



# Understanding the Delivery System Reform Incentive Program ...for Physicians

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# MRT WAIVER AMENDMENT

- In April 2014, Governor Andrew M. Cuomo announced that New York State and CMS finalized agreement on the MRT Waiver Amendment.
- Allows the state to reinvest \$8 billion of the \$17.1 billion in federal savings generated by MRT reforms.
- The MRT Waiver Amendment will:
  - ✓ *Transform the state's Health Care System*
  - ✓ *Bend the Medicaid Cost Curve*
  - ✓ *Assure Access to Quality Care for all Medicaid members*



# MRT WAIVER AMENDMENT: \$8 BILLION ALLOCATION

- **\$500 Million for the Interim Access Assurance Fund (IAAF)** – Time limited funding to ensure current trusted and viable Medicaid safety net providers can fully participate in the DSRIP transformation without unproductive disruption.
- **\$6.42 Billion for Delivery System Reform Incentive Payments (DSRIP)** – Including DSRIP Planning Grants, DSRIP Provider Incentive Payments, and DSRIP Administrative costs and DSRIP related Workforce Transformation.
- **\$1.08 Billion for other Medicaid Redesign purposes** – This funding will support Health Home development, and investments in long term care workforce and enhanced behavioral health services, (1915i services).



## OTHER KEY INITIATIVES IMPLEMENTED BY THE STATE

Other key initiatives that support MRT Waiver Amendment implementation in New York:

- ✓ \$1.2 billion in capital investment enacted in 2014-15 budget.
- ✓ Regulatory relief to support provider collaboration on DSRIP projects.



## DSRIP KEY GOALS:

- Transformation of the health care safety net at both the system and state level.
- Reducing avoidable hospital use and improve other health and public health measures at both the system and state level.
- Ensure delivery system transformation continues beyond the waiver period through leveraging managed care payment reform.
- Near term financial support for vital safety net providers at immediate risk of closure.



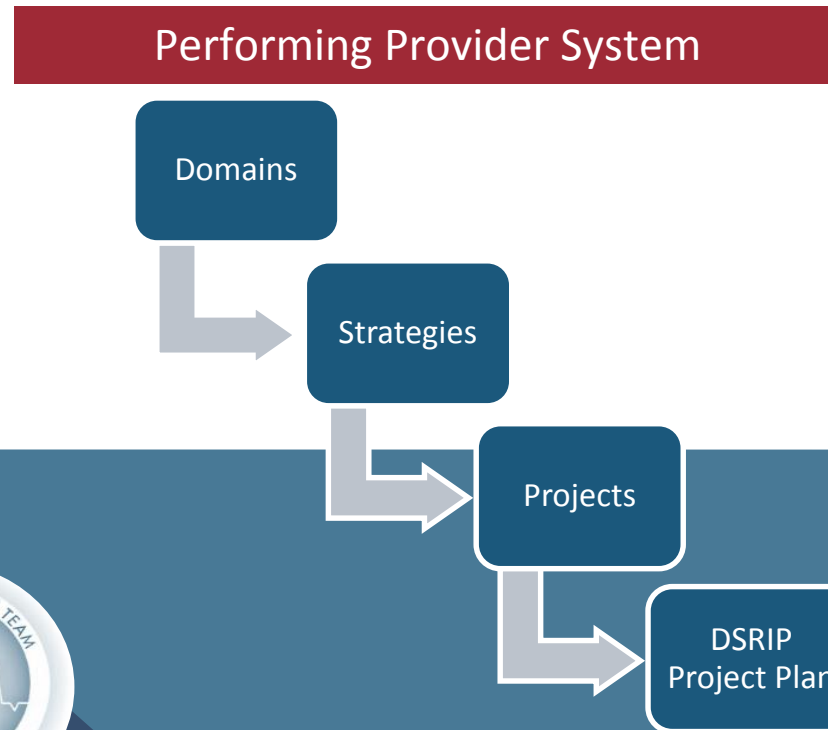
# NYS DSRIP PLAN: KEY COMPONENTS

- Key focus on reducing avoidable hospitalizations by 25% over five years.
- Statewide initiative open to large public hospital systems and a wide array of safety-net providers. Non-safety net providers may also participate.
- Payments are based on performance on process and outcome milestones.
- Providers must develop projects based upon a selection of CMS approved projects from each of three domains.
- Key theme is collaboration! Communities of eligible providers will be required to work together to develop DSRIP project proposals.



