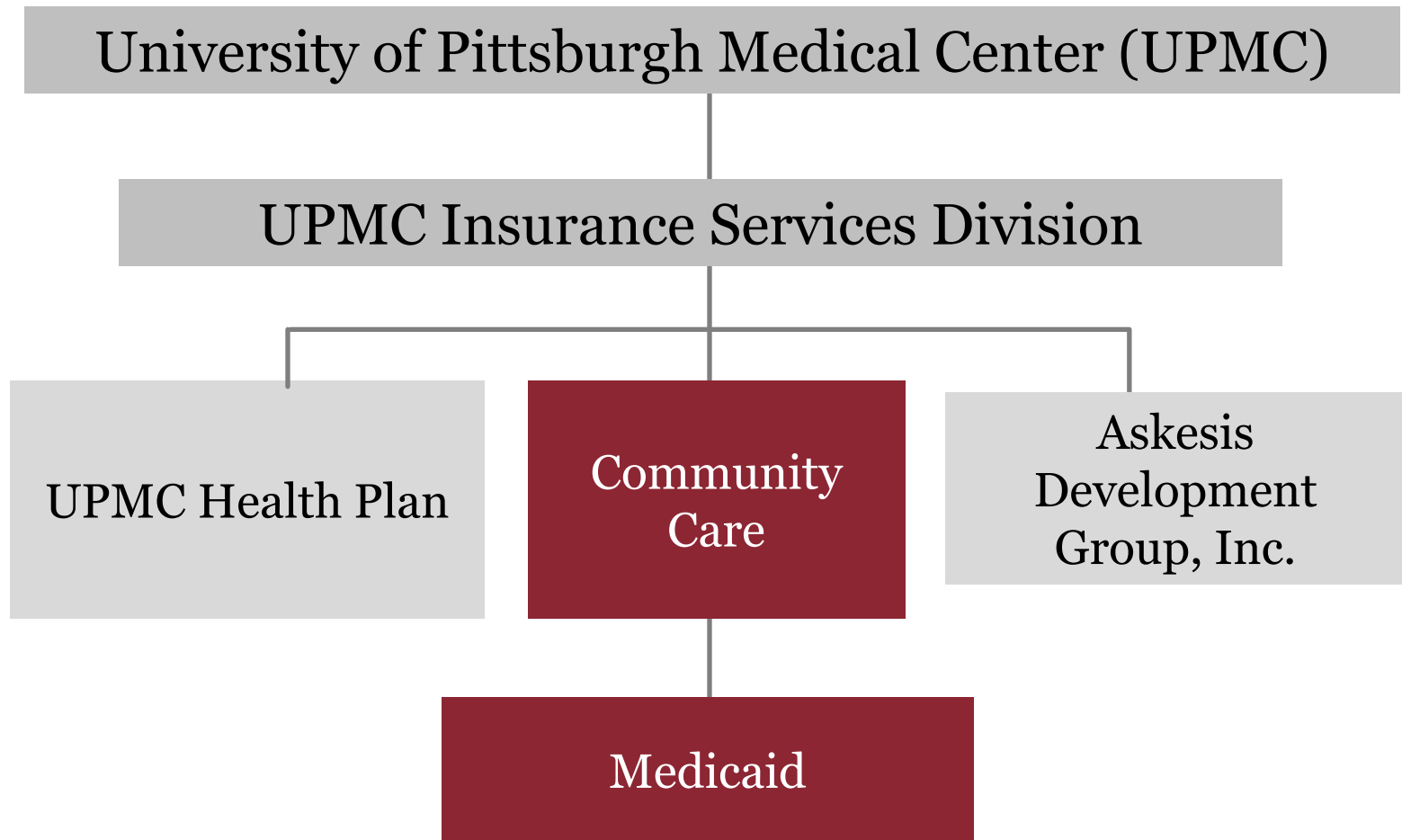

Partnering for Value: The Managed Care Perspective on Moving to Value-based Purchasing

Michele Mesiano, MSW | Director of Behavioral Health Integration
November 3, 2016

Agenda

- Value-based Purchasing (contracting)
- The view from managed care and providers
- Partnering for value: real world examples
- Measure for measure: lessons for all of us

