Aligning for Action

LAN SUMMIT

Health Care Payment Learning & Action Network

Payment Reform Challenges & Opportunities for the Safety Net Sector

Intro & Acknowledgments

- SNAC aims to transform the ability of U.S. safety net organizations to respond to payment and care delivery reform efforts
  - Working with more than 50 safety net organizations across 30 states
- SNAC is supported by the Robert Wood Johnson Foundation
- Learn more: http://safetynet.asu.edu

Payment Reform in the Safety Net

- New payment models can be challenging for everyone.
- There may be unique challenges for organizations focused on serving the underserved (safety net organizations)
- The goal of this session is to explore three interconnected questions:
  1. Why are safety net organizations participating in payment reforms?
  2. What challenges they have faced and how are leading organizations making it work?
  3. What hurdles remain that policy makers can work to address?

Advancing Value-Based Care in New York's Hudson Valley

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Agenda

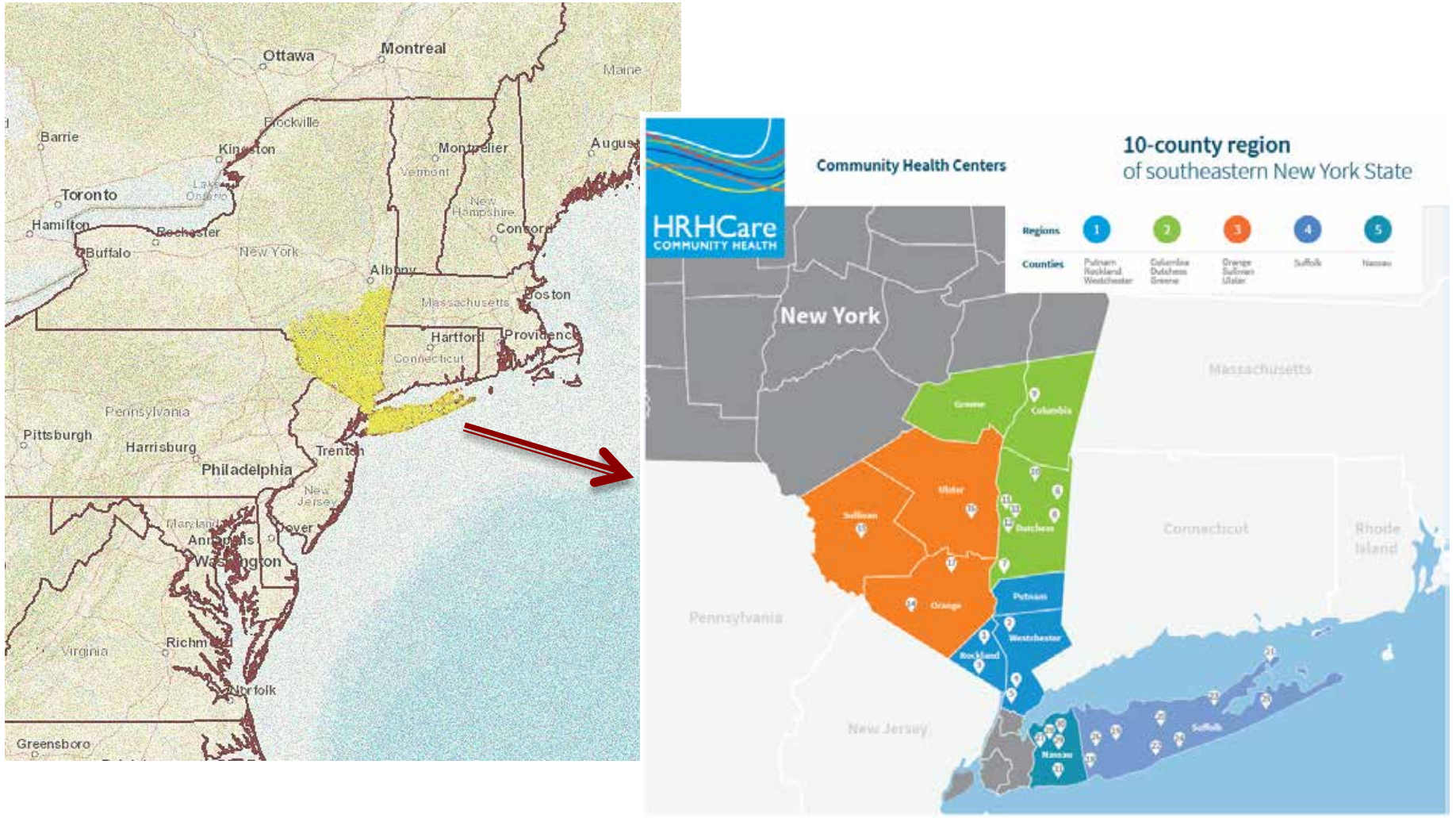
- Introduction: Overview of HRHCare
- NY Landscape and Establishment of IPA
- Early Experiences in Contracting and Integrating Primary Care and Behavioral Health
- Lessons Learned

History of HRHCare

From Left to Right: Willie Mae Jackson, Pearl Woods, Rev. Jeannette Phillips, Anne Kauffman Nolon, Mary Woods.