# DSRIP TERMINOLOGY

- Providers that form partnerships and collaborate in a DSRIP Project Plan are now referred to as a Performing Provider System (PPS).
- The DSRIP program contains four evaluation Domains. Domains 2 and 3 are further broken into specific strategy areas. Under each strategy are a number of projects.



# MRT WAIVER AMENDMENT KEY DOCUMENTS AVAILABLE ON DOH WEBSITE

MRT Waiver Amendment – official governing documents:

- **Partnership Plan Special Terms and Conditions (STCs)**

- ✓ Governing agreement between New York and CMS of Partnership Plan 1115 Waiver. MRT Waiver Amendment STCs outline implementation of MRT Waiver Amendment programs, authorized funding sources and uses, and other requirements

- **Attachment I: Program Funding and Mechanics Protocol**

- ✓ Describes the state and CMS process for reviewing DSRIP project plans, incentive payment methodologies, reporting requirements, and penalties for missed milestones

- **Attachment J: Strategies and Metrics Menu**

- ✓ Describes strategies and metrics available to Performing Provider Systems for including in their DSRIP Project Plan






# PERFORMING PROVIDER SYSTEMS (PPS): LOCAL PARTNERSHIPS TO TRANSFORM THE DELIVERY SYSTEM

## Partners should include:

- *Hospitals*
- *Health Homes*
- *Skilled Nursing Facilities*
- *Clinics & FQHCs*
- *Behavioral Health Providers*
- *Home Care Agencies*
- *Physicians*
- *Other Key Stakeholders*

## Responsibilities must include:



Community health care needs assessment based on multi-stakeholder input and objective data.

Building and implementing a DSRIP Project Plan based upon the needs assessment in alignment with DSRIP strategies.

Meeting and reporting on DSRIP Project Plan process and outcome milestones.



# WHERE DO PHYSICIANS FIT INTO THE PPS?

**Recognizing the many roles that physicians play in health care, physicians may be involved based upon:**

- Role in administration of a health care service provider such as a hospital, clinic, etc.
- Role as a physician with in a safety net hospital or other facility, FQHC, safety net clinic, Health Home network.
- Role as medical director in a Medicaid Managed Care Health Plan
- Role as physician practicing in a practice that meets the safety net definition
- Role as a physician in a non-safety net practice or facility that provides needed services to a PPS
- Role as a physician in a practice or facility that receives a vital access provider exception

# SAFETY NET DEFINITION (HOSPITALS)

A hospital must meet one of the three following criteria to participate in a performing provider system:

- 1) Must be either a public hospital, Critical Access Hospital or Sole Community Hospital,

*OR ...*

- 2) Must pass two tests:
  - a) At least 35 percent of all patient volume in their outpatient lines of business must be associated with Medicaid, uninsured and Dual Eligible individuals.
  - b) At least 30 percent of inpatient treatment must be associated with Medicaid, uninsured and Dual Eligible individuals;

*OR ...*



## SAFETY NET DEFINITION (HOSPITALS)

*OR ...*

- 3) Must serve at least 30 percent of all Medicaid, uninsured and Dual Eligible members in the proposed county or multi-county community. The state will use Medicaid claims and encounter data as well as other sources to verify this claim. The state reserves the right to increase this percentage on a case by case basis so as to ensure that the needs of each community's Medicaid members are met.



## SAFETY NET DEFINITION (NON-HOSPITAL BASED PROVIDERS & NON-QUALIFYING DSRIP PROVIDERS)

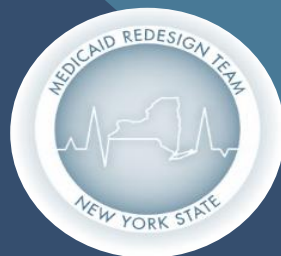
- **Non-hospital based providers**, not participating as part of a state-designated Health Home, must have at least 35 percent of all patient volume in their primary lines of business associated with Medicaid, uninsured and Dual Eligible individuals.
- **Non-qualifying providers**, can participate in 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. CMS can approve payments above this amount if it is deemed in the best interest of Medicaid members attributed to the Performing Provider System.