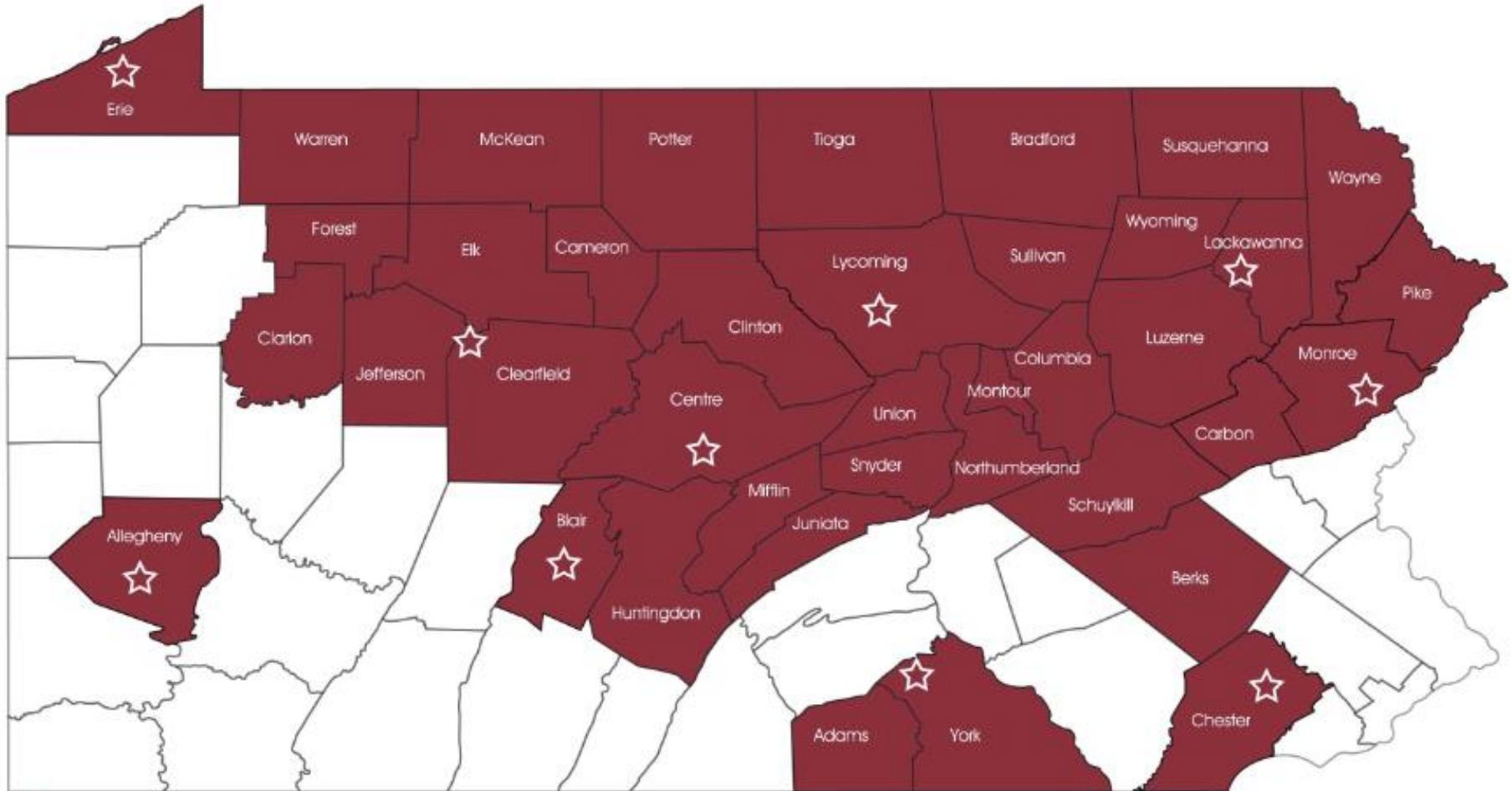
UPMC Operational Structure



Community Care

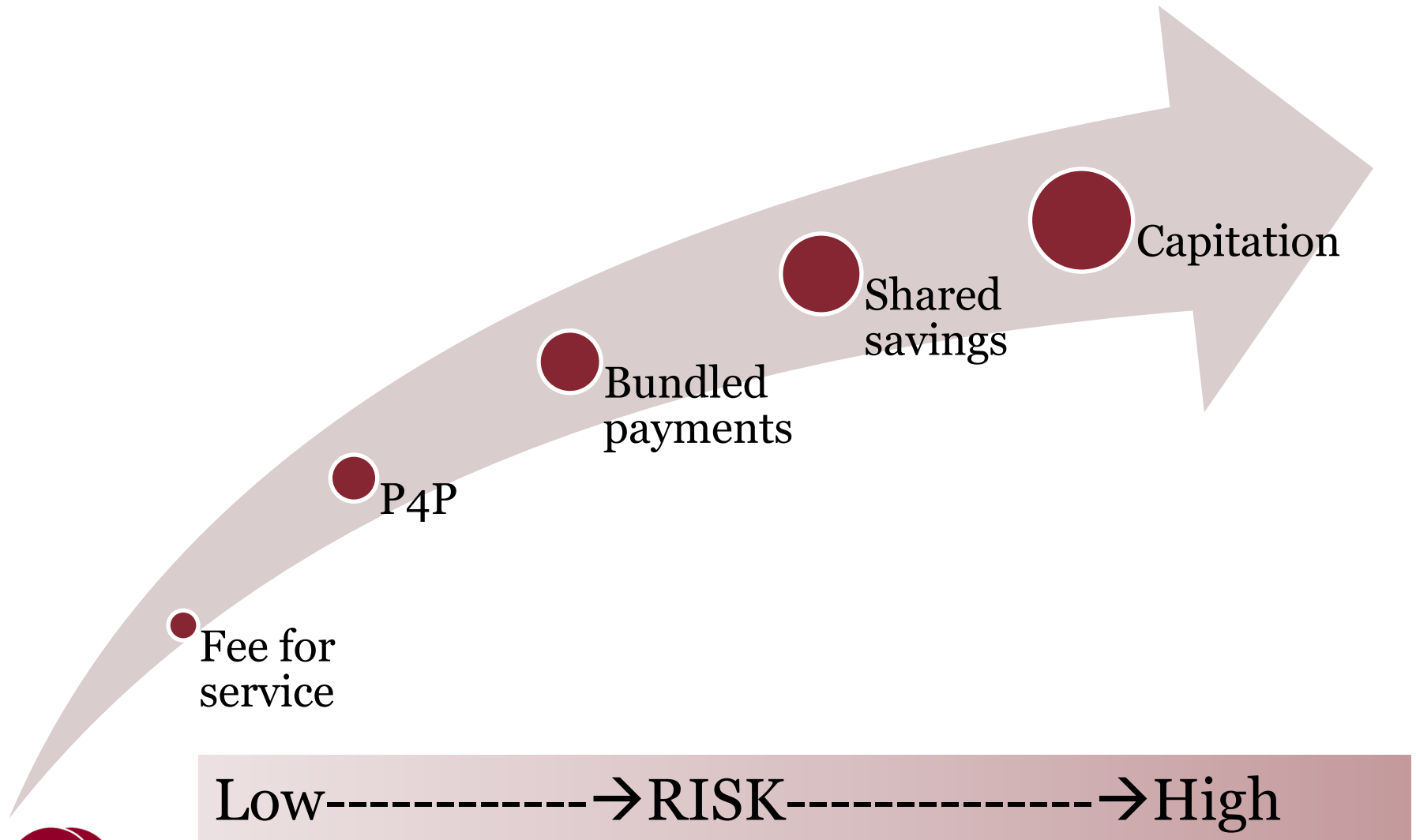
- Behavioral health managed care company founded in 1996; part of UPMC and headquartered in Pittsburgh, PA
- Federally tax exempt non-profit 501(c)(3)
- Major focus is publicly-funded behavioral health care services; currently doing business in PA and NY
- Licensed as a Risk-Assuming PPO in PA
- Serving over 1.6 million individuals in 39 counties through a statewide network of over 1,800 providers

