Advancing Value-Based Payment in Medicaid MLTSS: Opportunities for Community-Based Care

Michelle Soper, Director of Integrated Care, Center for Health Care Strategies

Maria Dominiak, Managing Partner, Airam Actuarial Consulting

Patti Killingsworth, Assistant Commissioner and Chief of LTSS, Bureau of TennCare

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Meet the Presenters

Michelle Soper, Director of Integrated Care, CHCS

Maria Dominiak, Managing Partner, Airam Actuarial Consulting

Patti Killingsworth, Assistant Commissioner and Chief of LTSS, Bureau of TennCare

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Session Overview

- Introductions and overview
- State considerations for MLTSS payment models: Design and implementation
- Overview of value-based payment models for home and community-based services
- Tennessee's approach to advancing value-based payment models in Medicaid MLTSS

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About the Center for Health Care Strategies

A non-profit policy center dedicated to improving the health of low-income Americans

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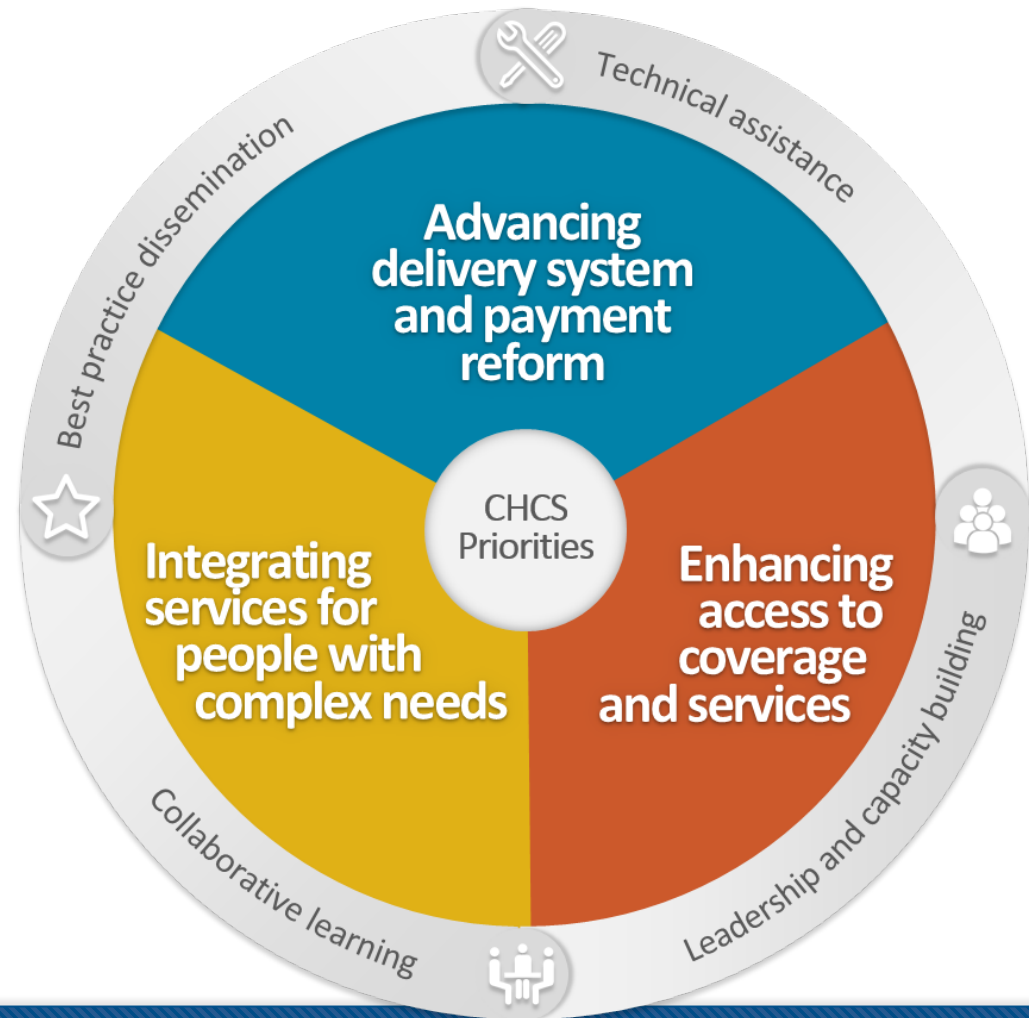
Advancing Value in Medicaid Managed Long-Term Services and Supports: Project Overview

