

Convene.  
Strategize.  
**Activate.**

**TRANSFORMATION**  
TODAY & TOMORROW

# Alternative Payment Methods and the Value Proposition

**Sean Schreiber**, Executive VP Provider Network and Community Health,  
Alliance Health

**Jill Fyock**, Vice President Network, UnitedHealthcare

**Elizabeth Peterson-Vita**, Executive Director, Behavioral Health,  
UnitedHealthcare

**Tara Larson**, Vice President, Cansler Collaborative Resources



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# Objectives

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Define Alternative Payment Methods (APMs) and Value Based Contracting Principles

Understand the federal and state government expectations for APMs in Medicaid

Identify the key areas of an organization that are changed by using APMs and roles of the provider and payer

Discuss the types of risks associated with APMs and how to manage that risk.

# Shared Goals and Better Outcomes

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## PROVIDERS

Showing Value

Knowing people are getting better  
but can't prove it, no data

Available data doesn't tell the real  
story

Can't afford the requirements



## PAYERS

Paying for Value

Have lots of data and don't know if  
people are getting better

Available data doesn't tell the story

Can't afford the cost



# Shared Goals and Better Outcomes



# DHHS quality vision

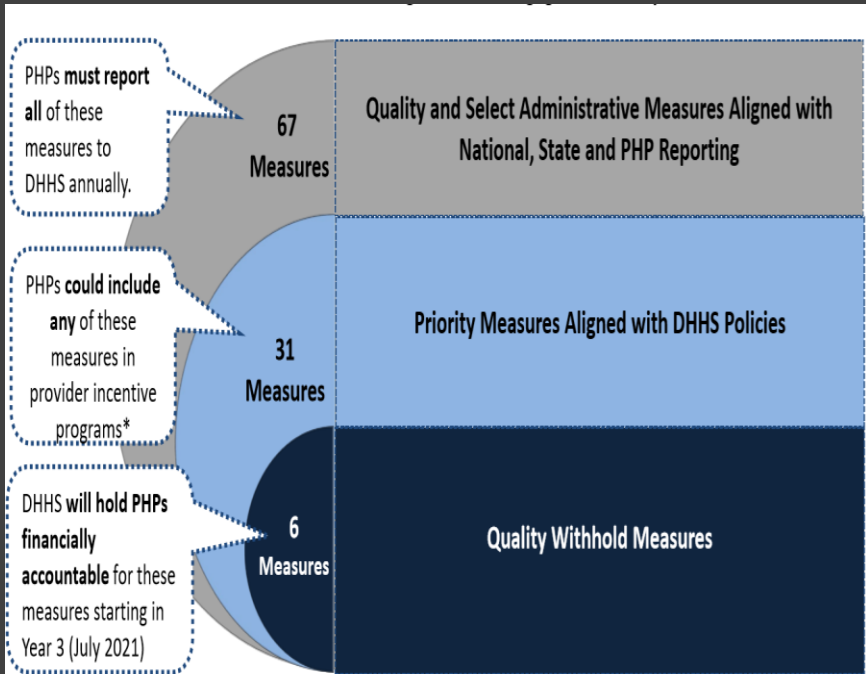
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DHHS seeks to develop a data-driven, outcomes-based continuous quality improvement process that **rewards** PHPs for advancing quality outcomes in targeted areas that support three central Aims:

1. Better Care Delivery
2. Healthier People, Healthier Communities
3. Smarter Spending

North Carolina Department of Health and Human Services. (March 20, 2018). *Provider Health Plan Quality Performance and Accountability*.

# DHHS tools to incentivize quality



DHHS will set goals for PHP quality improvement efforts through the establishment of quality measure sets including establishing a subset of measures which will be priority measures for DHHS

DHHS will establish a quality withhold program which will launch in year 3 of managed care

DHHS has established requirements for PHP deployment of Value-based Payments (VBP) as a tool to incentivize quality improvement among contracting providers (based on priority measures)

PHPs will submit an annual Quality Assessment and Performance Improvement (QAPI) plan (based on priority measures)

PHPs will engage national accrediting bodies to improve quality and a External Quality Review Organization (EQRO) to validate quality performance and provide feedback

# PHP Implications: The Stakes are High – The Expectation is the Same for TPs

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Financial penalties starting in contract year 3<sup>1</sup>

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DHHS will use PHP quality scores in the PHP auto-assignment algorithm, allowing PHPs with higher quality scores to disproportionately be assigned new beneficiaries<sup>1</sup>

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If quality performance is unacceptably low over a continued period, the Department may decline to renew or terminate a PHP contract <sup>1</sup>

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Health Plan performance will be publicly reported on an annual basis. <sup>2</sup>

<sup>1</sup> North Carolina Department of Health and Human Services. (March 20, 2018). *Provider Health Plan Quality Performance and Accountability*.

