



The Road to Contract: Value Proposition

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for

Adirondack Health Institute

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Overview of Today's Session

Time	Task/Result
9:00am-9:45am	<p>Welcome & Organizational Introductions</p> <p>Result: All attendees are ready to work together & are clear on results</p>
9:45am-10:30am	<p>Overview of Shifting Healthcare Landscape</p> <p>Result: All attendees are clear about the changing landscape of health care delivery in New York/US within the context of value-based payment.</p>
10:30am-10:45am	<p>Break</p>
10:45am-12:00pm	<p>Value Proposition: Deep Dive</p> <p>Result: All attendees understand the core components of value proposition documents & the role which value propositions play in getting to contract.</p>
12:00pm-1:00pm	<p>Break for Lunch</p>

Overview of Today's Session

1:00pm- 2:00pm	<p>Building an Example Value Proposition: Group Activity</p> <p>Result: All attendees will work together to build a value proposition, practicing key concepts & skills</p>
2:00pm- 3:00pm	<p>Building Your Value Proposition: Independent Time & 1:1 Coaching</p> <p>Result: All attendees will begin drafting their own value propositions for their respective organizations & be provided by 1:1 coaching from the HSG team.</p>
3:00pm- 3:45pm	<p>Group Sharing & Feedback</p> <p>Result: All attendees will share out their value propositions, receive group feedback & coaching.</p>
3:45pm- 4:00pm	<p>Reflections & Check out</p> <p>Result: Training sessions ends on time & all attendees are clear on next steps & results accomplished today.</p>

Who We Are



Juliette Price



Kalin Scott

The background of the slide is a blurred photograph of a meeting room. Several people are seated around a table, and the room is brightly lit, possibly by large windows. The overall color palette is dominated by soft blues and greens, with a bright light source in the upper right corner.

Welcome & Organizational Introductions

Introductions

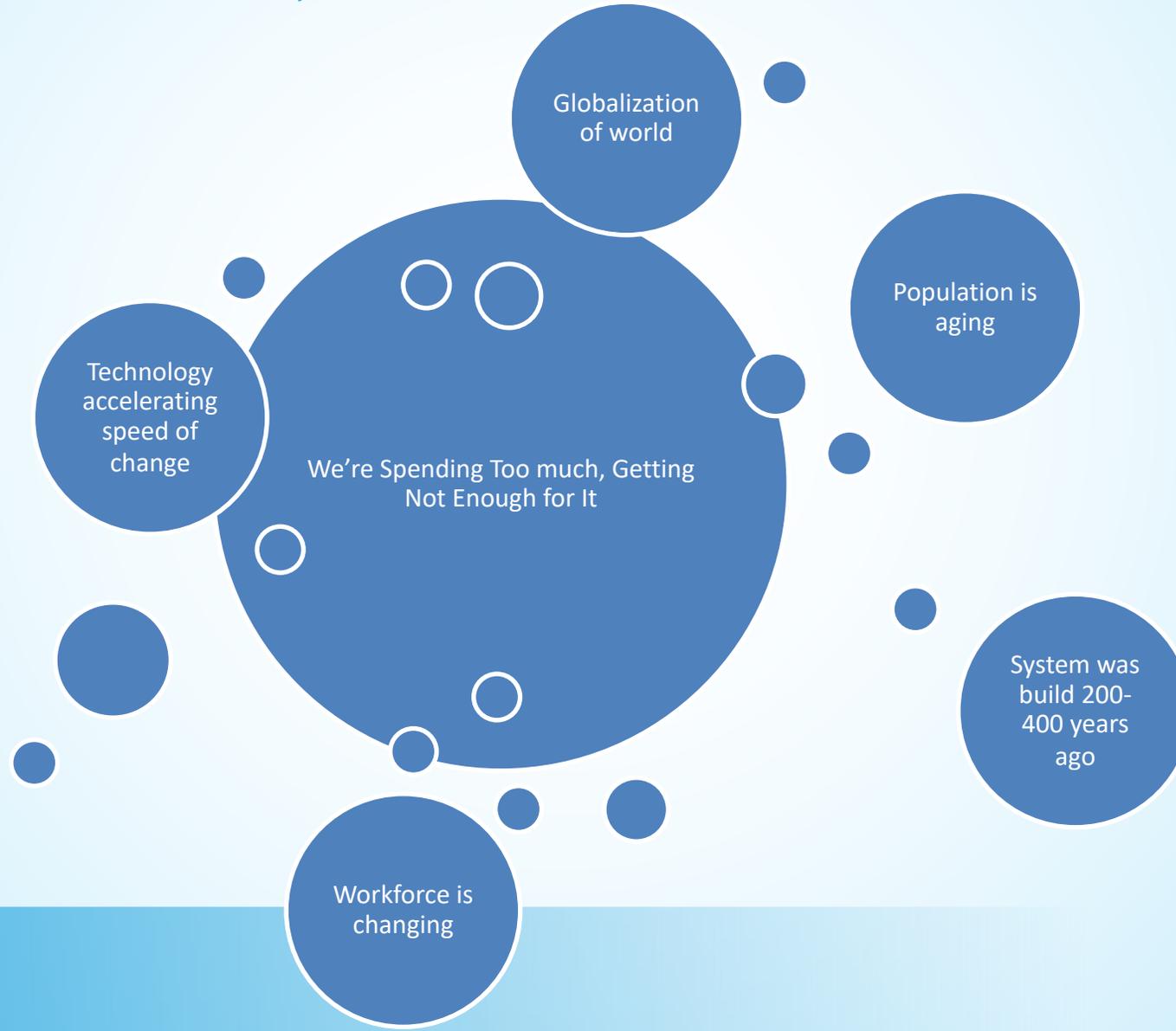
- Name & Organization & Role
- What services does your organization provide
- How many unique individuals did you serve in the services that you indicated above in the last 12 months? (Approximately)
- Which of your service offerings are you looking to enter into contract with health care to provide?
- What has been your level of engagement with value based contracting with health care up to this point?
- What is your organization's goal in pursuing value based contracting with health care?



