	B%	\$12,125,000
Plan F	\$410,000,000	3.24	1	C%	\$2,050,000
Plan G	\$660,000,000	3.25	1	C%	\$3,300,000
Plan H	\$10,000,000	3.79	1	C%	\$50,000
Plan I	\$190,000,000	3.86	1	C%	\$950,000
Plan J	\$290,000,000	3.92	1	C%	\$1,450,000
Plan K	\$290,000,000	3.93	1	C%	\$1,450,000
Plan L	\$580,000,000	3.99	1	C%	\$2,900,000
Plan M	\$570,000,000	5.01	0	D%	\$0
Plan N	\$300,000,000	5.97	0	D%	\$0
Plan O	\$120,000,000	6.13	0	D%	\$0
Total					\$44,875,000

- Final Tier ranking and adjustment calculations for plans to be made available with the circulation of the 2019 QI Incentive Letters
- Tiers 3, 2 and 1 will receive a percentage of their premium through a quality adjustment.

*Data is for illustrative purposes only. Not based on actual performance or premiums.

**The percentage is to be determined based on funding level and final tiers.

2018 Quality Performance – Nursing Home PAH



Weighted Nursing Home PAH Calculation Example:

The weighted score for Plan M is calculated by weighting the facility scores based on member months.

MLTC Plan M				
	PAH Score	Member Months	Weight	Weighted Score
Sunny Days	2.1	140	8%	0.17
Hudson Nursing Home	3	177	10%	0.31
CNY Rehab and Nursing Center	2.8	68	4%	0.11
Beachview Nursing Home	5.4	577	34%	1.83
Lakeside Care Center	3.2	236	14%	0.44
Bronx Nursing Center	1.4	32	2%	0.03
St. Thomas Health Care Center	7.5	468	28%	2.07
	Total	1,698		4.97

Weighted Plan NH PAH Score

2018 Quality Performance Nursing Home PAH

2018 Measurement Period Data*								
Plan Name	18 Premiums	Member Months	% of SNF dollars in VBP arrangements (50% threshold)	MY18 Scores	Tier	% Bonus	Quality Adjustment	
Plan A	\$730,000,000	150,000	50%	1.64	3	A%	\$2,579,662	
Plan B	\$10,000,000	6,000	100%	1.88	3	A%	\$35,338	
Plan C	\$720,000,000	240,000	54%	2.19	2	B%	\$1,800,000	
Plan D	\$40,000,000	9,000	5%	2.2	2		\$0	
Plan E	\$970,000,000	250,000	15%	2.37	2		\$0	
Plan F	\$410,000,000	110,000	75%	3.24	1	C%	\$410,000	
Plan G	\$660,000,000	180,000	3%	3.25	1		\$0	
Plan H	\$10,000,000	2,000	80%	3.79	1	C%	\$10,000	
Plan I	\$190,000,000	50,000	20%	3.86	1		\$0	
Plan J	\$290,000,000	75,000	86%	3.92	1	C%	\$290,000	
Plan K	\$290,000,000	80,000	40%	3.93	1		\$0	
Plan L	\$580,000,000	150,000	10%	3.99	1		\$0	
Plan M	\$570,000,000	180,000	5%	4.97	0		\$0	
Plan N	\$300,000,000	85,000	70%	5.97	0	D%	\$0	
Plan O	\$120,000,000	30,000	85%	6.13	0	D%	\$0	
Total								\$5,125,000

- Tiers are created based on the spread of scores
- All tiers will receive a percentage of their premium through a quality adjustment
- Only plans with a threshold of 50% of SNF dollars in VBP contracts will receive a performance adjustment.
 - This percentage is based on data reported in the VBPTR and uses Cost Report data to determine a plan's percent of dollars to nursing homes

*Data is for illustrative purposes only. Not based on actual performance or premiums.