<sup>2</sup> North Carolina Department of Health and Human Services. (April 25, 2019). [https://files.nc.gov/ncdma/documents/Quality-and-VBP-Webinar\\_Final.pdf](https://files.nc.gov/ncdma/documents/Quality-and-VBP-Webinar_Final.pdf)

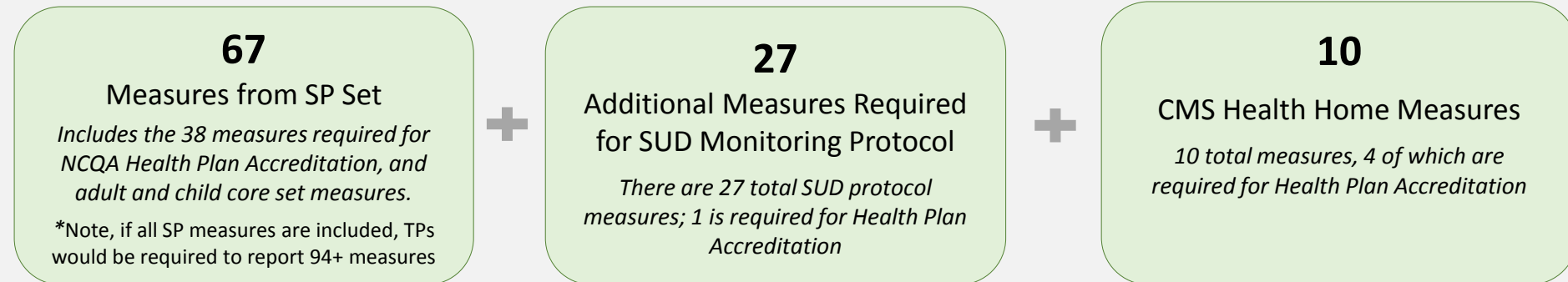
# Yesterday We Heard

- The Tailored Plan measures – in discussion BUT
  - Experience says these in some form will continue.
  - Maybe not all but the Department has put the vision out there for reaction and discussion.

# Measure Set Structure

Based on current recommendations, Tailored Plans will be required to report 67 measures (standard plan) plus additional measures for the TP set.

## Confirmed/Required Measures for TP Reporting



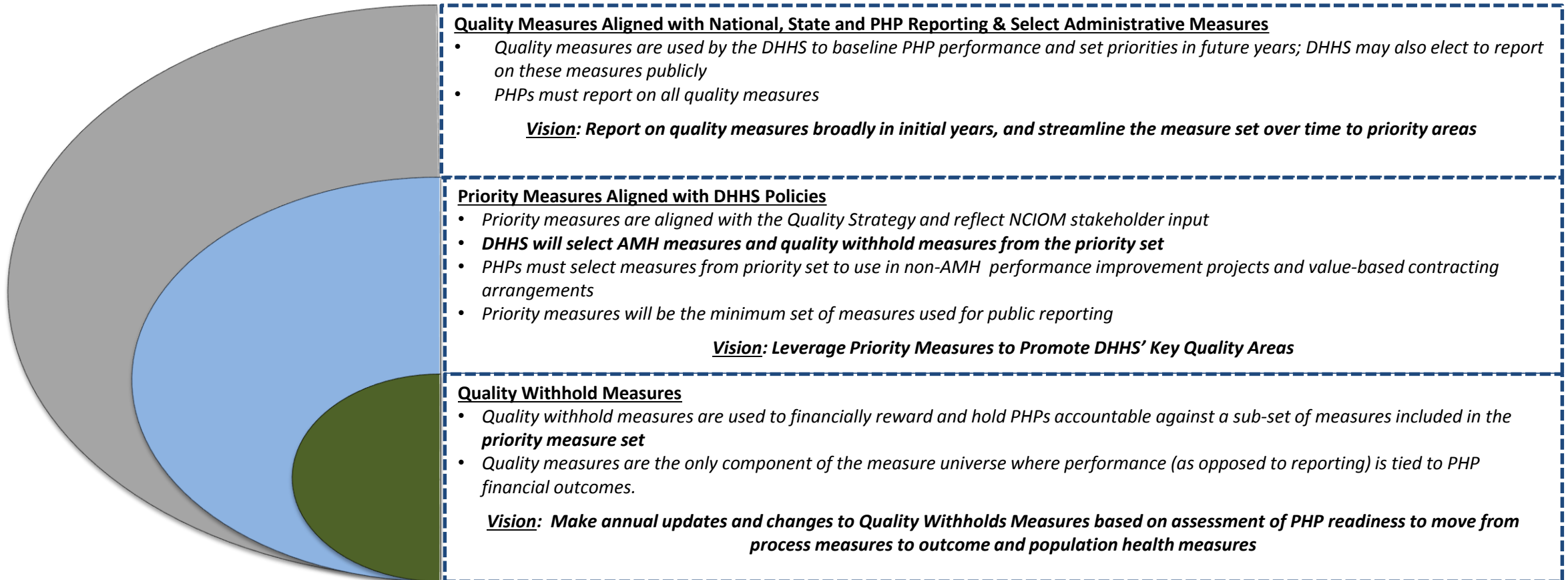
## Additional Measures Under Consideration



