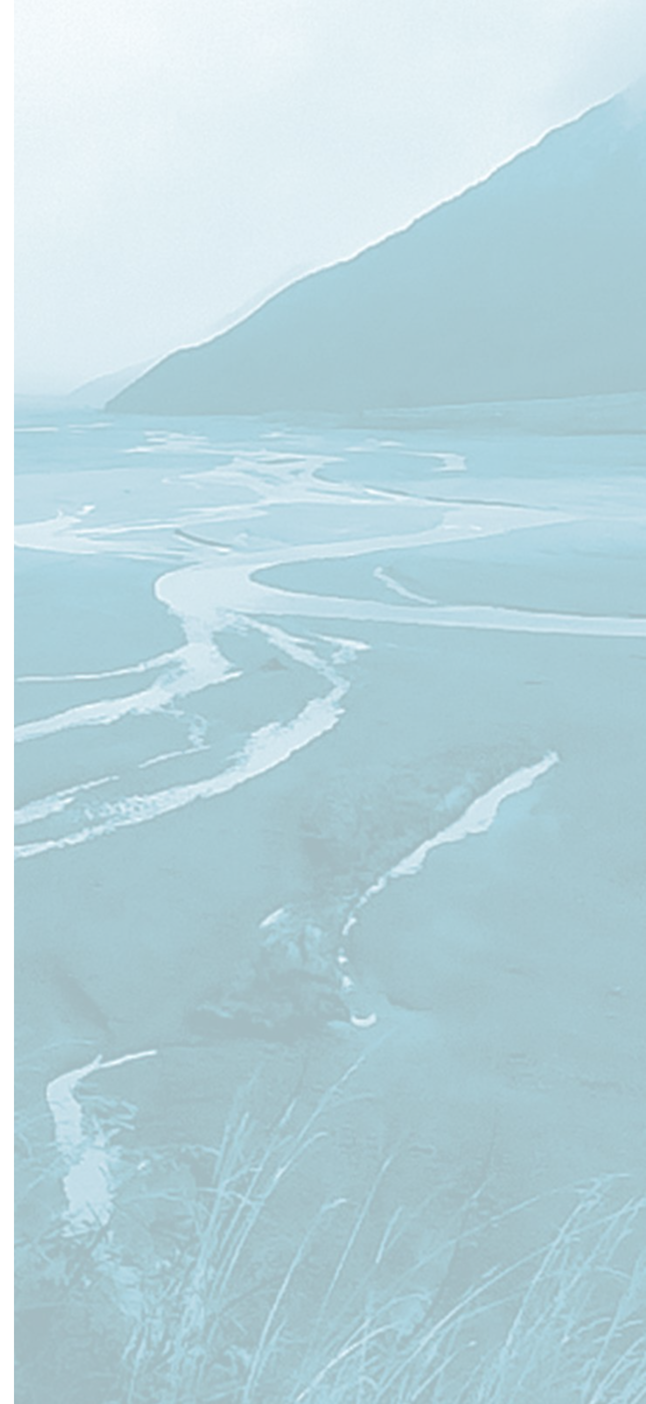
Value-Based Payment: Through the Lens of Safety Net Primary Care & Behavioral Health

Delta Center for a Thriving Safety Net

January 29, 2019



WebEx Tips

- Attendees are automatically MUTED upon entry
- Use the chat box if you have questions or would like to participate
- Direct messages to Melissa (host) if you have any technical issues
- This meeting is being recorded. Slides and the recording will be posted on the Delta Center website.

Today's Faculty

Rachel Tobey,

Director of JSI California and the Delta Center for a Thriving Safety Net

Gary Weiskopf,

Associate Commissioner of the Division of Managed Care at the New York State Office of Mental Health

What is the Delta Center for a Thriving Safety Net?

- RWJF-funded program to advance value-based payment and care in the ambulatory care safety net
- Program office is a collaboration of JSI, MacColl, CCI, NCBH, & NACHC
- Goal is to build capacity of state primary care associations and behavioral health state associations to advance value-based payment and care through policy, partnership and training & TA
- 13 associations are part of a 2-year learning collaborative
- Trainings & materials are available to wider audiences
- For more information, please visit: deltacenter.jsi.com

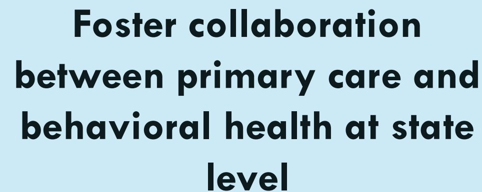
the DELTA CENTER
for a thriving safety net

Delta Center Overarching Goals

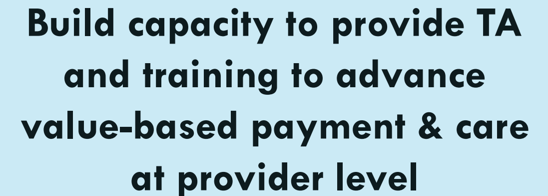
Build internal capacity of state associations

- *VBP/C Vision & Strategy Development*
- *Board & Staff Engagement*
- *Learning Organization Practices*
- *Sustainability Planning*

Build policy and advocacy capacity to advance value-based payment & care at state level



Foster collaboration between primary care and behavioral health at state level



Build capacity to provide TA and training to advance value-based payment & care at provider level

the DELTA CENTER
for a thriving safety net

Learning Objectives for this Webinar

- To provide a shared definition of value-based payment (VBP) & VBP through a primary care and behavioral health safety-net provider lens
- To share health centers' experience with building a value proposition & payment model
- To provide an update on the state of VBP in Medicaid
- To share one state's evolving journey toward VBP in behavioral health

the
DELTA CENTER
for a thriving safety net

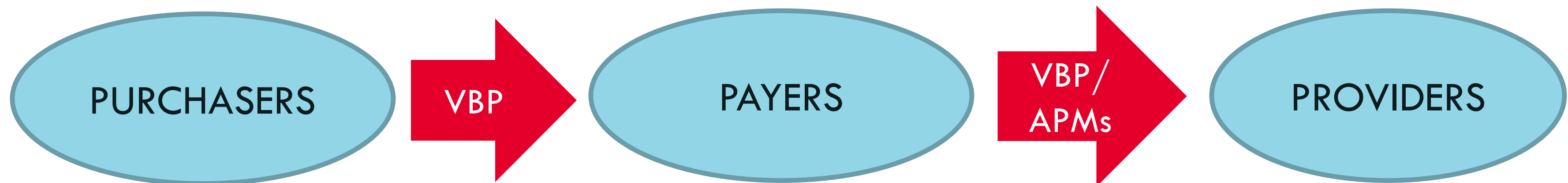
When I say "value-based pay," you say…

the DELTA CENTER
for a thriving safety net

What is Value-Based Payment?

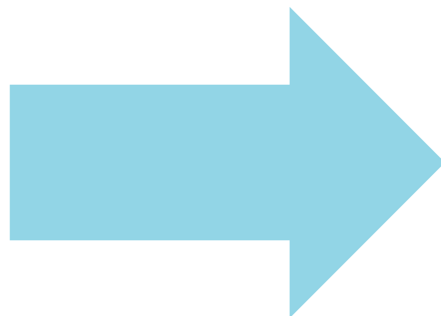
Value Based Payment (VBP) is a concept by which purchasers of health care (government, employers, and consumers) and payers (public and private) hold the health care delivery system at large (physicians and other providers, hospitals, etc.) accountable for both quality and cost of care

--American Academy of Family Physicians



the
DELTA CENTER
for a thriving safety net

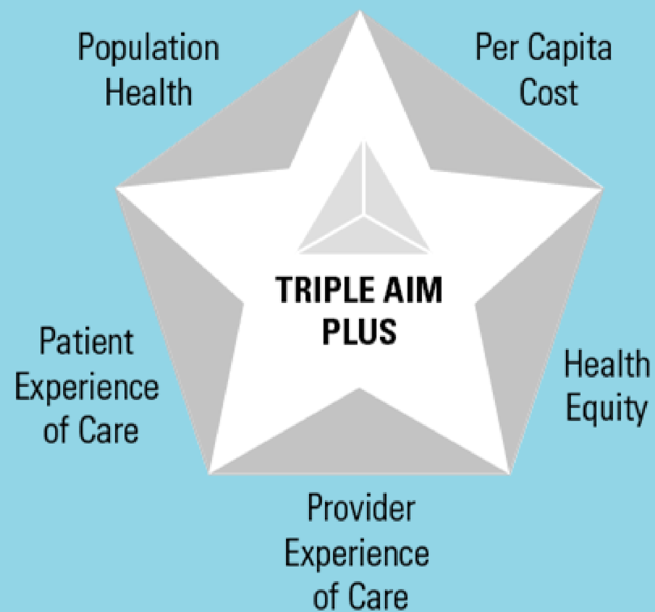
Fee-for-Service Payment



- More services
- High costs
- Suboptimal outcomes

Value-based Payment

Flexibility
Investment
Incentive



What does "paying differently" mean?

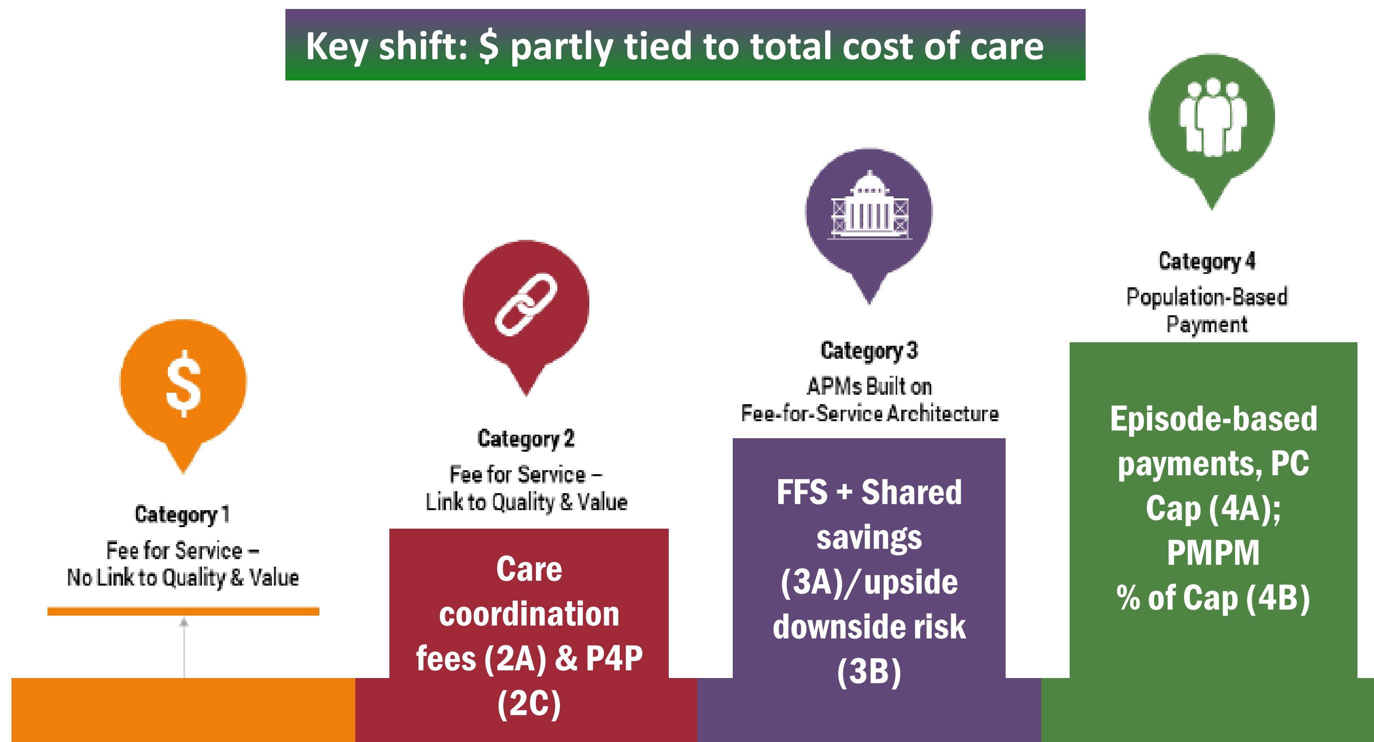
- Paying for high-value services/providers that were not previously reimbursed
- Allowing providers more flexibility to deliver care under capitated contracts
- Attaching financial reward and/or penalties to achieving outcomes
- Giving providers financial risk to incentivize reducing total cost of care

the
DELTA CENTER
for a thriving safety net

National Landscape – APMs

Health Care Payment Learning and Action Network (HCP-LAN)