- Advance the adoption of operational strategies that promote high-quality MLTSS and support individuals living in communities

- CHCS, in partnership with Mathematica Policy Research (Debra Lipson & Jenna Libersky) and Airam Actuarial Consulting (Maria Dominiak); supported by West Health Policy Center

- Main activities

  » Environmental scan

  » State learning collaborative with **Minnesota, New York, Tennessee, Texas and Virginia**

  » Publication forthcoming: *Achieving Value in Medicaid Home- and Community-Based Care: Options and Considerations for Managed Long-Term Services and Supports Programs*

  » National webinar, September 18th

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Overview of West Health

West Health Mission:

To help seniors successfully age in place, with access to high-quality, affordable health and support services that preserve and protect their dignity, quality of life and independence.

Context: MLTSS & VBP

TREND	DESCRIPTION
Managed long-term services and supports (MLTSS)	Nearly half of states have MLTSS programs to rebalance care toward the home and community; improve quality; and control costs
Value-Based Payment Arrangements	Public payers are driving efforts to increase VBP across most health care sectors

- Few VBP arrangements include LTSS
- Challenges with adoption of VBP models in HCBS settings include:
  » Provider capacity
  » HCBS quality measurement and data collection;
  » Opportunity to achieve Medicaid savings for dually eligible beneficiaries

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Defining State Policy Goals: First Steps for States

- Identifying key state policy goals

- Determining whether VBP is a useful tool to achieve the states goals regarding HCBS system improvements

- Defining what "value" means in the context of MLTSS programs

Types of and Benchmarks for HCBS Performance Measures

- Several measures available across state programs, but few standardized, nationally-recognized HCBS measures
  - » Several ways to measure MLTSS performance
  - » States do not have a "playbook"
- Importance of stakeholder engagement to help choose the right mix of structural, process and/or outcome measures

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Criteria for Selecting Performance Measures for HCBS VBP

- Are the measures relevant to policy and program goals?

- Are the measures feasible to report and are data available to construct the measures?

- Can MLTSS plans and HCBS providers be held accountable for measure performance?

- How does the nature of HCBS service delivery influence the choice of VBP measures?

- What are appropriate performance targets or benchmarks for use in payment models?

Considerations for Selecting Payment Models

- Alignment of payment models with policy goals
- Which models and incentive payment amounts may most effectively change HCBS provider behavior
- The type of VBP model that is most feasible in the current environment, particularly related to:
  - » Existing VBP models operating in the state
  - » Level of sophistication and ability to accept financial risk
- Long-term sustainability of the financial model
- Appropriateness of alternative, "non-financial" incentives

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State Operational Considerations

- Several practical and operational considerations for states as they work with managed care plans, providers, beneficiaries, etc. including:

  » Setting health plan requirements and expectations

  » Assessing provider readiness and capacity to participate in VBP arrangements

  » Supporting provider capacity efforts

  » Engaging stakeholders throughout the design and implementation process

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Advice for Other States

- VBP is a tool to advance clearly defined goals

- Go slow

- Understand which HCBS quality measures are mostly closely tied to overarching goals—and are feasible for plans to measure

- Incorporate ongoing efforts to assess and improve program design and operations

- Encourage plan innovation within "guardrails"