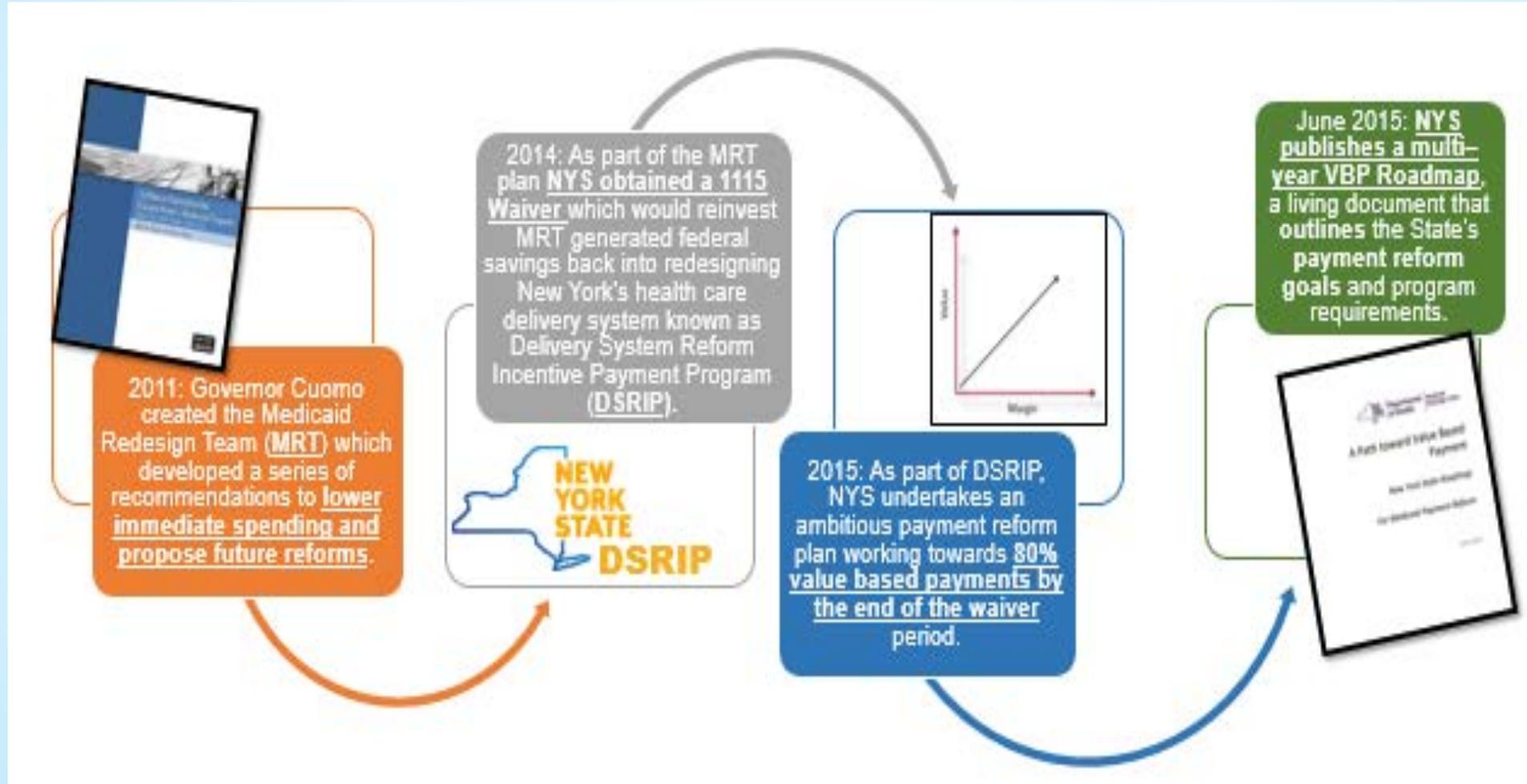
The background is a blurred photograph of a hospital hallway. In the center, a person in a white lab coat is walking away from the camera. To the left, another person is walking towards the camera. The hallway is brightly lit, and the walls are a light color. The overall image has a soft, out-of-focus quality.

