



# **New York State Behavioral Health Value Based Payment Readiness Program Overview**



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## ***I. Background and Program Overview***

The Office of Mental Health (OMH), the Office of Alcoholism and Substance Abuse Services (OASAS), and Department of Health (DOH) announce the NYS Behavioral Health (BH) Value Based Payment (VBP) Readiness Program. The New York State (NYS) Medicaid managed care system is transforming from one that pays for service volume to one that rewards value, as defined by the intersection of cost and quality. NYS's goal is to have 50-70% of total managed care payments tied to VBP arrangements at Level 2<sup>1</sup> or higher, by 2020. This transformation is detailed in the [NYS Value Based Payment Roadmap](#).

The BH VBP Readiness Program will provide funding to selected BH providers to form Behavioral Health Care Collaboratives (BHCC). A BHCC is a network of providers delivering the entire spectrum of behavioral health services available in a natural service area. The BHCC includes, but is not limited to, all licensed/certified/designated OMH/OASAS/BH HCBS programs and service types.

The Readiness Program is designed to achieve two overarching goals:

1. Prepare behavioral health providers to engage in VBP arrangements by facilitating shared infrastructure and administrative capacity, collective quality management, and increased cost-effectiveness; and
2. Encourage VBP payors, including but not limited to MCOs, hospitals, and primary care practices, to work with BH providers who demonstrate their value as part of an integrated care system.

BHCCs will enhance quality care through clinical and financial integration and community-based recovery supports. BHCCs will use data to manage quality and risk and commit to continuous quality and performance improvement. They will promote integrated care (physical and behavioral) and attention to social determinants of health and prevention through community partnerships.

Funding will assist selected BHCCs in building infrastructure necessary to collect, analyze, and respond to data to efficiently improve BH and physical health (PH) outcomes. The expectation is that BHCCs will leverage their shared expertise to be in a better position to enter into VBP contracts.

Funds will support the following VBP readiness areas:

1. Organization
2. Data Analytics
3. Quality Oversight
4. Clinical Integration

BHCCs will use the resulting data collection, analytics, quality oversight and reporting, and clinical quality standards to improve care quality and enhance their value in VBP arrangements.

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<sup>1</sup> A Level 2 VBP arrangement allows the VBP contractor to receive more shared savings and also share in potential losses. For more detail, see the [VBP Roadmap](#).



The final deliverable is that BHCC leads and network partners are either:

1. Participating in a Level 2 or higher arrangement as a Level 1 provider network

OR

2. As a contracted entity in a Level 2 or higher arrangement.

If no Level 2 or higher arrangement is available in the BHCC's service area, participating in a Level 1 VBP arrangement with an MCO is acceptable.

The State encourages providers to become aware of VBP arrangements developing in their communities and to join in these efforts as soon as possible, even while working on enhanced readiness. The BH VBP Readiness program application includes an Excel spreadsheet requiring the indication of existing provider VBP arrangements, which can be used to inform BHCC awareness of the current environment.

## ***II. BHCC Eligibility***

Non-hospital Medicaid managed care community-based providers licensed/certified as an Article 31 or Article 32 provider, or designated BH HCBS providers may apply for BHCC funding on behalf of a group of providers. A BHCC cannot be a single provider. BHCCs must also seek participation from affiliate providers, as defined on page 5. Behavioral Health IPAs may also apply to participate. Application does not guarantee eligibility for program funds.

Applicants should tailor their proposal to meet the needs of the region they serve. BHCCs must be contained within a defined contiguous geographical area. Proposals should address the service needs of the region, readiness of applicant providers to engage in VBP arrangements, current level of integration in the regional delivery system, and the existing VBP environment.

BHCCs must include the full spectrum of regionally available BH programs and service types including, but not limited to, peer-run agencies, community rehabilitation providers, smaller specialty agencies, and providers addressing the social determinants of health. Programs offering these services and not included in the BHCC, require an explanation. Exclusion of these programs due to unavailability or unwillingness to participate will not disqualify the BHCC.

The State will evaluate BHCC applications holistically and select applicants the State deems most likely to benefit affected Medicaid Managed Care enrollees, and who are likely to be successful in accomplishing stated goals, achieving sustainability, and entering into VBP arrangements.