- Support HCBS workforce development efforts and provider capacity-building

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Learn about cutting-edge efforts to improve care for Medicaid's highest-need, highest-cost beneficiaries
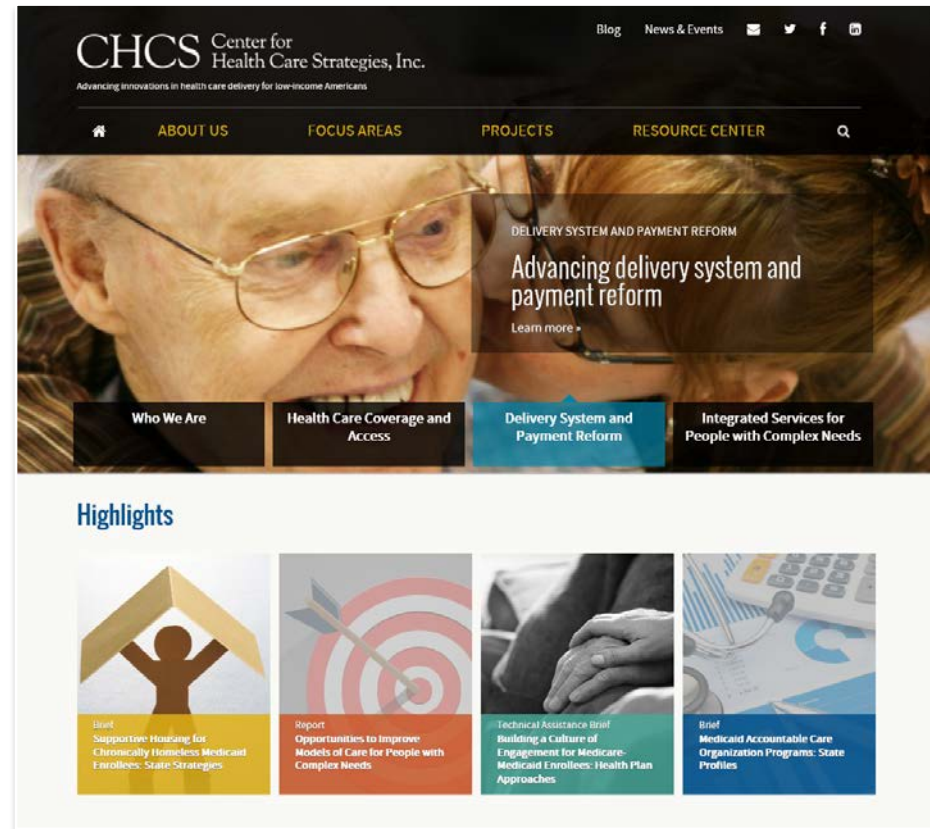
Contact Information

Michelle Soper, msoper@chcs.org

Alexandra Kruse, akruse@chcs.org

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CMS's Alternative Payment Model (APM) Framework

HCPLAN APM Framework

HCPLAN APM Framework

CATEGORY 1 FEE FOR SERVICE – NO LINK TO QUALITY & VALUE	CATEGORY 2 FEE FOR SERVICE – LINK TO QUALITY & VALUE	CATEGORY 3 APMS BUILT ON FEE-FOR-SERVICE ARCHITECTURE	CATEGORY 4 POPULATION – BASED PAYMENT
	A Foundational Payments for Infrastructure & Operations (e.g., care coordination fees and payments for HIT investments)	**A** APMs with Shared Savings (e.g., shared savings with upside risk only)	**A** Condition-Specific Population-Based Payment (e.g., per member per month payments, payments for specialty services, such as oncology or mental health)
	B Pay for Reporting (e.g., bonuses for reporting data or penalties for not reporting data)	**B** APMs with Shared Savings and Downside Risk (e.g., episode-based payments for procedures and comprehensive payments with upside and downside risk)	**B** Comprehensive Population-Based Payment (e.g., global budgets or full/percent of premium payments)
	C Pay-for-Performance (e.g., bonuses for quality performance)		**C** Integrated Finance & Delivery System (e.g., global budgets or full/percent of premium payments in integrated systems)

Source: Alternative Payment Model APM Framework: Final White Paper," Health Care Payment Learning and Action Network. 2017. http://hcp-lan.org/workproducts/apm-refresh-whitepaper-final.pdf

