Value-based Payment for Medicaid Behavioral Health Services

Building Upon Physical Health Experience

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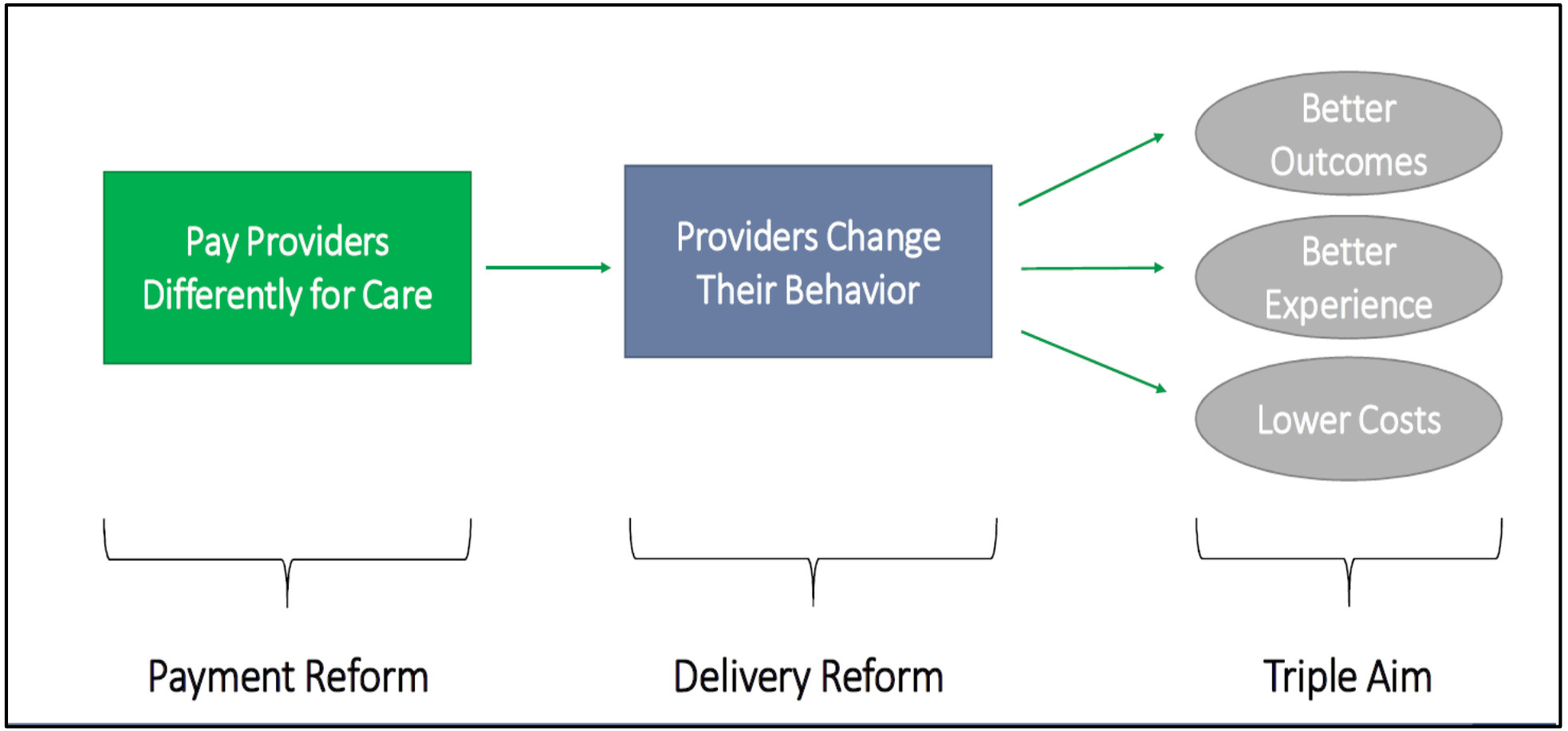
VBP for Medicaid Behavioral Health