BHCCs with low Medicaid managed care enrollment and/or low ambulatory behavioral health billing will not qualify for BH VBP Readiness funds. Therefore, BHCC applicants are encouraged to collaborate to submit one application.

BHCC lead agency applicants must have submitted a Notification of Interest to the State by June 16, 2017.

### **III. BHCC Components**

#### **A. BHCC Lead Entity:**

##### **Each BHCC will designate a lead agency**

A lead agency must be an OMH or OASAS licensed/certified non-hospital community-based organization or designated behavioral health Home and Community-Based Services (BH HCBS) organization; or an IPA in the network of a Managed Care Organization participating in the program. A Federally Qualified Health Center (FQHC) must identify an Article 31/32 to be a lead. Any FQHC lead must be represented in the BHCC by the Article 31/32 portion of the FQHC. The lead agency will:

1. Receive and distribute funds to network providers and contractors. The lead agency does not have sole discretion on use of BH VBP Readiness funds, but must work with other BHCC partners as defined within the BHCC's organizational structure.
2. Communicate with the State on behalf of the BHCC.
3. Coordinate communication for the BHCC.
4. Have a contract with a participating Medicaid Managed Care Organization (MCO) and act as a liaison between the BHCC and the MCO.
5. Submit work plans and available deliverable documents as reflected in approved work plans to contracted MCOs and the State.

#### **B. BHCC Network:**

##### **BHCCs are comprised of network providers and affiliate providers**

1. Network providers are non-hospital community-based Article 31 and 32 providers and BH HCBS providers that create the BHCC. They govern the BHCC, make decisions about and control the use of the BHCC funding, and collectively meet the BHCC requirements. Where available, a [Certified Community Behavioral Health Clinic \(CCBHC\)](#) and peer-run providers should be included as network providers.
2. Affiliate providers are critical partners in achieving VBP goals. BHCC applications that do not incorporate such providers as affiliates will not be eligible for VBP Readiness funds.
  - a. Required<sup>2</sup> affiliates include:
    - i. Community programs that address the social determinants of health
    - ii. Hospitals or Article 28 licensed providers including hospital-operated Article 31/32 programs
    - iii. Health Homes (HH)
  - b. Subject to availability affiliates include:
    - i. Performing Provider Systems (PPS)
    - ii. Federally Qualified Health Centers (FQHCs)
    - iii. State-run programs
    - iv. Home Care Agencies
    - v. Primary care providers
    - vi. Other physical health providers

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<sup>2</sup> Must demonstrate a good faith effort has been made to engage these entities.



*While BHCC network providers control and make decisions about how BH VBP Readiness funds are used, affiliate providers may receive such funds under a contractual arrangement with the BHCC for analytics, data management, and other functions supporting the BHCC.*

### **C. BHCC Structure:**

**BHCCs may take either an incorporated or unincorporated structure**

## ***IV. Funding***

New York State will make BHCC funding available through Medicaid Managed Care Organizations (MCO). Participating MCOs will work with NYS to ensure money is appropriately distributed. Each BHCC will be paired with the MCO selected by NYS.

Participation in this program is designed to position BH organizations for long-term sustainability in a VBP environment, including integration with the physical health care delivery system. It will require significant initial and ongoing contributions of resources and time from participating agencies.

The lead agency will receive funds from the selected MCO(s). The preliminary workplan will identify the mechanism for distribution of funds for support of identified BHCC deliverables in accordance with the budget and work plan approved by the State.

All awards are subject to funding availability and the number and distribution of selected applications. Funds cannot be used for network or affiliate agency salaries for routine functions, but can be used to hire or fund staff to focus on specific BHCC functions. Funds cannot be used for previously incurred expenses. At the end of the program period, the State anticipates all BHCCs will be independent and self-sustaining, with at least one value based payment arrangement in place.

BHCCs with low Medicaid managed care enrollment or low ambulatory behavioral health billing will not qualify for BH VBP Readiness funds. Therefore, BHCC applicants are encouraged to collaborate to submit one application.

### **Funding Amounts:**

It is anticipated that a total of \$60 million will be available over a three-year funding period to support BHCC readiness activities.