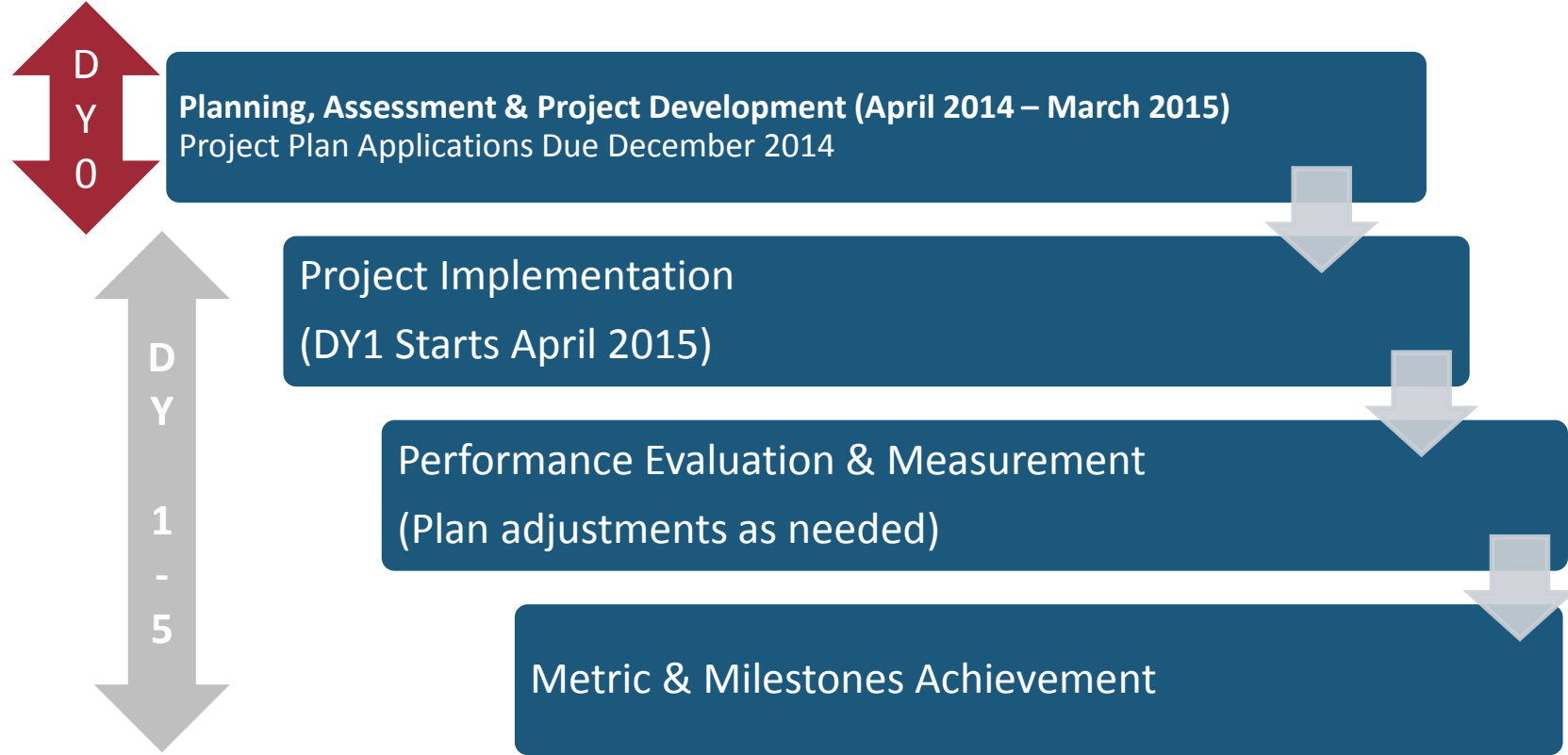
# SAFETY NET DEFINITION (VITAL ACCESS PROVIDER EXCEPTION)

**Vital Access Provider Exception:** The state will consider exceptions to the safety net definition on a case-by-case basis if it is deemed in the best interest of Medicaid members. Any exceptions that are considered must be approved by CMS and must be posted for public comment 30 days prior to application approval. Three allowed reasons for granting an exception are:

- ✓ *A community will not be served without granting the exception because no other eligible provider is willing or capable of serving the community.*
- ✓ *Any hospital is uniquely qualified to serve based on services provided, financial viability, relationships within the community, and/or clear track record of success in reducing avoidable hospital use.*
- ✓ *Any state-designated Health Home or group of Health Homes.*



