



# Developmental Disabilities Administration (DDA) Value Based Payments

**Bernard Simons, DDA Deputy Secretary**

February 5, 2021



# Value Based Payment

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- Opening Remarks
- Introduction
- Overview of Phases
- NASDDDS Presentation
- Next Steps

*Opening Remarks*

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**Bernard Simons, Deputy Secretary**

# Opening Remarks

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*Introductions*

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**Patricia Sastoque, Director of Programs**

# Introductions

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## *Overview of Phases*

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**Kathleen Walker, Employment and Family Coordinator**

# **Overview of Phases**

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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

[www.nasdds.org](http://www.nasdds.org)



# 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

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# Key Definitions

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- 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.

## Value Based Purchasing



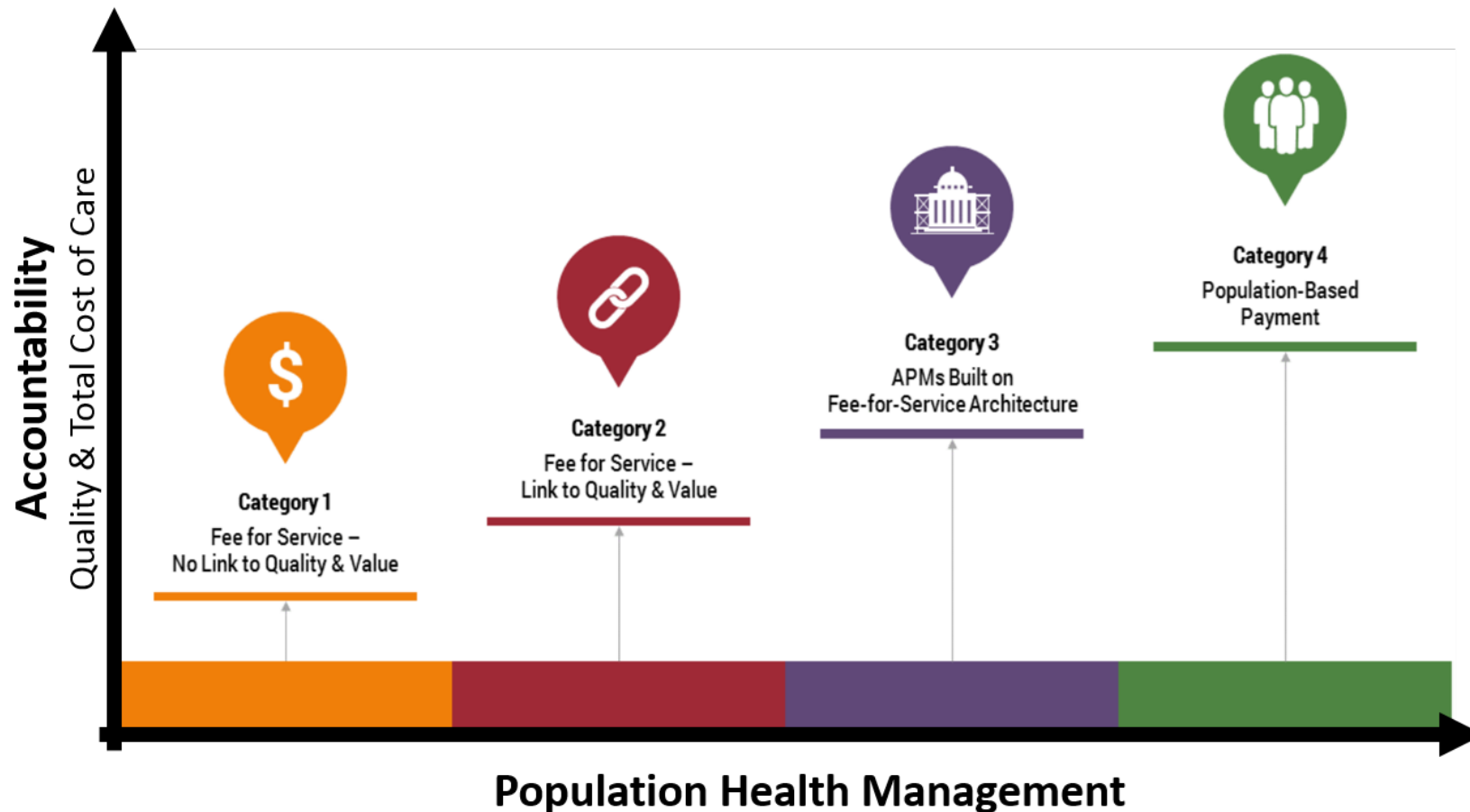
- A strategy that changes the way Medicaid providers are paid, moving away from FFS (rewarding volume), to methods of payment that incentivize value.