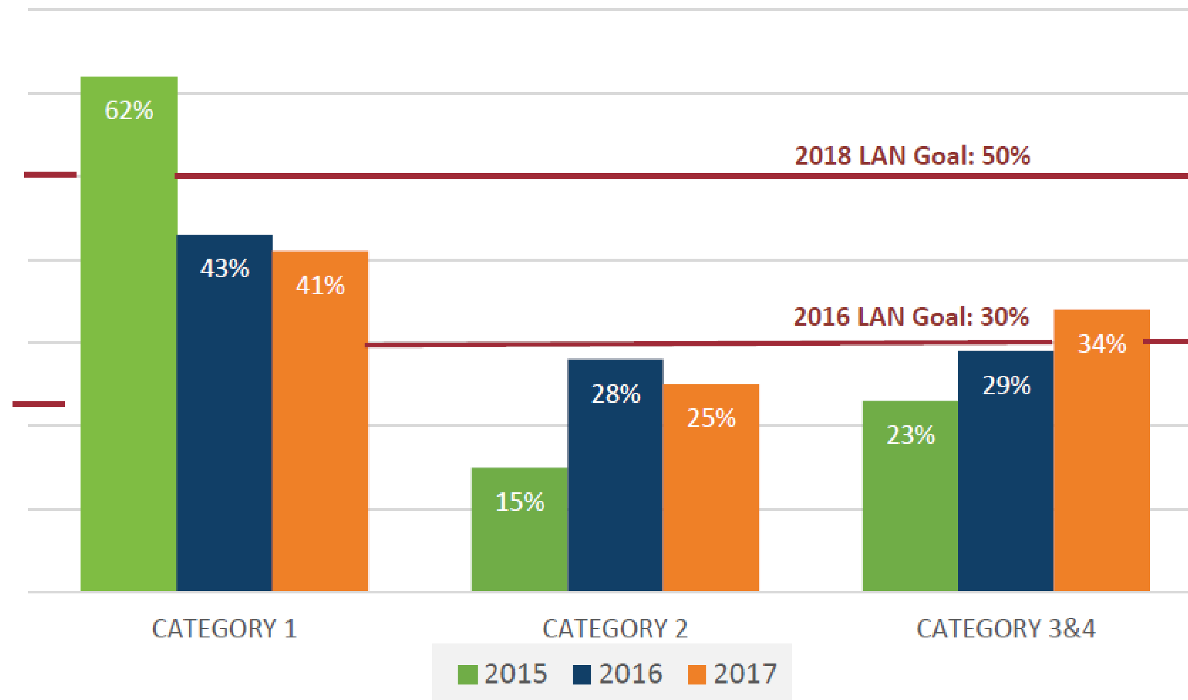
"The goal for payment reform is to transition health care payments from FFS to APMs. While Category 2C (pay-for-performance) APMs can be the payment model for some providers, most national spending should continue moving into Categories 3 and 4."



Source: HCP-LAN APM Measurement October 2018

National Landscape – APMs

2018 HCP-LAN Survey of health plans show incremental movement toward Category 3 &4 APMs.



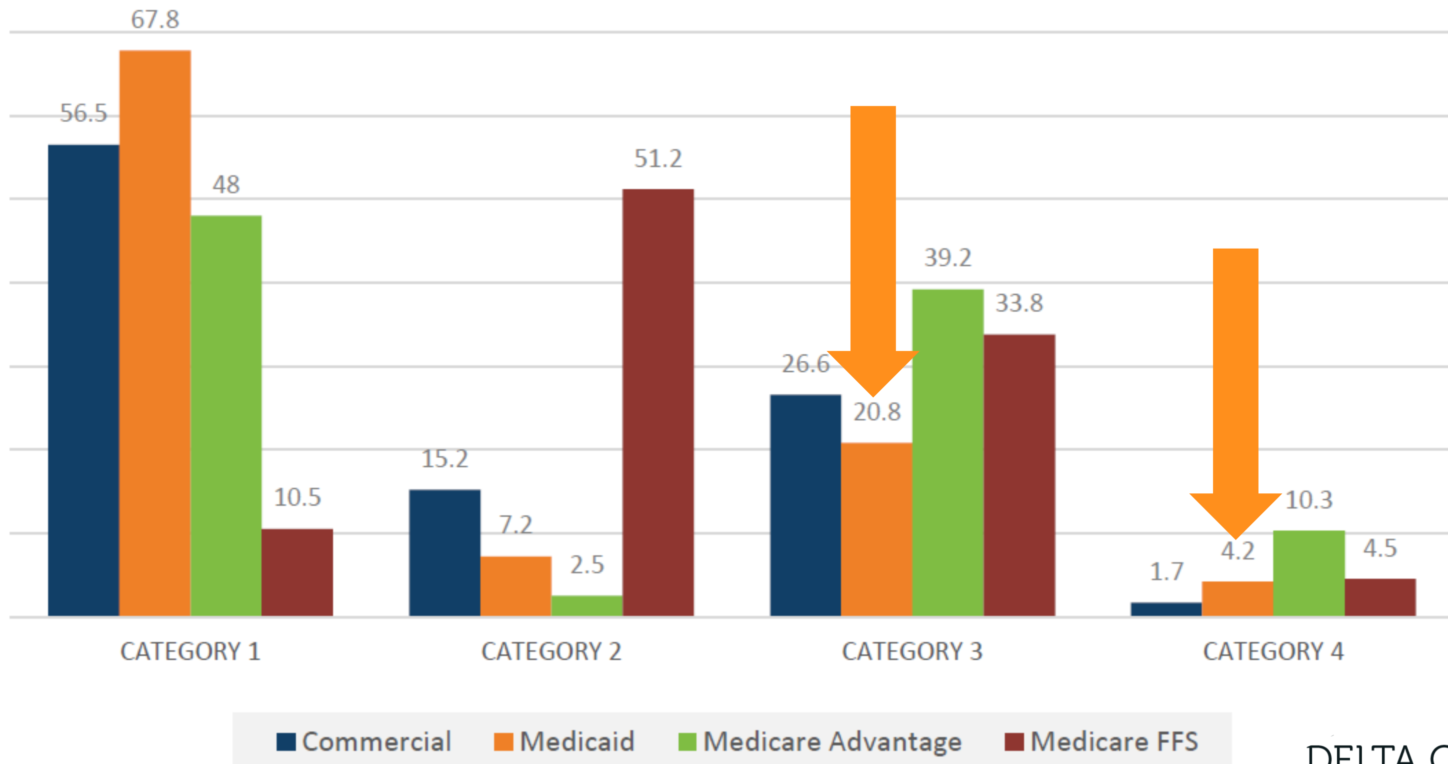
Source: HCP-LAN APM Measurement October 2018

the DELTA CENTER
for a thriving safety net

National Landscape – APMs

Medicaid adopting APMs more slowly than other business lines.

Only 25% of Medicaid payments are in Category 3&4 contracts.

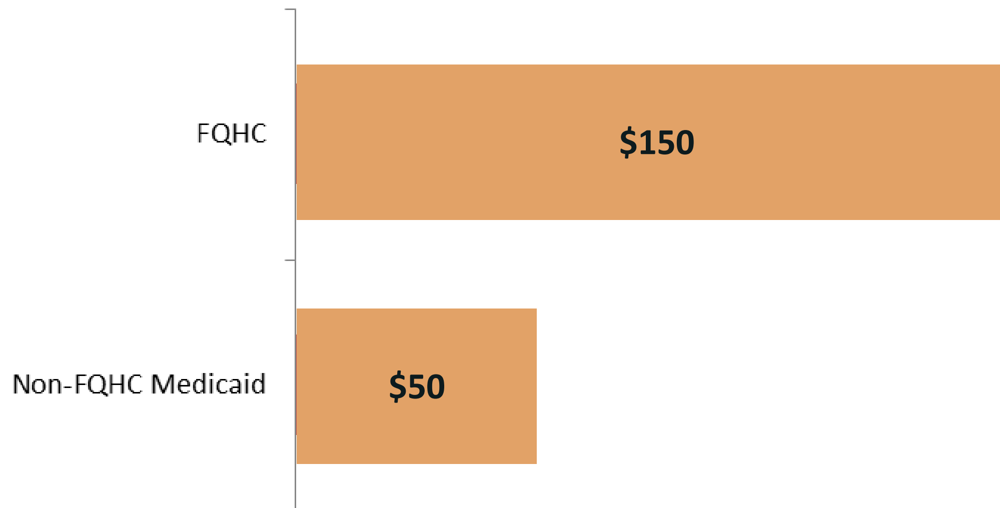


Source: HCP-LAN APM Measurement October 2018

DELTA CENTER
for a thriving safety net

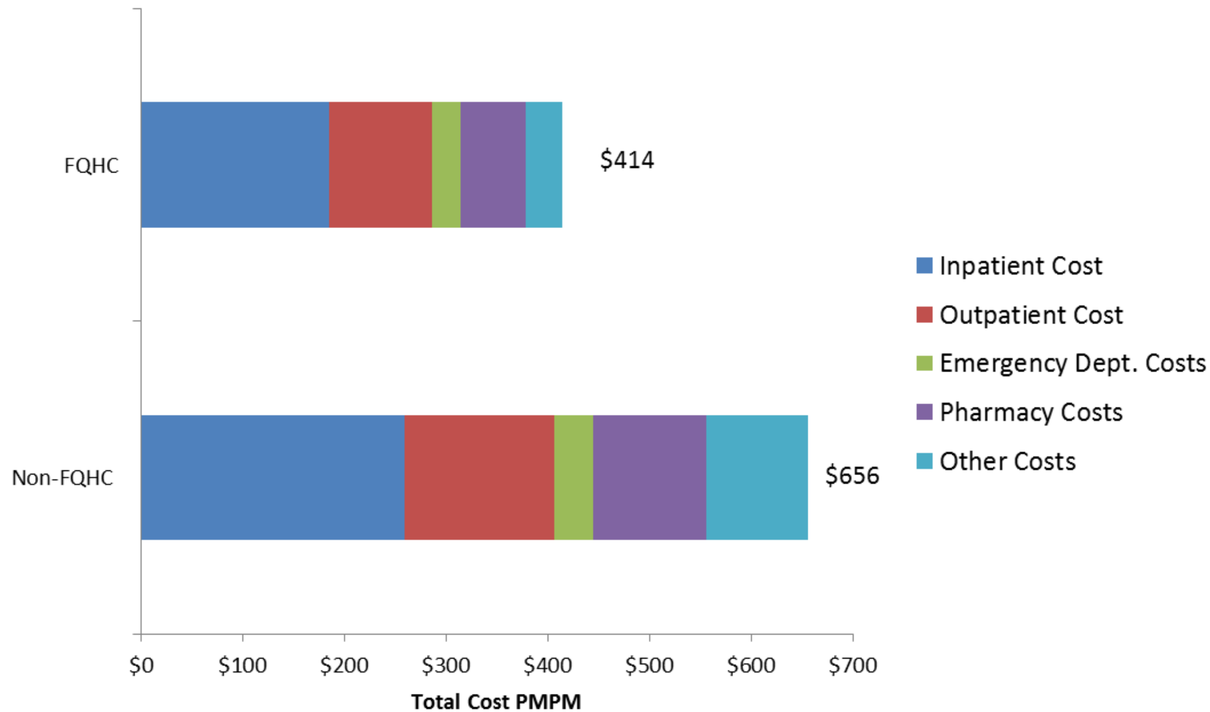
What is Value Proposition of FQHCs?