Overview of the Shifting Healthcare Landscape

60,000 Ft. View



New York State Medicaid Transformation Since 2011



DSRIP Program Objectives

Reduce avoidable hospital use (Emergency Department and Inpatient) by 25% over the 5 years of DSRIP

Break down silos

Develop integrated delivery systems

Integrate behavioral* and physical health

Enhance primary care and community-based services

* Mental health & substance abuse



Performing Provider Systems (PPS)

- 25 Performing Provider Systems were created and received funding to drive change
- A PPS is composed of regionally-collaborating providers who implement DSRIP projects over a 5-year period & beyond
- PPS include many providers to form an entire continuum of care:

• Hospitals	• Mental Health/Substance Abuse Providers
• Primary Care Providers	• Skilled Nursing Facilities Clinics
• Home Care Agencies	• Community Based Organizations

- Statewide goal to be achieved through the PPSs:
 - Reduce avoidable hospital use by 25% (re-admissions and ER visits)
 - Shift 80-90% of Medicaid spend from fee-for-service payments to value-based payments



Holistic Approach to Systems Transformation

Quality

- Tracking quality measurement at all levels of care

Key Subpopulations

- Develop initiatives targeting populations with high cost of care (ex. HIV/AIDS, superutilizers, developmentally disabled, etc.)

Investing in Primary Care

- Boost quality and access to primary care by investing in technology and patient centered medical home

Introducing "Systemness" into Health Care

- Integrate providers, share data in real time, make health care a team sport

Address the Social Determinants of Health

- Integrate social care providers into the care ecosystem





**So Does it Work?
DSRIP Results to Date**

Results to Date

 21% reduction in avoidable emergency room use

 17% reduction in avoidable hospital admissions

 Top performing PPS reduced avoidable hospital use by 35%

- DSRIP Year 5: Final year
- PPS have demonstrated that integrated, accountable care can improve population health



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Value Based Payment in a Changing System

Some Context for Understanding the VBP Ecosystem

- VBP is squeezing the healthcare sector for outcomes
- Healthcare is learning that it can't go it alone
- Early investments in electronic referral systems are giving way to more sector-specific & targeted investments
 - Housing; transportation; food are dominant
- Healthcare is ceding some power to the social sector (but not much!)
- Now is the time for social care providers to engage with the healthcare system to begin the journey to integration
 - Yes; social care. Not CBO. Not non-profit. Please stop telling me about your tax status.