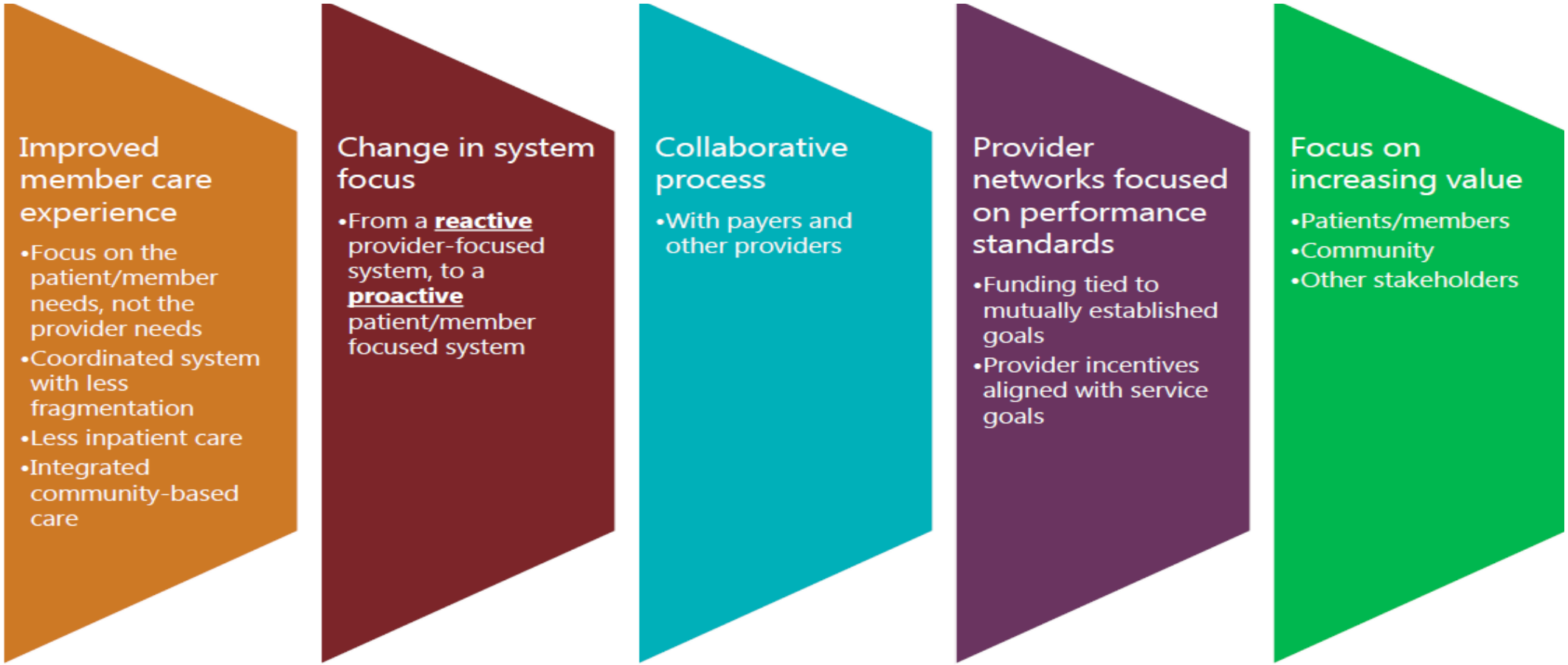
- Most VBP arrangements in Medicaid support delivery of physical health services
- VBP for behavioral health services have been slow to emerge in Medicaid programs
- Number of states are implementing behavioral health payment and delivery system initiatives
- Many initiatives are building upon models developed for physical health and incorporating VBP arrangements into behavioral health programs.