19

Value Based Payment (VBP) Models in HCBS

Category 2C: FFS with Link to Quality and Value – Pay for Performance

- Rewards accountable entities for achieving pre-defined targets or measures

- Financing model can include incentive payments, withholds or penalties

- Least financial risk to providers

- Easily understood by providers

Category 2C: FFS with Link to Quality and Value - Pay for Performance

Approach	Example
Aggregate or per member per month (PMPM) bonus payment for meeting targets	• Connecticut includes a performance incentive pool in its HCBS case management contract
Vary FFS payments based on performance rating	• CMS Home Health Value-Based Purchasing Model adjusts Medicare payments to home health agencies by 3% upward or downward, ramping up to 8% in five years based on performance score
Enhanced payment rate for meeting specific milestones	• Washington pays an enhanced rate for eligible personal care workers who have completed additional training activities

Category 3: APMs Built on FFS Architecture Gainsharing/Risk Sharing

- Incentivize cross sector partnerships and improved care coordination across providers

- Models include:

  » Episode-based payment: pays a lump sum amount for a set of services for a specific episode of care or treatment within a defined time period.

  » Shared savings model: includes performance bonus/withhold or shared savings/losses tied to "total cost of care" to encourage better efficiencies.

- Shifts risk to accountable entities

Category 3: APMs built on FFS Architecture Gainsharing/Risk Sharing

Approach	Example
PMPM case management rate with performance bonus amount tied to savings if certain quality targets are achieved	• MaineHealth Accountable Care Organization contracts with Area Agency on Aging (AAA) to provide care transition services; the AAA is eligible for shared savings of up to 5%
Retroactive episode based payments for specific chronic conditions	• Tennessee plans to implement 75 episodes of care in next five years. Some episodes (e.g., Pneumonia care, COPD) include opportunities for HCBS providers to partner with hospitals and post-acute care providers
Accountable Care Organization (ACO) with shared risk on total cost of care, including LTSS	• Massachusetts ACOs include primary care providers that may partner with certified community-based behavioral health and LTSS providers

Category 4: Population-Based Payment

- Payment models where the provider organization is responsible for a pre-defined set of services for a defined population

- Shifts financial risk to provider organization and aligns incentives across providers increasing potential for greater efficiencies and improved outcomes

- May be condition-specific or population-specific

- Payment approaches may be prospective or retrospective

- Quality measures are often used to ensure quality and access are not compromised

Category 4: Population-Based Payment

Approach	Example
Population based payment for chronic conditions/special needs	• New York has specialized Medicaid managed care programs focused on people with high behavioral health care needs and another focused on people with intellectual and developmental disabilities. The models include quality measures and withholds/incentives
Sub-capitation or full risk capitation with link to quality	• Oregon PACE – includes five measures in quality incentive program and pays a bonus for each measure met, up to $100 pmpm

CMS Medicaid Innovation Accelerator Program (IAP) VBP for HCBS

IAP – VBP for HCBS Overview

- Collaborative initiative between the Centers for Medicare and Medicaid Innovation and the Center for Medicaid and CHIP Services

  » Goal is to increase the number of states moving toward delivery system reform across program priorities

  » Provides technical support to states

- Ten states participating in current cohort *(through March 2019)*
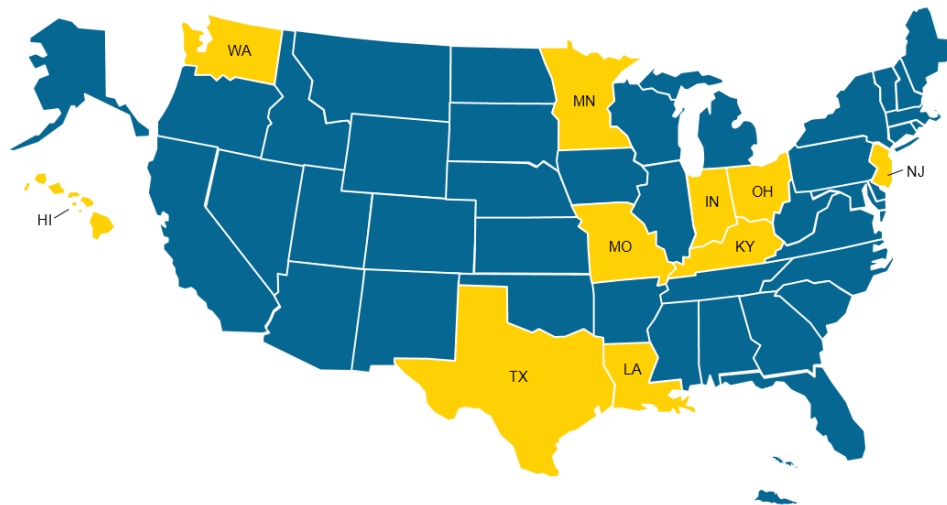
IAP – VBP for HCBS: State Areas of Interest (Current Cohort)