- What does a Medicaid Director see?
- Often a narrow focus on just cost of primary care



What is Value Proposition of FQHCs?

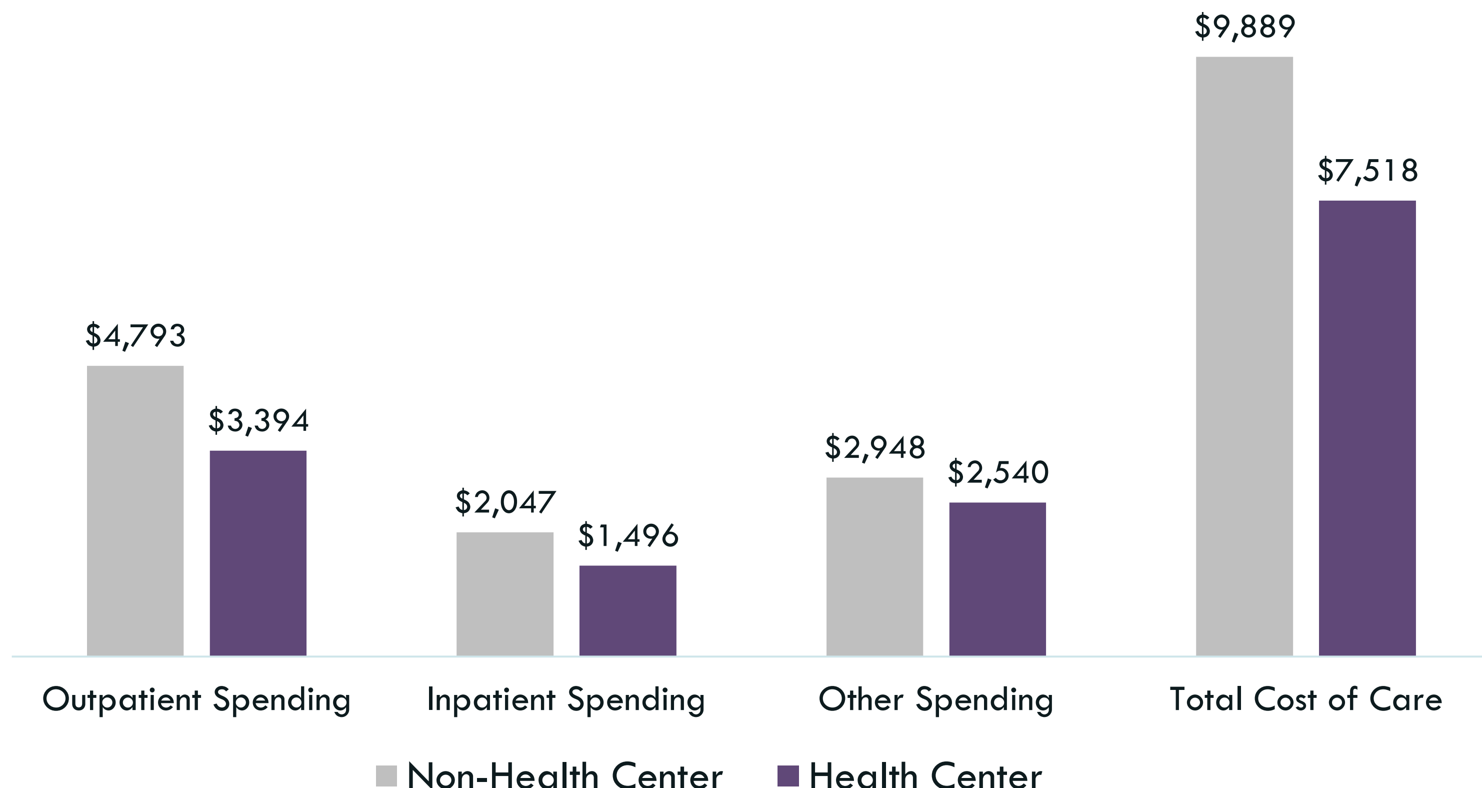
Health center value studies are changing the focus to health center value to the total health system



the DELTA CENTER
for a thriving safety net

What is Value Proposition of FQHCs?

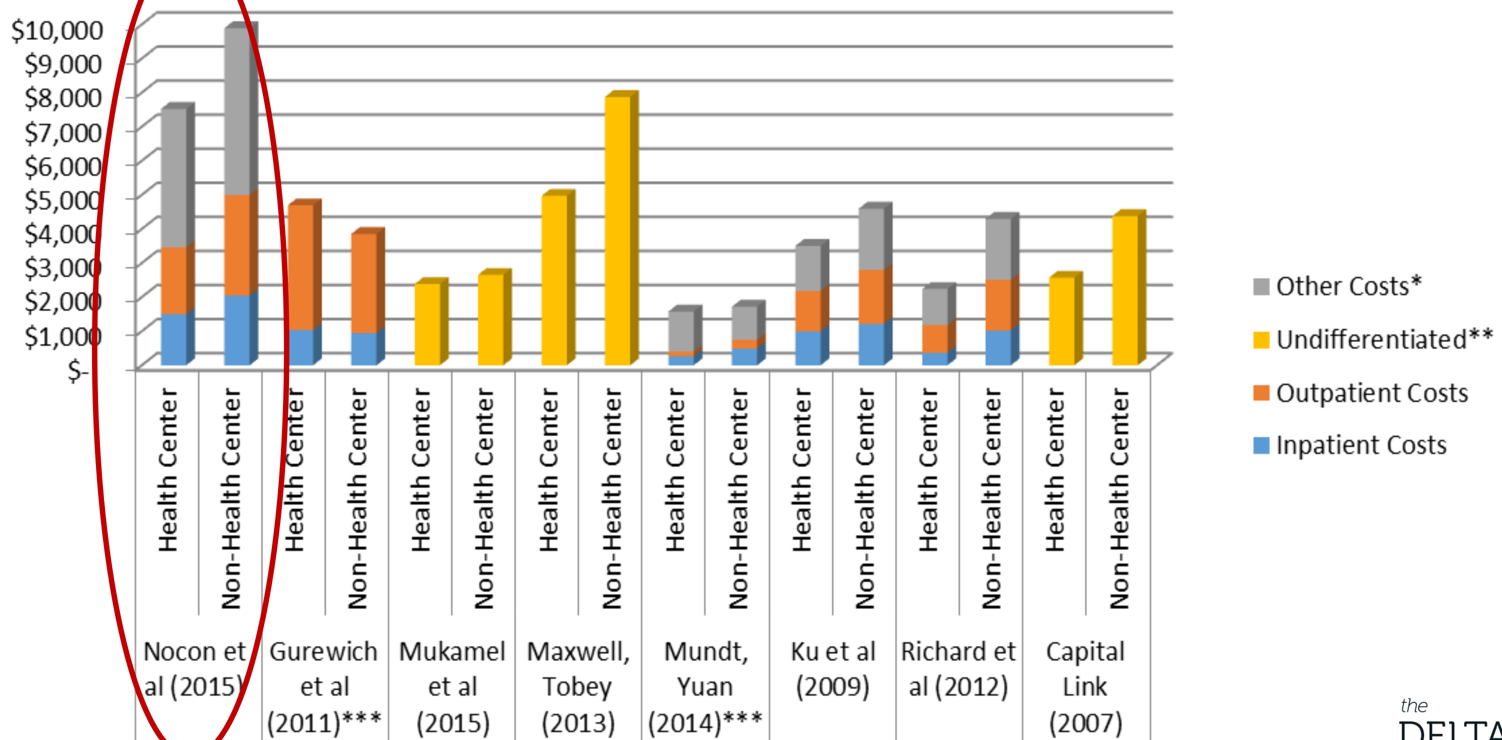
13-state total cost of care study showed 24% lower Medicaid costs for health center patients.



Source: Nocon et al. Health Care Use and Spending for Medicaid Enrollees in Federally Qualified Health Centers Versus Other Primary Care Settings. American Journal of Public Health (Nov 2016).

What is Value Proposition of FQHCs?

Health center value studies are changing the focus to health center value to the total health system



the DELTA CENTER
for a thriving safety net

What is Value Proposition of FQHCs?

2009 to 2014 Quality: Promise and Caution

- *"Quality outcomes in health centers continue to compare favorably to other care settings"*
- *"No evidence of improved quality or reduced disparities in diabetes control, hypertension control, or birthweight" among health center patients despite advances in EHRs, technology and coverage during same time period.*

Source: Longitudinal Analysis of Racial/Ethnic Trends in Quality Outcomes in Community Health Centers, 2009–2014, Journal of General Internal Medicine June 2018, Volume 3, Issue 6

the DELTA CENTER
for a thriving safety net

What is Value Proposition of FQHCs?

Quality in managed care is judged by HEDIS, not Uniform Data System (UDS).

- *Big difference is the denominator includes people assigned but not seen*

UDS		HEDIS
88% Cervical Cancer Screening		**59%** Cervical Cancer Screening
8,800 screened / **10,000** eligible patients	**+5,000 patients assigned but not seen**	**8,800** screened / **15,000** assigned eligible patients

the DELTA CENTER
for a thriving safety net

Payment Reform in FQHCs: WHY?

