



## *Study Hall Call*

# Using Value Based Purchasing (VBP) Arrangements to Improve Coordination and Quality of Medicare and Medicaid Nursing Facility Benefits

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July 24, 2018

2:00-3:30 PM Eastern Time

# Welcome and Introductions

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- Erin Weir Lakhmani, *Mathematica Policy Research*
- Dr. Tom von Sternberg, *Health Partners (Minnesota)*
- Susan McGeehan, *Health Partners (Minnesota)*
- Chad Corbett, *Mercy Care (Arizona)*
- Gretchen Ulbee, *Minnesota Department of Human Services*
- Valerie Cook, *Minnesota Department of Human Services*
- Tom Heiser, *Arizona Health Care Cost Containment System*
- John Barker, *St. Anthony Park Home (Minnesota)*

# Agenda

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- **Overview** of Medicaid value based purchasing (VBP) with nursing facilities
- **Introduction** - Two health plans' Medicare-Medicaid VBP initiatives
- **Panel Discussion** – Health plan, state, and nursing facility perspectives on Medicare-Medicaid VBP with nursing facilities
- **Audience Q&A**

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# Medicaid Value-Based Purchasing (VBP) with Nursing Facilities (NFs)

# Motivations for States and Managed Care Plans to Implement VBP

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- Desire to change current system from one that promotes volume to one that promotes value
- Improved quality of care in NFs can lead to:
  - Improved health outcomes and quality of life for individuals
  - Contained spending for states and health plans
- Approaches:
  - Reduce triggers for avoidable hospitalizations (falls, inappropriate medication use, pressure ulcers, etc.)
  - Improve communication among skilled nursing facilities (SNFs)/NFs, physicians, and hospitals
  - Support needed care for SNF/NF residents in the facility to minimize disruptive transfers to hospitals

# Status of State/Managed Care Plan Use of VBP with NFs

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- States and managed care plans increasingly link financial rewards to demonstrated value
  - MACPAC identified 23 states using VBP programs to incentivize quality in nursing homes in 2014
- ICRC interviewed 6 states and 5 managed care plans – 2017 TA Tool:  
[http://www.integratedcareresourcecenter.com/PDFs/ICRC\\_VBP\\_in\\_Nursing\\_Facilities\\_November\\_2017.pdf](http://www.integratedcareresourcecenter.com/PDFs/ICRC_VBP_in_Nursing_Facilities_November_2017.pdf)
  - See Appendix slides for additional information, findings, and recommendations
  - Most programs focused on Medicaid NF services, but almost 90 percent of Medicaid NF residents are dually eligible (have both Medicare and Medicaid)

# Benefits of Integrated NF VBP Initiatives

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- **Reduction in competing priorities/incentives** can help to achieve desired outcomes
- **Alignment of VBP measures** can reduce nursing facility reporting burden
- **More integrated approach** to care for beneficiaries

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# Introduction to Medicare-Medicaid VBP Initiatives

HealthPartners (Minnesota)

Mercy Care (Arizona)



# HealthPartners Partnership Homes

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- Long standing partnership between HealthPartners care delivery, health plan, and select nursing homes, dating back to 1994. Working together through the Partnership Homes arrangement provides an opportunity to pilot and implement innovative care solutions and goals with the population served.
- As an integrated organization, HealthPartners' VBP program aligns with the company's values and belief that closer partnership between the health plan and care delivery with long term care yields better health outcomes and quality of care while simultaneously leveraging the strengths of MSHO program (FIDE SNP) and care delivery expertise.
- The Partnership Homes program encourages collaborative strategies to improve care, avoid unnecessary hospitalizations and provide a higher acuity of care in the long term care facility.
- Partnership home quality focus has been on falls with injuries and facility acquired pressure ulcers, but HealthPartners is moving to focus on antipsychotic use and hospitalization rates.