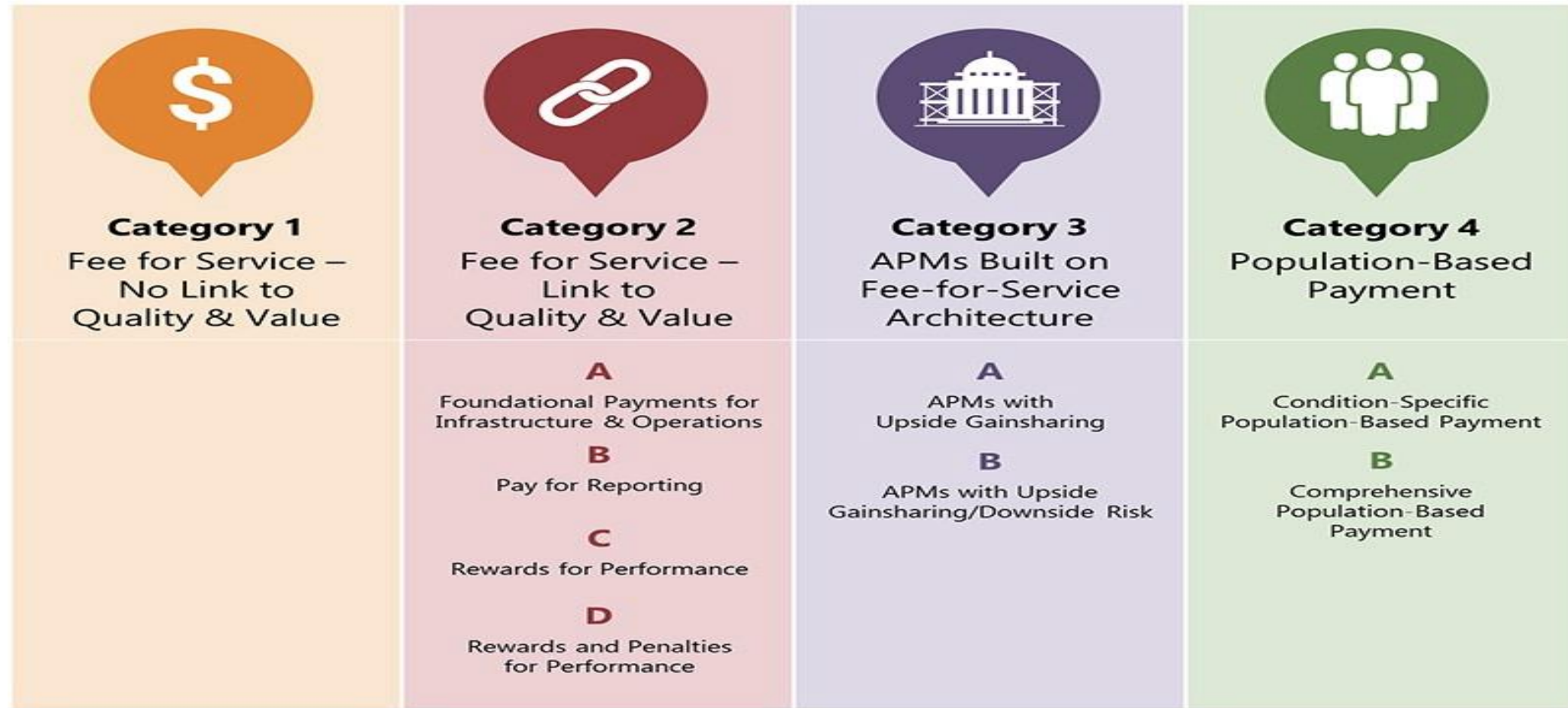


# Measure Subsets

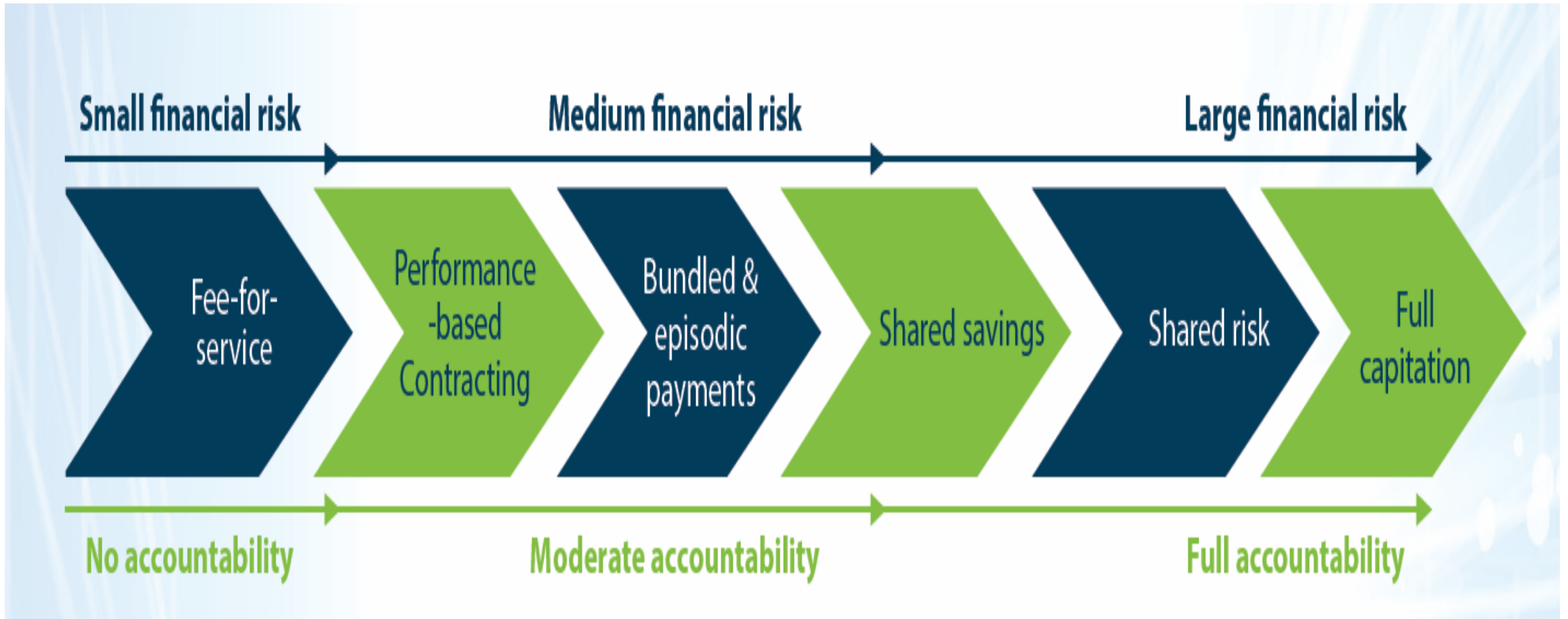
The TP measure set will include priority, AMH+/CMA and withhold measures.



# Alternative Payment Model Framework



# Models of Value Based Contracting



# Being a Provider of Value

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We know who the payer is. We know who our clients are.  
Now how do we position ourselves as the provider of choice?