In Year One, SFY 2017-18, it is anticipated that \$10.5 M<sup>3</sup> will be available to BHCCs in the NYC/ LI region; and \$9.5 M in rest of state.

Funding per BHCC will be based upon the quality of the application and the weighted average percentage of the following three BHCC Lead and Network provider metrics:

1. Number of Medicaid managed care enrollees served
2. Ambulatory BH claims/encounter volume
3. Ambulatory BH claims/encounter expenditures

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<sup>3</sup> Funding levels of \$10.5 M NYC / LI and \$9.5M ROS will include support of BHCC and is inclusive of the MCO administration fees.



Metrics will be calculated using the July 2015 – June 2016 ambulatory BH claims history for MMC enrollees served by the BHCC lead agency and network providers. Affiliate provider volume will not be included in this calculation. No single BHCC provider may make up more than 60% of the weighted average. When a BH IPA is the lead entity, the BHCC must include additional providers to qualify. When an FQHC Article 31/32 is the lead entity, the BHCC must include additional non-FQHC Article 31/32 providers to qualify. Eligible providers may participate as a lead or network provider in one BHCC per Regional Planning Consortium (RPC). If they choose to participate in additional BHCCs within the same RPC region, they may only participate as an affiliate provider. As affiliate providers, they may only receive BHCC funds under a contractual arrangement with the BHCC for analytics, data management, and other functions supporting the BHCC. Affiliate provider volume will not be included in the total BHCC's claims volume for determination of funding. BHCCs that encompass more than one contiguous RPC will be awarded funds consistent with available funding and volume.

### **Funding Schedule:**

Funding will support VBP readiness work in four areas:

1. Organization
2. Data Analytics
3. Quality Oversight
4. Clinical Integration

Throughout the three-year funding period, qualified BHCCs will receive funding from a partnered MCO subject to acceptable completion of identified deliverables. It is anticipated that funds will be released at two points during each state fiscal year. Release of funds is subject to review and approval of workplan/deliverables by the participating partner MCO. All funding is subject to State and Federal funding availability. Funding beyond the first year is contingent upon quality of deliverables.

All workplan/deliverables and accompanying documentation (per BHCC) must be submitted to the BHCC's partnered MCO and the BH VBP Mailbox (VBP-Readiness@omh.ny.gov) on or before the official deadline (deadlines are to be set by the State in the future).

### **Funding Year One (SFY 17-18)**

- Payment One: Upon selection, participating BHCCs will receive an initial release of startup/planning funds (year one payment one) equal to one half of the yearly award amount.
- Payment Two: Upon notification of award, the BHCC will begin to support development and execution of the preliminary workplan which must include projected activities in all four readiness areas. Submission and approval of this preliminary workplan will release year one payment two. Prior to submission of the preliminary work plan to the BHCC's partnered MCO, the BHCC may choose to work with the State agencies/MCOs to verify completeness. The MCO reserves the right to authorize future year advance payments of unspent dollars, where a BHCC has met workplan deliverables to receive the next payment.

**Funding Years Two and Three (SFY 18-19, SFY 19-20)**

- Year Two and Three payments will be released upon successful submission and approval of updated work plans/deliverables demonstrating progress as detailed in the deliverables document. The State reserves the right to authorize, with the cooperation of the MCO, future year advance payments of unspent dollars, where a BHCC has met deliverables to receive the next payment.
- Upon receipt of updated work plan, and any available deliverables, the funds will be released to the lead BHCC entity.<sup>4</sup>
- Achievement of the final deliverable in either Year Two or Three - participation of lead and network providers in a VBP arrangement - will release the final portion of available funds to the BHCC, subject to availability of funds.

**V. BHCC VBP Readiness Areas**

There are several key considerations that BHCCs must consider when transitioning to VBP. Organizations may benefit from internal readiness assessments, including design changes in business processes, workflows, and infrastructure. Additional roles and responsibilities may arise to support the adoption of VBP. The four VBP readiness areas identified below are key areas for the BHCC to focus its discussion for: application submission, the development of a preliminary and updated work plans, and ongoing BHCC VBP readiness work.