What This Means for Social Care Providers

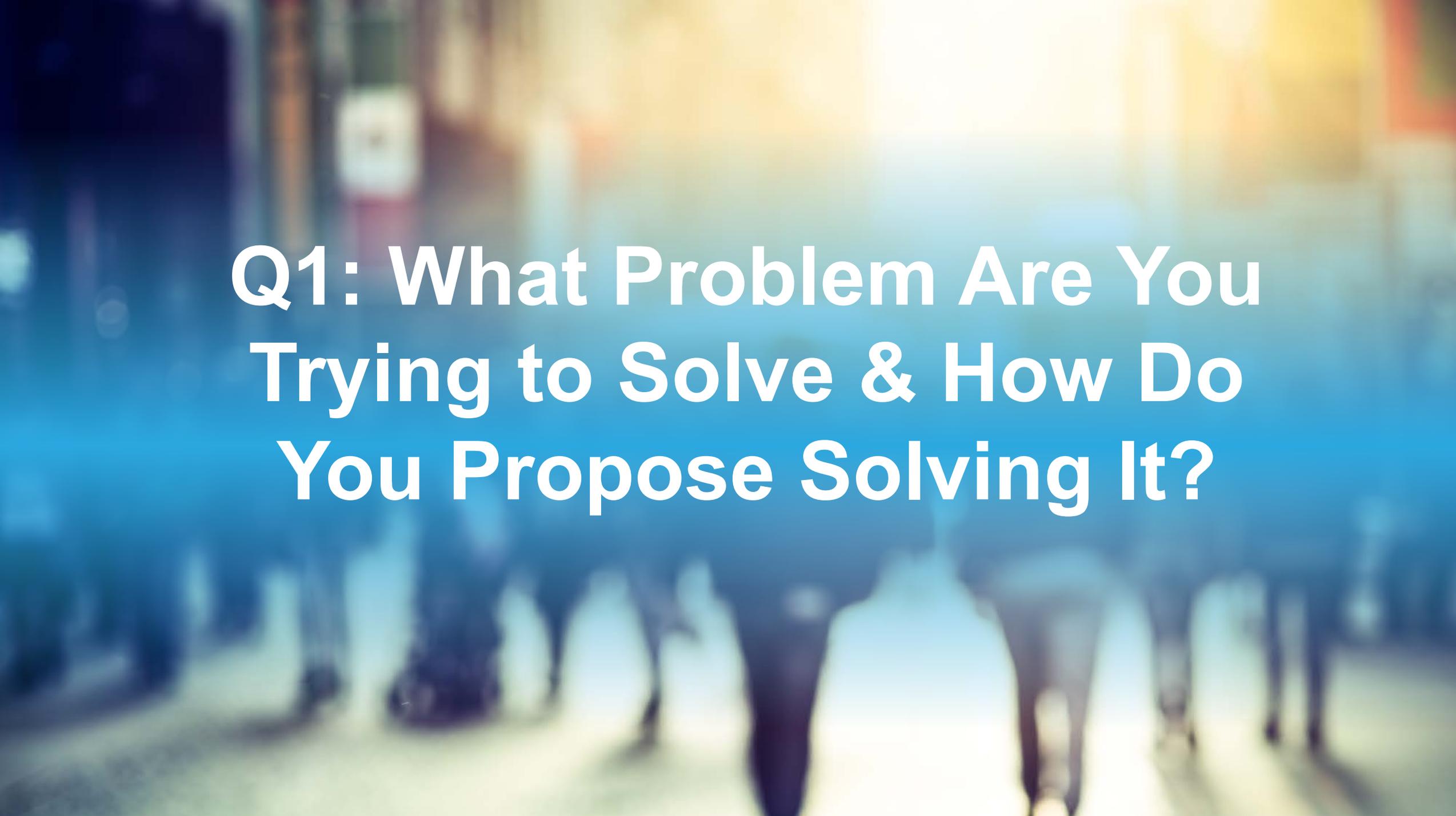
- Healthcare still holds most of the cards
- If you're not getting ready, get started now
- The road to VBP is long
- The road to VBP is not for everyone
- The road to VBP starts with deep introspection; it does not start with healthcare, it starts with you