Incentivize improved quality outcomes

To invest in care management and coordination that lowers total cost of care

Better integrate PC and BH care (increase equity in outcomes)

To meet patient demand for non-face-to-face visits

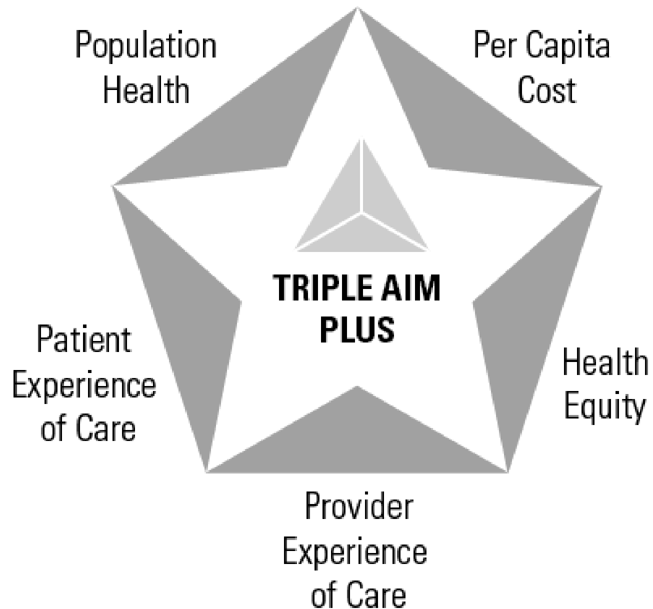
To use the whole care team (prevent provider burnout)

the DELTA CENTER for a thriving safety net

Payment Reform in FQHCs: WHY?

Incentivize improved quality outcomes

To invest in care management and coordination that lowers total cost of care



To meet patient demand for non-face-to-face visits

Better integrate PC and BH care (increase equity in outcomes)

To use the whole care team (prevent provider burnout)

the DELTA CENTER for a thriving safety net

FQHC APM: A Distinct Definition

- An alternative to paying the Prospective Payment System (PPS) rate
- Congress allows use of an APM as long as:
  1. It "results in payment to the center or clinic of an amount which is at least equal to the amounts otherwise required to be paid to the center or clinic" under PPS
  2. It is agreed to by the state and the individual FQHC or RHC

the DELTA CENTER
for a thriving safety net

VBP for Primary Care: Multi-layered

Multiple payment reforms can work together and is a common model proposed for primary care

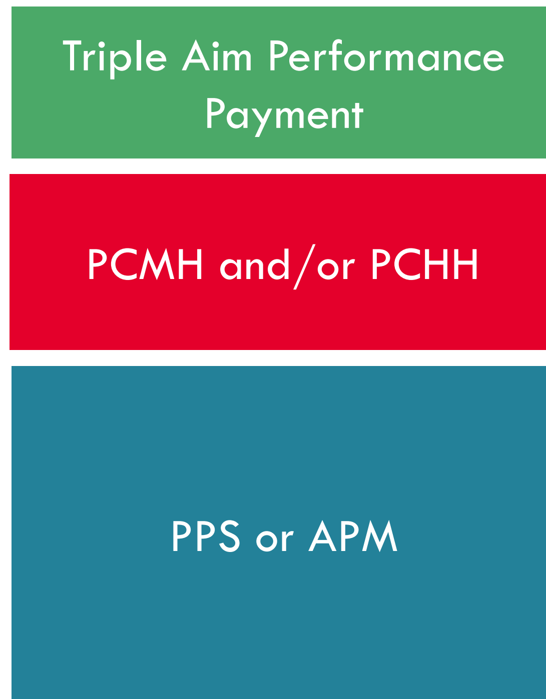
Layer	
Triple Aim Performance Payment	**Incentivize** quality and cost outcomes (upside incentives and/or downside risk/penalties)
PCMH and/or PCHH	**Invest** in new services/capabilities
PPS or APM	Provide funding for most services; **Flexibility** to deliver care differently

- **Incentivize** quality and cost outcomes (upside incentives and/or downside risk/penalties)
- **Invest** in new services/capabilities
- Provide funding for most services
- **Flexibility** to deliver care differently

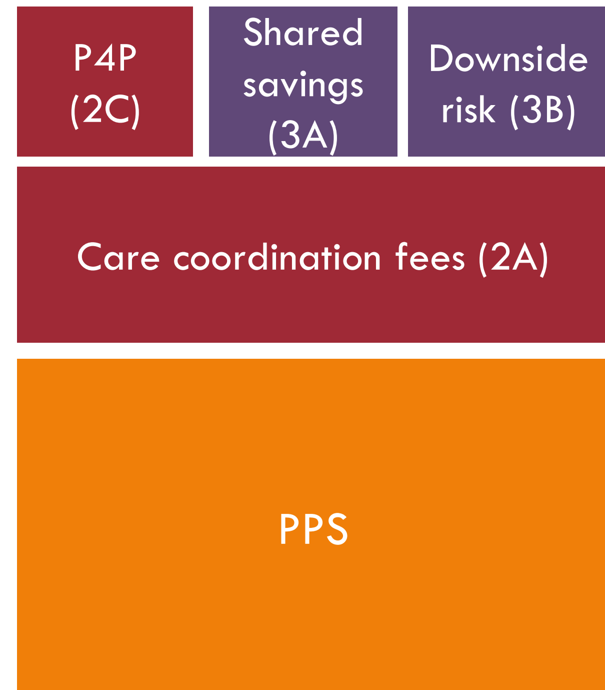
the DELTA CENTER
for a thriving safety net

VBP for Primary Care: Multi-layered

NACHC Model (2014)



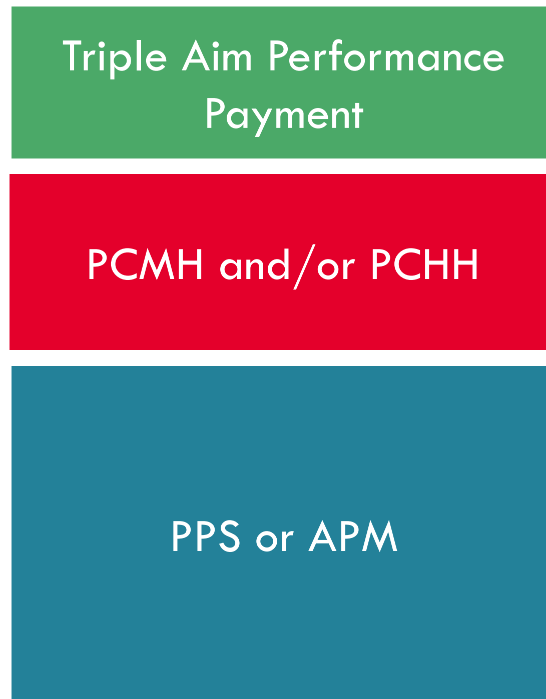
Viewed through HCP-LAN Lens



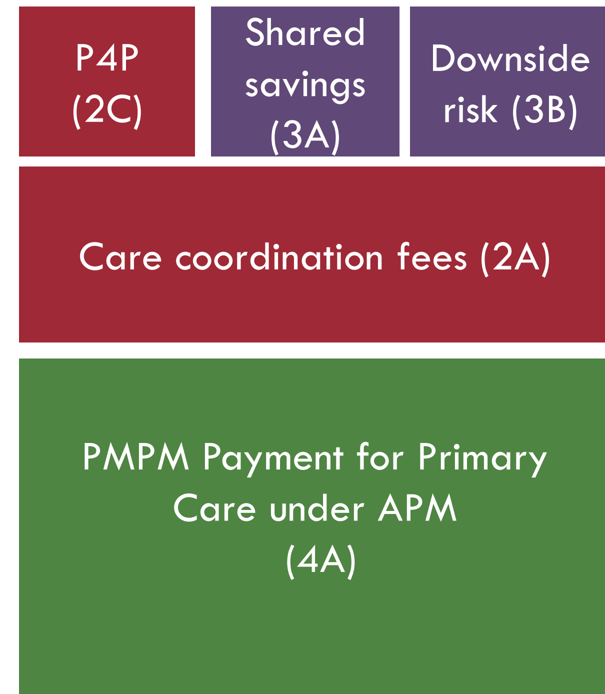
the DELTA CENTER for a thriving safety net

VBP for Primary Care: Multi-layered

NACHC Model (2014)