Selected BHCCs will be required to submit a preliminary work plan describing the status in the four readiness areas below as detailed in the submission guidelines.

<b>BHCC VBP Readiness Areas</b>	
Organization	Quality Oversight
Data analytics	Clinical Integration

**BHCC VBP Readiness areas:**

The BHCC VBP funds and the targeted four readiness areas are intended to support VBP understanding and implementation among coordinated networks of Article 31 / 32 community-based programs. The BHCCs would use the funds to support and prepare community-based behavioral health programs to develop sustainable, data-informed collaborations among the BH, PH and support service community as necessary to achieve the final deliverable of participation in a VBP arrangement.

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<sup>4</sup> The state will reserve the right to retroactively review work plan activities and deliverables and recoup BHCC funds from lead agency in the event it is determined it inaccurately represented activity progress.

**A. Organization:**

- Readiness objective:

Support the creation of a BHCC structure that can address the needs of the BHCC lead, network, and affiliate agencies and the community being served. The structure will include oversight monitoring as well as membership, referral, and compensation procedures for providers within and outside the BHCC network.

- Activities / Items eligible for funding include but not limited to:

Connectivity with entities across and beyond the BHCC, formation of committees within the BHCC to ensure compliance and consistency, creating governance and decision-making structures, plan to address network gaps, dues payment including any arrangements for smaller agencies, plan to manage BHCC member concerns and issues, and contracting with legal/business consultants.

**B. Data Analytics:**

- Readiness Objective:

Support activities that allow the BHCC to either develop internally, or contract /purchase externally, a data analytics platform that allows for the review and analysis of cost and quality data for covered BHCC Medicaid managed care enrolled individuals.

- Activities / Items eligible for funding include but are not limited to:

Purchase of data analytics and warehousing software/hardware for collaborating providers; training in data management and analytics; connections to RHIOs<sup>5</sup>; fees for consultants or other entities with access to Medicaid data that can provide analytics to the BHCC. The analytic software should be capable of aggregating Medicaid claims information and other data submitted by individual programs to identify quality, cost, utilization, and real time actionable clinical information, including data pertaining to the social determinants of health. The software should also be capable of reporting results and trends to each participating program. Data may inform dashboard development, clinical data sharing, cost, and quality reports for relevant stakeholders.

BHCCs should consider collaborating with each other to share resources to enhance data analytic capacity.

**C. Quality Oversight:**

- Readiness Objective:

Use data analytics to help monitor continuous quality improvement activities and BHCC and individual program performance against metrics including, but not limited to,

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<sup>5</sup> Connectivity with the local regional health information organization (RHIO) is encouraged. However, RHIOs continue to have limitations regarding certain confidential information, such as substance use disorder information, that may not be exchanged in all circumstances. Such limitations should be taken into consideration when establishing any connections with RHIOs. Additionally, may not duplicate the \$2K grant funding for RHIO connectivity available [from the DEIP](#).

applicable state VBP metrics and BHCC developed metrics. Examples include consumer engagement, rapid contact after hospital discharge, immediate crisis response, collaboration across provider types, including housing and treatment, and clinical risk management focused on rehabilitation and recovery.

- Activities / Items eligible for funding include but are not limited to:

Identification and implementation of measures (VBP and others), data collection tools, and systems to facilitate quality assurance and oversight.

#### ***D. Clinical Integration:***

- Readiness Objective:

Establish practices, protocols, or service coordination activities that support care coordination and integration of clinical activities across the BHCC, as well as, with physical health providers and community-based agencies addressing social determinants of health.

Examples include: Incorporating face-to-face hand-offs upon intake and discharge from hospital inpatient units, rapid triage of new referrals to avert or moderate need for higher levels of care, clinical consultation across health care disciplines, creation of referral format for connecting clients with services within and beyond the BHCC, and standard practices that increase engagement and retention between BH agencies.

- Activities / Items eligible for funding include but are not limited to:

Consulting fees for care coordination training and protocol/policy development; costs for meetings to convene stakeholders/workgroups to develop protocols/policies; costs to support provider meetings related to care coordination practices; cost for training, implementing, and monitoring the delivery of evidence-based practices; and costs for establishing co-occurring treatment practices including screening, treatment, and referral.