Our Theory of Action for Social Care Providers

- Take an organizational development lens –because VBP is partnership in the truest sense of the word, it necessitates both parties understanding each other in radical ways. This differs from traditional grantor/grantee relationships.
- Focuses on the cross-sector nature of these relationships & what can be done to accelerate cross-sector trust building & move to action
- Begins with a set of 3 vital questions before even approaching/connecting with the healthcare sector





**Q1: What Problem Are You
Trying to Solve & How Do
You Propose Solving It?**

Addressing Mental Models & Gaining Clarity About the Problem

- When working across sectors, it is imperative to understand your cross-sector partner's mental model and work together to form a collective mental model that you both can agree on to move the work forward



Translating Care Models Across Sectors

- Question Zero: What problem are you trying to solve?
- Craft a single sentence that summarizes what problem you are trying to solve and how you approach the issue at hand.





Q2: Who is Your Target Population?

For whom does this intervention work & in what context

- Being clear about which population(s) are best suited for your intervention to be effective is paramount.
- There are generally two main frames social care providers use to define target population:
- Eligibility criteria: The intervention has specific eligibility requirements, most commonly tied to its funding source
 - Ex. An eviction prevention program funded by a city government to serve residents within specific census tracts who have been served an eviction notice.
- Evidence base: Research on an intervention's impact has identified specific populations who benefit most from the intervention
 - Ex. A home visiting program for moms-to-be have shown to be most effective when mothers are enrolled prior to giving birth



Know Your Number

- When you attain specificity in identifying which population is best served by your intervention, it is best to cross-reference this with the local population that you aim to serve in order to understand your universe of impact.
- For example, if your intervention's target population are children under age 5 with asthma, how many children under age 5 live in your service footprint?
How many children under age 5 with asthma live in your service footprint?
How many children under age 5 with asthma does your intervention currently serve?
- Orders of magnitude matter





**Q3: How do You Measure
Your Impact?**

How to Build Data Infrastructure to Best Serve Your Needs

- Selecting one outcome measure and a few (three to five) process measures for an intervention is usually plenty to get started. Some programs may have measurement frameworks handed down by funders or other sources, which may require careful review to see if they are really the best way to measure success.
- Becoming a data-driven social care provider requires time and practice. Using data and building insight is like building muscle; take it slow, train for a 5k before signing up for a marathon.



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Getting to Know Your Healthcare Partner

Knowing Your Partner

- A diverse range of organizations/companies are prospective partners:
 - Health Plans (Medicaid Managed Care, Medicare Advantage, Commercial Insurance)
 - At-Risk Health Systems
 - Hospital Systems
 - Independent Physician Associations
 - Government



Knowing Your Partner

- Each organization has its own world view
- Medicaid Managed Care
 - At risk for total cost of care
 - Short-term ROI
 - Progressive state policy (in lieu of service designations)
- At-Risk Hospital Systems
 - Increasingly sharing risk
 - Can be more patient with outcomes
 - Need to preserve revenue



Knowing Your Partner

- What are their pain points, and how can you help?
 - Outcome Metrics (can be tied to reimbursement rates)
 - ✓ HEDIS for health plans
 - ✓ HCAHPS for providers
 - ✓ CMS for Medicaid Managed Care
 - Financial Reality (address the bottom line)
 - ✓ What are their greatest challenges?
 - ✓ Why are your services the right solution?
 - Public narrative
 - ✓ Media coverage
 - ✓ Community image



Knowing Your Partner

- Examples of value

- You can lower uninsured rates
- You can help increase patient satisfaction survey results
- You can lower readmission rates
- You can improve visibility/prestige in the community
- You can help raise CMS Star Rating



MYTH BUSTING!

