HEALTH MANAGEMENT ASSOCIATES

# New York State's Ambitious DSRIP Program

## A Case Study

Speaker:

Denise Soffel, Ph.D., Principal

May 28, 2015

HMA Information Services Webinar

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# New York State's Ambitious DSRIP Program

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# Delivery System Reform Incentive Payment Program

- **Who:** Performing Provider Systems, regional networks of providers working in collaboration to establish an integrated delivery system
- **What:** A menu of projects designed to create system transformation, clinical improvement, and improved population health
- **Where:** 25 PPSs across the state, including 10 serving all or part of NYC

# Delivery System Reform Incentive Payment Program

- **When:** Year 0 ran from April 2014 – March 2015. Now officially in Year 1; program runs for 5 years
- **How:** Incentive payments based on achieving pre-determined metrics and milestones
- **Why:** System transformation, including a move away from avoidable hospital use, better integration of care, and a shift to value based payment

# DSRIP Overview

- Medicaid Redesign Team Waiver Amendment of $8 billion awarded April 2014
- Funding for DSRIP is $6.42 billion over 5 years
- $500 million in waiver funds were set aside for an Interim Access Assurance Fund
- $1.08 billion remains for other Medicaid Redesign purposes: health homes, enhanced behavioral health services, long term care workforce

# DSRIP Overview

- DSRIP is intended to create a transformation of the health care delivery system
- At the end of the 5-year period the state expects a more integrated delivery system, and a change from volume-based payments to value-based payments

# DSRIP Overview

- Five program principles have been identified:
  - Patient-centered
  - Transparent
  - Collaborative
  - Accountable
  - Value-driven

# DSRIP Overview

- Key components:
  - Focus on reducing avoidable hospital use
  - Payments divided into two pools, one for public hospitals and one for safety net hospitals
  - DSRIP projects are proscribed
  - Payments are based on performance. Initial performance metrics are process-based, subsequent metrics are outcome-based

# Performance Metrics

# DSRIP Overview

- DSRIP included Year 0, which began April 1, 2014. Year 0 provided time to allow for a comprehensive planning process
- Planning grants were made available available. 43 entities received planning grants
- DSRIP applications were due in December 2014, with projects actively ready to start in April 2015. 25 entities submitted DSRIP applications

# DSRIP

- **Who**
- What
- Where
- When
- How
- Why

# Performing Provider Systems

- Performing Provider Systems are entities created for the purpose of DSRIP
- PPSs are composed of partners, typically with a hospital at the center
- Partners can include health homes, skilled nursing facilities, ambulatory clinics and FQHCs, behavioral health providers, home care agencies, and other key stakeholders

# Participating Providers

- Participation in DSRIP is limited to safety net providers. The definition of safety net was developed to ensure a state-wide program. For hospitals to qualify, they must meet one of three tests:
  - Must be a public hospital, critical access hospital or sole community hospital OR
  - Must have at least 35 percent of outpatient business provided to Medicaid, uninsured and dual eligible and at least 30 percent of inpatient treatment provided to Medicaid, uninsured and dual eligible OR
  - Must serve at least 30 percent of all Medicaid, uninsured and Dual Eligible in the proposed region