Community Care's PA Presence



★ Community Care Office

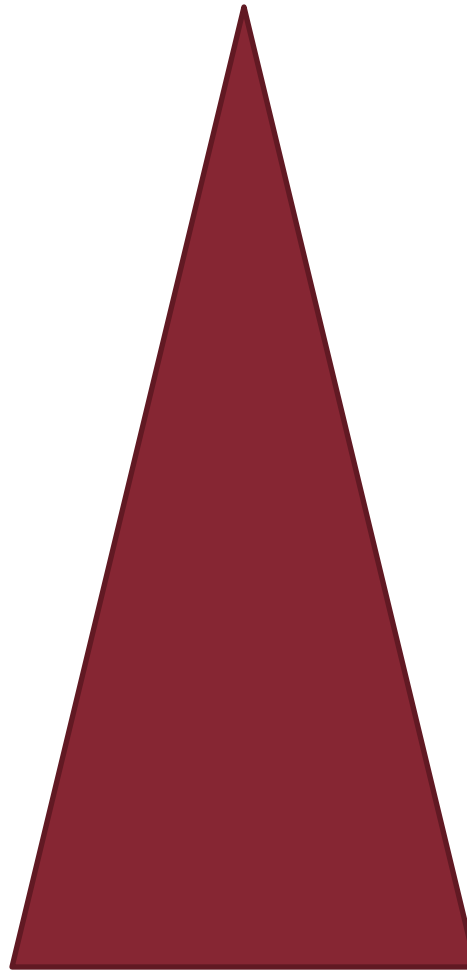
Value-based Payment Models Spectrum



Two Valleys, Same Mountaintop

Provider

“We want to show the value of what we do.”



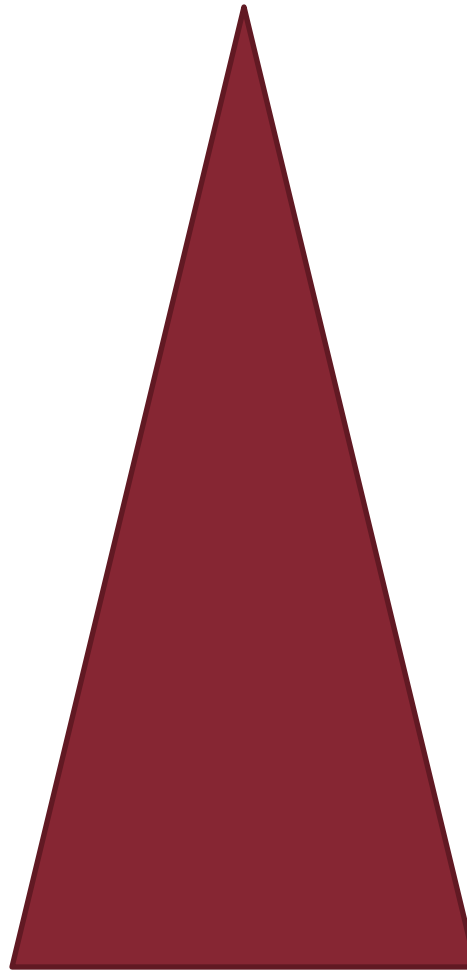
Payer

“We want to pay for value.”

Asymmetrical Information

Provider

“We know people are really getting better but we don’t have the data.”



Payer

“We have all of this data but we don’t know if people are really getting better.”

Proximal and Contextual Information

Provider

“Available data doesn’t tell the whole story.”

- Clinical notes
- Rating scales
- Encounters

Payer

“Available data doesn’t tell the whole story.”

