Developmental Disabilities Administration (DDA) Value Based Payments

Bernard Simons, DDA Deputy Secretary

February 5, 2021
Value Based Payment

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Opening Remarks

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Opening Remarks
Introductions

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Value Based Payments

Introductions

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Overview of Phases
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Overview of Phases

Phase I - Orientation to Value Based Payments
Phase II - DDA Advisory Work Group
Phase III - State Presentations/Collaboration
Phase IV - Final Draft of Recommendations to DDA
Phase V - DDA Approval and Roll Out Timeframes
Value Based Payment
Maryland Developmental Disabilities Administration
February 5, 2021

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Overview of Today’s Discussion

• Understand what Value Based Payment (VBP) means
• Define pay-for-performance in home and community-based services (HCBS)
• Consider another state’s VBP model
• Review the VBP fee-for-service (FFS) HCBS roadmap
• Think about where to start the Maryland VBP journey
VBP – What and Why
Key Definitions

- **Value Based Purchasing**
  - Any activity a state Medicaid program undertakes to hold a provider or a managed care organization accountable for the costs and quality of care they provide and pay for.

- **Alternative Payment Model**
  - A strategy that changes the way Medicaid providers are paid, moving away from FFS (rewarding volume), to methods of payment that incentivize value.

Source: Snapshot-2-VBP-101_FINAL.pdf (medicaiddirectors.org)

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CMS Alternative Payment Model Framework


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## APM Framework Details


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Reasons for VBP

- **Promote value**
  - Providing financial incentives to providers for meeting stated goals, desired outcomes and/or milestones

- **Promote high-quality care**
  - Using quality metrics to measure and improve quality of care

- **Re-align for better care coordination**
  - Shifting the focus away from volume of care and incentivizing providers to improve coordination of care efforts

- **Contain cost**
  - Reducing healthcare costs by reducing preventable visits and/or repeat visits to hospitals or institutions

Source: Pay-for-performance Rate Methodologies in a HCBS FFS Environment (medicaid.gov)
Pay for Performance in HCBS
First A Little Reminder About FFS

- HCBS are often delivered in a FFS delivery system
  - Provider are reimbursed for each service (e.g. supported employment)
  - Payment is based on an established unit of service (e.g. per hour)

- FFS payment rates may be based on:
  - The cost of providing the service
  - A review of what commercial payers pay in the private market
  - A percentage of what Medicare pays for equivalent services

- FFS payments are often updated based on trending factors

Source: Pay-for-performance Rate Methodologies in a HCBS FFS Environment (medicaid.gov)

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Pay-For-Performance in HCBS

• Payment initiatives to carry out improvements and achieve the best outcomes for individuals in HCBS programs
• Providers may be paid the FFS rate, but also may be eligible for a incentive payment, of VBP, based on an event or performance measurement
  • Milestone
  • Outcome
  • Quality-related performance
  • Other state-specified criteria

Source: Pay-for-performance Rate Methodologies in a HCBS FFS Environment (medicaid.gov)
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# Traditional FFS vs. Pay-For-Performance

<table>
<thead>
<tr>
<th>Description</th>
<th>Traditional FFS</th>
<th>Pay-for-Performance</th>
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<tbody>
<tr>
<td>Goals of Program</td>
<td>Focuses on volume. Higher units of service equals higher revenue.</td>
<td>Focuses on achieving performance targets or incentives.</td>
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<td>Use of Incentives</td>
<td>Typically excludes metrics of quality of service or value as part of the reimbursement.</td>
<td>Considers good performance or compliance as part of the payment.</td>
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<td>Risk Arrangements</td>
<td>Encourages stand-alone providers.</td>
<td>Encourages partnerships to achieve goals or share risk.</td>
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<td>State Oversight</td>
<td>States monitor using post-payment reviews but does not focus on goal achievement.</td>
<td>States focus on alignment of goals and oversight of reporting such achievements.</td>
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Source: Pay-for-performance Rate Methodologies in a HCBS FFS Environment (medicaid.gov)

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WA VBP Project Purpose

- Engage students earlier in targeted employment planning and connection
- Increase partnership with school staff to complete student’s Job Foundation document, which includes actionable next steps for employment
- Increase the number of students completing transition programs with a job or secondary education connection
WA Collaboration Process Overview

**Job Foundation**
- **Student age 19 - 20**
  - 2nd to Last Year of School
- **Collaboration**
  - School/ESD/OSPI
  - County
  - Employment Provider
  - DDA
  - DVR
  - Student/Family
- **Plans:**
  - Individualized Education Program (IEP) and Job Foundation

**Job Development**
- **Student age 20 - 21**
  - Last Year of School
- **Collaboration**
  - School/ESD/OSPI
  - County
  - Employment Provider
  - DVR
  - Student/Family
- **Plans:**
  - IEP and Employment

**Job Support**
- **Student age 21 - 22**
  - Graduated School
- **Collaboration**
  - County
  - Employment Provider
  - DDA
  - DVR
  - Student/Family
- **Plans:**
  - Employment
WA VBP Model

**Job Foundation**
Student aged 19–20 years (second to last year)
- About 428 of the 865 (2022 grads) DDA students complete work foundation report with a provider
- DDA puts money into county contracts to administer this + outcome payment of $2,400 to provider (94 Budget and Accounting Reporting System Series* Partnership project)

**Job Development**
Student aged 20–21 years (last year of school)
- Student referred to DVR through traditional methods (including school to work)
- Provide DVR/county/DDA with work foundation report
- DVR commits to opening plans in fall of final year. DVR/provider determine whether community-based alternative is needed or whether student is ready for placement plan