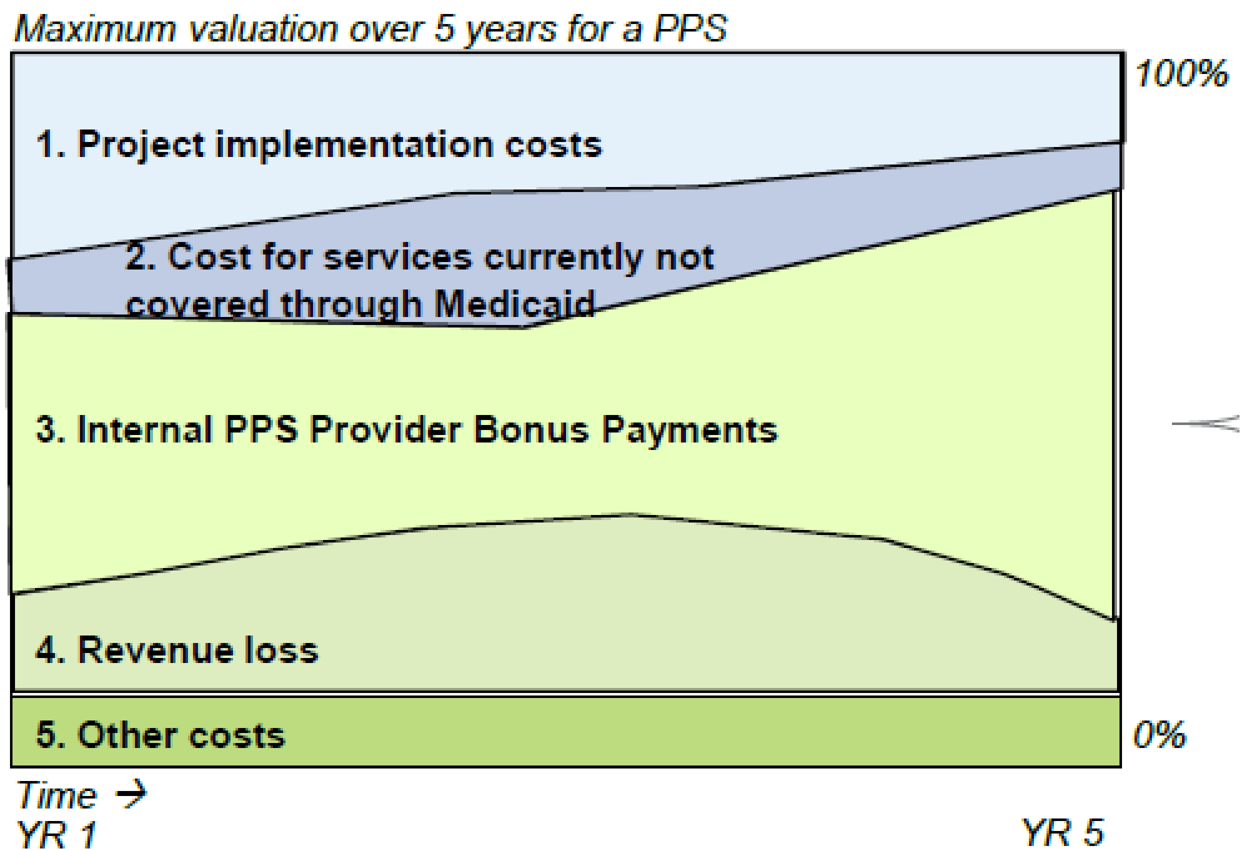
# Participating Providers

- Non-hospital based providers, not participating as part of a state-designated Health Home, must have at least 35 percent of all patient volume in their primary lines of business and must be associated with Medicaid, uninsured and dual eligible individuals
- Non-qualifying providers can participate in Performing Providers Systems. However, no more than 5 percent of a project's total valuation may be paid to non-qualifying providers. This 5 percent limit applies to non-qualifying providers as a group.

# DSRIP Fund Flow

- Each PPS must develop its own method for distributing incentive payments to partners
- Four potential uses:
  - Cost of project implementation
  - Revenue loss due to reductions in utilization
  - Bonus payments for high-performing partners
  - Support to financially challenged health care providers

# DSRIP Fund Flow



# DSRIP

- Who
- **What**
- Where
- When
- How
- Why

# Community Health Needs Assessment

- Identify Health Care Services, including all medical and behavioral health providers within that system, including Local Departments of Public Health, OASAS and OMH clinics
- Identify Community Resources, including but not be limited to housing, food resources, advocates, peer organizations, etc.
- How are these services currently connected and how could they be connected for ideal and efficient function?
- What important health sustaining services are missing in the area and how might available resources be reallocated or developed to address these missing resources?
- What are the identified redundancies including excess inpatient beds in the service area and how might these resources be reassigned/redesigned?

# DSRIP Projects

- PPS's will implement projects that achieve three objectives:
  - The creation of infrastructure and care processes that promote efficiency of operations and support prevention and early intervention.
  - The integration of settings through the cooperation of inpatient and outpatient, institutional and community providers in coordinating and providing care across the spectrum of health care settings.
  - Population health management

# DSRIP Domains

- Four domains have been established that provide the overarching areas in which DSRIP strategies are categorized.
- Domain 1 encompasses project process measures and does not contain any strategies.
- Performing Provider Systems must employ strategies from Domains 2-4 in support of meeting project plan goals and milestones.
- PPS's must implement at least 5 and no more than 11 projects. Each project must be reflective of community need and the goal of system transformation.