- Claims
- Pharmacy
- Population health

Partnership and Transparency

Provider

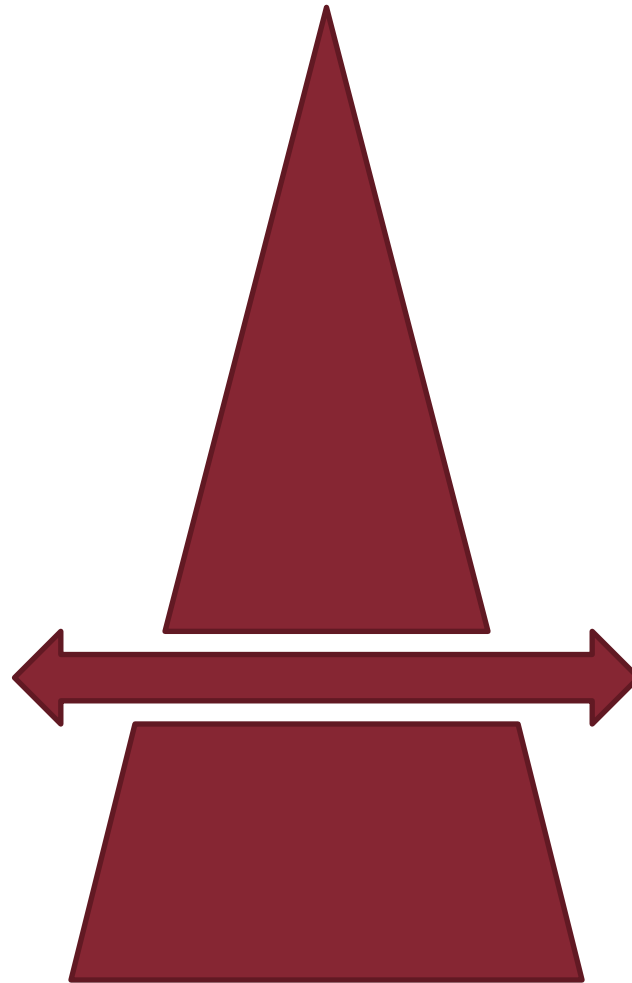
“Available data doesn’t tell the whole story.”

- Clinical notes
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Payer

“Available data doesn’t tell the whole story.”

- Claims
- Pharmacy
- Population health



Partnering for Value: ACT Pay-for-Performance

ACT Pay-for-Performance Initiative

- Goal: incent providers of ACT services to reduce inpatient mental health (IPMH) utilization of ACT service recipients
- Collaboration between:
 - Two ACT providers in Allegheny County
 - Allegheny County, Office of Behavioral Health
 - Allegheny HealthChoices Inc. (AHCII)
 - Consumer Advisory Committee
 - Community Care

P4P Incentive Structure

- Providers can earn up to 110% of current fee schedule rate for ACT services:
 - 80% for all services rendered
 - 20% for meeting IPMH utilization goal
 - 10% for meeting long-term IPMH cost reduction goal

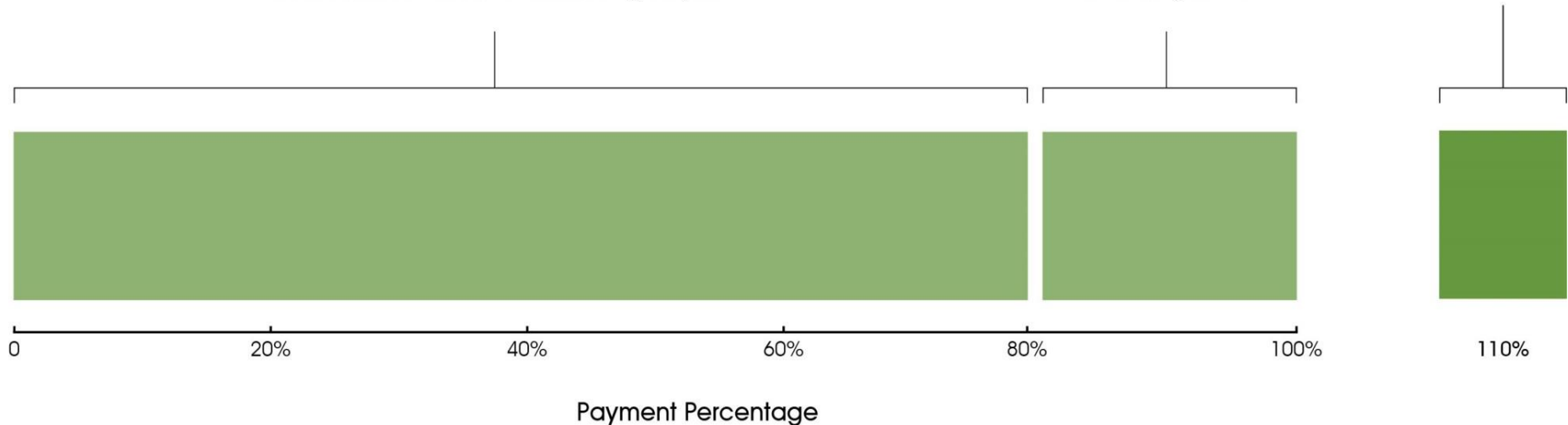
Reducing Inpatient Utilization & Costs

Assertive Community Treatment: Pay for Performance Initiative

All providers are guaranteed payment for 80% of current fee schedule rate for ACT services during the year