# UPDATED DSRIP PROJECT TIMELINE





## DSRIP PROJECT PLANNING (YEAR 0)





# DSRIP PROJECT PLAN REQUIREMENTS

## The project must be:

- A new initiative for the Performing Provider System (PPS);
- Substantially different from other initiatives funded by CMS, although it may build on or augment such an initiative such as PCMH;
- Documented to address one or more significant issues within the PPS service area and be based on a detailed analysis using objective data sources;
- A substantial, transformative change for the PPS;



# DSRIP PROJECT PLAN REQUIREMENTS

- Demonstrative of a commitment to life-cycle change and a willingness to commit sufficient organizational resources to ensuring project success;
- Developed, in concert, with other providers in the service area with special attention paid to coordination with Health Homes actively working within their area; and
- Applications from single providers will not be considered!





# DSRIP DOMAINS: PLANNING & ORGANIZATIONAL STRUCTURE



# DSRIP DOMAINS

Project implementation is divided into four Domains for project selection and reporting:

- *Domain 1 – Overall Project Progress*
- *Domain 2 – System Transformation*
- *Domain 3 – Clinical Improvement*
- *Domain 4 – Population-wide Strategy Implementation – The Prevention Agenda*

Through innovations in these four domains, the statewide DSRIP plan is designed to reduce avoidable hospitalizations by 25% over five years.



# DSRIP DOMAINS

## Domain 1: Overall Project Progress

- Investments in technology, tools, and human resources that will strengthen the ability of the Performing Providers Systems (PPS) to serve target populations and pursue DSRIP project goals.
- Performing Providers Systems (PPS) will need to submit a detailed project plan for implementation of their chosen project.
- Performance in this domain will be measured on meeting identified milestones in the project plan and progress to sustainability.



# DSRIP DOMAINS

## Domain 2: System Transformation

- Projects in this domain focus on system transformation and fall into three strategy sublists:
  - A. Create integrated delivery system
  - B. Implementation of care coordination and transitional care programs
  - C. Connecting system
- All PPS must select at least two projects (and up to four projects) from Domain 2:
  - ✓ At least one project must be from strategy sublist A (see attachment J)
  - ✓ At least one project must be from strategy sublist B or C (see attachment J)
- Metrics will include avoidable hospitalizations and other measures of system transformation.



# DSRIP DOMAINS

## Domain 3: Clinical Improvement

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



# DSRIP DOMAINS

## 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 will select one (but no more than two) projects from at least one of the 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.
- Link to the New York State Prevention Agenda:  
([http://www.health.ny.gov/prevention/prevention\\_agenda/2013-2017/index.htm](http://www.health.ny.gov/prevention/prevention_agenda/2013-2017/index.htm))







## A SAMPLE OF DSRIP PROJECTS AND METRICS



# DSRIP PROJECTS AND METRICS (SECTION J)

- **There are 43 DSRIP projects distributed through Domains 2 – 4.**
- **Each project has an index score that “values” that project in the overall DSRIP goals.**
- **Reducing avoidable hospital use will naturally mean increasing community services including primary and specialty care, behavioral health care, and community resources.**
- **A number of projects support improvements in primary care, use of scarce specialty resources and coordination of primary and behavioral health care. The following are a sample:**
  - Increase certification of primary care practitioners with PCMH certification and/or Advanced Primary Care Models (as developed under the New York State Health Innovation Plan (SHIP))
  - Ambulatory ICUs
  - Development of co-located of primary care services in the emergency department (ED)
  - Integration of primary care services and behavioral health

# DOMAIN 2: SYSTEM TRANSFORMATION

## STRATEGY AREA: INTEGRATED DELIVERY SYSTEMS

### *A. Create Integrated Delivery Systems (Required)*

Project #	Description	Index Score* (out of 60 pts)
2.a.i	Create Integrated Delivery Systems that are focused on Evidence Based Medicine / Population Health Management	56
2.a.ii	Increase certification of primary care practitioners with PCMH certification and/or Advanced Primary Care Models (as developed under the New York State Health Innovation Plan [SHIP])	37

**\*Index Score:** An evaluation or score assigned to DSRIP projects, based on five elements (1. Potential for achieving system transformation, 2. Potential for reducing preventable event, 3. % of Medicaid beneficiaries affected by project, 4. Potential Cost Savings and 5. Robustness of Evidence Based suggestions). Project index scores are set by the state and are released prior to the application period.