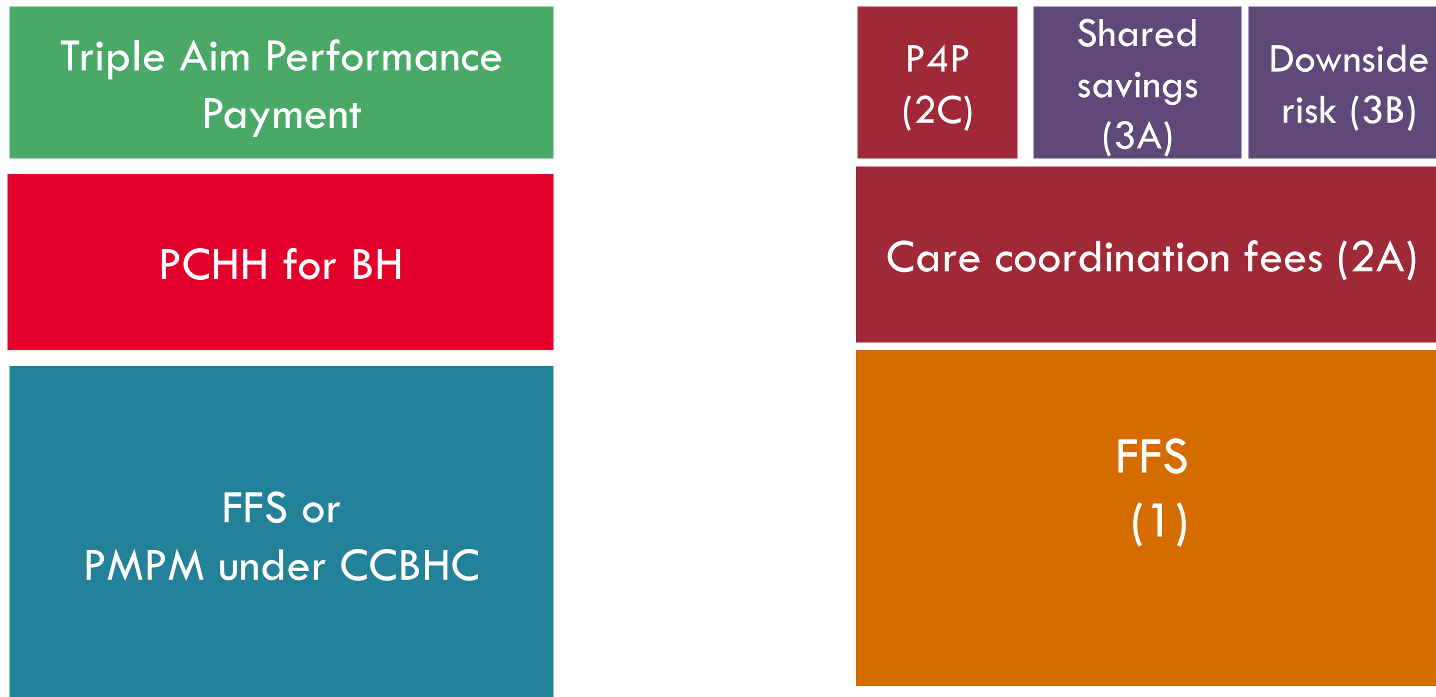
Viewed through HCP-LAN Lens



the DELTA CENTER for a thriving safety net

Payment Reform: Multi-layered

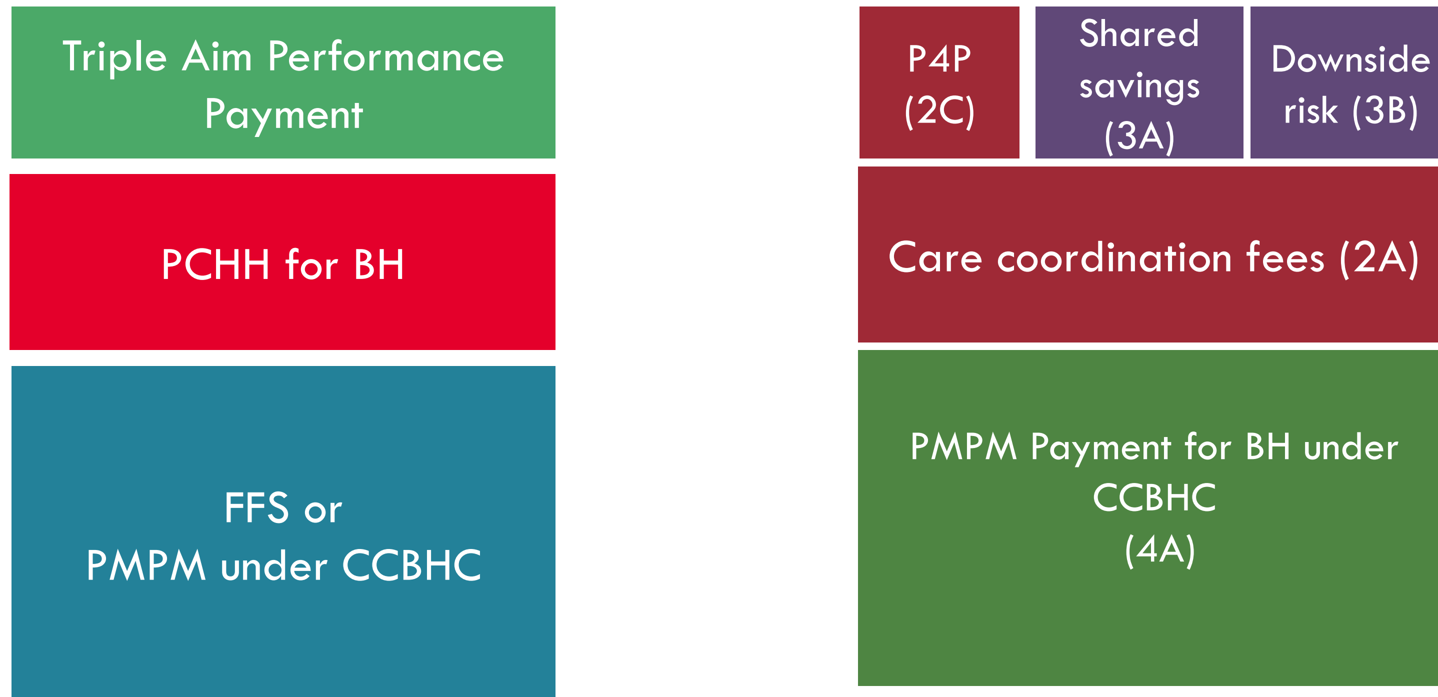
A potential BH model……. Viewed through HCP LAN Lens



the DELTA CENTER for a thriving safety net

Payment Reform: Multi-layered

A potential BH model……. Viewed through HCP LAN Lens



the DELTA CENTER
for a thriving safety net

VBP for Ambulatory Care: Multi-layered

Example of MACRA Advanced APM:

Comprehensive Primary Care Plus – Track 2

CPC Plus Track 2 Payment
Performance-based Incentive/Penalty
Care Management Fee
Comprehensive Primary Care Payment (PMPM Base Payment)
Reduced FFS Base Payment

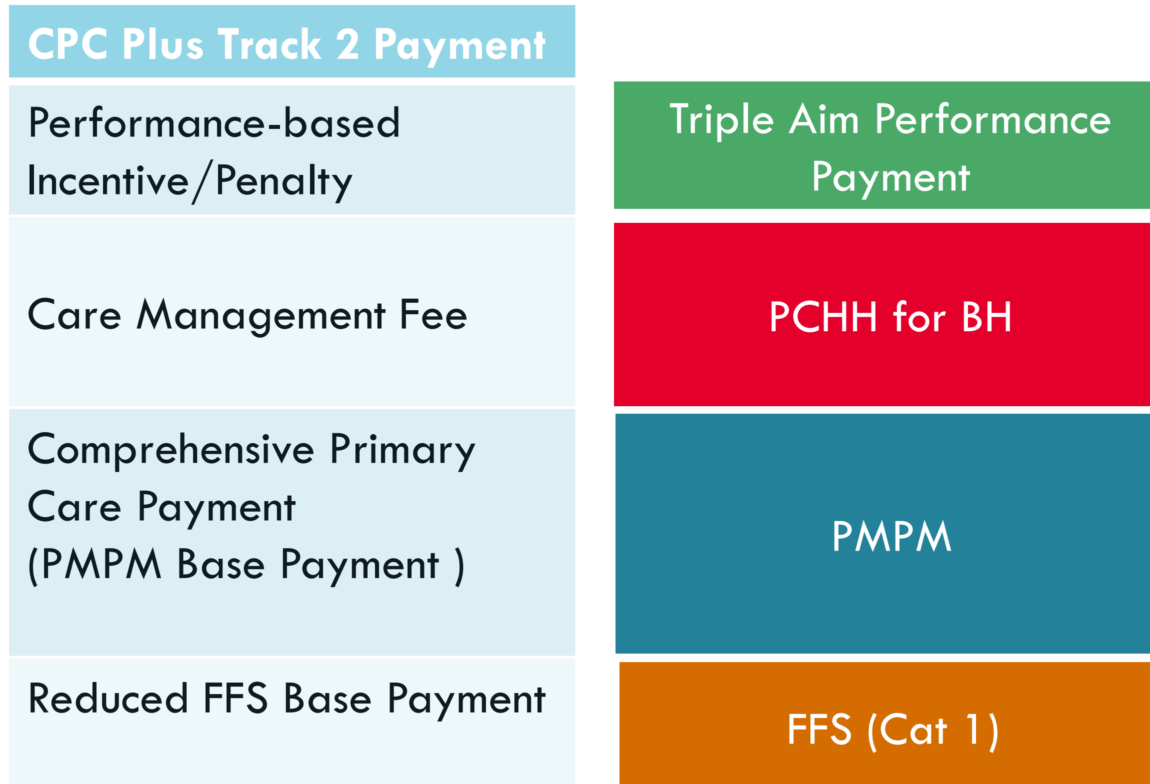
Validates NACHC model – even though FQHCs not eligible

the DELTA CENTER for a thriving safety net

VBP for Ambulatory Care: Multi-layered

Example of MACRA Advanced APM:

Comprehensive Primary Care Plus – Track 2



Validates NACHC model – even though FQHCs not eligible

the DELTA CENTER
for a thriving safety net

Current VBP Landscape

the
DELTA CENTER
for a thriving safety net

National: FQHC APMs

States are pursuing FQHC APMs

- **Oregon (Active):** PMPM for attributed members, potential for reconciliation (not needed to date)
- **Washington (Active):** PMPM for assigned members; if traditional visits decrease under APM, difference between historical visits*PPS and "traditional" visits*PPS under APM is at risk for quality outcomes; reconciliation & new rate if traditional visits increase
- **Colorado (Proposed):** PMPM that would be at least equivalent to PPS * visits. Some dollars at risk for quality
- **California (Not Pursued):** PMPM for assigned members with limited risk (5-10%) if traditional visits increased; CHC could retain and spend PMPM innovatively even if traditional visits declined by up to 30%. CMS said "only in a waiver," which state opted not to do.

the DELTA CENTER
for a thriving safety net

National: FQHC APMs

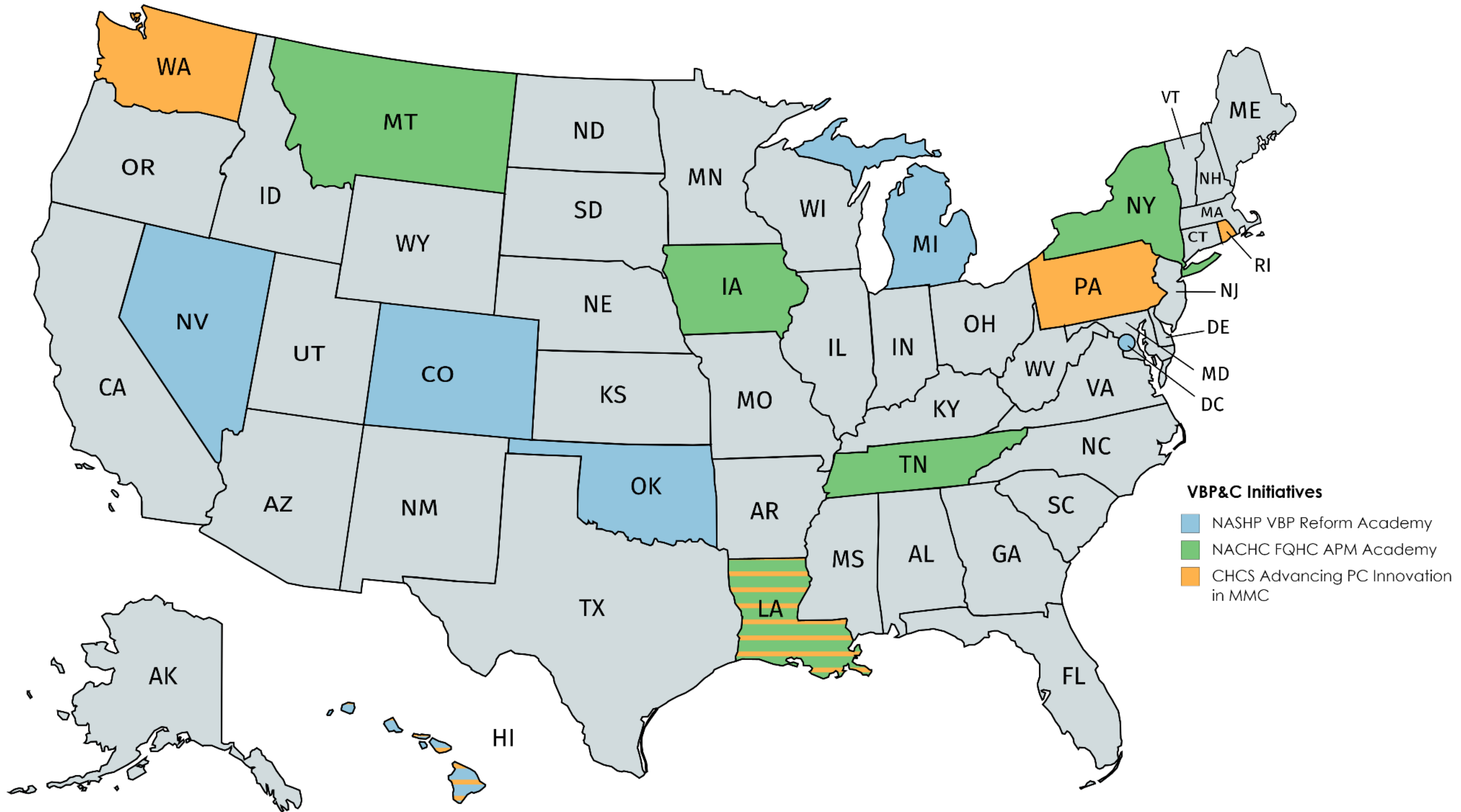
PMPM Payments for Primary Care (4A)