# Social Drivers of Health

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# Not Just about Behavioral Health or IDD Services

# Social Drivers of Health

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Incorporate in risk stratification/risk adjustment

Potential to develop SDOH gap closure payments

Critical when moving to total cost of care arrangements

Let's Hear From Our Panel Members  
About Their Activities Here in NC and in  
Other Markets





# Expanding Alternative Payments

# Alliance Value Based Payment Path

- Early Experience

- Multisystemic Therapy (MST) - Episode Payment
- Family Centered Treatment/Intercept - Episode Payment
- Therapeutic Foster Care (TFC) – Pay for Reporting
- Intensive Alternative Family Treatment and Enhanced TFC – Bundled Payment
- Fostering Solutions – P4P with shared risk
- Transition Management Support – P4P
- Outpatient Plus – Bundled Payment
- ACTT Community Inclusion – Pay for Reporting/P4P

# Alliance Value Based Payment Path

- Considerations for Continued Implementation
  - Quality first strategy
  - Improve data sharing
  - Support provider infrastructure
  - Ensure all existing models incentivize both quality and cost
  - Focus on areas with highest impact
  - Increase use of shared savings models
  - Scalability

# PRTF Value-Based Payment Project

- Align work of Alliance, Psychiatric Residential Treatment Facility (PRTF) and community-based treatment provider
- Implement family treatment before residential care
- Category 3B shared savings with upside
- Support concurrent family and residential treatment
- **Goals**
  - Reduce Average Length of Stay (ALOS) in residential care
  - Improve post-discharge community tenure
  - Increase number of children returning home from residential care
  - Improve parental self-efficacy measured by the Child and Adolescent Needs and Strengths (CANS) checklist

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# UnitedHealthcare and Their Partner Optum

