IPA – Strategy & Development

June 12, 2018

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MCA Capabilities

- Extensive C-Level experience in the health care field
- Health care leaders who have managed billion dollar health systems
- Core competency in developing, managing and turning around health systems
- Experience in IPA Development & VBP
- Extensive knowledge in risk and gain sharing arrangements
- Developed start-up health plans, ACO's, Self Insured Plans across all lines of business.

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MCA Capabilities

- *Glenn Polansky, MBA* - Glenn is a seasoned health care professional with over 27 years of professional experience. Recently, Mr. Polansky was the past NY Market President for ValueOptions managing over 3.1 million behavioral health members across the east region and has extensive experience in consulting with Ernst & Young, as well as with Sutter Health one of the largest hospital systems in the country.
- *Paul Alfaro* - Paul has more than 28 years of management and finance experience in the insurance and healthcare industries. Most recently he was the Executive Vice President of Administration at Healthcare Partners. Mr. Alfaro was responsible for the fiscal integrity of the organization and development of strategic plans and alliances. He has held positions with overall responsibility for operational departments including claims, clinical services, information technology, human resources, finance, and network operations. .
- *Ray Gannon* - Ray is a senior healthcare executive with over 25 years of experience in health plan and hospital management, marketing and product and business line development. Ray has extensive experience leading business development and strategic growth initiatives including: hospital leadership, product line development, a health plan product launch for a a 10B multi-line health plan merger, strategy development and implementation for major health systems.
- *Tom McAteer* - Tom has over 30 years of senior executive experience with 20 years in healthcare and was the CEO for Vytra Health Plans, a Senior VP for Aetna and has extensive experience in county government as the past Deputy County Executive in Suffolk County. Tom has served on numerous boards over the years and currently he serves on the board of a publicly traded company and two health care companies.

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Goals & Objectives

Goal – To build & operate an effective provider driven health system - IPA that adds value to the region and its member health systems and providers.

- Develop a Specific Strategy to fit North Countries Direction & Initiatives
  - Purpose, vision, & business objectives for the health system
  - Relationship alignment with growth / market development strategies, physician integration, patient care re-design.
- Formulate Financial Operating Principles & Model
  - To start assessment of rates
  - Banding Concept – typically 3- tiers
- Physician integration –
  - Use the IPA for tighter physician integration
- Enhance Value Based Payments with Payors – receive compensation for quality performance, population health and upside gain sharing.

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Overview of NCI

- Developed a strong delivery system here in the region.
- You have assembled a group of strong physician leaders and health system leaders to guide this process.
- Common vision has been established and working effectively with DSRIP
- Effective education and learning programs have been developed and implemented.
- Have been able to make an impactful difference on quality for metrics focused on.
- Foundation is there to support an effective population health, quality metric and gain sharing agreements with payors.

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Areas to Focus

- Developing the IPA and have a common vision across all lines of business
- Developing a contracting strategy
- Ensure the IPA cannot be fragmented
- Ensure a functional decision making board
- Develop rate banding so leadership can be successful
- Develop back-office infrastructure for data aggregation, P4P, quality metrics
- PCP profiling
- Develop a network within a network – to drive volume and performance.
- Need a foundation to support an effective population health, quality metric and gain sharing agreement.
- Assess – the opportunity to develop a self-funded option.