- You do not need to know proprietary, top-secret, detailed information about current performance in order to approach a health care partner
- You should know the ballpark



A blurred background image of a group of people sitting at a long table in a dining room. The text "Break for Lunch" is overlaid in the center in a white, bold, sans-serif font. The background shows a long table with several people seated along it, and a bright light source, possibly a window or a lamp, creating a warm glow in the upper right corner. The overall scene is out of focus, emphasizing the text.

Break for Lunch

The background of the slide is a blurred photograph of a group of people, likely in a meeting or presentation. The image is out of focus, showing silhouettes and indistinct colors of clothing. The overall color palette is dominated by blue and white tones, with a bright light source in the upper right corner creating a lens flare effect.

Value Propositions

What Is a Value Proposition?

- Clearly articulates the measurable benefits a customer will reap when buying a particular product or service
- Includes the approximate price the supplier will charge the purchaser
- Over-used term; can mean different things to different parties. No formal definition or set of constraints.
- Often conflated with a strategy document
- Outlines how a contract between customer & provider would read
- When done well, allows you to attract customers/purchasers and accelerate time to contract



What Makes a Good Value Proposition?

- Clarity, above all
- Focus on a singular product/service instead of bundling many offerings into a singular document
- Written from the point of view of the customer/purchaser; use their language & framing
- Allows the customer/purchaser to immediately see if your proposition matches their needs/priorities
- Helps customer/purchaser understand what more they need to know before moving forward (i.e. cross-check population focus or current cost trends)



HSG Value Proposition Model

Value Proposition Components

1. Short overview / description
2. Key partners & roles
3. Target population
4. Episode
5. Problem to be Solved
6. Intervention Process
7. Goals
8. Metrics
9. Customer/Payer
10. Base Payment Model
11. Performance Bonus
12. Risk Sharing Arrangement
13. Risk Adjustment Methodology
14. VBP Level



Value Proposition Components

Introduction to Concept:

1. Short overview / description (*what are we talking about, generally*)
2. Key partners & roles (*who needs to be involved in this partnership?*)

Intervention Design:

1. Target population (*who will be served by this intervention?*)
2. Episode (*how long will this intervention last?*)
3. Problem to be Solved (*question zero: what problem are you trying to solve*)
4. Intervention Process (*How will you solve this problem?*)

Measurement Design:

1. Goals
2. Metrics (*How will you know if you're making progress?*)

Financing & Payment Design:

1. Customer/Payer (*Who will buy this intervention?*)
2. Base Payment Model (*How will this be paid for?*)
3. Performance Bonus
4. Risk Sharing Arrangement
5. Risk Adjustment Methodology
6. VBP Level





Building an Example Value Prop

Value Proposition Components

Introduction to Concept:

1. Short overview / description (*what are we talking about, generally*)
2. Key partners & roles (*who needs to be involved in this partnership?*)



Value Proposition Components

Intervention Design:

1. Target population (*who will be served by this intervention?*)
2. Episode (*how long will this intervention last?*)
3. Problem to be Solved (*question zero: what problem are you trying to solve*)
4. Intervention Process (*How will you solve this problem?*)



Value Proposition Components

Measurement Design:

1. Goals
2. Metrics (*How will you know if you're making progress?*)



Value Proposition Components

Financing & Payment Design:

1. Customer/Payer (*Who will buy this intervention?*)
2. Base Payment Model (*How will this be paid for?*)
3. Performance Bonus
4. Risk Sharing Arrangement

5. Risk Adjustment Methodology

6. VBP Level





Building Your Value Prop



Group Shareout & Feedback



Reflections & Check-Out



Questions?

Want More?

