



**Department  
of Health**

# Health and Recovery Plan Value Based Payment Arrangement

Measurement Year 2017 Fact Sheet



## Health and Recovery Plan Value Based Payment Arrangement

*This fact sheet has been prepared to assist payers and providers to more thoroughly understand New York State's Medicaid Health and Recovery Plan (HARP) Value Based Payment (VBP) Arrangement. It provides an overview of the Arrangement, including a summary of the types of care covered by the Arrangement and the categories of measures recommended for use in HARP VBP Arrangements.*

### Introduction

New York State (NYS) has identified certain groups, called subpopulations, within the Medicaid population for whom highly specialized, intensive care is required. The goal for these subpopulations is to improve care coordination across traditional provider siloes, ensuring all healthcare providers work together to meet the needs of the member. HARP VBP Arrangements include the total cost of care for the members to incentivize all care professionals, including behavioral health providers, community-based providers, medical specialists, and other health care professionals, to provide high quality care. By rewarding VBP Contractors based on quality and cost-effectiveness within a total cost of care budget, VBP Contractors<sup>1</sup> are encouraged to focus on care coordination and high-value, evidence-based practice across the care delivery spectrum.

Savings in a HARP contract can be primarily achieved through providing appropriate interventions for chronic behavioral health conditions that are often comorbid with other chronic physical health conditions, such as diabetes or heart disease. As members are connected to Health Homes, behavioral and physical health care providers, and Behavioral Health Home and Community Based Services (BH HCBS), their health and functioning are expected to improve, leading to a reduction in acute medical events and a lower total annual cost of care. Social determinants of health, such as housing status and economic self-sufficiency, are also important variables for VBP Contractors to address with HARP members.

This fact sheet provides an overview of New York State's HARP VBP Arrangement and is organized in two sections:

- Section 1 describes the care included in the HARP VBP Arrangement, the method used to define the attributed population, and the calculation of associated costs under the VBP Arrangement;
- Section 2 describes the quality measure selection process and the categories of measures recommended for use in HARP VBP Arrangements.

### Section 1: Defining the HARP VBP Arrangement and Associated Costs

The HARP VBP Arrangement addresses the total care, and the associated costs of that care, for the members attributed under the Arrangement, regardless of where, how, or for what reason the care was delivered. VBP Contractors assume responsibility for the quality and costs for all conditions and types of care for attributed members including primary care, specialty care, psychiatric rehabilitation services, emergency department visits, hospital admissions, and medication (with a cap for specialty, high-cost drugs).<sup>2</sup> The following specialized BH HCBS benefits are available to HARP members and must be included

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<sup>1</sup> A VBP Contractor is an entity – a provider or group of providers – engaged in a VBP contract.

<sup>2</sup> The VBP Roadmap includes categories of costs that may be excluded from VBP arrangements, where appropriate. For more information see New York State Department of Health, Medicaid Redesign Team, A Path toward Value



in HARP VBP arrangements: psychosocial rehabilitation; community support and treatment; habilitation services; family support and training; respite; education support services; peer support services; pre-vocational services; and employment supports. HARP members must also receive enhanced care management as outlined in the NYS Office of Mental Health's Medicaid Managed Care Request for Qualifications document to help them coordinate care for physical and behavioral health, and to help meet non-Medicaid support needs such as housing.<sup>3</sup> Only Medicaid Managed Care Organizations (MCOs) that offer the HARP product line can provide BH HCBS services.

## Constructing the HARP Arrangement: Time Window and Services

The HARP VBP Arrangement encompasses all services provided to the attributed HARP member population during the contract year. This includes preventive care, sick care, and care for all chronic conditions, including procedures and surgeries with a date of service or discharge date within the contract year. All specialized behavioral health services covered by Medicaid, including BH HCBS, must also be included.

## Eligible Member Population

Members can be included in a HARP VBP Arrangement if they are eligible for HARP and participate in a Medicaid MCO that offers a HARP.