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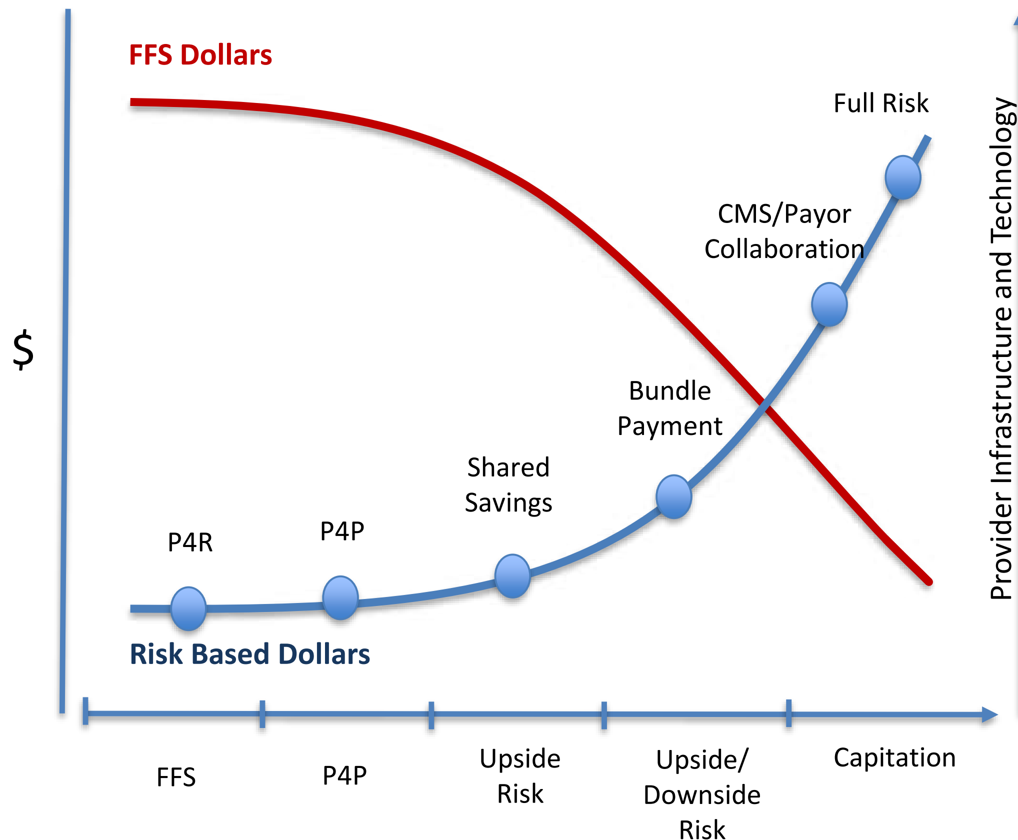
Inflection Point in Value Based Care



- VBP rewards providers for achieving quality and cost targets
- Shifting gears towards VBP involves a different set of processes and resources than those used under FFS
- Providers must also be prepared to invest in infrastructure and resources
- Danger lies in "sitting pat"
- As VBP models gain a stronger foothold in our market, how do we manage the financial risk while delivering safe, high quality and effective care
- What are the investments that need to be made?

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Leveraging DSRIP as a Catalyst

DSRIP has created capabilities for Medicaid, most of which can be leveraged across multiple lines of business.

Population Health Service Organization *(Foundation)*

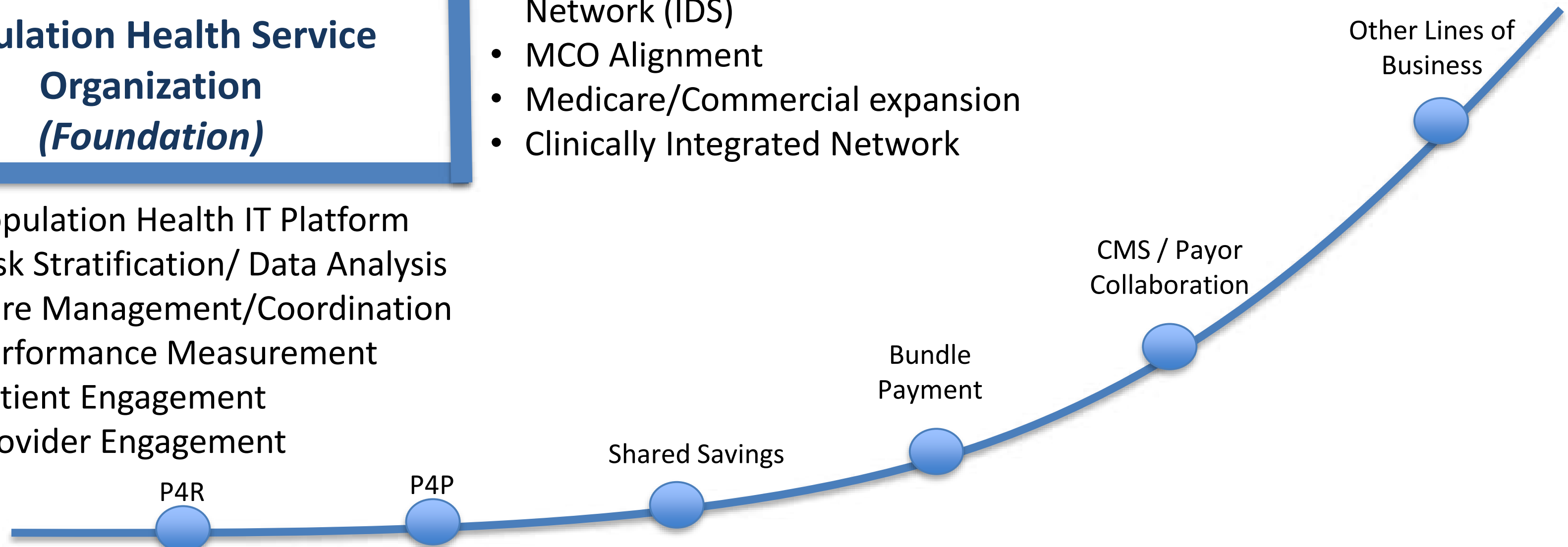
- Population Health IT Platform
- Risk Stratification/ Data Analysis
- Care Management/Coordination
- Performance Measurement
- Patient Engagement
- Provider Engagement