- **Target populations include:**
  - » Older adults
  - » Adults with physical disabilities
  - » Adults with ID/DD
  - » Children with physical or ID/DD
  - » Individuals with specific diagnoses

- **Target HCBS providers include:**
  - » Agency-based home care providers
  - » Independent home care providers
  - » Assisted living providers
  - » Adult day providers
  - » Managed care plans
  - » Care managers

- **Majority of focus is in Categories 2C and 3 of APM framework**

IAP – VBP for HCBS: State Areas of Interest (Current Cohort)

- Improve quality of HCBS workforce
  - » Increase training for direct care workers
  - » Develop career path for direct care workers
  - » Expand access/reduce turnover
- Improve member satisfaction/quality of life
  - » Reduce adverse events
  - » Increase stability of placement/caregiver
  - » Increase independence/meaningful activities
  - » Accountability for achievement of person-centered goals
- Improve care coordination across health care system
  - » Increase accountability of care managers/service coordinators
 - » Better integrate HCBS providers into care team; data sharing

IAP – VBP for HCBS: Key Challenges for States (Current Cohort)

- Limited state funds

- Provider capacity/engagement

- Data limitations

- Stakeholder buy-in

- Limited state resources

- Lack of standardized measures
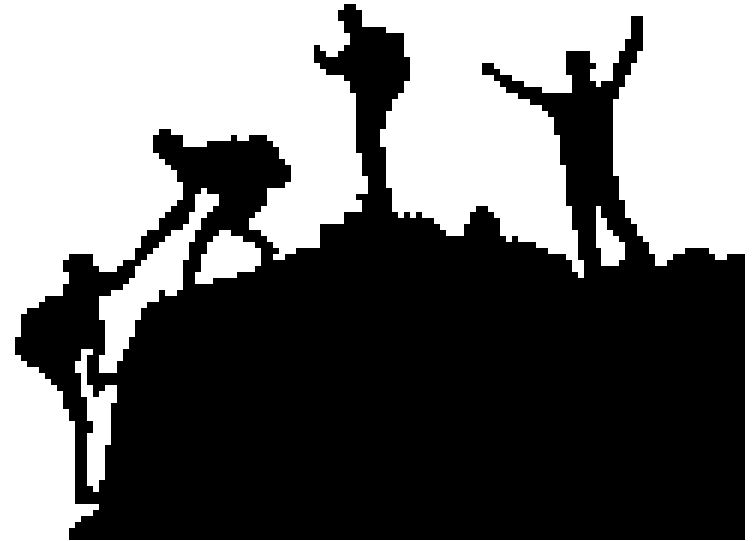
Summary

- VBP is an important tool to improve quality and outcomes for the LTSS population

- There are many different payment approaches that can be used to link quality and value

- Best approach will be:
  - » Aligned with overall policy goals and needs
  - » Effective at driving change
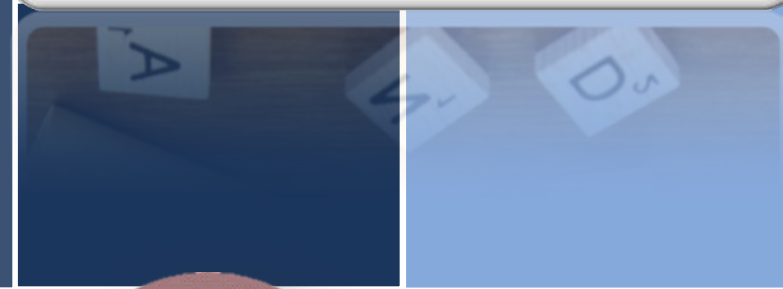 - » Operationally feasible