## Alternative Payment Model







Source: [Snapshot-2-VBP-101\\_FINAL.pdf \(medicaiddirectors.org\)](#)

# CMS Alternative Payment Model Framework



Source: Health Care Payment Learning & Action Network. *CMS APM Framework*. 2017. <http://hcp-lan.org/workproducts/apm-refresh-whitepaper-final.pdf>

# APM Framework Details

			
<b>CATEGORY 1</b> FEE FOR SERVICE - NO LINK TO QUALITY & VALUE	<b>CATEGORY 2</b> FEE FOR SERVICE - LINK TO QUALITY & VALUE	<b>CATEGORY 3</b> APMS BUILT ON FEE-FOR-SERVICE ARCHITECTURE	<b>CATEGORY 4</b> POPULATION - BASED PAYMENT
	<p style="text-align: center;"><b>A</b></p> <p><b>Foundational Payments for Infrastructure &amp; Operations</b> (e.g., care coordination fees and payments for HIT investments)</p> <p style="text-align: center;"><b>B</b></p> <p><b>Pay for Reporting</b> (e.g., bonuses for reporting data or penalties for not reporting data)</p> <p style="text-align: center;"><b>C</b></p> <p><b>Pay-for-Performance</b> (e.g., bonuses for quality performance)</p>	<p style="text-align: center;"><b>A</b></p> <p><b>APMs with Shared Savings</b> (e.g., shared savings with upside risk only)</p> <p style="text-align: center;"><b>B</b></p> <p><b>APMs with Shared Savings and Downside Risk</b> (e.g., episode-based payments for procedures and comprehensive payments with upside and downside risk)</p>	<p style="text-align: center;"><b>A</b></p> <p><b>Condition-Specific Population-Based Payment</b> (e.g., per member per month payments, payments for specialty services, such as oncology or mental health)</p> <p style="text-align: center;"><b>B</b></p> <p><b>Comprehensive Population-Based Payment</b> (e.g., global budgets or full/percent of premium payments)</p> <p style="text-align: center;"><b>C</b></p> <p><b>Integrated Finance &amp; Delivery Systems</b> (e.g., global budgets or full/percent of premium payments in integrated systems)</p>
		<p style="text-align: center;"><b>3N</b></p> <p>Risk Based Payments NOT Linked to Quality</p>	<p style="text-align: center;"><b>4N</b></p> <p>Capitated Payments NOT Linked to Quality</p>

Source: Health Care Payment Learning & Action Network. *APM Framework*. 2017. <http://hcp-lan.org/workproducts/apm-refresh-whitepaper-final.pdf>



# 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



# Pay for Performance in HCBS

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# 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 \(medicaid.gov\)](https://www.medicicaid.gov)

# 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 \(medicaid.gov\)](https://www.medicaid.gov)

# Traditional FFS vs. Pay-For-Performance

Description	Traditional FFS	Pay-for-Performance
<b>Goals of Program</b>	Focuses on volume. Higher units of service equals higher revenue.	Focuses on achieving performance targets or incentives.
<b>Use of Incentives</b>	Typically excludes metrics of quality of service or value as part of the reimbursement.	Considers good performance or compliance as part of the payment.
<b>Risk Arrangements</b>	Encourages stand-alone providers.	Encourages partnerships to achieve goals or share risk.
<b>State Oversight</b>	States monitor using post-payment reviews but does not focus on goal achievement.	States focus on alignment of goals and oversight of reporting such achievements.

