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VALUE BASED PAYMENT FOR MANAGED LONG TERM CARE PLANS

The overall goal of the movement toward value based payment (VBP) in New York State's Medicaid program is to improve individual and population health outcomes by providing more integrated care, care coordination, and incentives for high quality care in a financially sustainable delivery system.

Key defining factors of New York State's VBP approach include:

- Addressing the Medicaid program with a holistic, all-encompassing approach rather than in pilots or a piecemeal plan;
- Leveraging managed care to deliver payment reforms;
- Addressing the need to change provider business models through positive financial incentives;
- Allowing maximum flexibility in implementation within a robust, standardized framework; and,
- Maximizing the focus on transparency for the costs and outcomes of care.

What is an MLTC Level 1 VBP Arrangement for Partially Capitated MLTC Product Lines?

An MLTC Level 1 VBP Arrangement is a performance bonus (pay-for-performance, or P4P) agreement between an MLTC plan and a provider that is based on meeting performance targets for a set of specific quality measures agreed to in a VBP contract between an MLTC Plan and a provider or group of providers (the "VBP Contractor"). A cornerstone of MLTC Level 1 VBP arrangements is monitoring and reducing potentially avoidable hospital use.

Initial VBP Goal for Managed Long Term Care (MLTC) Plans

MLTC partial capitation plans must implement MLTC Level 1 VBP arrangements by December 31, 2017 using the Potentially Avoidable Hospitalization (PAH) measure. Provider contracts covered by the requirement are for covered services provided by Licensed Home Care Services Agencies (LHCSAs), Certified Home Health Agencies (CHHAs), and Skilled Nursing Facilities (SNFs).

What are MLTC Category 1 and 2 quality measures for VBP?

Category 1 and 2 quality measures have been recommended for use for VBP. The MLTC VBP Category 1 and 2 quality measure set for measurement years 2017 and 2018 are largely drawn from the MLTC Quality Incentive and Nursing Home Quality Initiative measure sets, including potentially avoidable hospitalization (PAH) measures. MLTC Level 1 VBP contracts for LHCSAs and CHHAs must include the Managed Long Term Care Incentive PAH measure as a P4P measure from Category 1. For SNF's Level 1 contracts must include the Nursing Home Quality Initiative PAH measure as a P4P measure from Category 2. Other measures from Categories 1 and 2 may be included as deemed appropriate by the contracting parties. Measures for use with LHCSAs and CHHAs are selected from Category 1 and for SNFs from Category 2 .

- For LHCSAs and CHHAs – All Category 1 quality measures including PAH will be calculated by the Department of Health (DOH) for plan-provider combinations for attributed member groups submitted to DOH.
- For SNFs – The Category 2 PAH will be calculated by DOH at the facility level for plan-provider combinations for attributed member groups submitted to DOH.

The full list of MLTC quality measures is posted on the Department of Health website and can be accessed here: https://www.health.ny.gov/health_care/medicaid/redesign/dsrip/vbp_library/index.htm

Questions can be sent to MLTCVBP@health.ny.gov.