Clinical and Financial Model (re)Design

- Aligned, High Performing Network (IDS)
- MCO Alignment
- Medicare/Commercial expansion
- Clinically Integrated Network

Health Plan Operations

- PSHO Expansion
- Patient Enrollment
- Utilization Management
- Claims Payment
- Provider Sponsored Health Plan



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Ultimately Improving Outcomes….Improving Value

Population Health Management Service Organization should be equipped to;

- Analyze cohorts of patient populations (*payor, chronic conditions, attributed provider, etc.*)
- Manage high risk, rising risk and address gaps in care (*both FFS and VBP repercussions*)
- Assist in preparation and ongoing support to achieve measures
- Enhance value of existing and future P4R and P4P agreements (*Quality Reporting*)
- Support Hospitals on Transition of Care efforts geared towards reducing readmissions and improved clinical outcome measures (*care mgmt. beyond the walls of the hospital or PCP)*
- Support Bundle Payment initiatives (*now mandatory for joint replacement*)
- Assist with Clinical Documentation Improvement (*know the measures*)
- Provide the framework for a true Clinically Integrated Network

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Overview of IPA Market

- Types of IPA's
  - Risk Bearing – Full Risk
  - Risk Bearing – Shared Risk
  - Upside Gain Sharing IPA's - VBP,

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VBP Levels

Introduction to Value Based Payment (VBP) Risk Levels

For more information please visit:
https://www.health.ny.gov/health_care/medicaid/redesign/dsrip/vbp_reform.htm

VBP Levels 1, 2, & 3 describe the level of risk providers choose to share with the MCO.

VBP risk levels allow providers to gradually increase the level of risk in their contracts. Levels of risk offer a flexible approach for providers in moving to VBP.

Level 0 VBP	Level 1 VBP	Level 2 VBP	Level 3 VBP (feasible after experience with Level 2; requires mature contractors)
Fee for Service (FFS) with bonus and/or withhold based on quality scores	FFS with upside-only shared savings available when outcome scores are sufficient	FFS with risk sharing (upside available when outcome scores are sufficient)	Prospective capitation PMPM or Bundle (with outcome-based component)
FFS Payments	FFS Payments	FFS Payments	Prospective total budget payments
No Risk Sharing	↑ Upside Only	↑ Upside & ↓ Downside Risk	↑ Upside & ↓ Downside Risk

New York State Medicaid is transitioning to VBP now.

- **The State established a goal in the terms and conditions of the DSRIP waiver, by 2020:**
  - **80-90% of Managed Care Organization (MCO) expenditures in VBP Level 1 or higher**
  - **≥35% of MCO expenditures in VBP Level 2 or higher**

Mandate

*"...the state will plan and implement its stated goal of 90% of managed care payments to providers using value based payment methodologies."**

NYS 1115 Demonstration Waiver, Part VIII § 39 a

*the VBP Roadmap relaxes the requirement to a range of 80 – 90%

"...total DSRIP payments...may be reduced based on statewide performance [targets] ...

...These targets will include one associated with the degree to which plans move away from traditional fee for service payments to payment approaches rewarding value"

NYS 1115 Demonstration Waiver, Part VIII § 14 g

- **To reach this goal, payers and VBP contractors must adopt VBP contracts at VBP Levels 1 and higher**
- **If the goal is not met, New York State may risk Federal funding**

Performance Goals

	DSRIP Year 1 '15 – '16	DSRIP Year 2 '16 – '17	DSRIP Year 3 '17 – '18	DSRIP Year 4 '18 – '19	DSRIP Year 5 '19 – '20
% of total MCO expenditure in Level 1 VBP or above	N/A	N/A	≥ 10%	≥ 50%	80-90%
% of total MCO expenditure in Level 2 VBP or above	N/A	N/A	N/A	≥ 15%	≥ 35%
DSRIP Waiver Potential Penalty	N/A	N/A	$74.09 million	$131.71 million	$175.62 million