Source: [Pay-for-performance Rate Methodologies in a HCBS FFS Environment \(medicaid.gov\)](https://www.medicaid.gov)



# Washington VBP Model

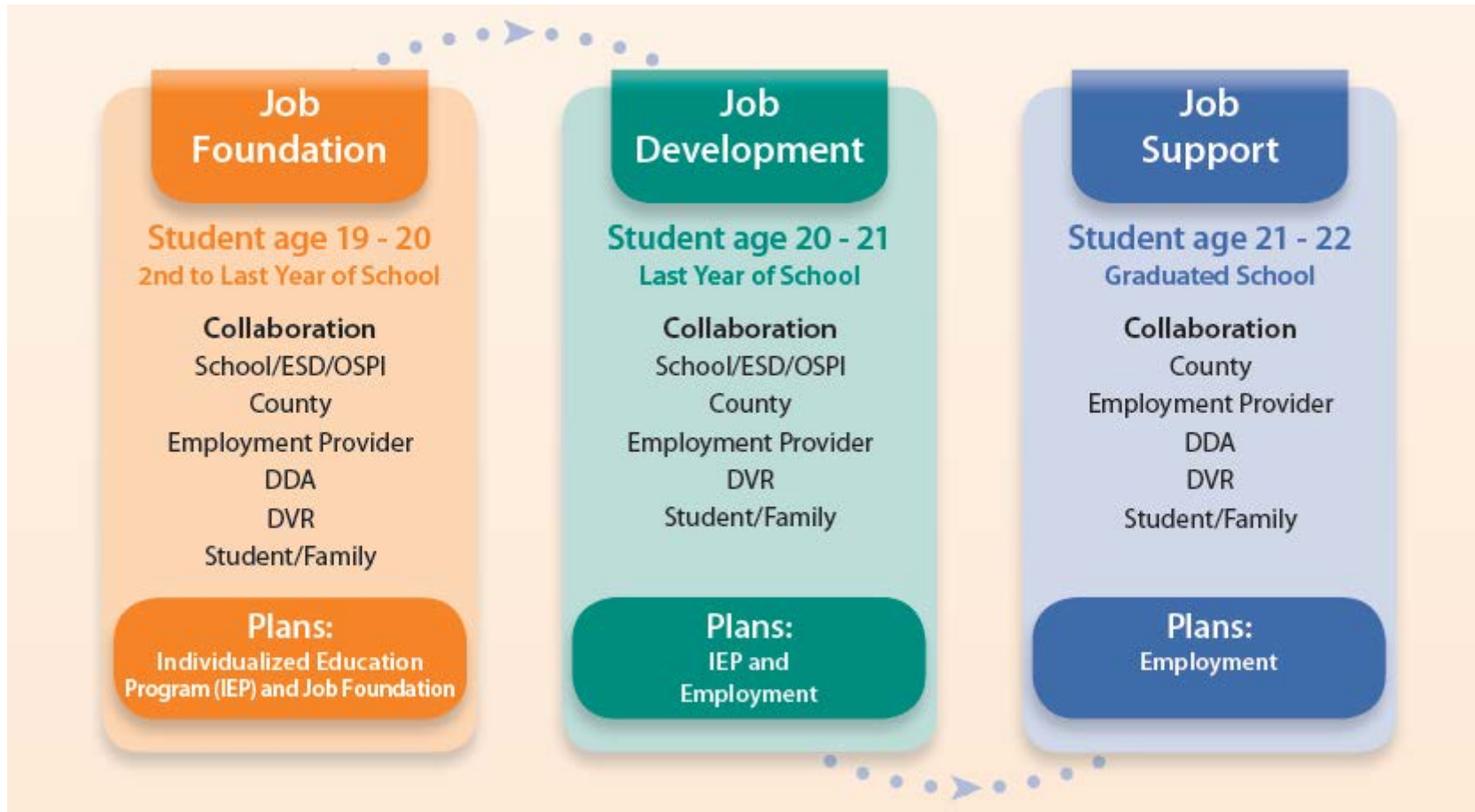
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# WA VBP Project Purpose