# Mercy Care VBP

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- VBP is a cornerstone of the AHCCCS strategy to bend health care cost.
- AHCCCS works with the 3 Health Plans to ensure that the health plans provide high-quality care to the most vulnerable members. This is also the central part of Mercy Care's mission.
- Mercy Care VBP Program – 2014/2015
  - Focus: Urinary tract infections
  - Two high quality, high value providers, 11 sites
  - Goal – year one: 6% reduction in medical costs associated with members in facilities; not met.
  - Goal – year two: 3% reduction in medical costs; met.

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# Panel Discussion

## *Health Plan, State, and Nursing Facility Perspectives on Medicare-Medicaid VBP with Nursing Facilities*

# Panel Discussion - HealthPartners

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- In your VBP initiative(s), how are participating nursing facility providers selected, and how do you encourage provider participation? What have you done to support providers along the way?
- What specific nursing facility behavior(s) have you aimed to change with the VBP program(s) you described today and why? What outcomes have you seen?
- When did planning/implementation begin for the VBP program(s) you described today? How have the programs evolved over time?

# Panel Discussion – Mercy Care

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- How have state VBP initiatives influenced/affected your plan-based initiatives? How does (or how could) your state support you in developing Medicare-Medicaid VBP initiatives?
- What resources are required to implement a VBP program? From what source(s) have you been able to draw the resources to implement these programs?
- Are there opportunities to use savings from reducing avoidable hospitalizations or other quality initiatives to fund VBP programs like yours?

# Panel Discussion – States

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- How do Medicare-Medicaid nursing facility VBP initiatives fit within your state's broader VBP initiatives and/or integrated care initiatives for dually eligible beneficiaries? How (if at all) do Medicare-Medicaid nursing facility VBP initiatives fit within the vision your state has for the future of integrated care?
- What steps has your state taken to encourage health plan development of NF VBP initiatives involving dually eligible beneficiaries and/or provider participation in those initiatives?
- What support(s) does your state offer to health plans like those on the call today in developing NF VBP initiatives? To providers participating in VBP initiatives?
- What challenges has your state faced in developing NF VBP initiatives like those described today and/or supporting health plan development of these initiatives?

# Panel Discussion – Nursing Facilities

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- From your perspective, what are the benefits to participating in Medicare-Medicaid VBP initiatives like those described in today's call?
- What are the biggest challenges that nursing facilities face in participating in Medicare-Medicaid VBP initiatives?
- How can states and health plans best support nursing facility participation in Medicare-Medicaid VBP initiatives?

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# Audience Questions and Answers



# About ICRC

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- Established by CMS to advance integrated care models for dually eligible beneficiaries
- ICRC provides technical assistance (TA) to states, coordinated by Mathematica Policy Research and the Center for Health Care Strategies
- Visit <http://www.integratedcareresourcecenter.com> to submit a TA request and/or download resources, including briefs and practical tools to help address implementation, design, and policy challenges
- Send additional questions to:  
[integratedcareresourcecenter@chcs.org](mailto:integratedcareresourcecenter@chcs.org)

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**Appendix:**  
**Additional HealthPartners slides**  
**and ICRC slides on**  
**Medicaid Nursing Facility VBP**



**HealthPartners®**

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# Partnership Homes Value-Based Purchasing