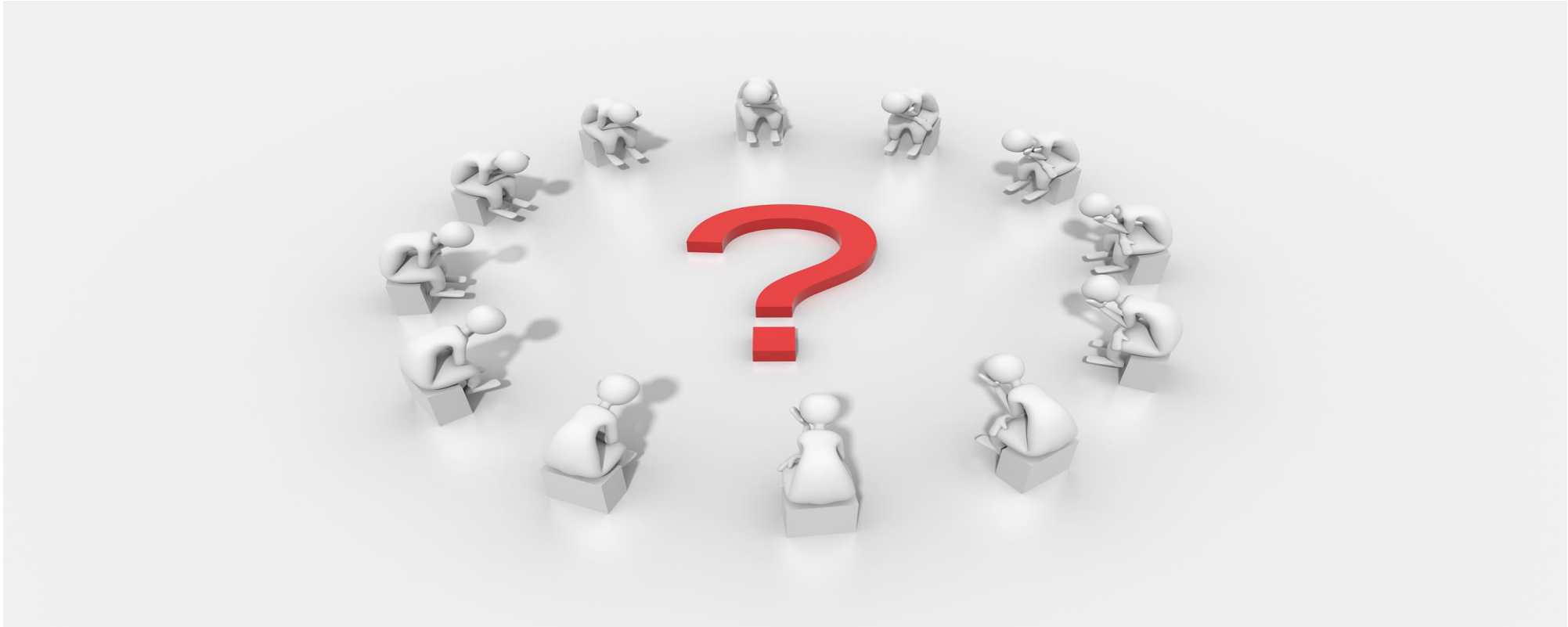
# OBH - VBP Implementation Overview

Model	Overview	Comments
CMHC w/ Genoa Shared Savings	This model for outpatient providers (CMHCs and other groups) offers a shared savings opportunity based on a reduction to inpatient costs and achievement of one or more quality metrics (5 metrics in all)	<ul style="list-style-type: none"><li>Model is being piloted in FL, TX, LA, OH, KS, NE, AZ and RI.</li></ul>
CMHC w/o Genoa Shared Savings	This model for outpatient providers (CMHCs and other groups) offers a shared savings opportunity based on a reduction to inpatient costs and achievement of one or more quality metrics (3 metrics in all)	<ul style="list-style-type: none"><li>Model is planned for pilots in OH, LA, PA, KS, RI, FL and AZ,</li></ul>
Clinical Excellence	Facilities can earn shared savings if they reduce to 30 day episode cost of care and meet one or more quality metrics (3 metrics in all)	<ul style="list-style-type: none"><li>Model is not in place in any states yet</li></ul>
Health Homes	This model is the Optum Behavioral National Model developed to drive total cost of care value and improved health outcomes through a managed health home model paired with a monthly case rate and potential shared savings opportunity.	<ul style="list-style-type: none"><li>Model is not in place in any states yet</li></ul>

# OBH - VBP - Metric Overview

Model	Metrics
CMHC w/ Genoa Shared Savings	<ul style="list-style-type: none"> <li>BH IP PMPM</li> <li>Medication Adherence (3)</li> <li>7/30 Day FUH</li> </ul>
CMHC w/o Genoa Shared Savings	<ul style="list-style-type: none"> <li>BH IP PMPM</li> <li>BH IP Readmit Rate</li> <li>7/30 Day FUH</li> </ul>
Clinical Excellence	<ul style="list-style-type: none"> <li>30-day Episode Cost</li> <li>LOS Outlier Rate</li> <li>BH IP Readmission Rate</li> <li>7-Day FUH</li> </ul>