Theory of Health Care Reform

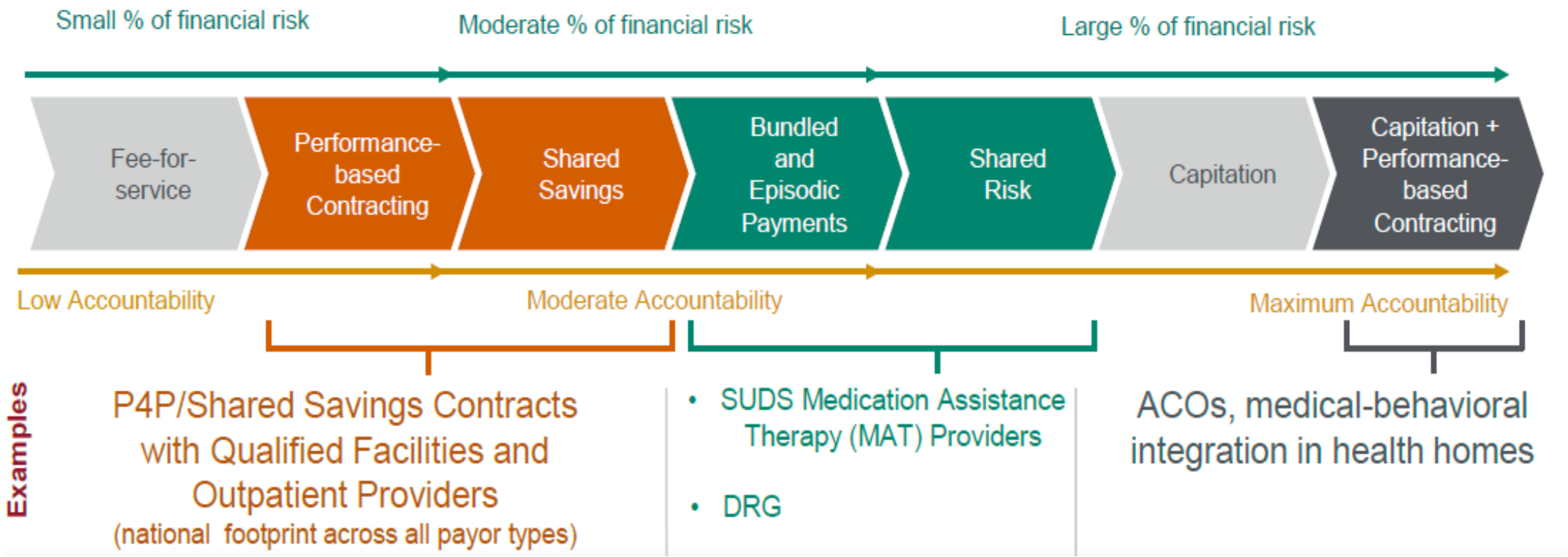


Alternative Payment Model(APM) Framework

What Are MCOs Wanting from Behavioral Health Providers?



Reimbursement Continuum



VBP Accountability Matrix

	Capacity Funded Payment	Fee for Service Payment	Case Rate / Bundled Payment	Sub-Capitation Payment
1. Cost Accountability	Providers must live within an agreed upon Annual Budget	Providers must live within an agreed upon cost per Service	Providers must live within an agreed upon cost per Episode of Care	Providers must live within an agreed upon PMPM cost
			Safeguards: Risk Adjustments, Outlier Payments, Risk Corridors	Safeguards: Risk Adjustments, Outlier Payments, Risk Corridors
2. Access Accountability	Payment Adjustments for Sufficient Access	Payment Adjustments for Sufficient Access	Payment Adjustments for Sufficient Access	Payment Adjustments for Sufficient Access
3. Utilization Accountability	Payment Adjustments for Underutilization	Preauthorization of High Cost Levels of Care	Payment Adjustments for Underutilization	Payment Adjustments for Underutilization
4. Quality Accountability	Payment Adjustments for Service Quality	Payment Adjustments for Service Quality	Payment Adjustments for Service Quality	Payment Adjustments for Service Quality
5. Adequate Flexibility	High Flexibility Depending on Allowed Services	Add New Service Codes; Limited Flexibility	High Flexibility Depending on Allowed Services	High Flexibility Depending on Allowed Services

Behavioral Health Payment Reform Transition Plan

Phase 1 – Payment Reform Preparation

- Delivery System Improvements
- Performance Measure Identification/Develop Benchmarks
- Level of Care System Development
- Internal Tracking System Development
- Developing the Funding Pools
- Pay for Participation and Reporting