Dr. Tom VonSternberg & Susan McGeehan, MGS, LSW

July 24, 2018

# HealthPartners: by the numbers

**1 million+** patients

**1.4 million**

plan members  
in MN and  
surrounding  
states

**7** hospitals

in Twin Cities  
Western Wisconsin

**3100** Minnesota  
Senior Health  
Options (MSHO)  
members

**2300** Minnesota  
Senior Care Plus  
(MSC+) members

**50** medical clinics

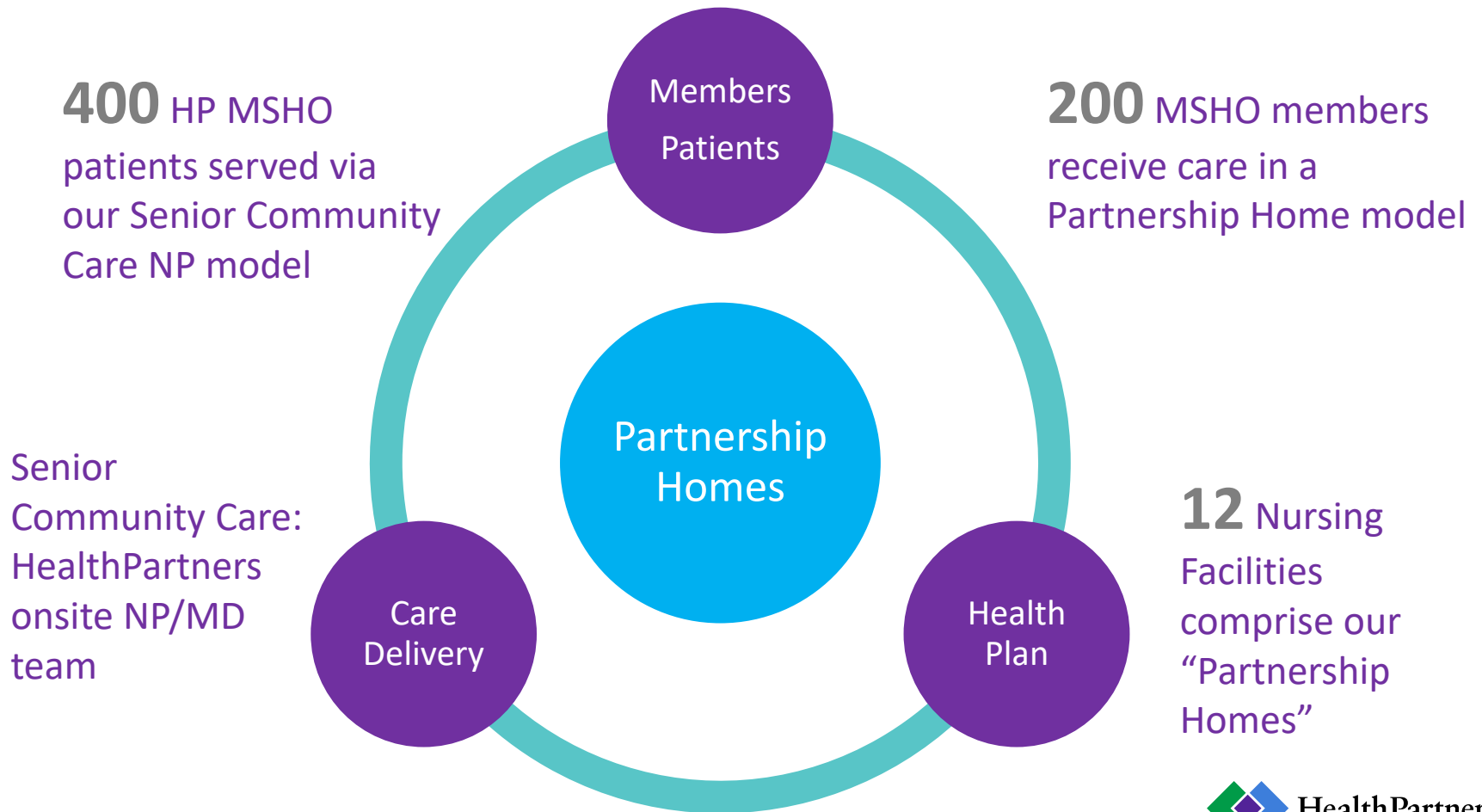
**1,700** physicians

**55** specialties

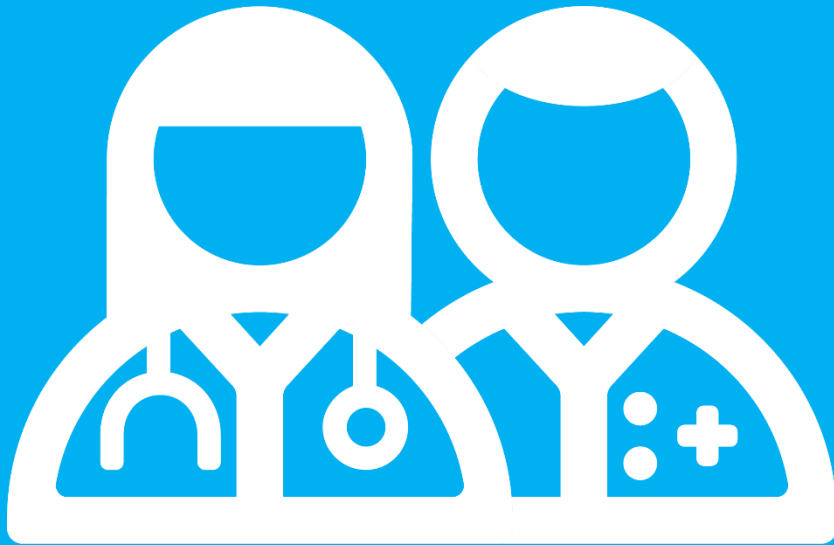
**22** dental specialty clinics

**60** dentists

# Partnership homes



# Partnership homes



**Facility & HealthPartners benefits and responsibilities**

*“ The goal of our Partnership Homes arrangements is to build a stronger working relationship with selected long-term care facilities that have an aggregate number of HealthPartners product members serviced by our onsite Geriatric NP & MD team for better member/patient experience and health outcomes. ”*