States are pursuing FQHC APMs

- **Oregon (Active):** PMPM for attributed members, potential for reconciliation (not needed to date)
- **Washington (Active):** PMPM for assigned members; if traditional visits decrease under APM, difference between historical visits*PPS and "traditional" visits*PPS under APM is at risk for quality outcomes; reconciliation & new rate if traditional visits increase
- **Colorado (Proposed):** PMPM that would be at least equivalent to PPS * visits. Some dollars at risk for quality
- **California (Not Pursued):** PMPM for assigned members with limited risk (5-10%) if traditional visits increased; CHC could retain and spend PMPM innovatively even if traditional visits declined by up to 30%. CMS said "only in a waiver," which state opted not to do.

the DELTA CENTER
for a thriving safety net

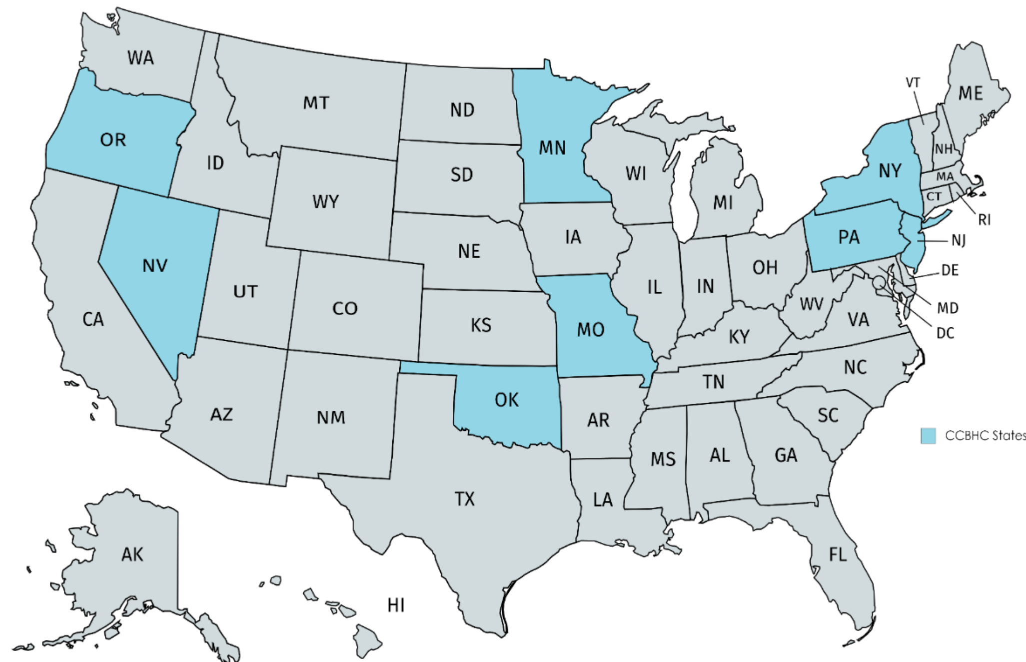
Health Centers Pursuing VBP&C



Created with mapchart.net ©

BH Providers Pursuing VBP&C

- Certified Community Behavioral Health Clinics
- Excellence in Mental Health Act (2014) proposed prospective payment similar to FQHCs for CCBHCs, allowing for expanded BH services
- National Council has proposed an extension and expansion of the CCBHC program



Created with mapchart.net ©

the DELTA CENTER
for a thriving safety net

Multi-layer Value-Based Payment

Supplemental Payment for Patient Centered Health Home Services

- Care management and case coordination for high-risk populations
  - 2+ chronic conditions or 1 and at risk for 2nd
  - Serious and persistent mental illness
- Section 2703 of ACA provides states with 90/10 federal match for 8 calendar quarters
- States are pursuing Health Homes for PC and BH
- FQHCs and RHCs can also bill Medicare Chronic Care Management Fees

Multi-layer Value-Based Payment

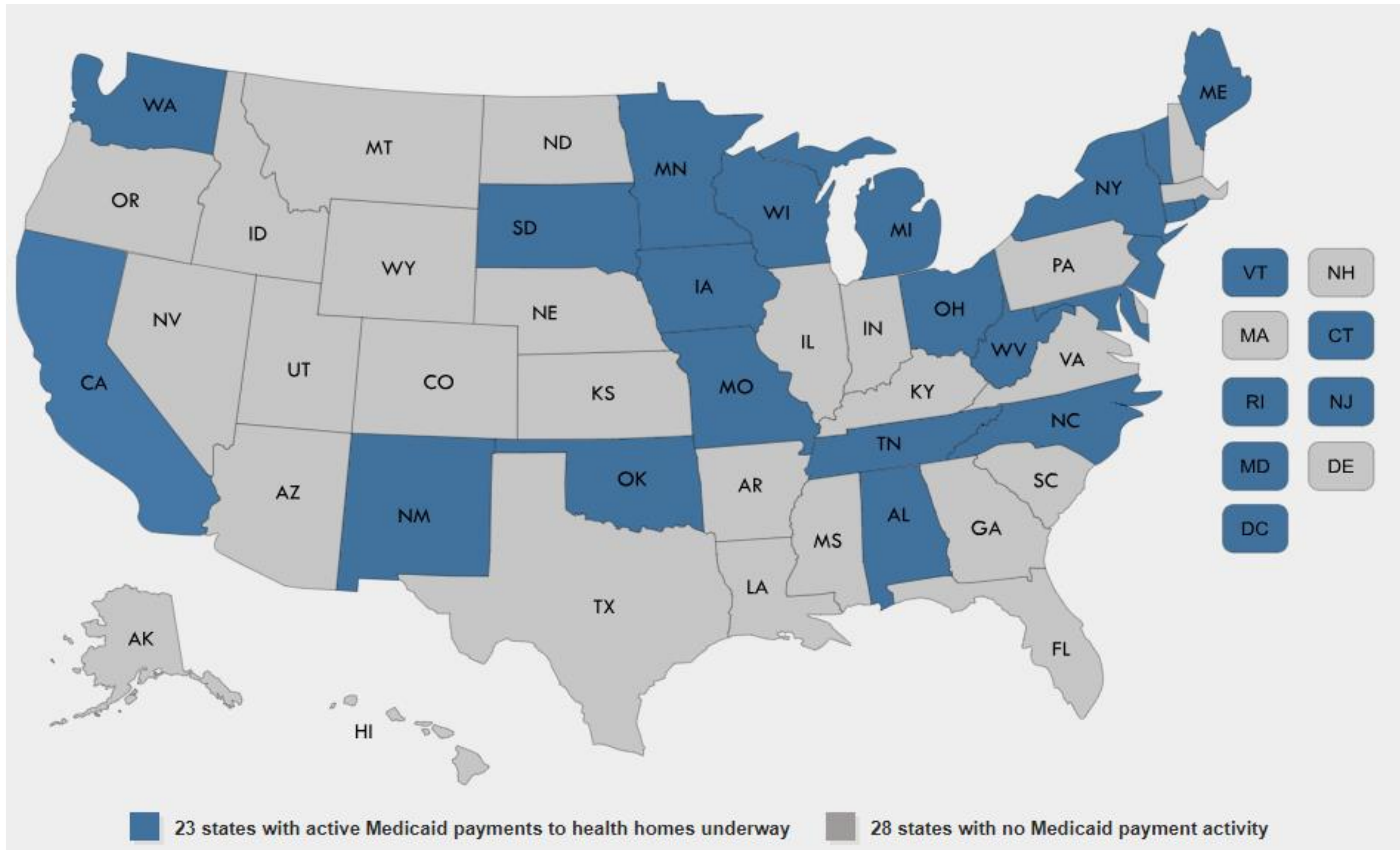
Supplemental Payment for Patient Centered Health Home Services

- Care management and case coordination for high-risk populations
  - 2+ chronic conditions or 1 and at risk for 2nd
  - Serious and persistent mental illness
- Section 2703 of ACA provides states with 90/10 federal match for 8 calendar quarters
- States are pursuing Health Homes for PC and BH
- FQHCs and RHCs can also bill Medicare Chronic Care Management Fees

Care coordination fees (HCP-LAN Category 2A)

Medicaid Payment Reform: National

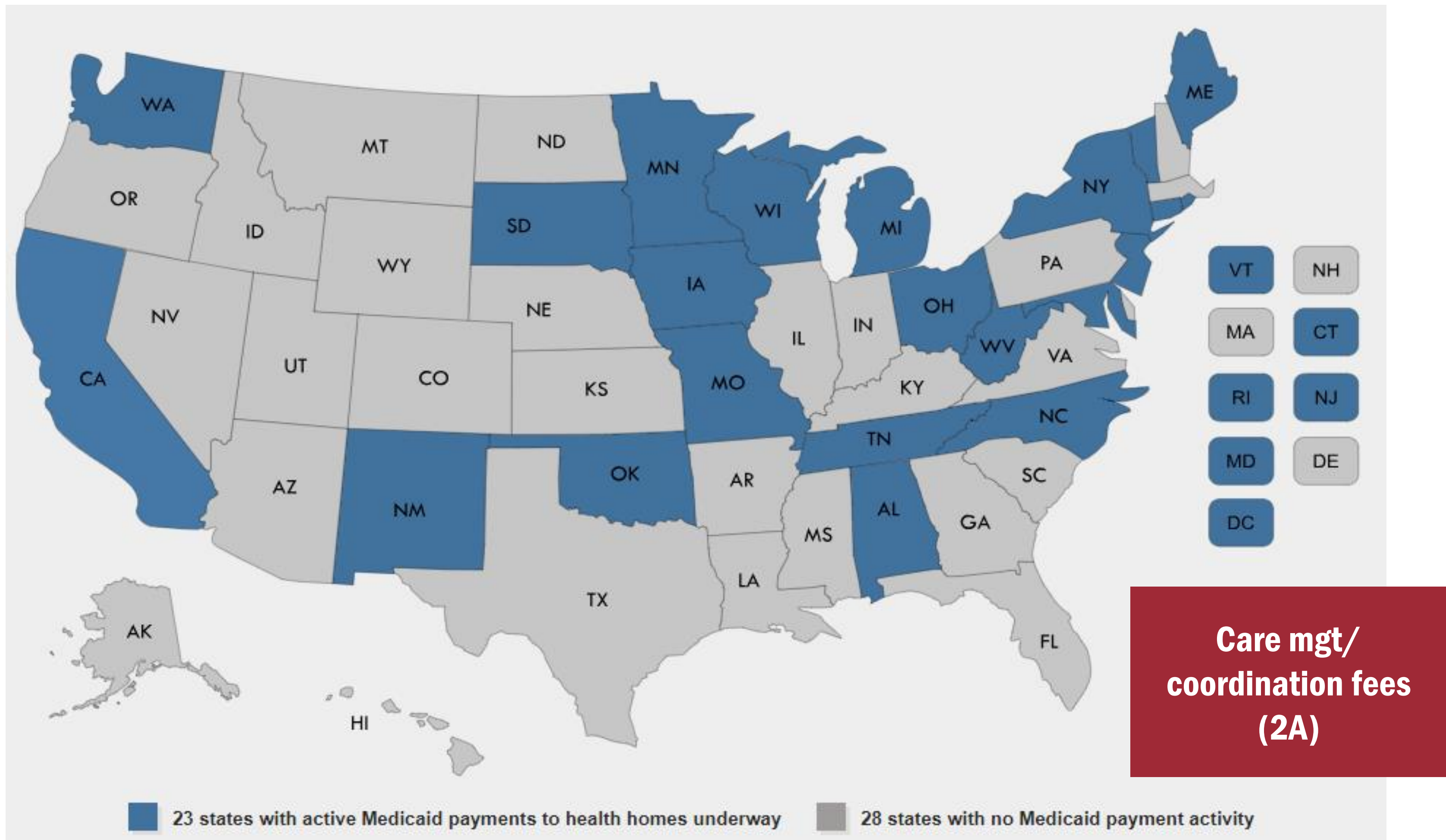
States paying for Health Homes (2018)