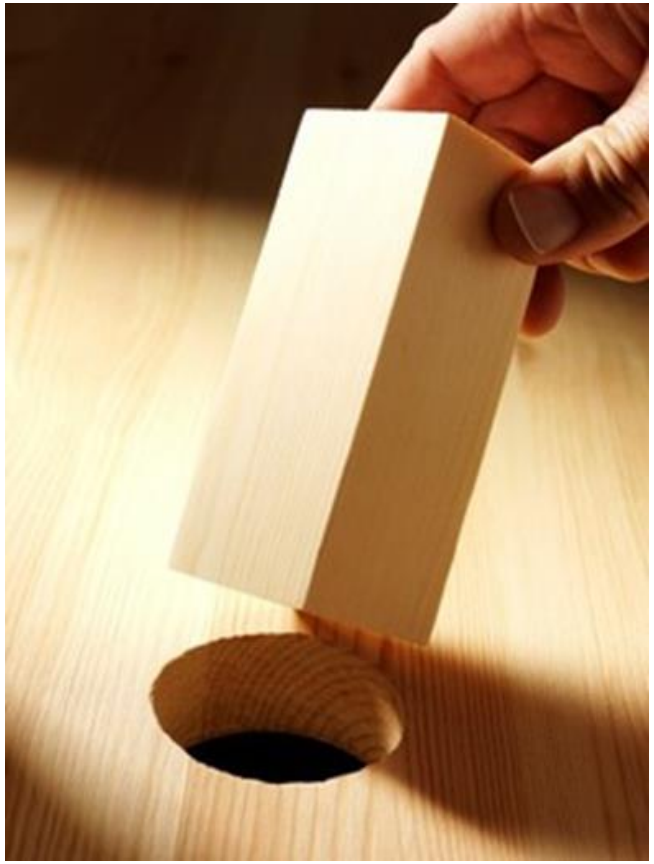
Phase 2 – Begin Pay for Performance

- Continue Delivery System Improvements
- Collect/Analyze Utilization and Outcomes Data; Develop Performance Baselines
- Begin Pay for Performance Initiatives
- Begin Rebalancing the Funding Pools
- Design and Test Accountable Payment Models

Phase 3 – Full Value-Based Purchasing

- Continue Delivery System Improvements
- Refine Performance Measurement System
- Expand Pay for Performance Initiatives
- Bring Accountable Payment Models to Scale
- Design and test Fee for Service Alternatives