- Resource document will be distributed
- In person trainings: AHI is hosting a series of in-person trainings on contract negotiation March 12/20
 - Email Jessica Chanese, Community Engagement Manager at AHI jchanese@ahihealth.org

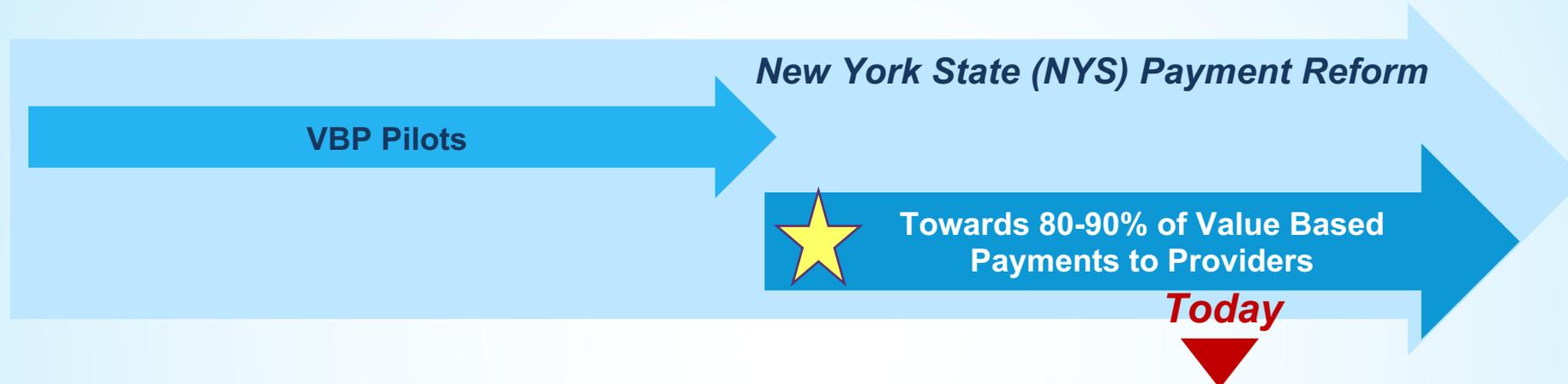




APPENDIX (extra sides!)

VBP Transformation: Goals & Timeline

Goal: To improve population and individual health outcomes by creating a sustainable system through integrated care coordination and rewarding high value care delivery.