Health Homes	<ul style="list-style-type: none"> <li>TCOC</li> <li>Follow-Up After Hospitalization for Mental Illness (HEDIS - FUH): 7-day</li> <li>Comprehensive Diabetes Care - Composite 1 (HEDIS - CDC): Eye exam</li> <li>EPSDT Adolescent Well-Care Visits (HEDIS - AWC)</li> <li>Plan All-Cause Readmissions (HEDIS -PCR)</li> <li>Ambulatory Care (HEDIS - AMB) - ED Visits</li> <li>Diabetes Screening for People With Schizophrenia or Bipolar Disorder Who Are Using Antipsychotic Medications (HEDIS - SSD)</li> <li>Inpatient Utilization (HEDIS IPU)</li> <li>Rate of inpatient psychiatric admissions</li> <li>Med Adherence - Mood Stabilizers</li> <li>Med Adherence - Anti-Psychotics</li> <li>Med Adherence - Anti-Depressants</li> </ul>

# Questions for Our Panelist





Payers and Providers Share Responsibilities and Roles in APM arrangements. Please discuss the shared and individual roles and responsibilities of the Provider and the Payer.



What are Some of the Challenges Faced by Providers of BH or IDD Services? How is Your Agency Addressing those Challenges with Providers In Order to Move Forward with APM or VBP arrangements?



# More Questions

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# Opportunities



# Key Takeaways

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- A new day of quality measurement, i.e.; APM or VBP is upon us
- Providers should become familiar with HEDIS measures and CAHPS
- SPs and TPs will be expected to perform against a subset of quality measures or they will be subject to withholds/penalties
- The proportion of Medicaid payments to providers tied to Value Based Payment Arrangements will increase in the coming years
- PHPs will be required to submit Quality Assessment and Performance Improvement (QAPI) plans based on HEDIS and CAHPS outcomes to DHHS
- DHHS has indicated they plan for the Tailored Plan design to follow closely with the Standard Plan design so expect similarities
- Providers must begin to make necessary shifts in operations to assure their existence in the new environment



## Contact Information:

Tara Larson, CCR: [tlarson@canslermail.com](mailto:tlarson@canslermail.com) (919)271-2767

Sean Schreiber, Alliance Health: : [sschreibeb@alliancehealthplan.org](mailto:sschreibeb@alliancehealthplan.org)

Jill Fyock, UnitedHealthcare: [jillfyock@uhc.com](mailto:jillfyock@uhc.com)

Elizabeth Peterson-Vita, UnitedHealthcare: [epeterson-vita@uhc.com](mailto:epeterson-vita@uhc.com)