

Value Based Payments ARE in Your Future *One Year Later*

SEPTEMBER 2019

XtraGlobe **Inc.**
Strategic Business Development

What Are Value Based Payments

Payment for Value

NOT Payment for Volume



Payment for Quality

NOT Payment for Units / Quantity



Payment for Outcomes

NOT Payment for Activity

Where We Left Off A Year Ago

Know	Know Your Market
Know	Know Your Consumer
Know	Know Your Priorities / Strategic Direction
Know	Know Your Operations / Measures
Know	Know Your Quality / Measures
Know	Know Your Costs / Financial Position / Measures
Know	Know Your Leadership / Measures
Know	Know Your People / Measures

The VBP Continuum

01

Payment for
Process /
Alternative
Payment

02

Payment for
Performance

03

Bundled
Payments

04

Payment for
Outcomes

05

Shared Risk

What Brings Us Here

Managed Care is established in over 23 states AND FOUR Significant Update

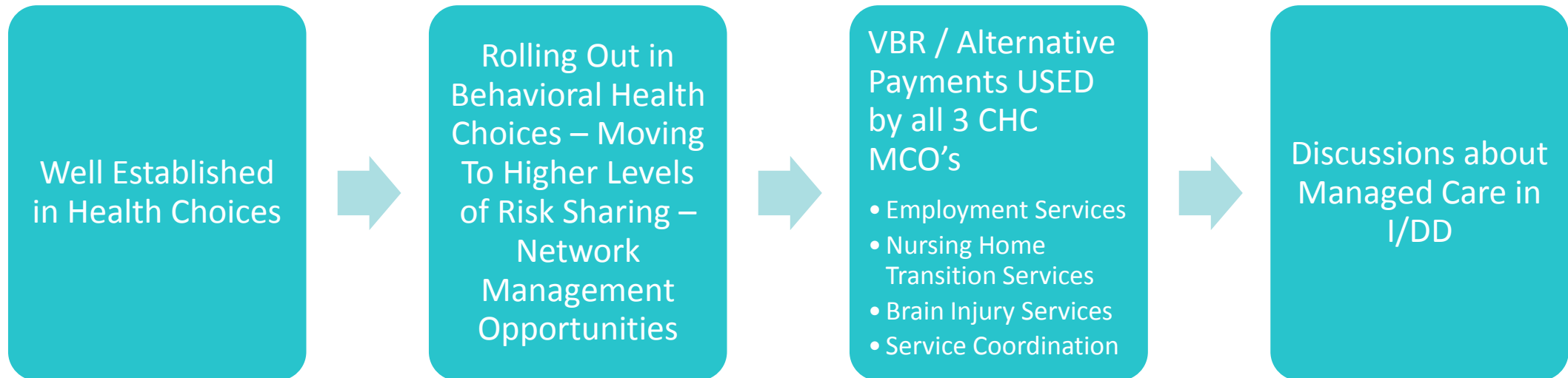
Managed Care and VBP Implementation in Pennsylvania

Research By ANCOR – Obstacles to IDD Implementation

Research by National Council on Behavioral Health VBP – Environmental Scan

Research by Open Minds on VBP Implementation

VBP in Pennsylvania



Pennsylvania Physical HealthChoices & Behavioral HealthChoices

Contract Requirements to Increase PHC VBP To 35%

Ascending Levels of VBP

Way of Life in Physical Health

BHMCO's Implementing VBP

BHMCO's Training Providers and Increasing Expectations

Provider Confusion and Anxiety

Community HealthChoices Update

Roll out complete in 19 Counties in SW and SE

- Over 200 K Consumers Enrolled
- Over 60K Consumers served in the community

Roll out in Remaining Counties January 2020

Consolidation of Service Coordination – Varying Strategies Per MCO

Standards of Quality BEGINNING to take hold – Vary by MCO

Early Indicators of Rebalancing starting to happen!

