Inching Our Way Towards Value-Based Purchasing

May 11, 2021
10:00am – 11:30am PST / 1:00pm – 2:30pm EST
Housekeeping

• Everyone will be on **mute** to start

• We want to hear from you! Share your **questions, comments** and “ah-ha’s” via the **chat box**.

• A **recording** will be available within 24 hours - We’ll email you.

• Please provide your feedback via our **survey**
Our Panelists

Suzanne Daub, LCSW  
Principal, Health Management Associates (HMA)

Neftali Serrano, PsyD  
CEO, Collaborative Family Healthcare Association

Lori Fertall, MBA  
Director of Value-Based Programs, Community Care Behavioral Health
SIMPLY PUT

+ Value-Based Payment (VBP) is an emerging type of payment approach that:
  + Pays for value
    + Better care
    + Better outcomes
    + Reduced costs
  + Instead of paying for volume
    + Visits
    + Procedures

VBP will increasingly become the dominant payment method for health care providers, including from Medicare, Medicaid, and commercial payers.
WHAT IS VALUE?

\[ V = \frac{Q \times S}{\$} \]

- \( V \) = (Value)
- \( Q \) = (Quality)
- \( S \) = (Service Volume)
- \( \$ \) = (Cost)
## Linking Provider Payments to Performance

<table>
<thead>
<tr>
<th>How is QUALITY defined in VBP?</th>
<th>How is COST defined in VBP?</th>
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<tbody>
<tr>
<td>• Positive outcomes</td>
<td>• Cost containment (“bending the cost curve”)</td>
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<tr>
<td>• Patient Satisfaction</td>
<td>• Cost reduction</td>
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<tr>
<td>• Increased access</td>
<td>• Cost neutrality</td>
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<tr>
<td>• Wellness or recovery-oriented measures</td>
<td>• “Cost effectiveness”</td>
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Important to be able to define and measure.

What is the horizon to cost effectiveness? One year, two years?

Impacts on the population should be considered.

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Value is broadly derived by producing a positive outcome or quality improvement in a cost-effective manner.
VBP and Creating an Equitable System

Efforts:
• Focus on whole-person care
• Recognition of the impact of health disparities and social and racial injustice on health outcomes.
• VBP can be a strategy. Cannot be the only strategy.

Providers---what can I do?
• Know your patients and their needs
• Screening and referrals for SDoH
• Building partnerships (formal & informal)
GETTING THERE FROM HERE: HMA VBP READINESS ASSESSMENT TOOL

• How ready are you?

To access the tool, go to https://www.healthmanagement.com/vbp-survey/
ESTABLISH A VBP QUALITY IMPROVEMENT TEAM

Typically, operations, clinical, finance, QI, executive team representative

VBP Team meets regularly to develop an organizational VBP strategy

Does the VBP Team have Executive Leadership’s buy in and backing?

Can the people you have on the VBP team influence, manage and directly implement change?
HMA VBP Organizational Workplan

Milestone 1: Leadership and Board Engagement
Milestone 2: Staff Readiness
Milestone 3: Market Assessment
Milestone 4: Agreements/Partnerships

Milestone 5: Access and Capacity
Milestone 6: Quality Measurement/Data Monitoring
Milestone 7: Provider Alerts, Decision Support Tools and Registries
Milestone 8: Care Management

Milestone 9: Providing Person-Centered Care
Milestone 10: Behavioral Health/Primary Care Integration of Services
Milestone 11: Financial/Operational
Milestone 12: Demonstration of Organizational Financial Strength

H e a l t h  M a n a g e m e n t  A s s o c i a t e s
**Health Management Associates**

<table>
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<tr>
<th>Milestone 1: Leadership and Board Engagement</th>
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<tr>
<td><strong>Activity</strong></td>
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<td>-------------------------------------------------</td>
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<tr>
<td>1. Review the HMA VBP Readiness Assessment results as a leadership team.</td>
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<td>2. Based on your assessment results, identify top three initiatives needed to ensure success and your related short, medium and long term goals.</td>
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<td>3. Assess the level at which leadership is committed and has the capacity to ensuring your organization succeeds in value-based payment contracts.</td>
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<td>4. Establish a VBP Leadership Team with representation from finance, clinical, operations and data analytics.</td>
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<td>5. Develop an overall value proposition for your organization that describes your unique strengths and service lines and provides. should include outcomes data related to anticipated APMs.</td>
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<td>6. Provide agency leadership access to a performance management dashboard that enables it to monitor and respond to critical organizational indicators in real time. At a minimum include trends in membership by plan, quality outcomes for metrics with financial implications, utilization and cost with benchmarking.</td>
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<td>7. Assess similarity with any of the quality metrics and performance targets included in existing contracts or those contracts are not in place, those commonly used by payers for advanced APMs in your service area.</td>
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<td>8. Develop a list of performance metrics that should be tracked for desired APMs but are not currently measured.</td>
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<td>9. Establish a performance indicator related to individual/client engagement that the organization's leadership is tracking on a regular basis.</td>
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<td>10. Assess ability to benchmark your performance.</td>
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<td>11. Assess adequacy of a strategic plan to enhance VBP-related performance.</td>
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<td>12. Assess progress being made in that strategic plan.</td>
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<td>13. Establish a process for your management team regularly track the results of individual/client experience surveys.</td>
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<td>14. Engage in a comprehensive strategic planning process with your Board and other key stakeholders that prepares for the transition to value-based payments while maintaining fidelity to your organization's mission, vision and values.</td>
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**COMMENTS:**

**Health Management Associates**

**CFHA**

**UPMC Community Care**
Provider/Payer Relationships

Do your homework and gather “intel”
• Requirements/regulations by payer
• VBP “landscape”- what’s out there

Prepare!
• Organization assessment
• Cost of care
• Risk tolerance

Ask questions and negotiate
• Priorities
• Come with data and know who you are, what you do, and who you serve (payers have population health data but you have the closest proximity to members)
• Timing is (almost) everything- measurement period, timing of payments
• Time to realize ROI (stepped incentives, front-loading, guardrails)
Questions?
Contact Us!

Holly Salazar, CEO

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