Aligned with overall policy goals and needs
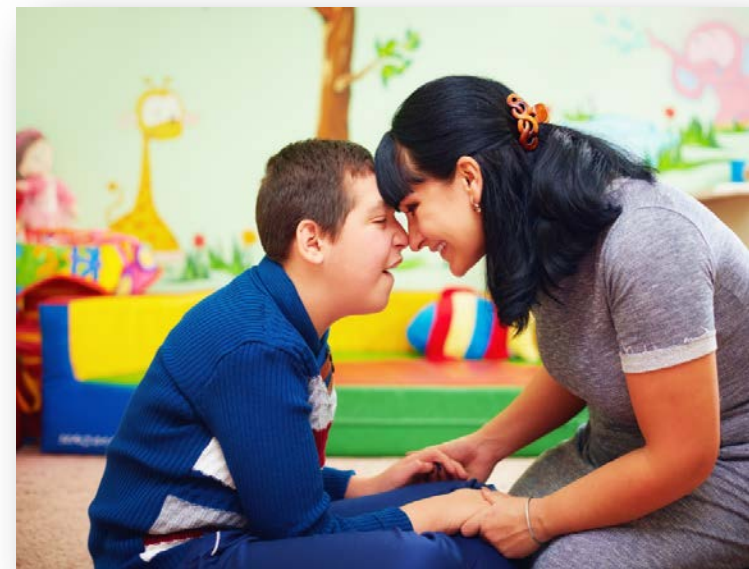
Operationally feasible

Effective at driving change
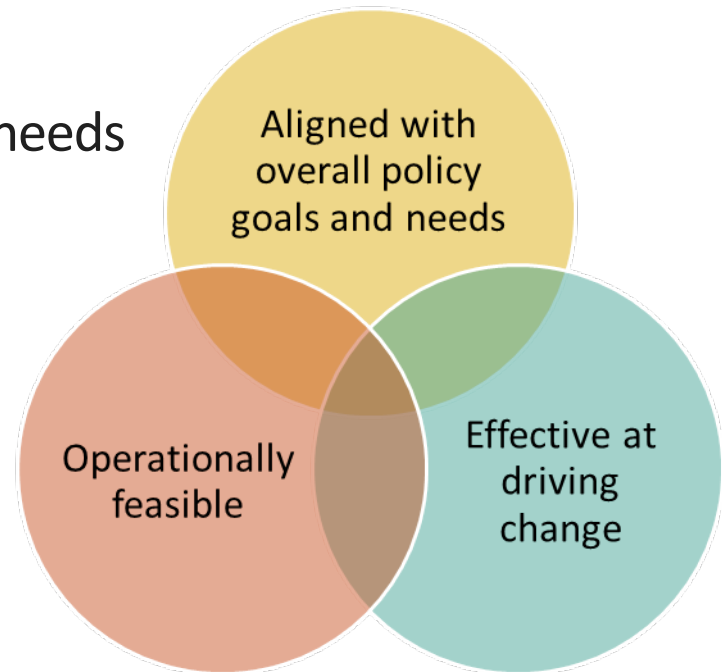
Thank You!

Maria Dominiak, FSA, MAAA

mdominiak@airamactuary.com

For additional information on IAP, contact CMS IAP lead Melanie Brown: Melanie.brown@cms.hhs.gov

Advancing Value-Based Payment Models in Medicaid MLTSS

Opportunities in Community-Based Care

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Service Delivery System in Tennessee

- TennCare managed care demonstration began in 1994
- Operates under the authority of an 1115 demonstration
- *Entire* Medicaid population (1.4 million) in managed care since 1994
  - Including dual eligibles and people with disabilities
- Three health plans (MCOs) operating statewide
- Physical/behavioral health integrated beginning in 2007
- Managed LTSS began with the Statewide **CHOICES** program in 2010
  - Older adults and adults with physical disabilities *only*
- 3 Section 1915(c) waivers and ICF/IID services for individuals with I/DD carved out; operated by State I/DD Department
  - People *carved in* for physical and behavioral health services
- New Statewide MLTSS program for individuals with I/DD began July 1, 2016: ***Employment and Community First CHOICES***
- Managed care <u>and</u> fee-for-service LTSS