Note: the next four slides were copied from the Waiver Amendment Update presentation

# Domain 1: Overall Project Progress

- Investments in technology, tools, and human resources that will strengthen the ability of the PPS to serve target populations and pursue DSRIP project goals
- Performance in this domain is measured on meeting identified milestones in the project plan and progress to sustainability

# Domain 2: System Transformation

- Projects in this domain focus on system transformation and fall into three strategy sub-lists:
    - Create integrated delivery system
    - Implementation of care coordination and transitional care programs
    - Connecting system
- All PPSs were required to select at least two projects (and up to four projects) from Domain 2
- Metrics include avoidable hospitalizations and other measures of system transformation

# Domain 3: Clinical Improvement

- Projects in this domain focus on clinical improvement for certain priority disease categories
- All PPSs were required to select at least two (but no more than four) projects from Domain 3:
  - *At least one project must be a behavioral health project*
- Metrics include disease focused nationally recognized and validated metrics, generally from HEDIS

# Domain 3: Clinical Improvement

- Behavioral Health – 100 percent
- Cardiovascular Health – 60 percent
- Diabetes Care – 44 percent
- Asthma – 52 percent
- HIV – 4 percent
- Perinatal – 16 percent
- Palliative Care – 44 percent
- Renal Care - 0

# Domain 4: Population-wide Strategy Implementation

- Projects in this domain are aligned to the NYS Prevention Agenda and should align with projects in Domain 3
- Performing Provider Systems were required to select at least one (but no more than two) projects from four priority areas:
  - ✓ **Promote Mental Health and Prevent Substance Abuse;**
  - ✓ **Prevent Chronic Disease;**
  - ✓ **Prevent HIV/AIDS; and**
  - ✓ **Promote Health Women, Infants and Children.**

– Reporting will be on progress PPS have made in implementing the aligned strategies

# The 11th Project

Patient and Community Activation for Uninsured, Non-Utilizing and Low-Utilizing Populations

- Develop practices that promote activation and engagement
- Increase the volume of non-emergency (primary, behavioral and dental) care provided
- Form linkages between community-based primary and preventive services as well as other community-based health services to sustain and grow community and patient activation

# Most Commonly Selected Projects

- System Transformation:
  - Create integrated delivery system focused on evidence-based medicine and population health management
  - Care transitions model to reduce 30-day readmissions
- Clinical Health Improvement:
  - Integration of primary care and behavioral health services
  - Evidence-based strategies for disease management in high risk/affected populations
- Population-Wide Strategies:
  - Strengthen mental health and substance abuse infrastructure across systems
  - Promote tobacco cessation, especially among low-SES populations and those with poor mental health

# DSRIP

- Who
- What
- Where
- When
- **How**
- Why

# DSRIP Project Valuation

The valuation of each DSRIP project (the maximum amount of money potentially available to the PPS) is driven by a five-step process

1. Each project has been assigned a project index score, based on its potential to transform the delivery system. The scoring system contains five elements:
   a. Potential for achieving system transformation
   b. Potential for reducing preventable event
   c. Capacity for Project to affect Medicaid beneficiaries
   d. Potential Cost Savings to Medicaid
   e. Robustness of Evidence Based suggestion

# DSRIP Project Valuation

2. The project is assigned a PMPM, which is based on the number of projects (5-11) proposed by the applicant

3. The application was scored by an independent assessor. Scoring heavily emphasized demonstrating a robust community health planning process. Evidence of public input into the development of the application was required.

# DSRIP Project Valuation

4. A Maximum Project Value was calculated for each project by multiplying
   a) the project PMPM,
   b) the application score,
   c) the number of Medicaid beneficiaries that have been attributed to the PPS (based on the share of Medicaid beneficiaries served by providers that make up the PPS in the region, similar to the health home assignment of beneficiaries), and
   d) the duration of the DSRIP project (number of months).

This provides a dollar amount for each project within the application

# DSRIP Project Valuation

5. The Maximum Application Value is the sum of the maximum project values contained within the application. High scores were driven by:
    1. The number of projects proposed
    2. The complexity of the projects proposed
    3. The application's "grade"
    4. The number of Medicaid beneficiaries attributed to the PPS

# DSRIP Project Valuation

- The Maximum Application Value represents the highest potential financial allocation; it is not a guarantee of funding
- PPS's will be required to meet performance metrics in order to receive DSRIP payments. DSRIP payments are contingent on meeting program and project milestones

# Scale and Speed

- Project scoring was heavily driven by scale and speed
- Project Scale:
  - the number of providers participating;
  - the number of safety net providers participating;
  - and the percent of safety net providers within the region participating
- Patient scale:
  - the proportion of the attributed population benefitting from the project

# Scale and Speed

- Project Speed: the time by which all providers participating in a project will have achieved all project requirements (by quarter)
- Patient Engagement Speed: the time by which patients will have been actively engaged in the project

# Workforce Strategy

- DSRIP plans must include a comprehensive workforce strategy that identifies all workforce implications – including employment levels, wages and benefits, and distribution of skills – and present a plan for how workers will be deployed to meet patient needs in the new delivery system
- DSRIP plans must include a complete review of the financial condition of all providers in the PPS

# High Performance Fund

- The state is establishing a high performance fund to reward PPS's that exceed their metrics either by
  - reducing avoidable hospitalizations or
  - meeting higher performance targets for their assigned behavioral health population.
- Up to 10 percent of DSRIP funds will be set aside to fund the high performance fund.