Source: NASHP

Medicaid Payment Reform: National

States paying for Health Homes (2018)



Care mgt/ coordination fees (2A)

Source: NASHP

Multi-layer Value-Based Payment

- Lots of activity in quality-based P4P programs through managed care plans
  - ~80% of Medicaid beneficiaries are in managed care
- Still represents a small portion of total revenue

Multi-layer Value-Based Payment

- Lots of activity in quality-based P4P programs through managed care plans
  - ~80% of Medicaid beneficiaries are in managed care
- Still represents a small portion of total revenue

Pay for Performance (HCP-LAN Category 2C)

Multi-layer Value-Based Payment

- Some health centers are participating in ACOs that share savings
- Some health center led IPAs take risk
  - Professional risk-taking IPAs are already doing a version of "shared savings/risk"
  - Ex. 22% of health centers in CA are part of risk-taking IPAs

the DELTA CENTER
for a thriving safety net

Multi-layer Value-Based Payment

- Some health centers are participating in ACOs that share savings
- Some health center led IPAs take risk
  - Professional risk-taking IPAs are already doing a version of "shared savings/risk"
  - Ex. 22% of health centers in CA are part of risk-taking IPAs

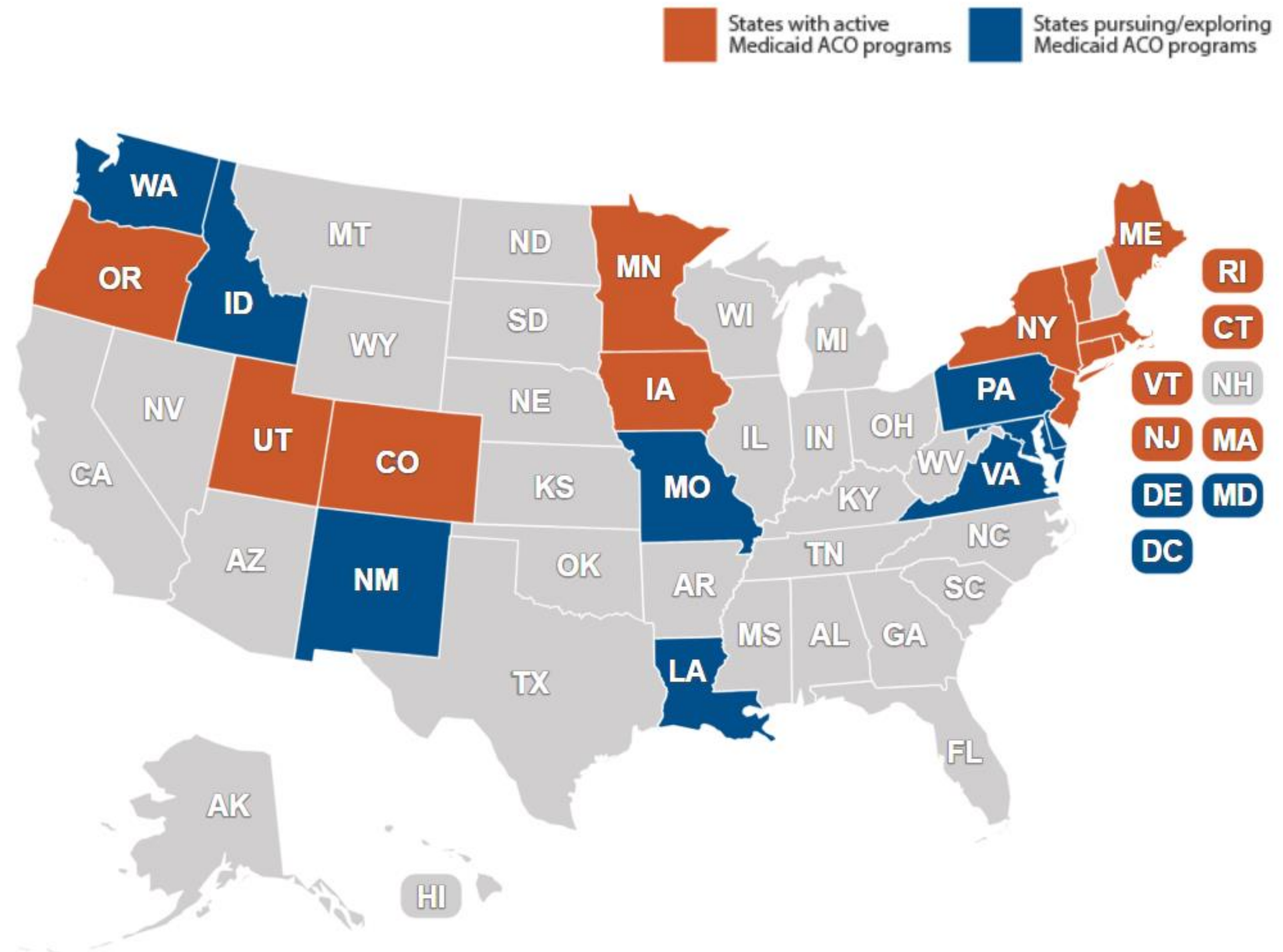
Shared savings /risk

the DELTA CENTER
for a thriving safety net

Medicaid Payment Reform: National

States currently pursuing provider-led (including FQHC-led) ACOs in Medicaid

- Connecticut
- Iowa
- Massachusetts
- Maine
- Minnesota
- New York
- Vermont

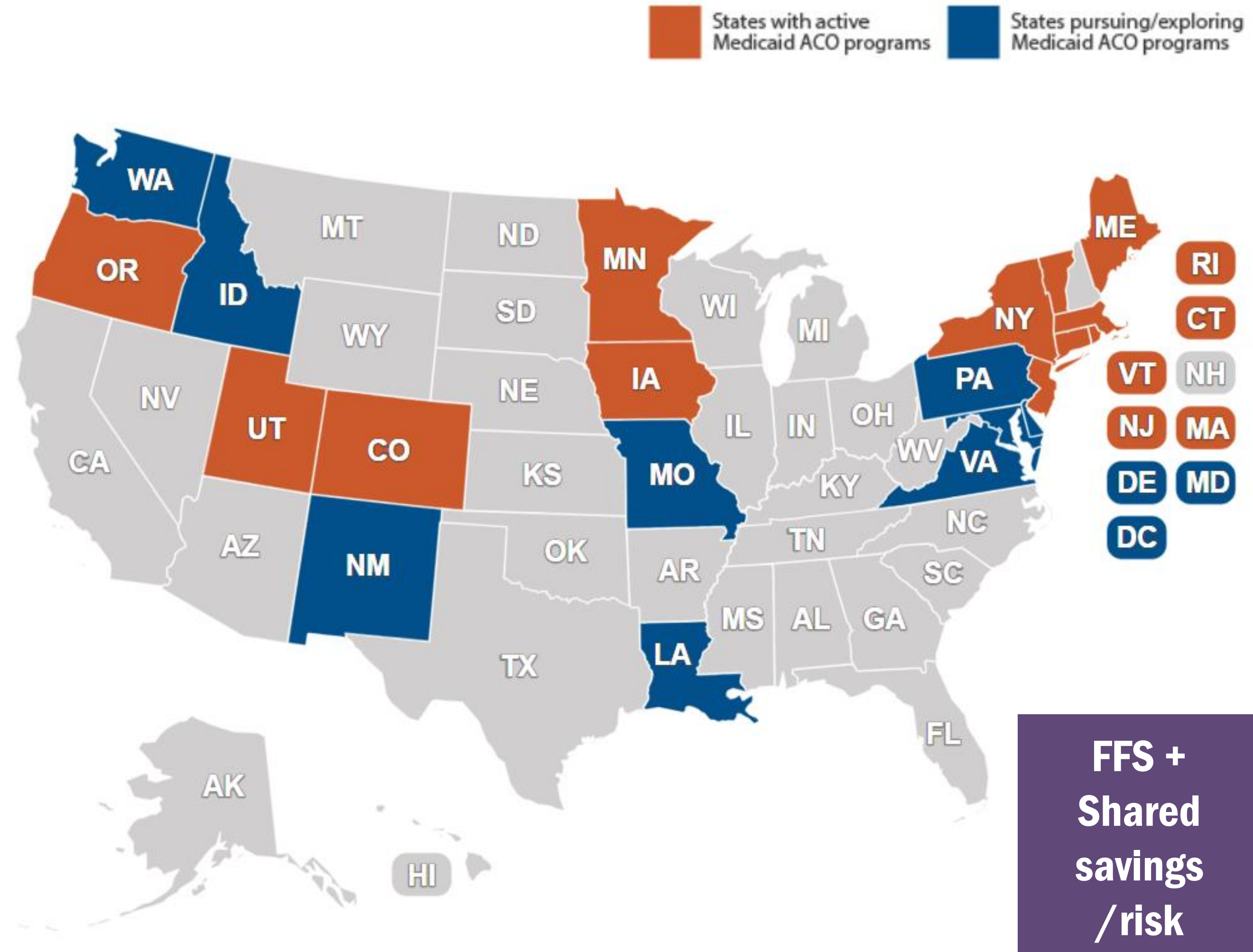


Source: CHCS

Medicaid Payment Reform: National

States currently pursuing provider-led (including FQHC-led) ACOs in Medicaid

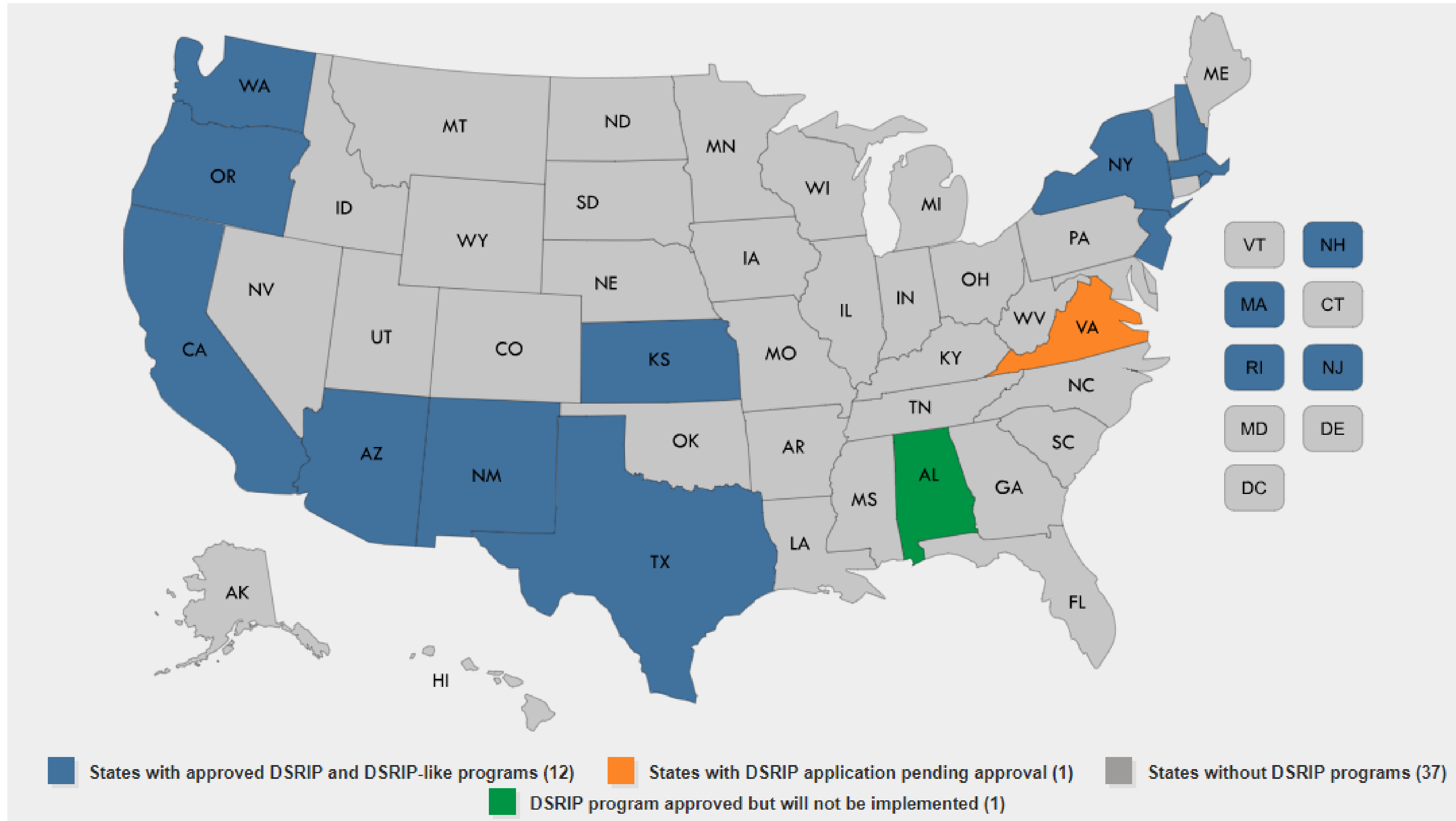
- Connecticut
- Iowa
- Massachusetts
- Maine
- Minnesota
- New York
- Vermont



Source: CHCS

Medicaid Payment Reform: National

1115 Waivers: an important source of VBP funding



Source: NASHP

Medicaid Payment Reform: National

More APMs on the way…

INFORMATIONAL QUESTIONS				
PAYERS WHO THINK APM ACTIVITY:	*WILL INCREASE*	*WILL STAY THE SAME*	*WILL DECREASE*	*WHO ARE NOT SURE/DECLINED TO RESPOND*
	90%	9%	0%	1%