Early Consolidation of Provider Networks

Increasing Alliances / Mergers / Acquisitions

Emerging Provider Networks

Community HealthChoices VBP

Developing early stages of VBP

- Process Standardization
- Alternative Payment Models
- Remote Patient Monitoring

Key Obstacles to VBP in CHC

- Lack of Integration with Physical Health Plans
- Attribution for Savings

ANCOR/ HMA Study – Obstacles to VBP / IDD

Experience - People: most states have limited experience serving the I/DD population. Commercial health plans are used to serving other Medicaid populations but I/DD requires a different level of attention, thoughtfulness, and unique services.

Experience – Rates: States have not engaged in figuring out and stabilizing rates so there is diversity in how these rates are set. It makes it even more difficult to work with MCOs

Experience - I/DD providers: Most providers are small community-based organizations that rely on Medicaid. These providers will need robust networks to file MCO claims such as billing, data collection, quality oversight, etc. Providers are not financially set up for the reimbursement models that VBP likely will use.

ANCOR/ HMA Study – Obstacles to VBP / IDD

Quality Measures: Value Based Care relies on standards being set and creating accurate quality measures that are universally accepted. It is the wild west in I/DD standards. Creating evidence-based output measures will be difficult without a rigorous overhaul of how information is recorded.

Lack of Savings: Little opportunity for real cost reductions and challenges to rebalancing opportunities. Lack of Integration with Physical Health source of Savings / Attribution!

Source:

https://www.ancor.org/sites/default/files/ancor_mltss_report_-_final.pdf

National Council / Center for Health Care Strategies – VBP in Behavioral Health

Broadly defined VBP targets for MCOs do not necessarily result in new payment models for behavioral health providers. Challenges include:

- Small size and subset of the population served by behavioral health providers
- Lack of MCO experience with behavioral health
- Difficulty beginning VBP negotiations

Behavioral health providers would likely benefit from technical assistance and infrastructure funding

- Implementing new VBP models often requires development of new capabilities, investment in new IT infrastructure, and hiring additional and/or retraining of staff
- Building data sharing capacity is particularly important

Approaches to key VBP design elements, such as attribution and governance, impact behavioral health's level of involvement in VBP models

- Broad VBP models generally base patient attribution on primary care providers and don't necessarily have a defined role for behavioral health providers
- Physical health providers may not have incentives to share savings or engage with behavioral health providers
- Behavioral health providers often do not have a substantial voice in VBP design and operations

Panel Discussion on Environmental Scan Recommendations:
Financial Incentives and Flexibility
in VBP Models

Include sufficient financial incentives and flexibility in VBP models to allow for behavioral health care delivery improvement. Policymakers may consider:

- Assessing the feasibility of implementing more flexible approaches to payment, such as population-based payments or case rates
- Developing VBP models where savings are shared across physical and behavioral health systems

Financial Incentives and Flexibility for Care Delivery

- Underlying Base Principle: VBP Models must Move Beyond Fee-For-Services (FFS) with Pay for Performance; Need Alternative Payment Methodologies (APM)