**The percentage is to be determined based on funding level and final tiers.

VBP Penalty Adjustment

- **States Goal:** 80-90% of managed care spending in VBP Level 1 and over; 35% in Level 2 or 3 arrangements for Fully Capitated Plans and 15% in Level 2 or 3 for MLTC Partially Capitated plans by 2020
- **Goal of the Penalty Adjustment:** Encourage MLTC/MCOs and VBP Contractors to engage in higher levels of VBP and take on more risk
- The Final Penalty Adjustment will apply in SFY 2020-2021
 - The penalty will apply to: Mainstream, HIV-SNP, HARP, MAP, PACE, FIDA, and MLTC Partial plans
 - The penalty percent is applied to the MLTC/MCO's total medical and hospital spend of the MMCOR

Partially Capitated Penalty Adjustment

The VBP Penalty begins SFY 2018-19 and becomes more stringent over time

Year	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022
Penalty				Begin	More Stringent	Most Stringent		

VBP Penalties Begin SFY '18-19

Managed Long Term Care Partial Cap (MLTCP) Plans:

- ≥ 10% in VBP Level 1 or higher
- Measured on SFY 2017-18
- **Penalty = 2%**

VBP Participation Increases SFY '19-20

MLTCP Plans:

- ≥ 50% in VBP Level 1 or higher
- ≥ 5% in VBP Level 2 or higher
- If both penalties are incurred, then **only the larger penalty will be applied.**
- Measured on SFY 2018-19
- **Penalty = 2%**

VBP Penalties become most stringent SFY '20-21

MLTCP Plans:

- ≥ 80% in VBP Level 1 or higher
- ≥ 15% in VBP Level 2 or higher
- If both penalties are incurred, then **both will be applied.**
- Measured on SFY 2019-20
- **Penalty = 2%**

Fully Integrated / Dual* Plan's Penalty Adjustment

The VBP Penalty begins SFY 2018-19 and becomes more stringent over time

Year	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022
Penalty				Begin	More Stringent	Most Stringent		

VBP Penalties Begin
SFY '18-19

Mainstream & MLTC Plans:

- ≥ 10% in VBP Level 1 or higher
- Measured on SFY 2017-18
- **Penalty = 2%**

VBP Participation Increases
SFY '19-20

Mainstream & MLTC Plans:

- ≥ 50% in VBP Level 1 or higher
- ≥ 15% in VBP Level 2 or higher
- If both penalties are incurred, then **only the larger penalty will be applied.**
- Measured on SFY 2018-19
- **Penalty = 2%**

VBP Penalties become most stringent
SFY '20-21

Mainstream & MLTC Plans:

- ≥ 80% in VBP Level 1 or higher
- ≥ 35% in VBP Level 2 or higher
- If both penalties are incurred, then **both will be applied.**
- Measured on SFY 2019-20
- **Penalty = 2%**

*Fully Integrated / Dual plans include: MAP, FIDA and PACE

Why is the VBPTR Important?

- Value Based Payment Tracking Report (VBPTR)
- VBPTR: Located in the Health Commerce System or the Healthcare Financial Data Gateway
- Managed Long Term Care plan progress toward VBP implementation is measured through plan reported expenditure in VBP via the VBPTR.
- VBPTR results will inform penalty calculation on a per plan basis.
- Recoupment of VBP stimulus funding from MLTC Partial plans is calculated based on data provided in the VBPTR
- The data collected in the VBPTR will be used to update CMS on the State's progress in meeting VBP goals and targets as defined in the VBP Roadmap

MLTC VBP Status Update and Next Milestones

Level 1 VBP Goals

- By April 1, 2019, MLTC Partially Capitated plans must have at least 50% of total MCO expenditure in a Level 1 arrangement or higher.

Level 2 VBP Goals

- By April 1, 2019, MLTC Partially Capitated plans must have at least 5% of their total Medicaid expenditures in Level 2 VBP arrangements,
- By April 1, 2019, Fully Capitated plans must have at least 15% of their total Medicaid expenditures in Level 2 VBP arrangements
 - Submit MLTC Level 2 VBP contracts
 - Include Social Determinants of Health (SDH) Intervention Template and Tier 1 Community Based Organization (CBO) Contract.
- Annual release of MLTC measure sets January 2019.
- Please submit all contractual materials to MLTCContract@health.ny.gov

Closing Remarks

- Questions and Comments
 - As always, questions and comments may be directed to mltcvbp@health.ny.gov