In the early 1970s, a group of four women, fondly referred to as the Founding Mothers, spearheaded the efforts of fellow community members and religious leaders to address the lack of accessible and affordable health care services in Peekskill, one of the Hudson River Region's poorest cities. With a small federal grant, the Peekskill Area Ambulatory Health Center began. Anne Nolon joined as CEO in 1977. In the 40 years since then, HRHCare, has grown into a network of 30+ health centers.

Introduction: HRHCare Service Area



Our Approach: Services & Model

Medicine

- Family Practice
- Pediatrics
- Internal Medicine
- Prenatal and OB
- Gynecology
- Family Planning
- HIV Primary Care
- Immunizations
- Well Child Visits
- Cancer Screening
- Lab Services

Specialty

- Podiatry
- Optometry
- Cardiology
- Telederm

Behavioral Health

- Counseling
- Substance Use Disorder Treatment
- Suboxone Treatment

Dentistry

Health Home Care Management

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Organizational Overview

- 150,000 patients served annually, making 60,000 visits
- 36 sites
- 1,200 employees
- Payer mix – 44% Medicaid and MA HMO, 7% Medicare; 34% Uninsured; 9% Commercial; other public 6%

- Experience with alternative payment models
  - Member of the Family Health ACO
  - Previous participant in CMS Advanced Primary Care Demonstration
  - Previous participant in a regional Pay-for-Performance/Medical Home multi-payer initiative

NY Landscape and Establishment of CBHCare IPA

HRHCare COMMUNITY HEALTH

Healthcare Landscape in New York

- Seeing a lot of consolidation among hospitals as well as among health plans
- NYS DSRIP initiative has further spurred this on
- NYS has set a goal of having 80-90% of Medicaid payments made under value-based arrangements by 2020 and has developed a Value-Based Payment Roadmap to guide this transition.

Establishment of CBHCare IPA

- In response, HRHCare joined with set of 7 (has now grown to 9) safety net behavioral health organizations to form an Independent Practice Association.
- Goals of:
  - Enhancing our collective ability to provide integrated care for our patients
  - Create a vehicle for value-based contracting
- Spent a little over 1 year establishing the legal structure, operating agreement, etc.

Early Experiences in Contracting

Getting Started

Fortunate to work with a managed care organization that was:

- **Interested in being an innovator and first-mover in VBP**
- **Looking to begin with a simple model that was focused on specific outcomes**
- **Committed to collaboration and finding a path for mutual success.**

Phased Contract Model

Phase 1

- July 1-Dec 31, 2016
- Glide path to VBP
- PMPM care management fee
- Incentive opportunity for reduction in non-emergent ED use
- Incentive opportunity for quality improvement on a set of 8 measures

Phase 2

- Jan 1, 2017- Dec 31, 2018
- Total Cost of Care
- PMPM care management fee
- Upside shared savings opportunity
  - Quality gates must be met for shared savings distribution
- Downside repayment potential
  - Requirement to retain portion of PMPM to repay downside risk, if applicable

Current State

- Building Infrastructure in Phase 1
  - Care Management
  - Performance Monitoring
  - Access
- Planning for Phase 2
  - In early talks with our managed care organization about contract terms for Phase 2
  - Technical assistance around a sustainable financial model that fairly compensates all of our safety net partners
  - Technical assistance to develop a clinical approach for total cost of care

Lessons Learned

Lessons Learned

- Working with a managed care organization that wanted to see us succeed and was open to having some dialogue about our respective needs and opportunities was extremely valuable in getting started.
- Having robust, real-time data from the plans is challenging but critical.

Lessons Learned

- Safety net providers in our region continue to feel pressure from hospital and health plan consolidations. But we have seen that a collective approach to VBP contracting helps to address that pressure.
- In NYS, while the NYS Roadmap is intended to serve as a guide and not a specification, it is factoring heavily in how plans are constructing their value-based arrangements for Medicaid.

THANK YOU!

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