# State-Wide Performance Goals

- NYS must meet state-wide performance goals or it will be subject to funding reductions. Four milestones have been established; the state must meet all four milestones in order to avoid DSRIP reductions.
  - Statewide performance on a universal set of delivery system improvement metrics as defined in Attachment J. Metrics for delivery system reform will be determined at a state-wide level.
  - Composite measure of success of projects statewide on project specific and population-wide quality metrics.

# State-Wide Performance Goals

- Growth in statewide total Medicaid spending, including MRT spending, that is at or below the target trend rate, and growth in statewide total inpatient and emergency room spending at or below the target trend rate.
- Implementation of the state's managed care contracting plan and movement toward a goal of 90 percent of managed care payments to providers using value-based payment methodologies.

# DSRIP

- Who
- What
- Where
- When
- How
- **Why**

# DSRIP System Transformation

- DSRIP builds on the Care Management for All emphasis of the MRT
- Building upon the success of the MRT, the goal is to collectively create a future-proof, high-quality and financially sustainable care delivery system
- The state will be engaged in Medicaid managed care payment reform simultaneous to DSRIP, paying for quality and a better patient care experience

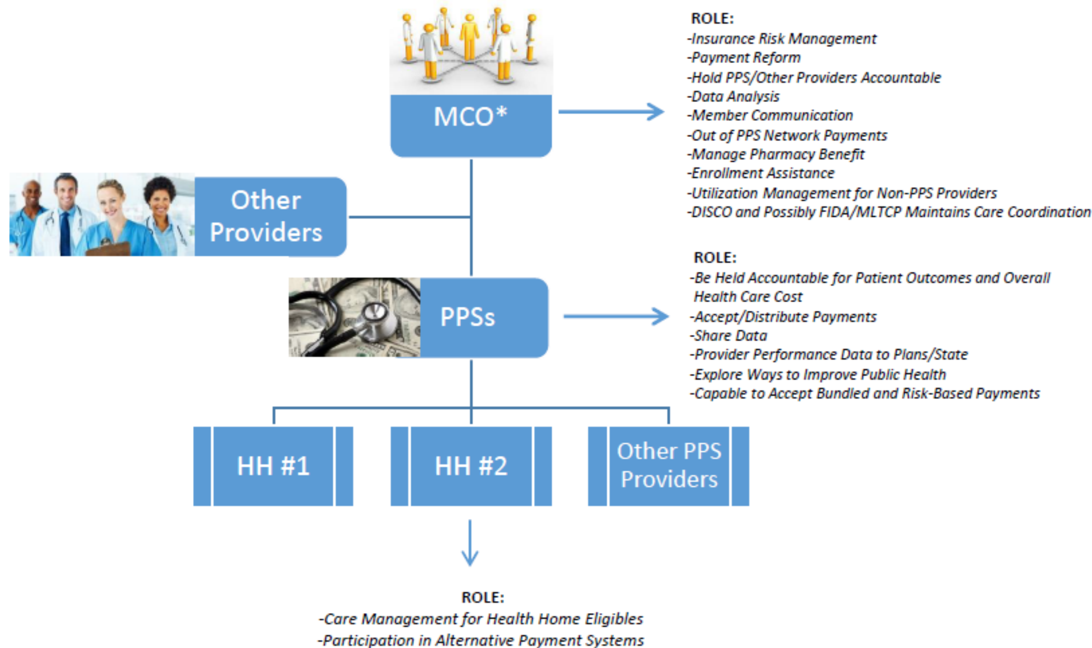
# DSRIP System Transformation

- The Performing Provider Systems will move toward a value-based system. Over time it is expected that a partnership will grow among PPS members.
- PPS's are encouraged to develop alternative payment models.
- Ultimately the PPS will contract with managed care plans as a single entity, taking responsibility for population health.

http://www.health.ny.gov/health_care/medicaid/redesign/dsrip/vbp_reform.htm

## Five Years in the Future

# How The Pieces Fit Together: MCO, PPS & HH




*Mainstream, MLTC, FIDA, HARP & DISCO

# Q & A

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