# Integrated Care System Partnerships (ICSP)

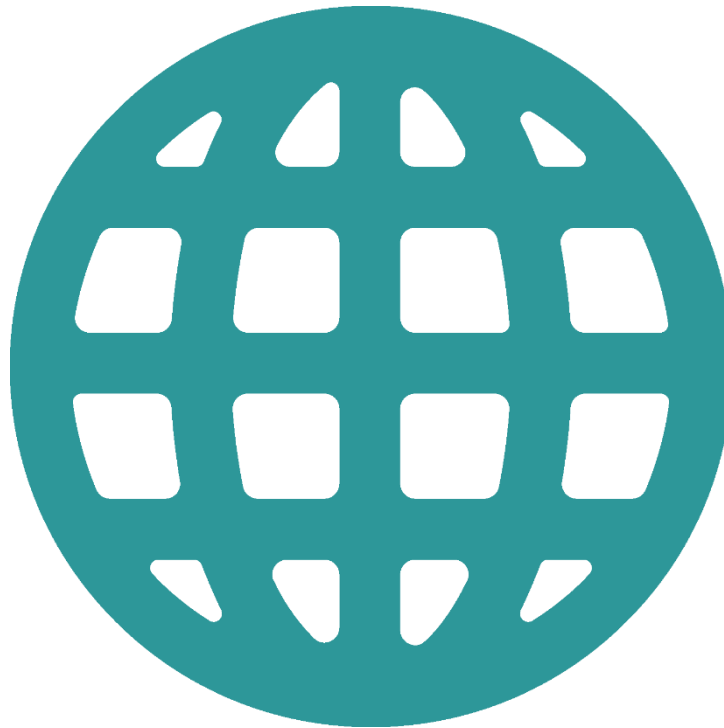
- MN Dual Demo
- Contract Requirement
- ICSP structure allows for a range of arrangements
- Collaboratively developed list of clinical measures with the State
- ICSP reporting to the state & State-level evaluation

# Quality measures & outcomes

## Current world:

Falls with injuries

Facility acquired  
pressure ulcers



## Future world:

Antipsychotic use

Hospitalization rate



# Payment methodology

## FINANCIAL INCENTIVES

PMPM payment to support focus on quality initiatives

Payment for facility achievement of quality indicators (ICSP)



## METHODOLOGY

Determined annually

Updating process moving to benchmark, quality improvement metrics away from within peer group performance metrics

# Lessons learned

- **FOCUS ON MEASUREMENT CONSISTENCY**
- **BE MINDFUL OF STATE AND CMS DEFINITIONS**
- **UNDERSTAND MEMBERSHIP THRESHOLD**
- **ENSURE CONSISTENCY ACROSS PARTNERS**
- **NEED ARRANGEMENTS TO BE BENEFICIAL FOR ALL**