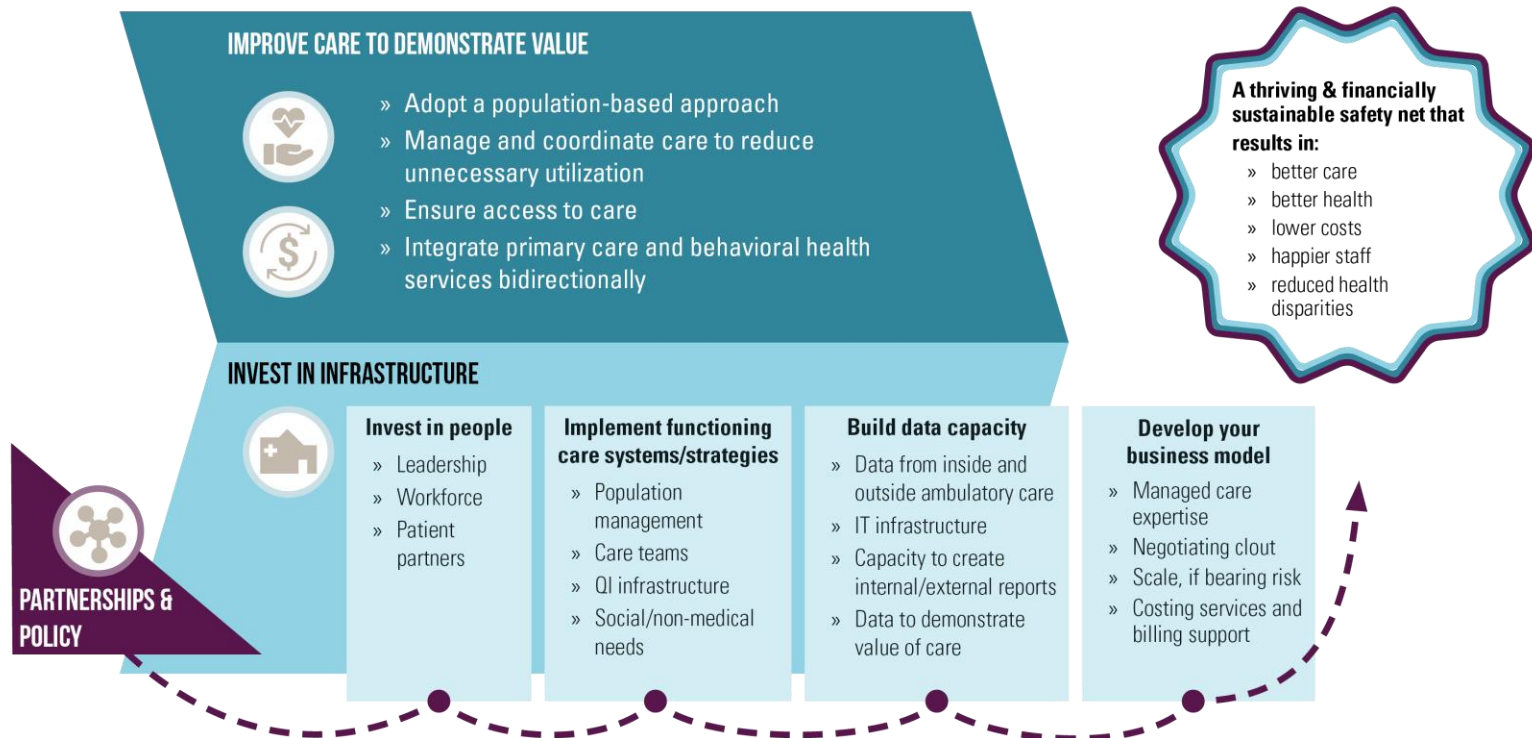
Source: HCP Lan 2018 Survey

What do CHCs need to perform under VBP?

Considerations for Providers & Associations Interested in VBP

1. What care changes are you trying to support with payment change?
2. What do other stakeholders care about (Medicaid, MCOs, providers, patients)?
3. What would the ideal multi-layered payment model be?
   1. Is the amount of $ in each layer enough to deliver desired care and achieve desired outcomes?
   2. How much flexibility do providers have to spend the $?
4. Do you have the people, data infrastructure and care systems to achieve and demonstrate outcomes?
5. Are you ready to take financial risk? Do you need partners?

Model for Advancing High Performance

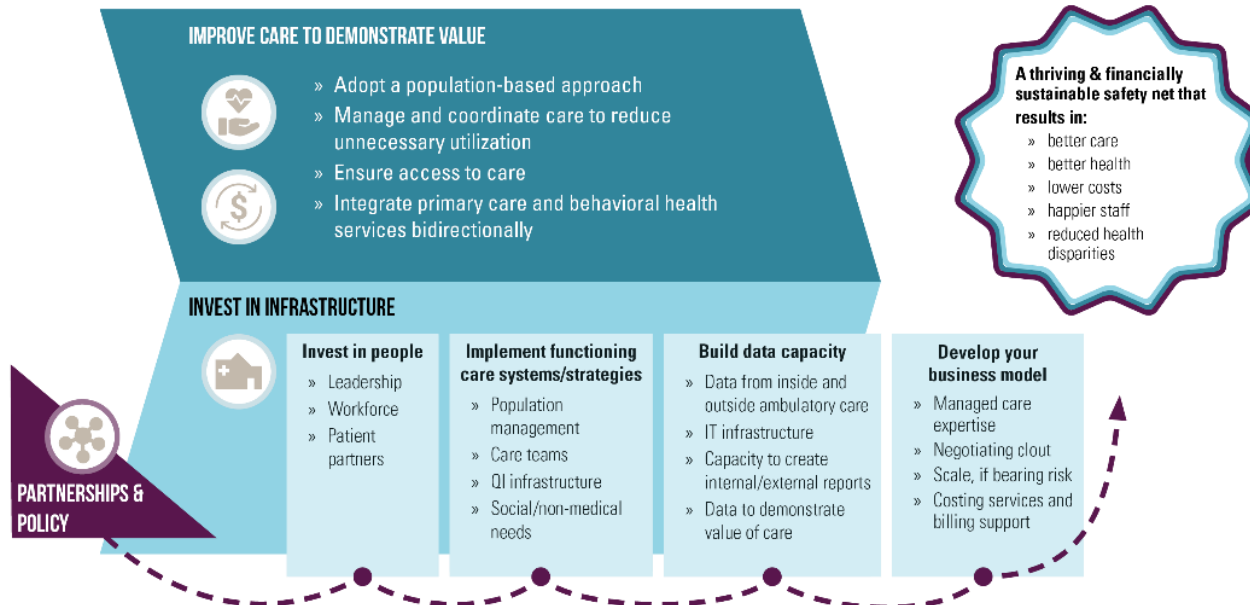


*Adapted 8/20/2018 from The MacColl Center for Health Care Innovation and JSI Research & Training Institute, Inc. (2018). *Partnering to Succeed: How Small Health Centers Can Improve Care and Thrive Under Value-Based Payment,* California Health Care Foundation. Available at: https://www.chcf.org/publication/partnering-succeed-small-health-centers/

the DELTA CENTER
for a thriving safety net

Model for Advancing High Performance

MAHP 2.0 Available at:
https://deltacenter.jsi.com/resource/mahp-2-0/



the DELTA CENTER
for a thriving safety net

Appendix: FQHCs Pursuing APMs

Learn more about FQHC APM:

- NACHC Primer on Multi-layer model: http://www.nachc.org/wp-content/uploads/2015/11/Health-Centers-and-Payment-Reform.pdf
- Oregon APM Case Study: http://www.nachc.org/wp-content/uploads/2016/12/Oregon-FQHC-APM-December-2017.pdf
- CA APM Case Study: http://www.nachc.org/wp-content/uploads/2016/06/NACHC_Navigating-Payment-Reform.pdf
- NACHC APM Toolkit: http://www.nachc.org/wp-content/uploads/2017/08/NACHC_APMToolkit-1.pdf
- WA APM Case Study and Overview of WA APM by HMA: http://www.nachc.org/wp-content/uploads/2018/05/NACHC-WA-APM-Case-Study-2018.pdf https://www.healthmanagement.com/wp-content/uploads/072518-HMA-Roundup.pdf
- NASHP APM Toolkit (more focused on state officials): https://nashp.org/toolkit-state-strategies-to-develop-value-based-alternative-payment-methodologies-for-fqhcs/