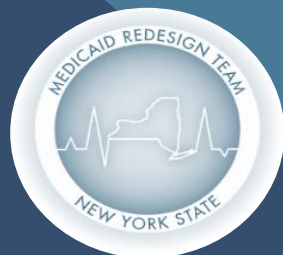


# DOMAIN 2: SYSTEM TRANSFORMATION

## STRATEGY AREA: INTEGRATED DELIVERY SYSTEMS

### *A. Create Integrated Delivery Systems (Required)*

Project #	Description	Index Score* (out of 60 pts)
2.a.iii	Health Home At Risk Intervention Program– Proactive management of higher risk patients not currently eligible for Health Homes through access to high quality primary care and support services.	46
2.a.iv	Create a medical village using existing hospital infrastructure.	54
2.a.v	Create a medical village/ alternative housing using existing nursing home.	42



# DOMAIN 3: CLINICAL IMPROVEMENT PROJECTS

## STRATEGY AREA: BEHAVIORAL HEALTH

### *A. Behavioral health (required)*

Project #	Description	Index Score* (out of 60 pts)
3.a.i	Integration of primary care and behavioral health services	39
3.a.ii	Behavioral health community crisis stabilization services	37
3. a.iii	Implementation of evidence based medication adherence program (MAP) in community based sites for behavioral health medication compliance.	29
3.a.iv	Development of withdrawal management (ambulatory detoxification) capabilities within communities.	36
3.a.v	Behavioral Interventions Paradigm in Nursing Homes (BIPNH).	40

# DSRIP PERFORMANCE MEASURES: DOMAIN 2 - AVOIDABLE HOSPITALIZATIONS

The following four measures will be used to evaluate DSRIP's success in reducing avoidable hospital use:

- ✓ *Potentially Preventable Emergency Room Visits (PPVs).*
- ✓ *Potentially Preventable Readmissions (PPRs).*
- ✓ *Prevention Quality Indicators- Adult (PQIs).*
- ✓ *Prevention Quality Indicators- Pediatric (PDIs),*



# DSRIP PERFORMANCE MEASURES: DOMAIN 2 - SYSTEM TRANSFORMATION

Other measures will be used to monitor system transformation and fiscal stability:

- ✓ *% Alternate payment strategies in Medicaid*
- ✓ *System Integration measures*
- ✓ *PCMH Attainment*
- ✓ *Access to care measures*
- ✓ *Care transitions measures*



# DSRIP PERFORMANCE MEASURES: DOMAIN 3 – CLINICAL IMPROVEMENT

Each Domain 3 strategy has assigned metrics specific to the strategy subject.

For example, for A. Behavioral Health, these include:

- ✓ *Antidepressant Medication Management.*
- ✓ *Follow-up after hospitalization for Mental Illness (NCQA).*
- ✓ *Cardiovascular monitoring for People with CVD and Schizophrenia.*

*Note: Metrics are chosen from nationally recognized, validated measures.*





# DSRIP PERFORMANCE MEASURES: DOMAIN 4 – POPULATION WIDE

Domain 4 measures are those already measured by the state in the Prevention Agenda and include the total population for the PPS area (not just Medicaid Members). As examples:

- ✓ *Percentage of adults who are obese*
- ✓ *Age-adjusted heart attack hospitalization rate per 10,000*
- ✓ *Percentage of premature death (before age 65)*
  - *Ratio of Black non-Hispanics to White non-Hispanics*
  - *Ratio of Hispanics to White non-Hispanics*





# DSRIP ATTRIBUTION

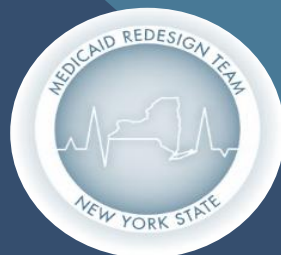


## DSRIP ATTRIBUTION: MATCHING MEMBERS TO A PPS

- Attribution is the process used in DSRIP to assign a member to a Performing Provider System (PPS).
- Attribution makes sure that each Medicaid member is assigned to one and only one PPS.
- Attribution uses geography, patient visit information and health plan PCP assignment to “attribute” a member to a given PPS.
- Patient visit information is used to establish a “loyalty” pattern to a PPS (based on all their provider members) where most of the member’s services are rendered.