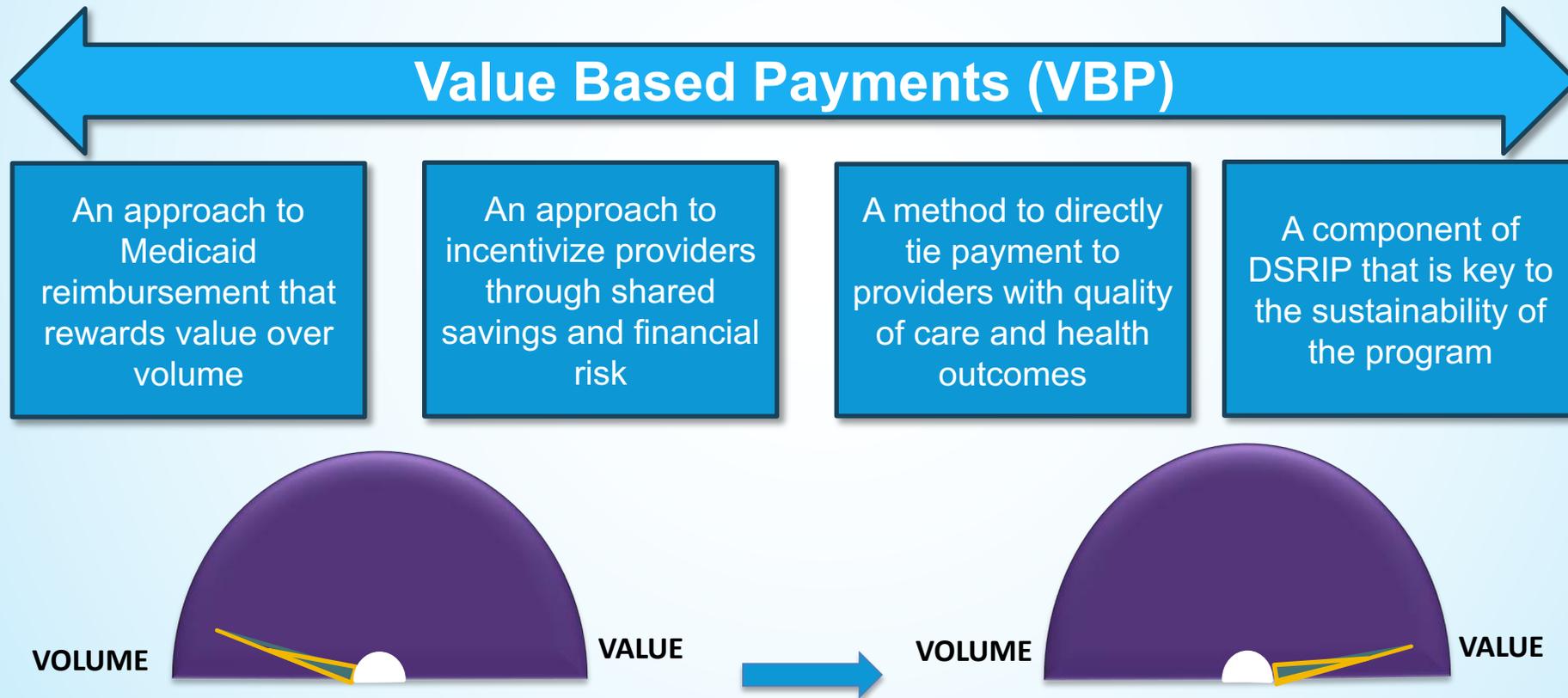


2017	2018	2019	2020
<i>April 2017</i>	<i>April 2018</i>	<i>April 2019</i>	<i>April 2020</i>
Performing Provider Systems (PPS) requested to submit growth plan outlining path to 80-90% VBP	≥ 10% of total Managed Care Organization (MCO) expenditure in Level 1 VBP or above	50% of total MCO expenditure in Level 1 VBP or above. ≥ 15% of total payments contracted in Level 2 or higher *	80-90% of total MCO expenditure in Level 1 VBP or above ≥ 35% of total payments contracted in Level 2 or higher *



VBP: Why is this important?

By DSRIP Year 5 (2020), all Managed Care Organizations (MCOs) must employ VBP systems that reward value over volume for at least 80 – 90% of their provider payments - currently, more than 70% of Medicaid payments are value based



Source: New York State Department of Health Medicaid Redesign Team. A Path Towards Value Based Payment, New York State Roadmap for Medicaid Payment Reform. NYSDOH DSRIP Website. Published June 2015



Contracting in VBP



VBP Arrangements

Category of Arrangement	Type of Arrangement
Population-Based Arrangement	<ul style="list-style-type: none">• Total Care for General Population• Total Care for Special Needs Population (4 special need population based arrangements)
Episode-Based Arrangement	<ul style="list-style-type: none">• Maternity Care• Integrated Primary Care (includes Chronic Care conditions)



Types of VBP Arrangements

Arrangement	Population Covered
Total Care for General Population	General Population (Mainstream Medicaid)
HIV/AIDS	Special Needs Sub-Population: HIV/AIDS
Health and Recovery Plan (HARP)	Special needs sub-population: HARP eligible (High need mental health population)
Managed Long Term Care (MLTC)	Special needs sub-population: MLTC
Intellectually/Developmentally Disabled (I/DD)	Special needs sub-population: I/DD



Levels of Risk in Value Based Programs

In addition to choosing which integrated services to focus on, MCOs and providers can choose different levels of Value Based Payments:

Level 0 VBP	Level 1 VBP	Level 2 VBP	Level 3 VBP
Fee for Service (FFS) with quality bonus and/or withhold based on quality scores	FFS with upside-only shared savings available when outcome scores are sufficient	FFS with risk sharing (upside available when outcome scores are sufficient)	Prospective capitation bundle (with outcome-based component)
Fee for Service	Fee for Service	Fee for Service	Prospective total budget payments
No Risk Sharing	↑ Upside Only	↑ Upside & ↓ Downside Risk	↑ Upside & ↓ Downside Risk

