



VBPP/CBO TA Meeting

April 22, 2021

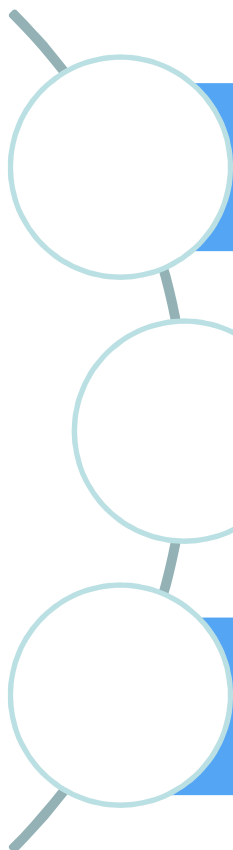
Meeting Agenda

- CMS Guidance on SDOH
 - January 7, 2021 SHO Letter
- Contracting with CBOs: Example Scenarios
- Q&A



CMS Guidance on SDOH

CMS Guidance on SDOH January 7, 2021 SHO Letter



The guidance does not identify new opportunities or authorities under Medicaid and CHIP to address SDOH.

Outlines existing opportunities and authorities in Medicaid and CHIP to address SDOH.

Provides examples of current strategies and programs around the country.

CMS Guidance on SDOH

Guiding Principles to Addressing SDOH in Medicaid and CHIP Programs



Medicaid is frequently the payer of last resort.

States must work with other state agencies and leverage all federal funding sources.

Develop and implement a robust evaluation and monitoring strategy for SDOH.

CMS Guidance on SDOH

SDOH in Pennsylvania

HealthChoices — Managed Care Authority

- States can use procurement and contracting strategies to address SDOH.
- Incentives to encourage SDOH adoption.
- APMs including TCOC and shared savings.
- Utilize in-lieu of and value added services.

Additional Options in Community HealthChoices

- Section 1915(c) waiver.
- Home modifications.
- Home delivered meals.
- Housing and employment supports are covered services under these options.
- Targeted populations.



Contracting with CBOs: Example Scenarios

Contracting with CBOs

Why VBP?

What are the goals of VBP in Pennsylvania?

- Improve health outcomes through quality of care
- Reduce cost
- Address unmet SDOH needs
- Promote health equity
- Integrate PH and BH care across the lifespan