## ***VI. Application Requirements and Criteria***

### ***A. Instructions to Complete BH VBP Readiness Program Application***

Completed application will include the following documents:

- BHCC Member Submission Template
  - Excel Spreadsheet Template completed by the lead agency. This will be completed and submitted in the Excel format provided by NYS
- Application Form
  - Fillable PDF Application Form completed by the lead agency. This will be completed and submitted in the PDF format provided by NYS
- Attestation Letter signed by Lead Agency – template provided by NYS
  - Lead agency will complete and sign an attestation letter signifying their understanding of the BH VBP Readiness Program, the responsibilities of a lead agency, and obligation to meet those requirements

- Attestation Letters signed by all Network and Affiliate Providers - template provided by NYS
  - Each network and affiliate provider will complete and sign an attestation letter signifying their understanding of the BH VBP Readiness Program and intent to participate as part of the lead agencies BHCC

The BHCC Member Submission Template, and Application Form must be completed and submitted in the format provided.

The attestations letters will be submitted as separate documents for NYS review.

All documents can be found on the [BH VBP Readiness Program Page](#) on the OMH website.

### ***B. Application Criteria***

It is expected that the BHCC Lead agency, Network, and Affiliated providers would have used VBP education materials and information sessions to engage in preliminary discussions prior to the submission of the BHCC application. Such discussions would have:

- Informed the development of the submitted network;
- Oriented the BHCC and all participating providers to a general understanding of VBP overall;
- Included discussion and review about the general VBP readiness status of BHCC providers, e.g. providers already engaged in VBP arrangements; and,
- Reviewed how the BHCC currently coordinates services

The State understands that BHCC applicants will be at various stages of VBP activities and/or readiness and that preliminary activities will vary by BHCC. Additionally, the BHCC is not required to evenly distribute activities across all four readiness areas, but the submitted application must include work activities and anticipated deliverables in all readiness areas.

**Note:** The final deliverable/outcome for all BHCC leads and network members must be either:

1. Participating in a Level 2 or higher arrangement as a Level 1 provider network
- OR
2. As a contracted entity in a Level 2 or higher arrangement.

If no Level 2 or higher arrangement is available in the BHCC's service area, participating in a Level 1 VBP arrangement with an MCO is acceptable.

BHCC applications will be evaluated both quantitatively and qualitatively according to the needs of the region and the likelihood of BHCC success in achieving sustainability and entering into VBP arrangements, as determined by:

1. Network adequacy
2. The number of people enrolled in Medicaid Managed Care
3. The volume of BH services provided to enrollees in the service region
4. Demonstrated connection to the local system of care
5. The mission/vision of the BHCC and the short and long-term plan for accomplishing its goals



Funding is limited. If multiple applications are qualified for the same region, they will receive a share of the funds available in that region. Each BHCC applicant will need to describe how it will fund activities that exceed available NYS funds and how it will sustain itself after the State funding is finished.

NYS will evaluate the proposed coverage area and assumption about the number of people enrolled in MMC. Where BHCCs do not cover the entire geographic region, or multiple emerging BHCCs propose to serve the same individuals, the State may encourage consolidation or collaboration. As such, the state strongly encourages, but is not requiring, smaller networks to collaborate and together submit a BHCC application.

Applicants must complete the VBP BHCC Application to be considered for funding. Funding beyond the first year is contingent upon quality of deliverables.

### **Questions**

Please submit application related questions to the BH VBP Readiness team at [VBP-Readiness@omh.ny.gov](mailto:VBP-Readiness@omh.ny.gov) with “BH VBP Readiness Application” in the subject line.

### **Pre-Application Notification of Interest**

Agencies planning to apply for the BH VBP Readiness Program must have submitted a Notification of Interest to the State by June 16, 2017.

## **VII. Resource Materials**

[New York State Value Based Payment Roadmap](#)

[New York State Behavioral Health Chronic Conditions Clinical Advisory Group \(CAG\) Report](#)

[New York State Health and Recovery Plan \(HARP\) CAG Report](#)

[NYS OMH PSYCKES Data](#)

[NYS DOH VBP University](#)