One Size Does NOT Fit All



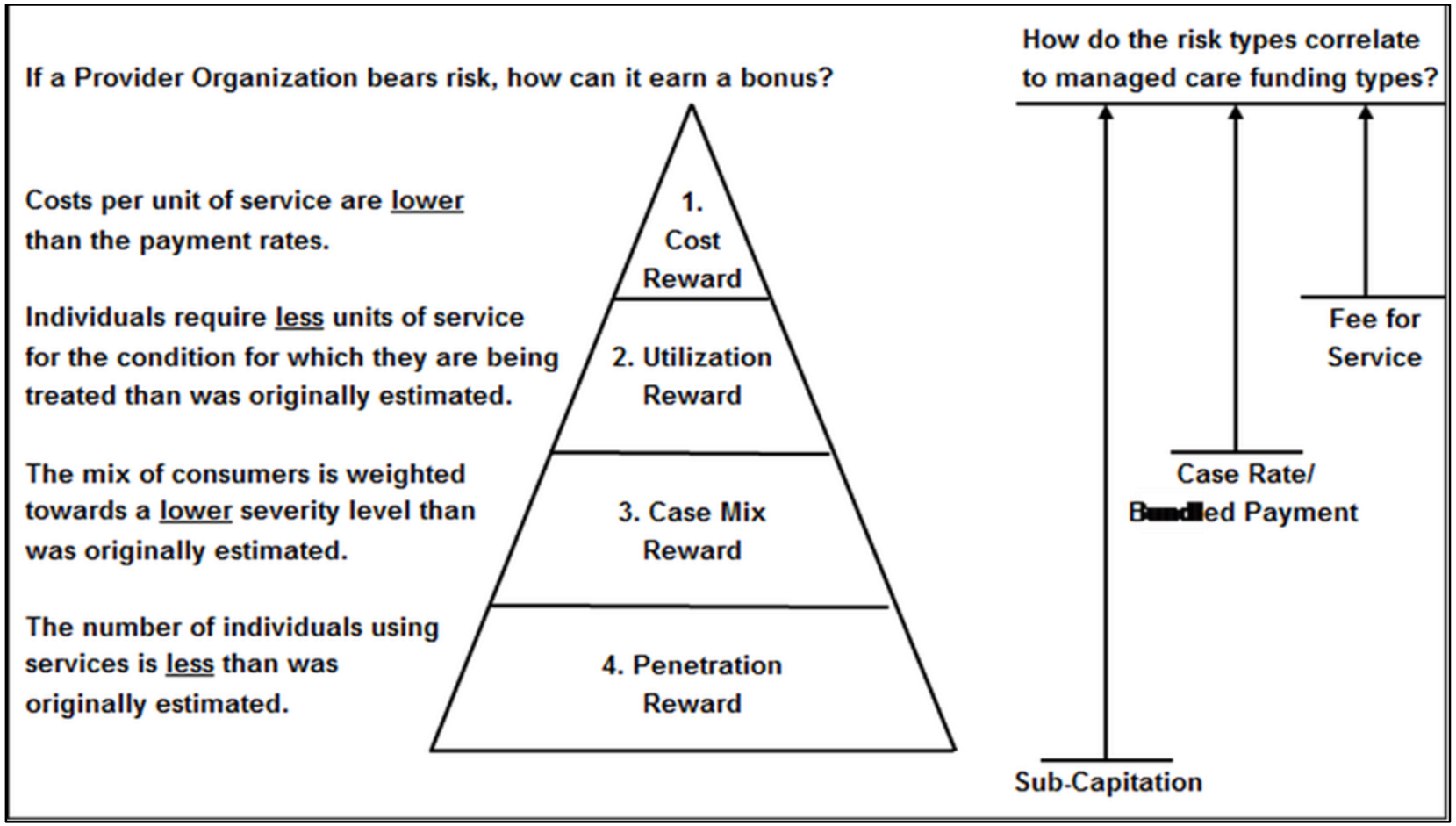
- Moving to VBP is a marathon, not a sprint, due to decades of infrastructure and culture of paying for volume.
- No quick fixes.
- System comprised of a broad array of services.

Transitioning from Block Payments

- Long history of using Block Payments to pay for publicly funded behavioral health services
- Unique infrastructure, staffing and ways of doing things
- Safety net services including crisis lines, access lines and mobile crisis teams
- Proceed mindfully: do something, but do something right
- Move to Pay for Performance by adding performance measures to the block
- Establish alternative payment models based on the block funding

Pay for Performance

Accountable Payment Models that push risk/reward down to the Provider through Case Rates or Sub-Capitation allows for an efficiency performance bonus.