- 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



# 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

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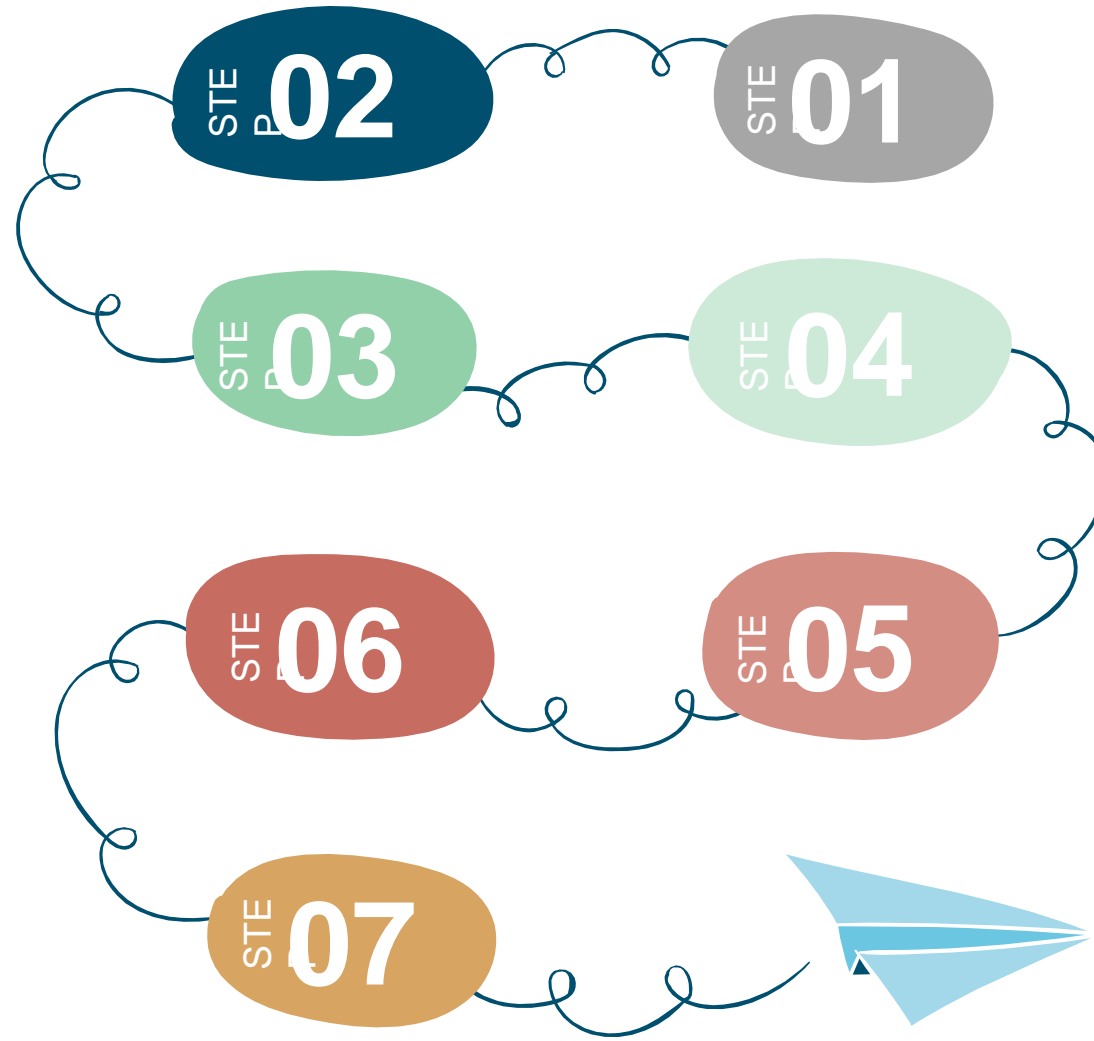
# HCBS VBP Roadmap

**Engage Stakeholders**

**Develop a VBP Strategy Measurement System**

**Measure Performance**

**Monitor & Make Adjustments**



**Establish Policy Objectives & Aim Statement**

**Collect & Analyze Baseline Data**

**Develop the Financial Model**



# 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

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- 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?