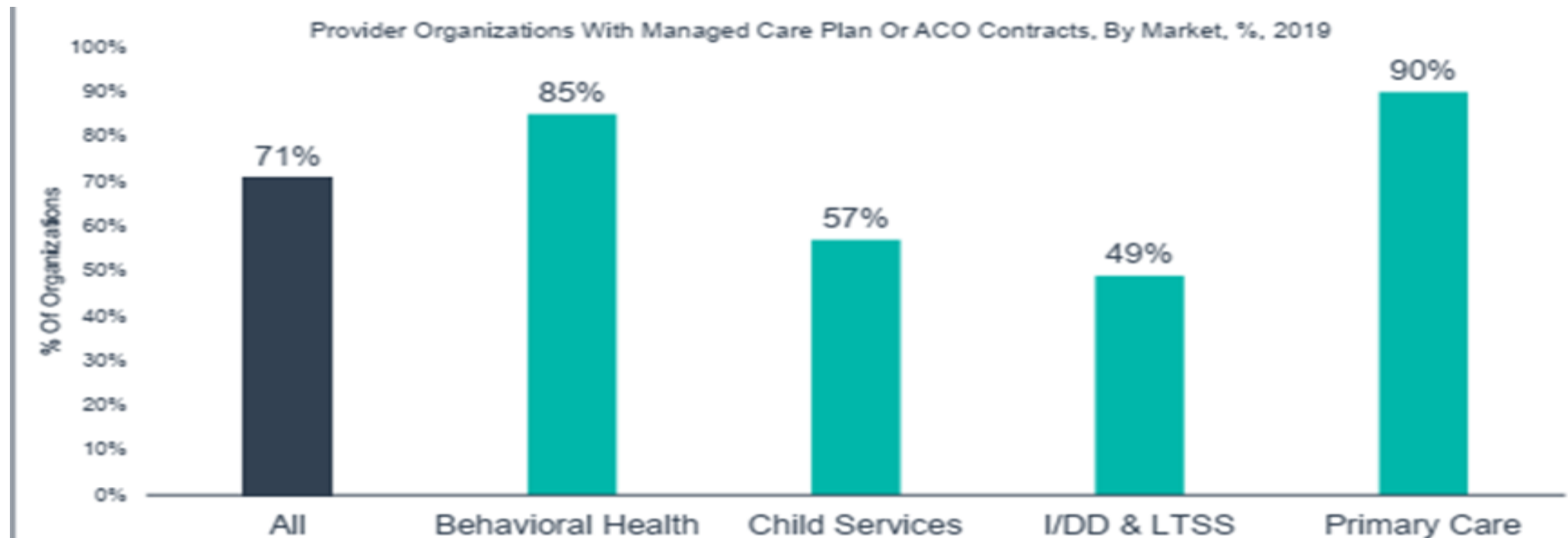
- Benefits of APM
 - Removes the Constraint of a Focus on Billable Units and Services
 - Flexibility in Service Delivery (e.g., Telehealth, Case Management, Prevention)
 - More Predictable Funding
 - Opportunity to Address Funding Gaps in BH System
 - Eliminates Bad Debt
 - Eliminates Administrative Time Used for Authorization, Claims, Denials, Appeals

Financial Incentives and Flexibility for Care Delivery

- Providers Wary of VBP? Use a Phased-In VBP Approach
- ~~Providers Ready for VBP? Barriers to VBP Models~~
 - MCO engagement, contracting, payment design, administrative funds
- Benefits of an ACO Approach
 - Risk Mitigation, Coverage, Collaboration
- Final Word of Warning: Nothing Makes up for Underfunding
- But... You Definitely will not Survive in the Long Run with the Alternative: Reduced Fee-For-Service with Managed Care