20% paid if IPMH utilization goal met

10% bonus if long-term IPMH costs are reduced below target



P4P Program Details

- Tiered earnings available from a bonus pool created by withholding 20% of the established ACT service rate
- Providers could earn 20% withhold and up to 10% bonus amount if they met the overall target of reducing average inpatient mental health cost per person to \$9,000 or less during the calendar year
- Bonus earnings increase as inpatient costs decrease
- Providers needed to stay under an established cap for total ACT service utilization cost per person for the year of \$25,000

ACT/CTT P4P Outcomes

- In **2014**, both providers earned the **full 20% withhold amount** and the **maximum bonus earnings of 10%** under the P4P model (increased revenue for ACT teams)
 - Provider A achieved a **64% reduction** in the average inpatient cost per person per year
 - Provider B achieved a **28% reduction** in the average inpatient cost per person per year
- In **2015**, both providers *further reduced the average inpatient cost per person per year!*
 - Provider A achieved a **76% reduction** from the baseline year measure
 - Provider B achieved a **72% reduction** from the baseline year measure

Reduction in Inpatient Mental Health

Average annual inpatient mental health days

Provider	2012	2014	2015
Provider A (n=224)	16.8	8.7	6.9
Provider B (n=126)	15.1	10.5	6.6
Combined	16.2	9.3	6.8

Savings

Average annual cost of ACT and IPMH

Provider	2012	2014	2015
ACT \$ per member, Provider A	\$24,260	\$19,321	\$18,182
IPMH \$ per member, Provider A	\$9,911	\$3,573	\$2,364
ACT \$ per member, Provider B	\$15,835	\$16,215	\$18,477
IPMH \$ per member, Provider B	\$12,413	\$8,979	\$3,486

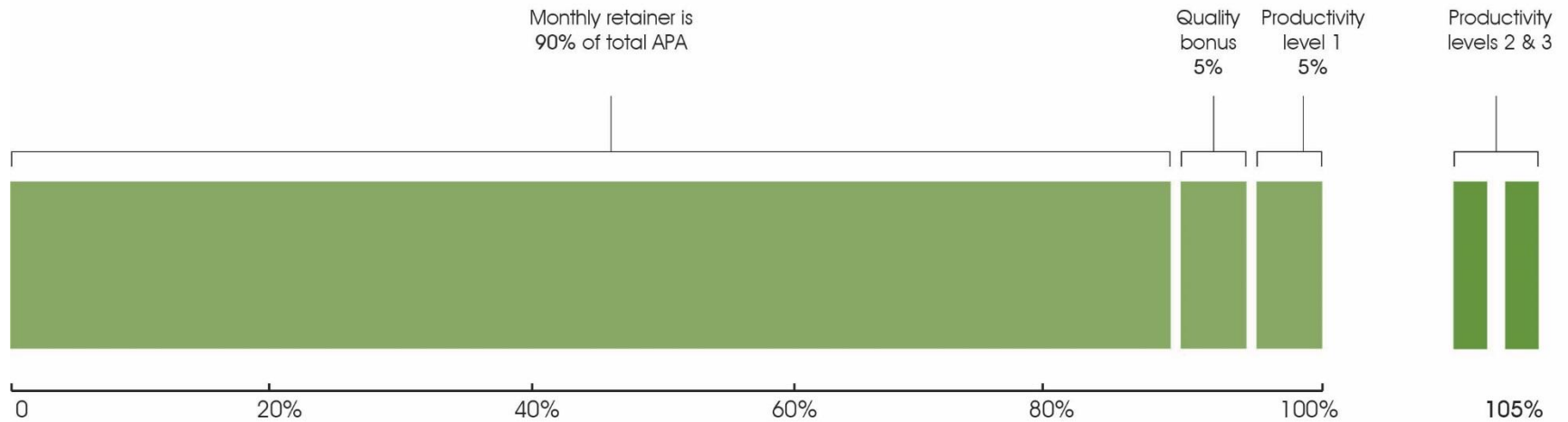
Partnering for Value: Community and School-Based Behavioral Health Payment Model