To be eligible for HARP a member must be 21 or older, be insured only by Medicaid, and be eligible for Medicaid Managed Care. Members are deemed eligible for a HARP by meeting the criteria established by the New York State Department of Health (DOH), the Office of Mental Health (OMH), and the Office of Alcoholism and Substance Abuse Services (OASAS). Eligibility criteria include a diagnosis of a serious mental illness and/or substance use disorder, among other factors.<sup>4</sup>

- Members eligible for inclusion under a VBP subpopulation arrangement are *not* eligible for inclusion in other VBP arrangements. Subpopulation arrangement types include HIV/AIDS, Health and Recovery Plan (HARP), Managed Long Term Care (MLTC), and Intellectually/Developmentally Disabled (I/DD). Subpopulation arrangements are mutually exclusive; a member can only be enrolled in one or the other. MCOs and VBP Contractors can decide which subpopulation designation takes precedence for the member.<sup>5</sup> Members included in subpopulation arrangements are also excluded from Total Care for the General Population (TCGP) and Integrated Primary Care (IPC) arrangements.

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Based Payment: Annual Update, June 2016: Year 2, New York State Roadmap for Medicaid Payment Reform, June 2016, p.31. ([Link](#))

<sup>3</sup> New York State Department of Health, Office of Mental Health, and Office of Alcoholism and Substance Abuse Services, New York Request for Qualifications for Behavioral Health Benefit Administration: Managed Care Organizations and Health and Recovery Plans, March 21, 2014, p. 26. ([Link](#))

<sup>4</sup> Ibid. p. 16.

<sup>5</sup> New York State Department of Health, Medicaid Redesign Team, A Path toward Value Based Payment: Annual Update, June 2016: Year 2, New York State Roadmap for Medicaid Payment Reform, June 2016, p.15. ([Link](#))



## Member Attribution

Medicaid member attribution defines the group of members for which a VBP Contractor is responsible (in terms of quality outcomes and costs). It becomes the basis for the aggregated total cost of care in a target budget for VBP. The NYS Roadmap details attribution guidelines for VBP Contractors and Medicaid MCO for each arrangement.<sup>6</sup>

New York State's guideline for member attribution in HARP VBP Arrangements is to the Medicaid MCO-assigned Health Home.<sup>7</sup> The Health Home is envisioned as the primary point of intervention with the HARP member, and Health Homes can help members coordinate care across the physical and behavioral health domains, and address social determinants of health such as housing, social supports, and economic self-sufficiency. However, an MCO and VBP Contractor may agree on a different type of provider to drive the attribution on the condition that the State is adequately notified.

## Calculation of Total Cost for the Arrangement

The total cost for the attributed membership in HARP VBP Arrangements includes all Medicaid covered care provided during the contract year. The total cost of the HARP VBP Arrangement is based on the cost of that care (defined as the total amount paid by the Medicaid MCO), including all costs associated with professional, inpatient, outpatient, pharmacy (with a cap for specialty, high-cost drugs), lab, radiology, ancillary, and behavioral health services aggregated to the attributed population level. Any additional BH HCBS services covered by HARPs must also be included. The aggregate costs can be further analyzed to identify and understand sources of variation and opportunities for improvement in quality of care and resource use.<sup>8</sup>

## Section 2: VBP Quality Measure Set for the HARP Arrangement

The 2017 HARP Quality Measure Set was developed drawing on the work of a number of stakeholder groups convened by DOH to solicit input from expert clinicians around the state. The Behavioral Health Clinical Advisory Group, or CAG, convened specifically to make HARP and behavioral health measure recommendations.

Because the HARP VBP Arrangement is a total cost of care subpopulation arrangement, the CAG recommended a full complement of physical health measures, in addition to behavioral health measures, to ensure HARP members receive high quality physical, as well as behavioral, health care. Measures derived from the BH HCBS eligibility screening tool were also recommended to address key functional outcomes. The physical health measures were drawn from the measure sets developed by the Diabetes, Chronic Heart Disease, and Pulmonary CAGs and from the measures recommended for Advanced Primary Care (APC) by the Integrated Care Workgroup.

Measures recommended by the CAG were submitted to NYS DOH, the OMH and OASAS for further feasibility review and, ultimately, to the VBP Workgroup, the group responsible for overall VBP design and final approval for NYS Medicaid. During the final review process, the HARP VBP measure set was aligned with existing Delivery System Reform Incentive Payment (DSRIP) Program and Quality Assurance Reporting Requirements (QARR) measures, and measures utilized by Medicare and Commercial programs in NYS, where appropriate. The measures were further categorized as Category 1, 2, or 3 based on

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<sup>6</sup> New York State Department of Health, Medicaid Redesign Team, A Path toward Value Based Payment: Annual Update, June 2016: Year 2, New York State Roadmap for Medicaid Payment Reform, June 2016, p. 23. ([Link](#))

<sup>7</sup> Ibid.