# DSRIP ATTRIBUTION: SOLE PPS IN GEOGRAPHICAL REGION

When there is only one Performing Provider System (PPS) in a defined geographic area/geopolitical area, the entire matched Medicaid beneficiary population will be the assigned population in that geographic/geopolitical area.



# DSRIP ATTRIBUTION: MULTIPLE PPS IN GEOGRAPHICAL REGION

When there is more than one Performing Provider System in a defined geographic/geopolitical area, the following methodology will be utilized\*:

1. **Matching Goal** - Assignment to a PPS based on the recipient's current utilization patterns, including plurality of visits. Beneficiaries who receive plurality of their qualifying services from providers that are not participating in any DSRIP Performing Provider System will be excluded from attribution.
2. **Service Groupings** - To meet this goal, the methodology will aggregate patient service volume across four different groups of services and assign attribution using a hierarchical service priority as follows:
  - ✓ 1<sup>st</sup> priority - care management provider;
  - ✓ 2<sup>nd</sup> priority - outpatient (physical and behavioral health) including Primary Care Providers and other practitioners;
  - ✓ 3<sup>rd</sup> priority - emergency room; and
  - ✓ 4<sup>th</sup> priority - inpatient.

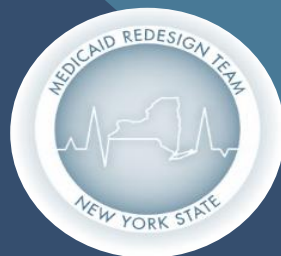
\* A methodology for including long term care services and supports will need to be developed. Priority may also be modified based on PCP assignment and utilization.



# DSRIP ATTRIBUTION: MULTIPLE PPS IN GEOGRAPHICAL REGION

3. **Attribution Method** – Once the PPS network of service providers is finalized that overall PPS' service network will be loaded into the attribution system for recipient loyalty to be assigned based on total visit counts to the overall PPS network in each of the hierarchical service categories (mentioned in the last slide).
4. **Attribution Adjustments/MCO Input** - Adjustments to attribution based on known variables (e.g, recent changes to the recipient's address, PCP assignment, recent changes in access patterns) may be made by the state with MCO input if deemed appropriate by data. A methodology is also employed to assign unmatched members. At the end of each measurement year adjustments may be made for the purpose of denominator development.
5. **Final Attribution Assignment** - After all visits against all providers are tallied up for a given service type and appropriate adjustments made, the methodology assigns the member to a single PPS.
6. **Attribution For Measurement** – At the end of each measurement period, attribution will be adjusted to account for continuous enrollment criteria and any other adjustments necessary to assure a proper measurement denominator.

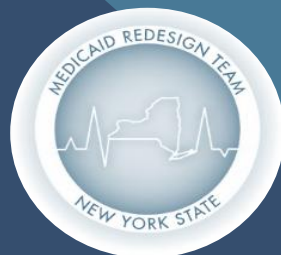
\* **More information to follow**





# DSRIP PROJECT VALUATION

The maximum DSRIP project and application valuation will follow a five-step process.



# VALUATION COMPONENTS:

- **Project Index Score – Assigns a value to each individual project ( $X/60 = \text{Project Index Score}$ )**
- **Project PMPM (Project Index Score X Valuation Benchmark)**
- **Plan application score—quality of the project plan application as prepared by the Performing Provider System (Max. score is 100)**
- **Maximum Project Value which is calculated by multiplying Project PMPM X the Project Application Score X the Number of Medicaid beneficiaries attributed to the project X the Duration of the DSRIP project (in months)**
- **This last number represents the highest possible financial allocation a Performing Provider System can receive from a project. This can be reduced if the PPS does not meet its metrics or if DSRIP funding is reduced because of the state penalty.**