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# **Additional ICRC information about Medicaid Nursing Facility VBP**

# VBP Incentives/Penalties

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- Considerations: size, recipient, triggers, timing, frequency
- VBP incentives/penalties may be financial or non-financial (or a mix of both)
  - Examples of non-financial incentives: public recognition of high performers; public report cards, awards, sharing data with NFs
- “Reward” amount available to NFs that participate in VBP varies, but size of incentive depends on a number of factors - must be powerful enough to warrant changes in practice/performance

## Sources:

- Chee, T. T., Ryan, A. M., Wasfy, J. H., & Borden, W. B. (2016). Current State of Value-Based Purchasing Programs. *Circulation*, 133(22), 2197–2205. <http://doi.org/10.1161/CIRCULATIONAHA.115.010268>
- Libersky, J., Stone, J., Smith, L., Verdier, J. and Lipson, D. (November 2017). Value-Based Payment in Nursing Facilities: Options and Lessons for States and Managed Care Plans. ICRC TA Brief. [http://www.integratedcareresourcecenter.com/PDFs/ICRC\\_VBP\\_in\\_Nursing\\_Facilities\\_November\\_2017.pdf](http://www.integratedcareresourcecenter.com/PDFs/ICRC_VBP_in_Nursing_Facilities_November_2017.pdf)

# VBP Approaches

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- VBP approaches have three key components:
  - Quality or performance measures
  - Benchmarks or targets
  - Incentives
- States can either:
  - Design their own VBP approach, or
  - Encourage managed care plans to do so
- Most state or plan VBP approaches use a defined set of measures and benchmarks that reward quality with specified payment
  - Some allow managed care plans or providers to identify a strategy that fits their needs and earn payment relative to the proposed design

# Measuring Quality in VBP

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- Performance measures used in state VBP initiatives:
  - Clinical care quality (e.g., vaccination rates, use of antipsychotics, use of restraints, pressure ulcers, falls, and urinary tract infections)
  - Resident and family experience (from surveys on quality of life)
  - Staffing (e.g., staff time devoted to care, staff retention rate)
  - Utilization (e.g., avoidable inpatient admissions, readmissions within 30 days)
  - Administrative compliance (e.g., submitting accurate data or payment)
- Source data can include:
  - Claims, encounters, state surveys, or other administrative data (e.g., compliance reports)
  - CMS' CASPER/OSCAR, Minimum Data Set (MDS), or Nursing Home Compare Star Ratings
  - State NF quality report cards

# Considerations for States and Health Plans Designing VBP for NFs

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- External Environment
  - Regulatory changes, payment policies, patient preferences
  - Other simultaneous quality improvement initiatives
- Provider Characteristics
  - System structure, organizational culture, resources and capabilities
- Program Features
  - Target population, program goals, measures, incentives, risk structure
- Potential for Unintended Consequences and approach(es) to address them (e.g., through risk adjustment)
  - Exacerbation of health disparities among vulnerable, high acuity populations

# Lessons for States and Health Plans

## Designing VBP for NFs

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- Payment:
  - Over time, continue to increase the size of payments available
  - Consider adjustments to the structure of NF reimbursement
- Quality measures:
  - Align measures in VBP programs with those reported in Nursing Home Compare Star Ratings or used in the Medicare SNF VBP program
  - Standardize data collection methods or instruments across facilities
  - Approach the quality measures that inform VBP as a work in progress and adjust over time as needed
- Administration:
  - Carefully select stakeholders to be involved in designing the program
  - Provide technical assistance to participating facilities
  - Evaluate program outcomes



# Opportunity for States and Medicaid Health Plans to Lead the Way on VBP

- VBP for NFs is relatively recent, and models are likely to undergo change
  - Many unknowns about most effective program designs, including most effective reward structures
  - Supply of tested and validated measures still limited, especially for NF care
  - Additional measures needed to assess quality of life across NFs for dual eligibles
- Need for states to evaluate their programs and continually refine them to ensure they are delivering on their potential