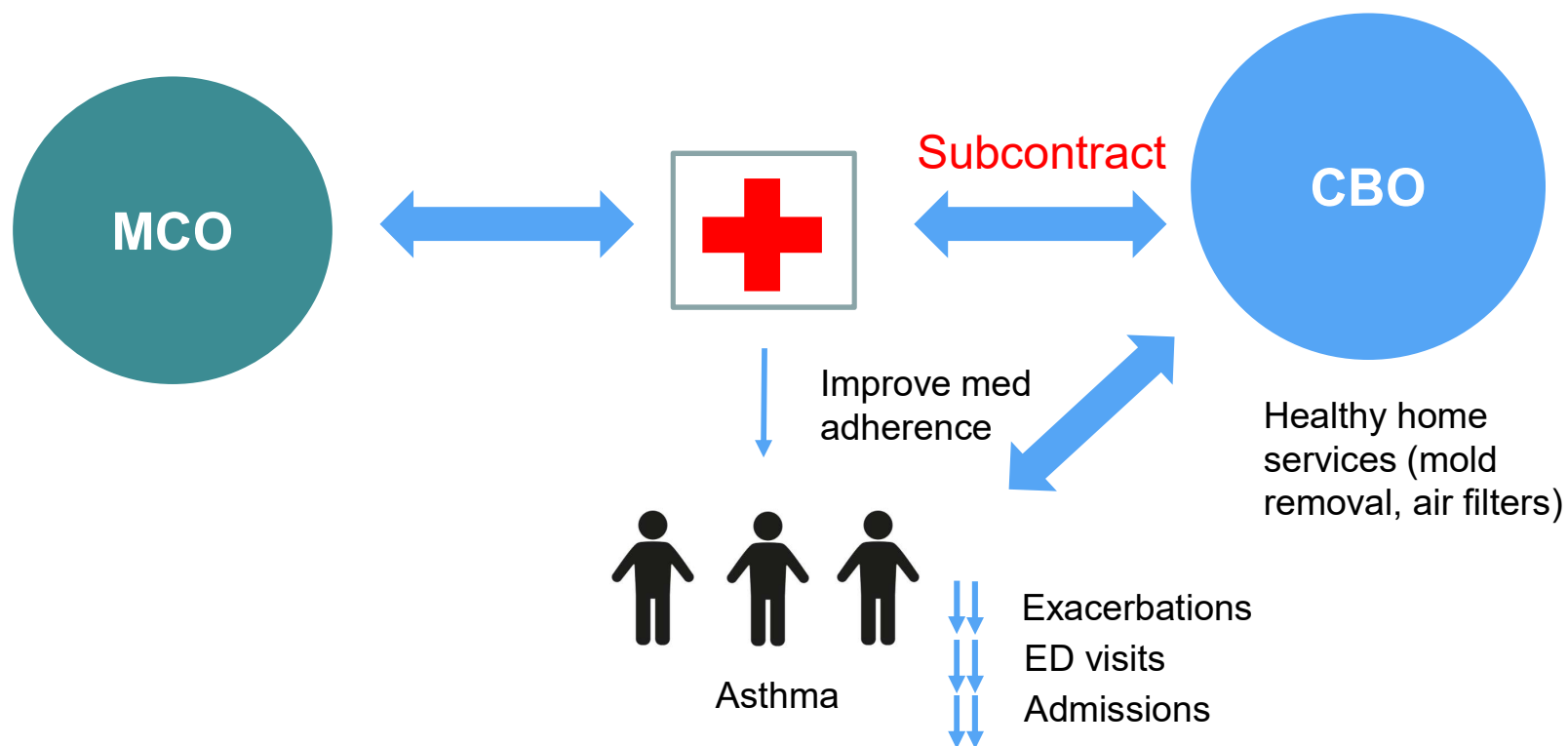


**Purchase
OUTCOMES**

not volume

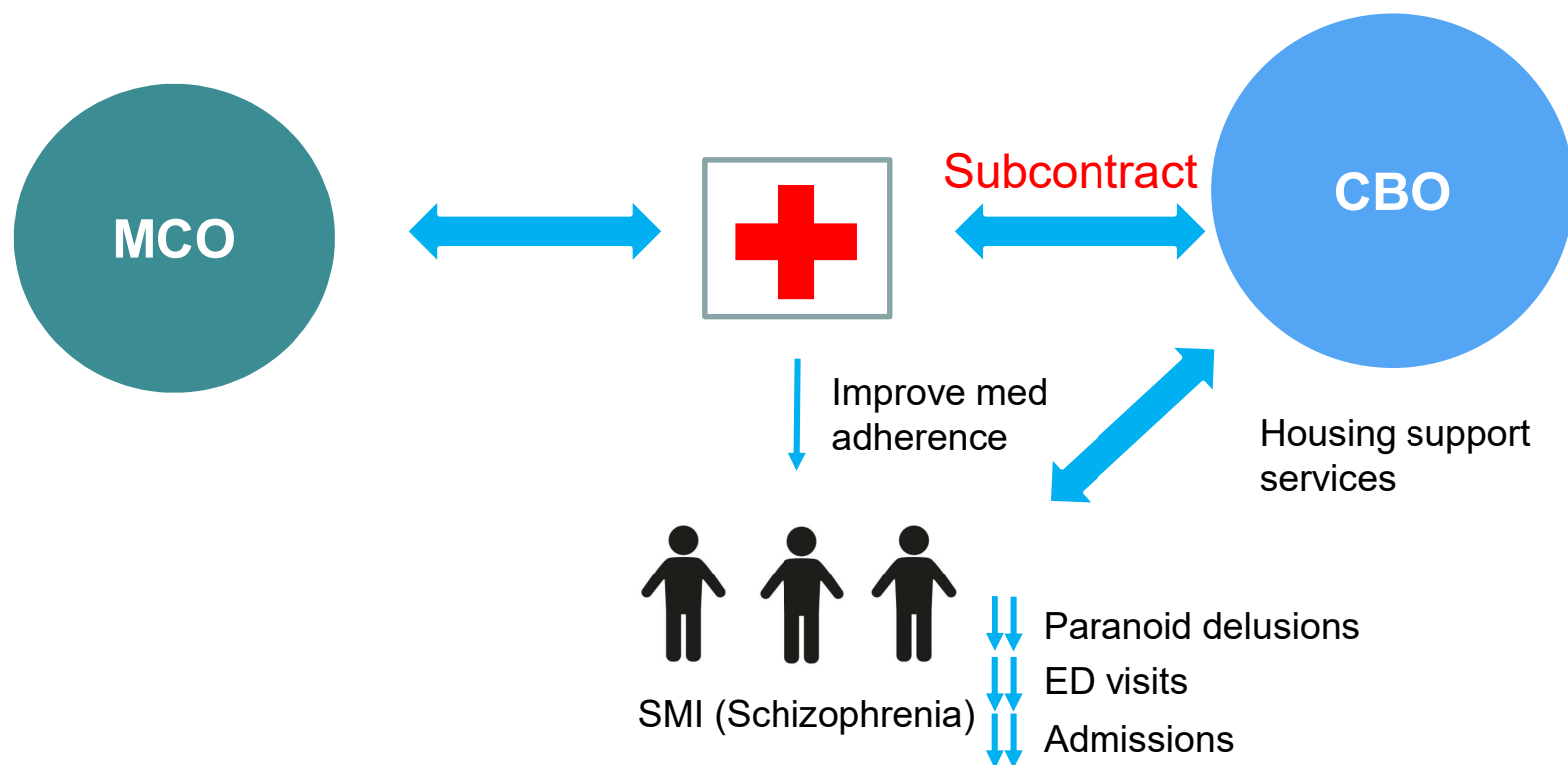
Contracting with CBOs

Role of CBO — PH Example



Contracting with CBOs

Role of CBO — BH Example



Contracting with CBOs

How to involve CBOs — Key Questions

Structural

Is the CBO providing a medical service?

Is the CBO providing a care management activity?

Does the CBO improve health care quality/outcomes?

Who is paying the CBO?

Financial

What are acceptable funding sources?

Will expenditures be included in future capitation rates?

Can expenditures be included in the MLR numerator?

Contracting with CBOs

Scenario 1 — CBO Provides Care Management

Is the CBO providing a medical service?	Is the CBO providing a care management activity?
No	Yes
Does the CBO improve health care quality/outcomes?	Who is paying the CBO?
Yes	MCO or PC
What are acceptable funding sources?	
<ul style="list-style-type: none"> • Capitation Payments • Prior Year Profits • Reinvestment 	<ul style="list-style-type: none"> • MCO P4P Revenue • Approved CBCM Funds • Shared Savings
Will expenditures be included in future capitation rates?	Can the expenditure be included in the MLR numerator?
Yes	Yes

CBOs may perform care management activities that improve health care quality or outcomes.

For example, a YMCA/YWCA could assist eligible members with getting connected to MATP services.

The CBO is functioning as an extension of the MCO/PC's care management staff. The MCO/PC may contract and compensate the CBO for this activity.

The MCO/PC should identify the payments to the CBO and report the payments as a care management expense.