**Job by June**
Student aged 21–22 years (graduated school)
Tiered outcome payment will be made for high acuity within the transition fiscal year if—
- Job placement is by—Sept. 30, $1,500, Dec. 31, $1,000, March 31, $500, June 30, $250
- Additional payment of $1,000 when working 10+ hours/week
A Roadmap for HCBS VBP
HCBS VBP Roadmap

1. Establish Policy Objectives & Aim Statement
2. Collect & Analyze Baseline Data
3. Develop the Financial Model
4. Measure Performance
5. Develop a VBP Strategy
6. Collect & Analyze Baseline Data
7. Engage Stakeholders
8. Measure Performance
9. Develop a VBP Strategy
10. Engage Stakeholders
Establish Your Policy Objectives & Aim Statement

- What are your priorities with regard to further developing the HCBS system?
- What areas of the HCBS system are most in need of improvement?
- What areas of the HCBS system are most amenable to change?
- Who is the intended target population?
- Whose behavior do we want to change most?
- What is our vision of success? What is a realistic time frame for achieving this vision?
Engage Stakeholders

- Who are the key stakeholders?
- At what point and how often will stakeholders be engaged?
- What is the expected pushback from stakeholders, and how will concerns be addressed?
Develop a VBP Measurement System

• What HCBS quality/outcome measure(s) are most appropriate for my state and HCBS system?
• Which VBP measure(s) will have the greatest impact on my program?
• Which VBP measure(s) are realistic with regard to data availability and cost of data collection?
• Will I be able to get the necessary buy-in from key stakeholders on the selected measure(s)?
• Whose performance is being measured?
• How are the accountable entities organized?
• What are the eligibility criteria for participation?
• How will the entities be engaged?
Collect & Analyze Baseline Data

- What data are needed?
- What data are available?
  - What are the potential data sources?
  - How accurate, timely, and reliable are the data?
  - How consistent are the data across providers or programs?
  - Is there a common, standard set of definitions used across data sources?
  - What are the potential limitations of and gaps in the data?
- What data systems are needed to support data collection and analysis on an ongoing basis?
  - What will the reporting requirements be?
  - What data audit and review process will be necessary?

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Develop the Financial Model

• What funding is available? How will the funding be sustained over time?

• What financing approaches will be most effective at driving change?
  • What should we reward? Penalize?

• How is the financial model aligned with other programs and payment systems?
  • What are the potential unintended consequences, and how do we mitigate those?

• What are the operational, regulatory, or budgetary constraints for making payments to providers?
  • Should there be a phase-in?
  • Is there an expected return on investment?
Measure Performance

- What will be measured?
  - What is the basis for comparison?
- What other factors might influence outcomes, and how should these be controlled for?
  - Is risk adjustment necessary?
  - How will changes in eligible population, program design, and clinical guidelines be considered when measuring performance?
- What resources are needed to support measurement, reporting, and analysis?
  - How quickly can performance and outcomes be measured?
Monitor & Make Adjustments

• What is the definition of success for a measure or set of measures?
  • What other components should be monitored to minimize any unintended results?
• What is the process for periodic review of measure results?
• How frequently will the measures be changed or modified?
• What resources are needed to support ongoing quality monitoring and oversight?
  • What processes are in place with stakeholders to collect feedback and identify gaps or areas of improvement?
VBP for FFS HCBS Roadmap Summary

| Policy Objectives & Aim Statements | • A successful VBP strategy starts with a shared vision and strong foundation |
| Stakeholders | • Communicate, communicate, communicate, and communicate some more |
| Measurement System | • Select measures that are important and realistic |
| Baseline Data | • Data availability often drives the selection of measures |
| Financial Model | • Money can motivate change |
| Performance | • Measurement and reporting can be a burden to organizational resources |
| Monitoring & Adjusting | • Keep it simple |
| Monitoring & Adjusting | • Ongoing monitoring and refinement are fundamental to the long-term success of a VBP strategy |
Where Do We Begin?
You Begin At The Beginning

• Articulate what you seek to achieve
• Determine how you plan to achieve that aim
• Decide how you will know when you have succeeded
Be Careful of Potholes in the Road

1. Focusing on project milestones and requirements

2. Only using data that are easy to collect, easy to control

3. Gathering too much information
What Makes A Good Aim?

- It is **a vision that resonates and is meaningful**. It inspires people to do the work and generates stakeholder buy-in.

- It is **measurable and time-bound**, the data exist, and we are able to collect them.

- It is **ambitious** and not something that has already been accomplished.
A **driver diagram** is a way of describing the elements that need to be in place to achieve an improvement aim.

The **aim** is a clearly articulated goal or objective of the work.

**Primary drivers** are system components or factors that contribute directly to achieving the aim. **Secondary drivers** are actions, interventions, or lower-level components necessary to achieving the primary drivers.
Washington VBP Driver Diagram

Aim

Increase the average hours per week worked at least minimum wage for high acuity clients by 50% by 2021, while maintaining the current growth rate of high acuity clients working at least minimum wage

Primary Drivers

- Stabilize and/or increase benefit planning resources and capabilities
- Improve the transitioning process for high acuity students exiting the school system.
- Improve provider performance
- Better address client support needs (transportation, competing activities and family support) and client work goals.

Secondary Drivers

- Increase demand driven training opportunities for providers, case managers and benefit planners
- Reduce benefit planner turnover
- Provide on demand TA
- Develop VBP focused on school to employment transition
- Increase County flexibility in use of support hours
- Better address provider travel issues
- Address client support needs in the person-centered planning process
- Better address client support needs in the person-centered service planning process
Develop An Action Plan

• The goal is to build an action plan of activities/goals that are feasible to accomplish within your established time frames
  • Target dates should be specified for all major activities

• Build your action plan around key VBP for FFS HCBS roadmap elements
Questions & Discussion
Next Steps

Patricia Sastoque, Director of Programs