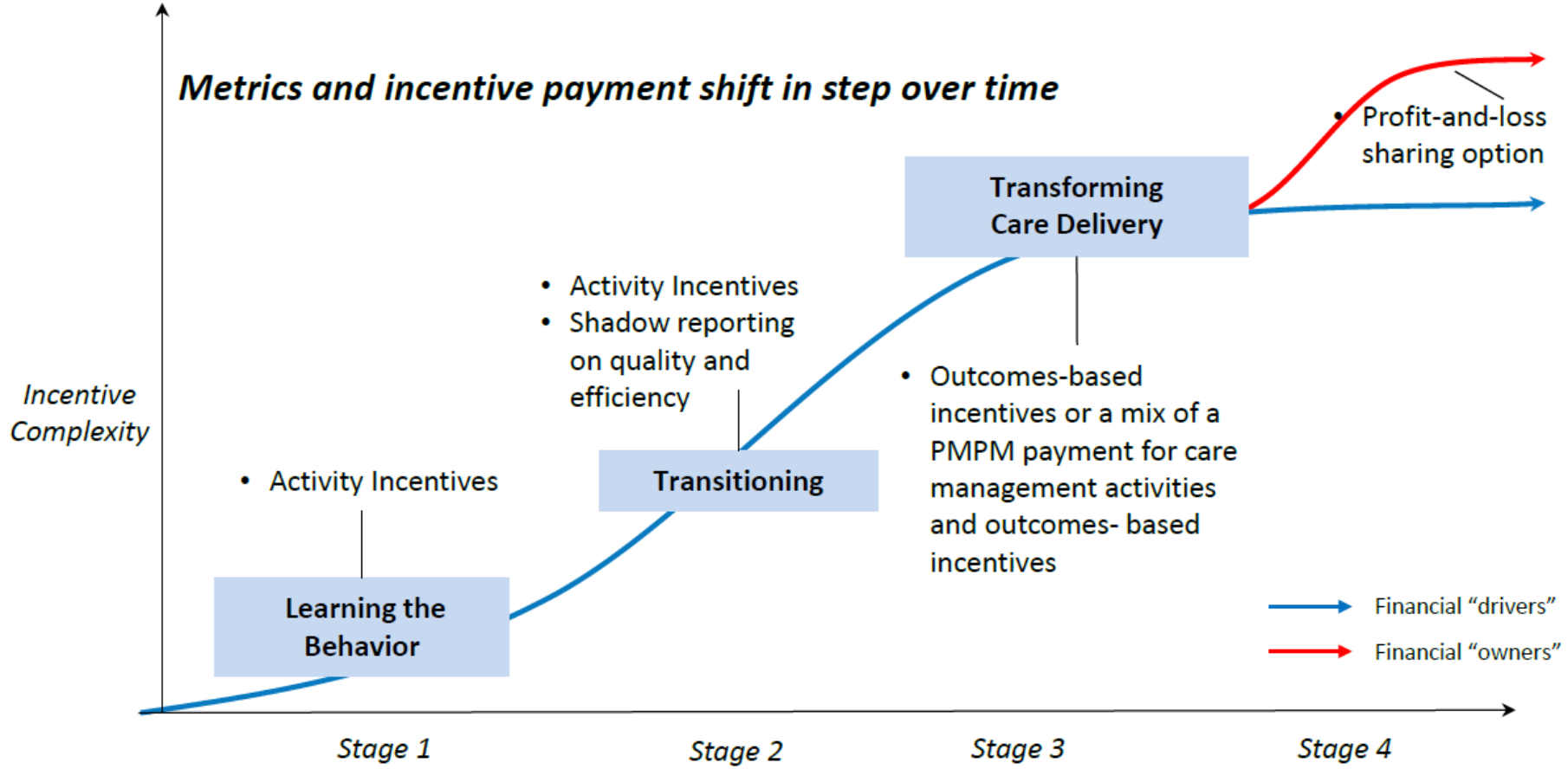


Variety of VBP Program Models

1. Performance Bonus
2. Shared Savings Bonus
3. Case rates for substance use disorders
4. Specialized case rate for SMI
5. Value-based collaborative care
6. Multi-Payer Collaborative care
7. Patient-centered opioid addiction treatment
8. Coordinated Specialty Care for First-Episode Psychosis
9. Telehealth
10. Transitional Care Bundled payments
11. CPC+Behavioral Health-Add
12. Accountable communities for health for children & families
13. ACOs at Risk for Behavioral Health

Incentive Structure Progression

Providers are in different phases of readiness and will need a graduated maturity model to move them from the most basic to the most complex arrangements



Steps to Developing VBP

1. Identify what's Important
2. Select the Vital Few
3. Complete a Gap Analysis
4. Revise & Phase your Design
5. Identify Baseline & Benchmark Metrics
6. Develop your Payment Model
7. Implement

Challenges & Considerations Implementing VBP Models in Behavioral Health

- Quality Measurement
- Provider Capacity
- Oversight Capacity
- Privacy and Data Sharing Constraints

Quality Measurement

- Fewer nationally endorsed or recognized measures than for physical health
- Many are process-oriented
- Lack of recovery-oriented measures that are widely accepted
- Using structural and process measures rather than outcome measures can help providers develop structural components for measuring outcomes
- Progress to expand measures around substance use disorders

Provider Capacity

- Many behavioral health providers require assistance in developing capacity to meet new requirements and practices
  - Billing
  - Data collection
  - Reporting capabilities
- Need for technology and infrastructure to access and share data
- Lack of capital
- Need for phased-in approach
- States, MCOs & providers need accurate understanding of start-up costs

Oversight Capacity

- Stakeholder involvement and transparency in developing payment methodologies
- Balance between flexibility and prescriptiveness in VBP program design

Privacy & Data Sharing

Challenge of laws and regulations governing confidentiality of substance use disorder records.