Contracting with CBOs

Scenario 2 — CBO Provides Commodity

Is the CBO providing a medical service?	Is the CBO providing a care management activity?
No	No
Does the CBO improve health care quality/outcomes?	Who is paying the CBO?
Yes	MCO or PC
What are acceptable funding sources?	
<ul style="list-style-type: none"> Unused Capitation Payments Prior Year Profits Reinvestment MCO P4P Revenue Shared Savings 	
Will expenditures be included in future capitation rates?	Can the expenditure be included in the MLR numerator?
No	Yes

An MCO/PC may purchase a commodity from a CBO with the expectation that it will improve health care quality or outcomes.

For example, an MCO/PC could make a payment to MANNA to purchase food for eligible members.

Although this expense can be included as an activity that improves health care quality in the MLR calculation, CMS does not allow Medicaid funds to be used for this type of expenditure and therefore it cannot be included in future capitation rate development.

The MCO/PC should identify the payments to the CBO and report the payments as a value-added service.

Contracting with CBOs

Scenario 3 — Provider Contracts with CBO

Is the CBO providing a medical service?	Is the CBO providing a care management activity?
No	Depends on Provider Arrangement
Does the CBO improve health care quality/outcomes?	Who is paying the CBO?
Yes	Medical Provider
What are acceptable funding sources?	
<ul style="list-style-type: none"> Provider to determine available funding source for contracting with CBO 	
Will expenditures be included in future capitation rates?	Can the expenditure be included in the MLR numerator?
<p>Provider expenses are not considered in managed care capitation rate development or the MCO/PC's MLR. MCO payments to a provider for medical services are considered in capitation rate development and MLR.</p>	

An MCO/PC may create a VBP arrangement that incentivizes a provider to purchase from a CBO with the expectation that it will improve health care quality or outcomes. Presumably the provider offsets the new cost through direct expense savings and/or increased revenue through achieving prescribed VBP outcomes.

MCO payments to providers for medical services can be included in future capitation rate development.

The MCO/PC should report VBP payments to the provider for the purchased service as normal.

Examples on the next two slides.

Contracting with CBOs

PH Provider VBP Arrangements with a CBO

A PCMH cares for several individuals with a mix of high-cost needs, some of which include COPD, hypertension, and depression.

The MCO works with the PCMH to identify the population need and structures a new VBP arrangement that pays the PCMH a global rate for all members accessing the PCMH.

Additional incentives can be earned for achieving SDOH benchmarks, including housing and food.

The MCO dedicates a portion of its CBCM funding to providing care management support to the PCMH to maximize achievement of the performance measurements in the VBP arrangement.

The PCMH works with a local housing CBO and a local food bank CBO to move at-risk individuals into more stable housing and ensure access to nutritious food.

The PCMH achieves the SDOH benchmarks, earning the incentive payments on top of the global rate revenue.

As members' health starts to improve, the PCMH benefits from healthier patients and better cost efficiency through the practice, including offsets related to increased staff time working with CBOs.

Contracting with CBOs

BH Provider VBP Arrangements with a CBO

A PC struggles to manage long stays at a local IMD.

Through contact with participants and the IMD, the county understands the driving factor in long stays is a lack of housing options upon discharge.

The PC establishes a VBP arrangement that pays the IMD a tiered case rate per admission that increases with 1) the provider's historical service follow-up rate, and 2) the rate at which housing options are addressed.

The PC dedicates a portion of its CBCM funding to providing care management support to the provider to maximize achievement of the performance measurements in the VBP arrangement.

Although it requires staff time, the IMD decides the most cost-effective way to engage participants is to work with the local United Way and other CBOs to find housing options for discharged individuals.

In addition to earning the IMD the higher case rate, the IMD reduces its average length of stay, offsetting the increased staff time working with CBOs.

Contracting with CBOs

Combination Arrangements also Work

EXAMPLE

Scenario 1 — CBO Provides Care Management



Scenario 3 — Provider Contracts with CBO



MCO identifies a CBO that can provide care management and other assistance in addressing members' SDOH needs.

MCO pays the CBO to provide care management. Funding is provided out of CBCM revenue.

MCO also structures a VBP arrangement to incentivize a provider to address SDOH through engaging with the same CBO.

Questions