Source: <https://www.thenationalcouncil.org/events-and-training/webinars/>

Behavioral Health Managed Care Penetration

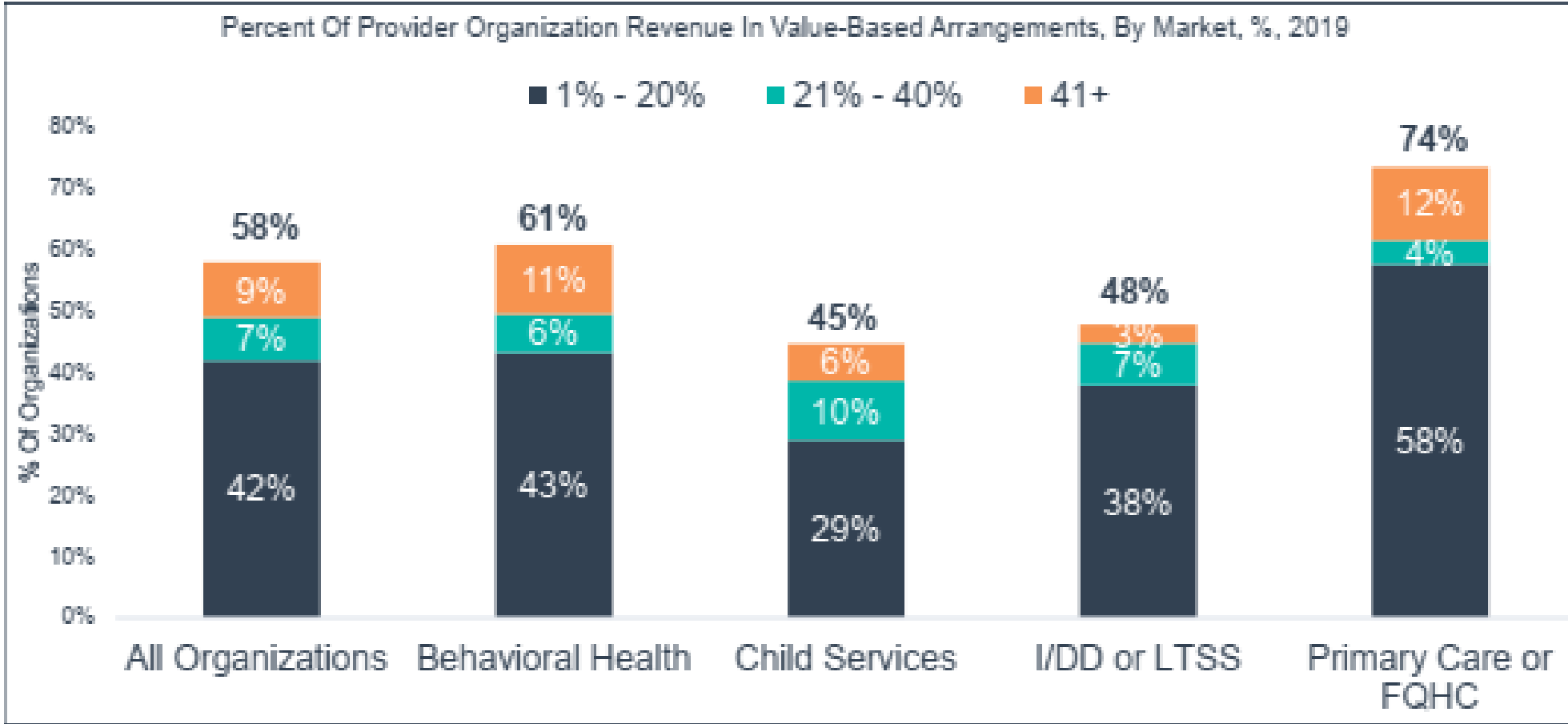


Source: Where are we on the road to Value – Open Minds 2019 Executive Survey

Participation In VBR Arrangements, By Market, %, 2019

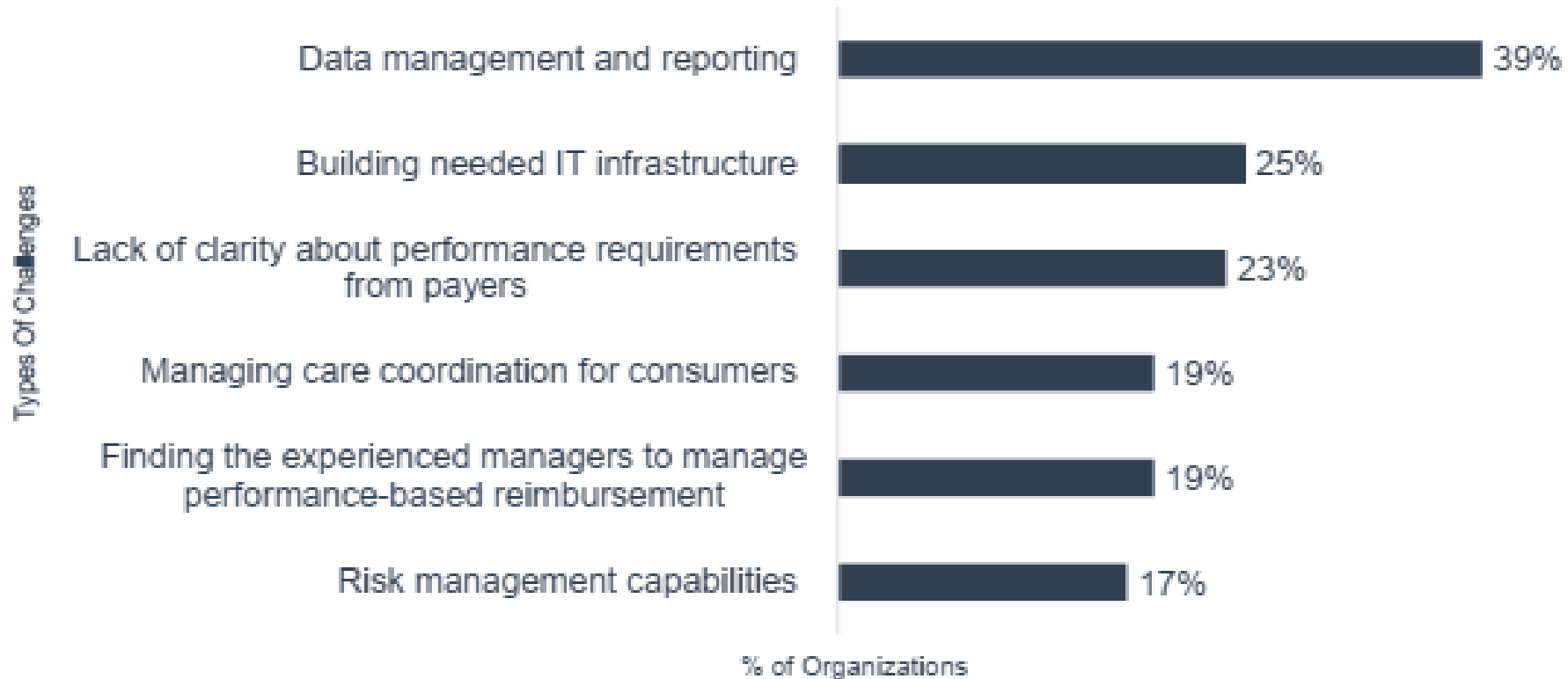
	Participation In Any VBR Arrangement	P4P FFS	Capitation For Specific Services	Capitation For Care Coordination	Case Rate Or Bundled Rate
Behavioral Health	72%	46%	32%	20%	24%

Source: Where are we on the road to Value – Open Minds 2029 Executive Survey



Source: Where are we on the road to Value – Open Minds 2019 Executive Survey

**Top Five Challenges To Managing Value, %, 2019
Specialty Provider Organization Executive Teams**



Source: Where are we on the road to Value – Open Minds 2029 Executive Survey

Getting Ready for VBP

- ❖ Understanding

 - ❖ Processes

 - ❖ Infrastructure

 - ❖ Costs

- ❖ Quality Measurement and Improvement

- ❖ Leadership

VBP A Year later..... Shape The Change!

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Creating Your Exceptional and Sustainable Competitive Advantage

XtraGlobex is a consulting firm that provides strategy, analytics and communications services to organizations specializing in healthcare, community-based and professional organizations serving the Medicare and Medicaid populations and Long Term Services and Supports. We work with our clients to create exceptional and sustainable competitive advantage, turning existing challenges into positive solutions and future hurdles into launchpads for growth.

XtraGlobex is a *certified* WBE and DBE

Onward!

XtraGlobex Inc.
Strategic Business Development

1700 MARKET ST, STE 1005, PHILADELPHIA, PA 19103

FADY.SAHHAR@XTRAGLOBEX.COM (856)397-5040