Quality Improvement in LTSS (QuILTSS)

- A TennCare initiative to **promote the delivery of high quality LTSS** for TennCare members (NF and HCBS) **through payment reform (at the provider level) <u>and</u> workforce development**

- Part of the State's broader payment reform strategy (episodes of care and primary care transformation—patient centered medical homes and behavioral health homes)

- **Quality is defined from the perspective of the person receiving services and their family/caregivers**

- **Creates a new payment system (aligning payment with quality)** for **NFs <u>and</u>** certain **HCBS** based on performance on measures most important to members and their family/caregivers

- **Transform the system** by aligning incentives around the things that most impact the member's experience of care and day-to-day living

- **Includes workforce development** as a core foundational aspect of building capacity to deliver high quality LTSS

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Long-Term Services and Supports (LTSS) Overview

Value-Based Purchasing Initiatives for Nursing Facilities

- Medicaid reimbursement for Nursing Facility (NF) services based in part on resident acuity and quality outcomes that most impact residents' experience of care
- Goal to reward providers that improve quality of care <u>and</u> quality of life by promoting a person-centered care delivery model
- Revised reimbursement approach for Enhanced Respiratory Care (ERC) services in a NF based on the facility's performance on key quality outcome and technology indicators

Value-Based Purchasing Initiatives for Home and Community Based Services (HCBS)

- Align incentives with person-centered individual and program outcomes across HCBS programs and populations including:
  - Employment and Community First CHOICES MLTSS Program
  - Section 1915(c) waivers
  - CHOICES MLTSS Program
  - Behavioral Health Crisis Prevention, Intervention and Stabilization Services for Individuals with I/DD

Workforce Development

- Invest in the development of a comprehensive competency-based workforce development program and credentialing registry for individuals paid to deliver LTSS
- Value-based incentives for providers employing better trained and qualified staff

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LTSS Workforce Development

7 Key Tenets

- Competency-Based (knowledge, skills, abilities, and intellectual behaviors)
- Require Demonstration
- Micro-Credentialing System
- Portability through Registry
- Faculty, Coach and Mentor Support
- Clear Career and College Pathways
- Credit-Bearing Framework

Structure of Online Learning Modules

- Reading material
- Videos with examples and non-examples
- Voiceover videos with stop effects
- Pre- and post-simulations
- Journal entries
- Decision trees
- Coaching sessions
- Range of learning activities
- Formative assessments throughout*
- Summative assessments for demonstration of competency (application of knowledge)

*Include interactive videos, simulations, work-embedded activities supported by behavioral tools

LTSS Workforce Development

- Developed in consultation with National Subject Matter Experts
- Corresponds with CMS DSW Core Competencies released in 2014
- Worked with Tennessee Board of Regents to award college credit and create a post-secondary credential (certificate) for completion
- College credit also applied toward new degree program*
- Rollout through State Community Colleges and Colleges of Applied Technology
- Leverage *Tennessee Promise* and *Tennessee Reconnect* funds
- Support achievement of Governor's *Drive to 55* Initiative
- Added pre- and early service learning component (also developed with National SMEs under a contract with TASH) and Dr. Lisa Mills
- Pilot in Fall 2018; statewide rollout in January 2019

*In development

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But then…

The train we didn't see **coming**

The Workforce Challenge

- Escalating challenges with recruitment and retention in longstanding Section 1915(c) waivers
  - 51% based on 2018 Staff Stability Survey (NCI)
- Most significant factor impacting implementation of MTLSS program for people with I/DD
- To provide high quality services and supports, must have competent staff to deliver them
  - Recruitment
  - Retention
  - Consistent assignment
  - Training and competency
  - Wages and benefits
  - Satisfaction of workforce and people receiving services and supports

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Understanding Workforce Challenges

- Pay is only one piece of the solution to the workforce crisis. It is certainly an important piece but challenges with recruitment and retention are not just about pay.