# 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?



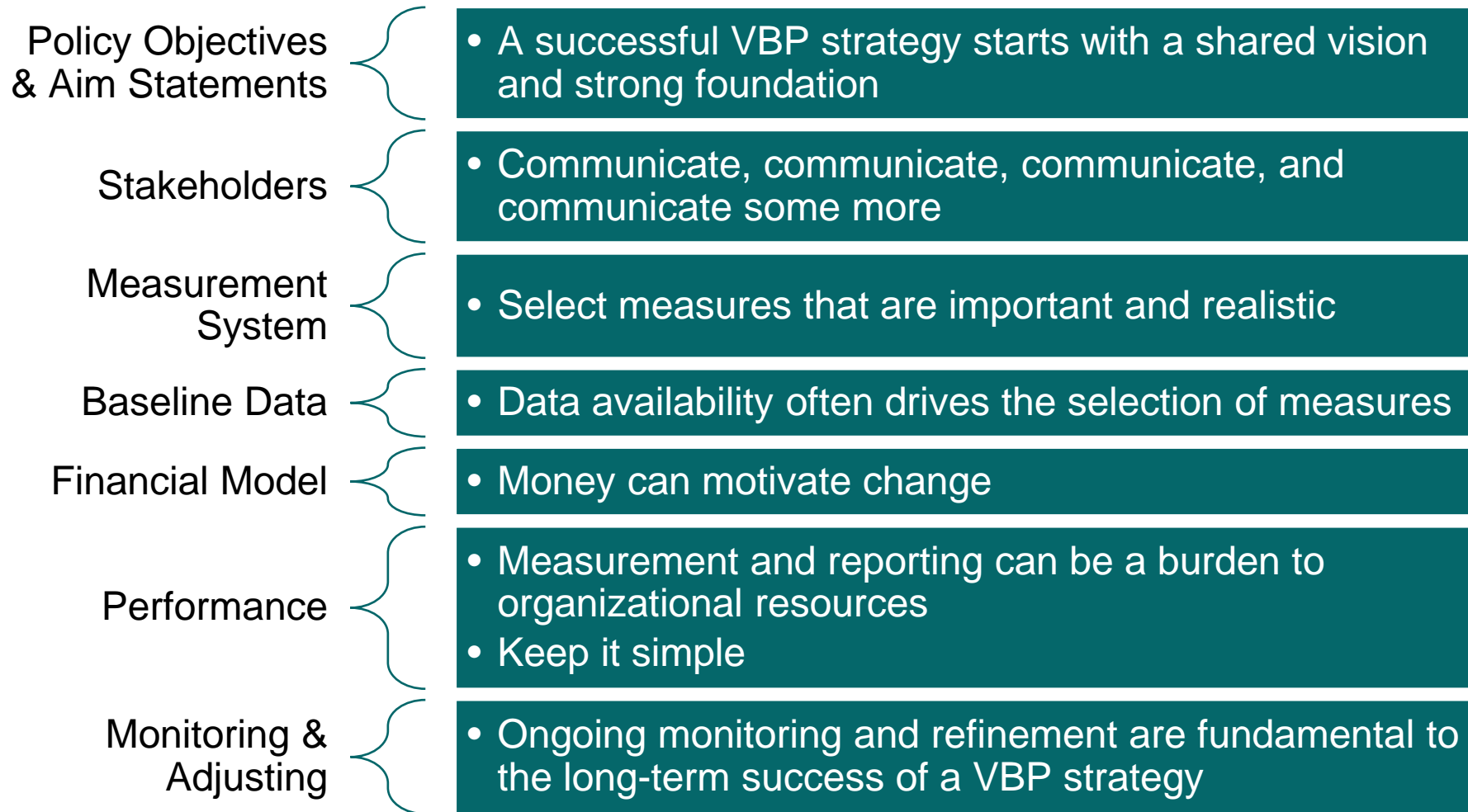
# Monitor & Make Adjustments



- 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





# Where Do We Begin?

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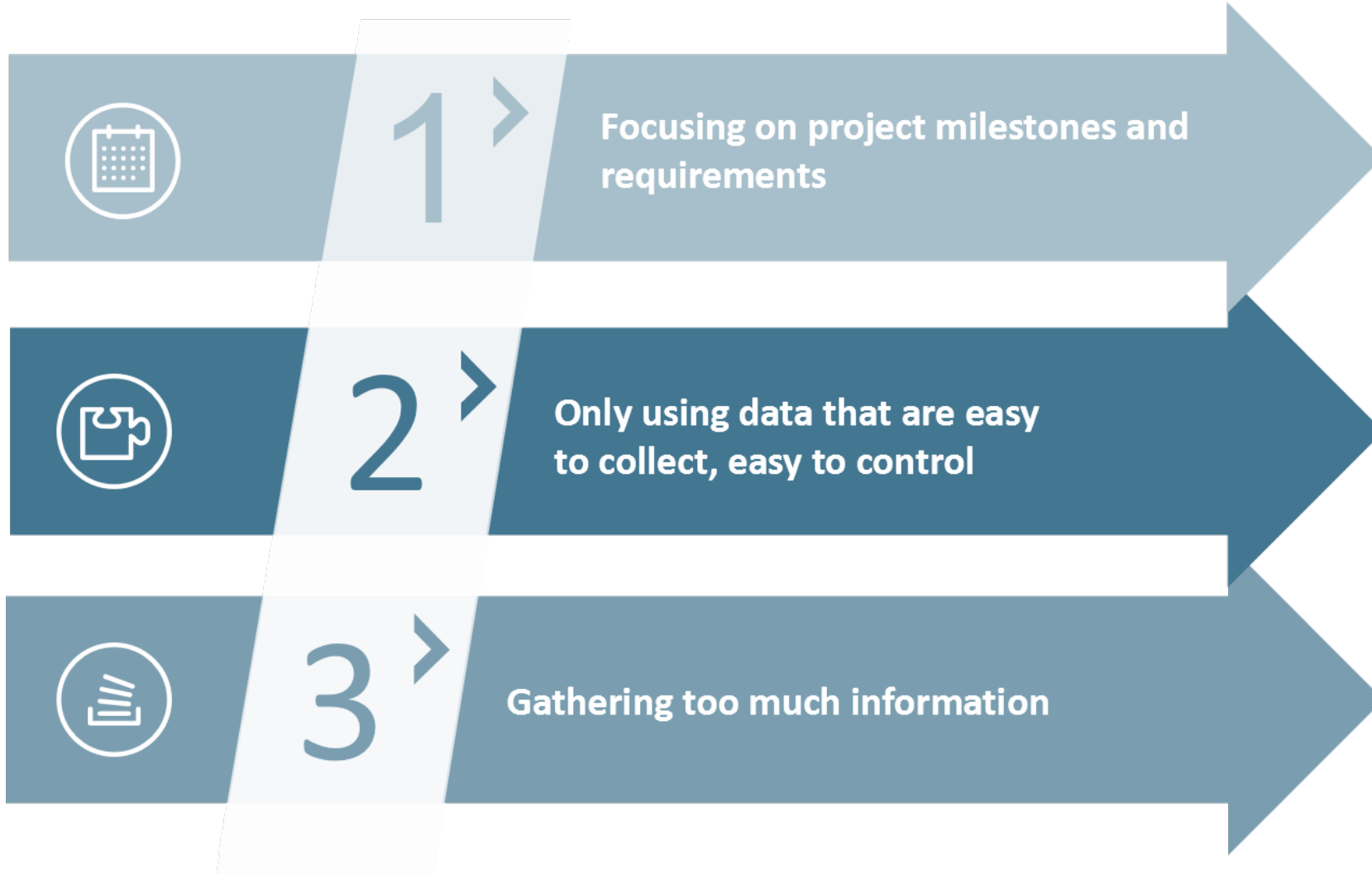