CSBBH Alternative Payment Arrangement

- CSBBH functions as a children's clinical home
 - Services designed to be more flexible than traditional BHRS
 - Interventions can be delivered to groups of eligible children/adolescents
 - While schools are the clinical home, services are also provided in the home & community
- Providers can earn up to 105% of the APA rate:
 - 90% as the monthly retainer
 - 5% for meeting quality standards
 - 10% for meeting caseload targets

Increasing Quality & Productivity

Children's Clinical Home: Alternative Payment Arrangement



CSBBH Outcomes

- Improvement in child and family functioning
- Submission of structured tools
- Improved school satisfaction
- Better access/engagement with community and school-based BH services

Partnering for Value: Integrated Care Program Pay for Performance

Integrated Care P4P - OMAP / OMHSAS

- New value-based purchasing program for 2016
- Focus on integrated care for those living with Serious Persistent Mental Illness (SPMI) and/or Substance Use Disorder (SUD)
- BH-PH MCO collaboration
- Three process activities
- Five performance measures

Integrated Care P4P – 3 Process Activities



Process Activity 1 – Stratification

Data shared between PH & BH MCOs – 4 tiers

Process Activity 2 – Hospital Notification & Coordination

Notification within one business day

Process Activity 3 - Integrated Care Plan (ICP)

Develop a joint care plan for care management

Integrated Care P4P – 5 Performance Measures

1. Initiation and Engagement of Alcohol and Other Drug Dependence Treatment - **20%***
 - Initiation rate-10%
 - Engagement rate- 10%
2. Adherence to Antipsychotic Mediations for Individuals with Schizophrenia-**20% ***
3. Combined BH-PH Inpatient 30 Day Readmission Rate for Individuals with Serious Persistent Mental Illness (SPMI)-**20%****
4. Emergency Department Utilization for Individuals with Serious Persistent Mental Illness- **20%****
5. Combined BH-PH Inpatient Admission Utilization for Individuals with Serious Persistent Mental Illness (PSMI)-**20%****

* HEDIS® measure **Pa Performance measure developed by IPRO

Integrated Care P4P – 5 Performance Measures

- The funding will be allocated to each PH-MCO and BH-contractor/MCO according to its overall percent of HealthChoices member months for CY 2015.
- Measures will be calculated and validated by using **both BH and PH encounters.**
- Payments will be based on **incremental improvement** calculated from the base clinical care measurement year of 2015 (HEDIS®/PAPM 2016) to the initial intervention year of 2016 (HEDIS®/PAPM 2017).

Integrated Care P4P – 5 Performance Measures

- The incremental payments will be based on the following scale for measures 1, 2 and 3:

Incremental Improvement	% Payout
≥ 3 Percentage Point Improvement	100.0%
≥ 2 and < 3 Percentage Point Improvement	85.0%
≥ 1 and < 2 Percentage Point Improvement	75.0%
0.5 - < 1 Percentage Point Improvement	50.0%

- For measures 4 and 5, 100% payout will be made if there is a reduction of ≥ 3.0 events per 1,000 member months and a 75% payout if there is a reduction of ≥ 2.0 events per 1,000 member months.



Measure for Measure: Lessons Learned

Measurement

- Recognize the inherent anxiety in measurement
- Change in operational mindset
- Breaking away from the stability of auto-escalators
- Start with ultimate outcome then reverse engineer milestone process and performance metrics if necessary, for example:
 - Hiring, training, implementation, data reporting, quality improvement cycle, engagement, satisfaction, rate of scaling

Measurement

- Introduce a culture of performance by measuring meaningful but attainable steps...Process goals not just outcomes help
- Success is sometimes measured beyond your front doors.
- Share data and information
- Information Technology support is often needed
- Do with, not to (i.e., collaborate)
- Strengthen partnership – more mutual dependency

Preparing for Value: Advice for All of Us

- Understand your strengths
 - What is your competitive advantage?
- Can you demonstrate that people get better because of what you do?
- What additional resources do you need?
 - Add, hire or collaborate
- Be proactive
 - Partner, program and publicize/publish