- Reimbursement rate increases are not guaranteed to result in increased wages and benefits for DSW.

- DSWs that leave agencies aren't always leaving the field. They may be moving to another agency, often <u>for reasons other than pay</u>.

- If we do not have good data on workforce challenges, at both the individual provider and systems level, we will not accurately and fully understand the problem. Good data is essential to guide our efforts and to enable us to evaluate the efficacy of those efforts over time.

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Understanding Workforce Challenges

President's Committee for People with Intellectual Disabilities:
Report to the President 2017 –
America's Direct Support Workforce Crisis*

- **Practices that would address the workforce crisis include:**
  - Using competency-based training models that lead to credentialing or certification of staff **and yield wage increases**
  - **Teaching business and organization leaders skills to improve their ability to recruit, select and retain direct service employees**

*https://nadsp.org/wp-content/uploads/2018/02/PCPID-2017_-Americas-Direct-Support-Workforce-Crisis-low-res.pdf

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Phase One:
Build Provider Capacity to Achieve Desired Outcomes

NON-RECURRING INVESTMENT IN CAPACITY-BUILDING SUPPORTS

- Technical Assistance
- Training/Train the Trainer
- Expert Consultation
- Community of Practice
- Peer Mentoring
- Verifying Adoption of Required Practices

FINANCIAL INCENTIVES FOR ADOPTING SPECIFIC PRACTICES

- One-time payment to establish ongoing provider workforce data collection and reporting processes
- QuILTSS: Financial incentives for adopting evidence-based and best practices

Phase Two: Move to incentives for specific *outcomes* once practices that result in these outcomes have been effectively adopted

Addressing Workforce Challenges

A Multi-Prong Approach
(*in addition to* competency-based training):

- Establish processes for collection/use of workforce-related data at provider and system levels to target and measure improvement efforts over time
  — Comprehensive statewide data analysis to target investments, track improvement over time
  — Provider-specific analysis and training/technical assistance to providers in analyzing and using their own data to guide/evaluate their organization's efforts to address workforce issues

- Engage national experts and leverage/invest MFP Rebalancing Fund to provide training and technical assistance to providers to support adoption of evidence-based and best practices that have been shown to result in more effective recruitment, increased retention, and better outcomes for people served

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Addressing Workforce Challenges

**A Multi-Prong Approach
(*in addition to* competency-based training):**

- **Category 2**
  - Foundational payments for infrastructure and operations
  - Pay for reporting
  - Pay for practices

- **Incentivize *practices* that will lead to desired <u>*outcomes*</u>:**
  - Data collection, reporting, and use at the provider level
  - Adoption of evidence-based and best practice approaches to workforce recruitment/retention and organization culture/business model changes
  - Ensure DSP wages are increased as they increase their level of training and competency and upon completing the certification program

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Incentivize Evidence-Based and Best Practices

Recruitment	Retention	Organizational Culture and Business Model
Hiring Strategies — Targeted Marketing — Realistic Job Previews — Structured Behavioral Interviewing — Minimum entry/starting wage **On-Boarding Strategies** — High quality competency-based pre/early service training — Mentoring and coaching	• Competency-based professional development, credentialing/badging • Career ladder/wage differential pathways — Reward advanced training/certification and tenure — Align incentives at the DSW level • Effective support/supervision • Employee engagement/satisfaction	• Is associated with greater retention of DSPs, higher rates of satisfaction for DSW/persons served • Results in measurable improvements in quality of service delivery and opportunities/outcomes • Supports the delivery of more individualized HCBS • Has strong focus on facilitating/sustaining independence, natural supports, valued social roles and access to/use of community resources

Value-Based Payment: Phase 2

- **Category 2**
  - Pay for performance

- Transition to financial incentives for specific workforce and quality of life **outcomes** once practices expected to result in the outcomes have been effectively adopted

- DSP career ladder is essential outcome
  - Includes wage increase for worker tenure and completion of WFD program

- **Outcomes for persons served will be ultimate measure**

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