# You Begin At The Beginning



- 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



# What Makes A Good Aim?

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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.

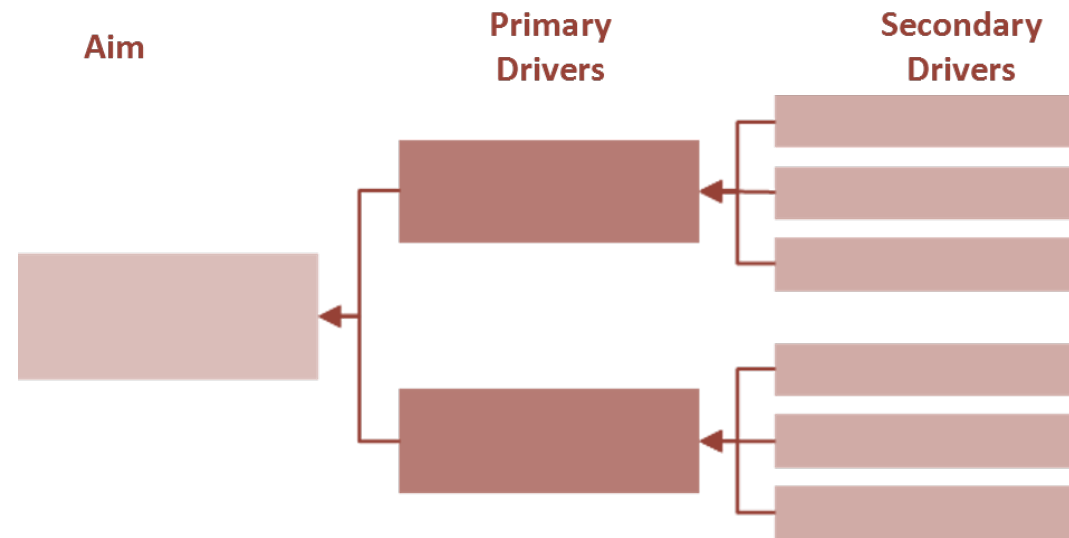


It is **ambitious** and not something that has already been accomplished.