# DSRIP SCENARIO: HPI PROJECT VALUATION

## STEP 3: PROJECT PLAN APPLICATION SCORE

## STEP 4: MAXIMUM PROJECT VALUATION

HPI Project Plan (Containing 6 projects)	Project PMPM	Project Plan Application Score	# of Attributed Medicaid Members	# of DSRIP Months	Maximum Project Valuation
Project 1: 2.a.i Create Integrated Delivery Systems that are focused on EBM/PHM to reduce avoidable hospitalizations	\$6.70	.85	10,000	60	\$3,417,000
Project 2: 2.a.ii Increase certification of primary care practitioners with PCMH certification to reduce avoidable hospitalizations	\$4.46	.85	10,000	60	\$2,274,600
Project 3: 2.b.vii Implementing the INTERACT project (inpatient transfer avoidance program for Skilled Nursing Facility)	\$4.90	.85	10,000	60	\$2,499,000
Project 4: 3.a.i Integration of primary care and behavioral health services(Behavioral Health)	\$4.68	.85	10,000	60	\$2,386,800
Project 5: 3.c.i Evidenced based strategies for disease management in high risk populations (Cardiovascular Health)	\$3.46	.85	10,000	60	\$1,764,600
Project 6: Domain 4 Focus Area B. Reduce illness, disability and death related to tobacco use and secondhand smoke exposure	\$2.74	.85	10,000	60	\$1,397,400

# DSRIP SCENARIO: HPI PROJECT VALUATION

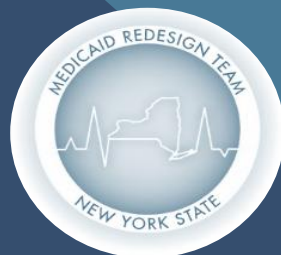
## STEP 5: MAXIMUM APPLICATION VALUE

HPI Project Plan (Containing 6 projects)	Maximum Project Valuation
Project 1: 2.a.i Create Integrated Delivery Systems that are focused on EBM/PHM to reduce avoidable hospitalizations	\$3,417,000
Project 2: 2.a.ii Increase certification of primary care practitioners with PCMH certification to reduce avoidable hospitalizations	\$2,274,600
Project 3: 2.b.vii Implementing the INTERACT project (inpatient transfer avoidance program for Skilled Nursing Facility)	\$2,499,000
Project 4: 3.a.i Integration of primary care and behavioral health services(Behavioral Health)	\$2,386,800
Project 5: 3.c.i Evidenced based strategies for disease management in high risk populations (Cardiovascular Health)	\$1,764,600
Project 6: Domain 4 Focus Area B. Reduce illness, disability and death related to tobacco use and secondhand smoke exposure	\$1,397,400
<b>Maximum Application Value</b>	<b>\$13,739,400*</b>

\*The maximum application value represents the highest possible financial allocation a Performing Provider System can receive for their project plan over the duration of their participation in the DSRIP program.

Performing Provider Systems may receive less than their maximum allocation if they do not meet metrics and/or if DSRIP funding is reduced because of the statewide penalty).

# DSRIP FINANCE FRAMEWORK



# DSRIP PERFORMANCE MILESTONES – PAY FOR PERFORMANCE

- Annual improvement targets will use a methodology of **reducing the gap to the goal by 10%**.
- For example, if the baseline data for a measure is 52 percent and the goal is 90 percent, the gap to the goal is 38. The target for the project's first year of performance would be 3.8 percent increase in the result (target 55.8 percent).
- Each subsequent year would continue to be set with a target using the most recent year's data. This will account for smaller gains in subsequent years as performance improves toward the goal or measurement ceiling.
- Performing Provider Systems may receive ***less than their maximum allocation*** if they do not meet metrics and/or if DSRIP funding is reduced because of the statewide penalty).



# DSRIP PERFORMANCE MILESTONES – PAY FOR PERFORMANCE

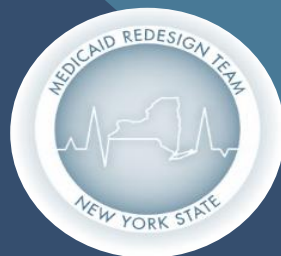
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- Performing Provider Systems may receive ***less than their maximum allocation*** if they do not meet metrics and/or if DSRIP funding is reduced because of the statewide penalty).





# STATEWIDE ACCOUNTABILITY

We Are All In This Together!



# STATEWIDE PERFORMANCE AND ACCOUNTABILITY

- Beginning in Year 3, limits on funding available and provider incentive payments may be subject to reductions based on statewide performance.
- Statewide performance will be assessed on a pass or fail basis for a set of four milestones.
- The state must pass all four milestones to avoid DSRIP reductions.
- If penalties are applied, CMS requires the state to reduce funds in an **equal** distribution, across all DSRIP projects.
- The DSRIP high performance fund will not be affected by any penalties.



**Questions?**