<sup>8</sup> Additional information on total cost of the arrangement and use in contracting will be made available through other DOH materials in the future.



reliability, validity, and feasibility, and by suggested use as either Pay-for-Reporting (P4R) or Pay-for-Performance (P4P).

## Measure Classification

In April 2016, New York State published the HARP recommendations of the Behavioral Health CAG on quality measures and included a review of the types of data needed for the recommended measures. Additionally, the reports addressed other implementation details related to a VBP arrangement. Upon receiving the CAG recommendations, the State conducted additional feasibility review and analysis to define a final list of measures for use during the VBP measurement year (MY) 2017.

Each measure has been designated by the State as Category 1, 2, or 3, according to the following criteria:

- **CATEGORY 1** – Approved quality measures that are felt to be both clinically relevant, reliable and valid, and feasible;
- **CATEGORY 2** – Measures that are clinically relevant, valid, and probably reliable, but where the feasibility could be problematic. These measures will be investigated further during the 2017 Pilot Program; and,
- **CATEGORY 3** – Measures that are insufficiently relevant, valid, reliable and/or feasible. These measures will not be used in any VBP arrangements in MY 2017.

Note that measure classification is a State recommendation. Although Category 1 Measures are required to be reported, plans and VBP Contractors can choose the measures they want to link to payment, and how they want to pay on them (P4P or P4R) in their specific contracts.

### Category 1

Category 1 quality measures as identified by the CAGs and accepted by the State are to be reported by VBP Contractors. A subset of these measures is also intended to be used to determine the amount of shared savings for which VBP contractors would be eligible.<sup>9</sup>

The State classified each Category 1 measure as either P4P or P4R:

- **P4P** measures are intended to be used in the determination of shared savings amounts for which VBP Contractors are eligible.<sup>10</sup> Measures can be included in both the determination of the target budget and in the calculation of shared savings for VBP Contractors; and,
- **P4R** measures are intended to be used by the Medicaid MCOs to incentivize VBP Contractors for reporting data to monitor quality of care delivered to members under the VBP contract. Incentives for reporting will be based on timeliness, accuracy, and completeness of data. Measures can be reclassified from P4R to P4P through annual CAG and State review or as determined by the MCO and VBP Contractor.

### Categories 2 and 3

Category 2 measures have been accepted by the State based on agreement of measure importance, validity, and reliability, but flagged as presenting concerns regarding implementation feasibility. Some of these measures will be further investigated in the VBP pilots. The State requires VBP Pilots to select and report a minimum of two distinct Category 2 measures per VBP Arrangement or have a State and Plan

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<sup>9</sup> New York State Department of Health, Medicaid Redesign Team, A Path toward Value Based Payment: Annual Update, June 2016: Year 2, New York State Roadmap for Medicaid Payment Reform, June 2016, p. 34. ([Link](#))

<sup>10</sup> Ibid.



approved alternative. VBP Pilot participants will be expected to share meaningful feedback on the feasibility of Category 2 measures when the CAGs reconvene during the Annual Review Cycle.

Measures designated as Category 3 were deemed unfeasible at this time for a number of reasons. These include concerns about valid use in small sample sizes of attributed members at a VBP contractor level and limited potential for performance improvement in areas where statewide performance is already near maximum expected levels. These Category 3 measures will not be tested in pilots or included in VBP arrangements in 2017.

### **Annual Review**

Measure sets and classifications are considered dynamic and will be reviewed annually. Updates will include additions, deletions, reclassification of measure category, and reclassification from P4R to P4P or P4P to P4R based on experience with measure implementation in the prior year. The Category 1 and 2 measure set is located in the NYS VBP Resource Library on the Department of Health (DOH) web site.<sup>11</sup> It includes a subset of the IPC Measure Set determined relevant to the HARP VBP Arrangement by the State.<sup>12</sup> During 2017, the CAGs and the VBP Workgroup will reevaluate measures and provide recommendations for MY 2018. A full list of the MY 2017 HARP VBP measures is available in the “VBP Quality Measures” section of the Library.

Measures will be updated for 2018 per the annual measure review process. The measures and State-determined classifications provided in the “VBP Quality Measures” section of the Library are recommendations for MY 2017.

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<sup>11</sup> See the NYS Delivery System Reform Incentive Payment (DSRIP) - VBP Resource Library ([Link](#))

<sup>12</sup> The IPC measure set is the same set that will be used for the TCGP arrangement in 2017. Therefore, this is referred to as the TCGP/IPC measure set in other VBP related documents.