# Determine How You Will Meet Your Aim

A **driver diagram** is a way of describing the elements that need to be in place to achieve an improvement aim.

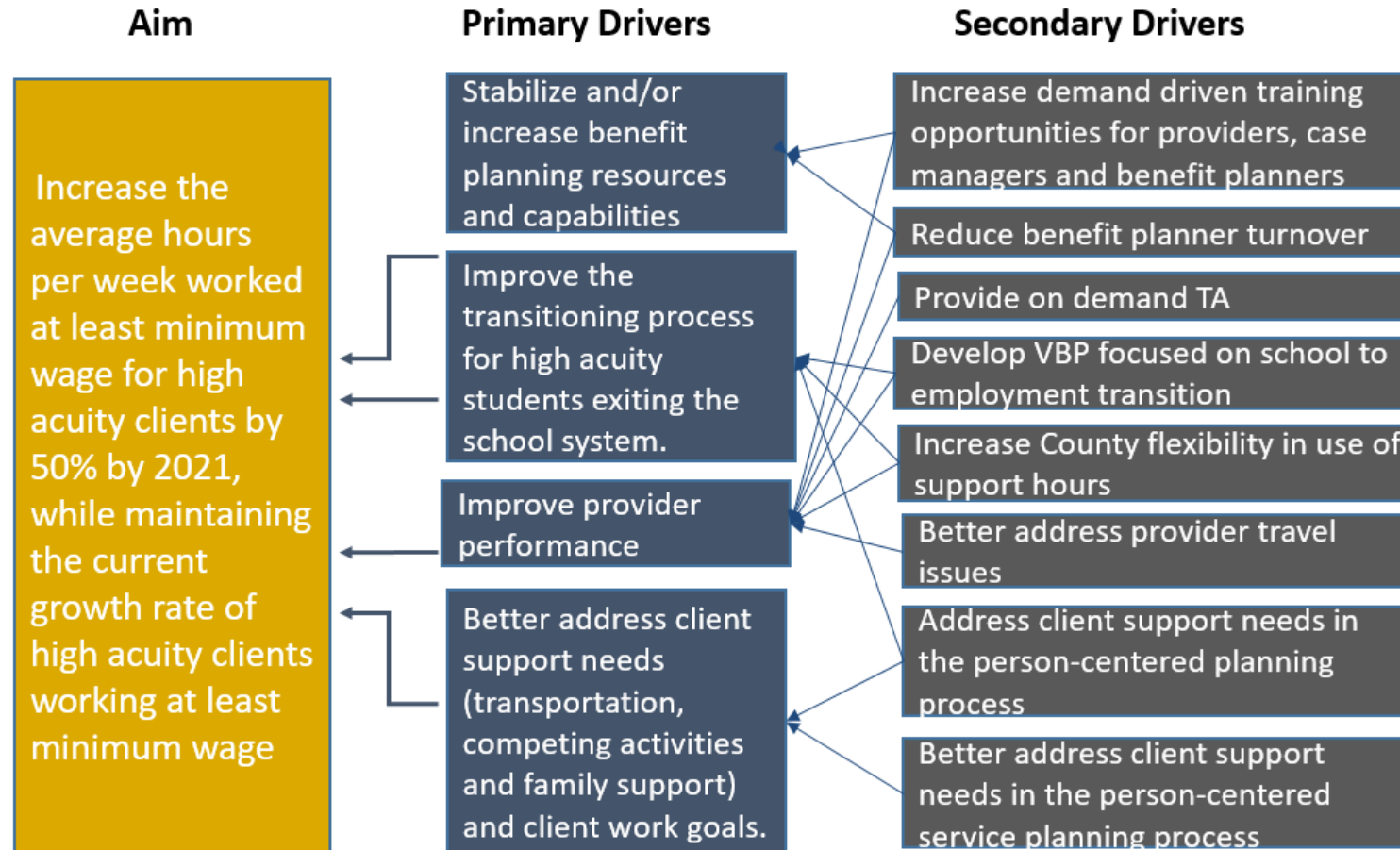
The **aim** is a clearly articulated goal or objective of the work.



**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





# 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

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*Next Steps*

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