Key component on any VBP program is access to timely, reliable, and accurate data.

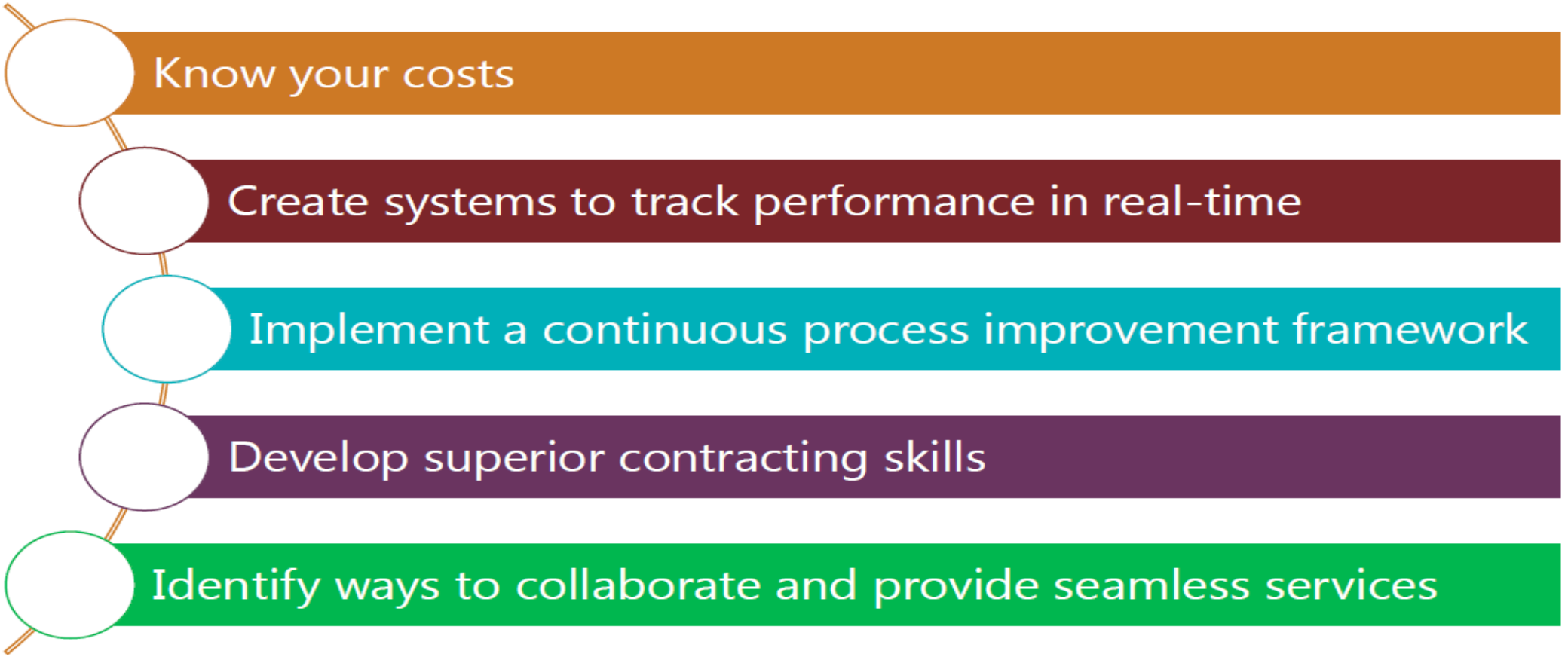
Payer Side

- Performance measurement
- Financial benchmarking
- Patient attribution

Provider Side

- Assess quality & cost of care
- Coordinate care
- Identify high-cost, high-need patients
- Develop targeted quality improvement activities

Succeeding in New VBP Environment



Questions?

Thank you for your attention.

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