



PHPG



The Pacific Health Policy Group

**OVERVIEW OF VALUE-BASED PURCHASING (VBP) PROGRAMS WITH
THE VERMONT AGENCY OF HUMAN SERVICES**

Task 3a Report:

Preliminary Identification of Specialized Medicaid Programs

Submitted to:

THE DEPARTMENT OF VERMONT HEALTH ACCESS

FINAL REPORT

May 31, 2015

Funding for this report was provided by the State of Vermont, Vermont Health Care Innovation Project, under Vermont's State Innovation Model (SIM) grant, awarded by the Center for Medicare and Medicaid Services (CMS) Innovation Center (CFDA Number 93.624) Federal Grant #1G1CMS331181-03-01.

Introduction to Overall Project and this Report

The State of Vermont, Department of Vermont Health Access, contracted with the Pacific Health Policy Group to identify the major programs for which the Agency of Human Services (AHS) procures direct care (as opposed to administrative) services from another entity, examine these programs regarding their utilization of value-based purchasing (VBP) methodologies, and make recommendations to strengthen VBP within these programs.

Specific Project Tasks

Task 1: *Project Initiation and Status Meetings (September 2014 – on-going)*

Task 2: *Identify Key Components / Standardized Criteria of Well-developed VBP Programs (September 2014)*

- 2a. Develop clear working definition of VBPs, including characteristics
- 2b. Conduct brief literature review to identify components/criteria
- 2c. Prepare overview for State review, including citations

Task 3: *Inventory and Describe AHS Programs (September – November 2014)*

- 3a. Develop an initial list of AHS major programs for which AHS procures direct care services from another entity, and the utilization, if any, of VBP by these programs
- 3b. Work with key AHS Leadership staff (e.g., Shawn Skaflestad, Stephanie Beck) to identify gaps in program identification and VBP utilization
- 3c. Provide list to State VBP Project staff for prioritization of programs for inclusion in future tasks
- 3d. Meet with VBP program leads (by phone or in-person) to obtain additional insights about the prioritized programs' status, strengths and challenges regarding utilization of VBP
- 3e. Summarize and describe each prioritized program based on information gathered in 3a. through 3d.

Task 4: *Conduct an Objective Assessment of Each Program based on Identified Standardized Criteria (November 2014)*

- 4a. Conduct an assessment of each identified AHS program as related to the standardized criteria identified in Task 2
- 4b. Identify key considerations, challenges and recommendations for enhancing and advancing each program towards incorporation of all characteristics of VBPs

Task 5: *Develop and Submit Summary Report (December 2014 – January 2015)*

- 5a. Summarize information developed in Tasks 3 and 4 into a Draft Report for State Project Staff Review
- 5b. Prepare and submit a final report that incorporates the feedback received from State staff.

This Report is in response to Task 3a Develop an initial list of AHS programs for which AHS procures direct care services from another entity, and the utilization, if any, of VBP by these programs. The information presented represents an initial inventory of specialized programs and direct care services for beneficiaries, delivered through a designated or selected provider network.

Inventory Definitions and Methodology

The Vermont Medicaid program includes a variety of specialized programs. These programs are designed to support beneficiaries who are often considered the State's most vulnerable citizens. Departments within the Agency of Human Services (AHS) have the legal obligation to oversee, regulate and monitor the quality of services for these programs and/or for the specialized populations who have complex health, mental health or other support needs related to disabilities. In some cases, the provider network, its characteristics and reporting requirements are also designated in Vermont statute.

Over the years, AHS departments have employed a variety of best practices for service delivery, reformed payment methodologies to support program operations and created provider incentives for quality improvement. To better understand and establish priorities for program analysis, PHPG has created a preliminary inventory of Medicaid direct services that are designated, procured or otherwise overseen through a DVHA Intergovernmental Agreement (IGA) partner or through legislative mandates within the Medicaid program. In most cases information was derived from a review of State websites, legislative reports, claims data or other program descriptions available to PHPG during this preliminary review. *Programs were **included** in the preliminary inventory of specialized programs if they had the following characteristics:*

- Direct care services funded through the Vermont Medicaid program
- Direct care services delivered through a provider network that meets one or more of the following conditions:
 - Designated in statute;
 - Selected through a procurement process;
 - Program oversight provided by State departments other than DVHA

*Programs were **excluded** from the inventory if they had any of the following characteristics:*

- Direct services provided through the use of State-employed staff
- MCO investments for direct services with total expenditures less than \$100,000
- MCO investments that represent supplemental benefits for non-Medicaid services
- MCO investments scheduled to end or no longer accepting enrollees
- MCO investments or direct services paid for, or provided through, DVHA

Inventory Column Definitions

Program Name

The program name column represents the common name of the program and as such does not include a list of State Plan, 1115 Waiver or MCO Investment services utilized as part of the program operations.

Medicaid Program Type

This column indicates whether the allowable Medicaid payments are derived from authorities in the State Plan, 1115 Waiver or MCO Investment categories of services.

Program Characteristics

This section includes five characteristics described below:

- ❖ Approximate Annual Title XIX Expenditures: All expenditure information is approximate and for planning purposes only, sources of information include the SFY14 AHS/MCO investment workbook and SFY13 Medicaid Claims data. Claims data has not been verified against a second source and represents estimates to give the reader a sense of the magnitude of the program.
- ❖ Lead: This column represents the department responsible for the majority of program and/or provider oversight. In many cases other AHS departments and divisions have also partnered in program operations.
- ❖ Age: This column represents the age ranges of individuals served by the program. In a majority of the programs, exceptions may be made given unique circumstances and enrollee needs.
- ❖ Providers: This column represents the general provider network for the target group. In some programs, exceptions to target providers may be made with departmental approval.
- ❖ Payment Type: This column identifies whether the payment model is based on a fee for service or bundled payment approach. In many cases, Vermont programs represent hybrid payment models and include both. In all cases program funding is based on available resources and/or specific legislative budget allocations.

Value Based Purchasing Opportunity

This column identifies whether or not the program currently includes any type of payment incentive tied to performance based on current PHPG knowledge. PHPG will review all programs prioritized by the State and confirm current operations and provider agreements and explore in detail those opportunities currently identified as unknown.

Overview of Provider Based Direct Services Across AHS Specialized Medicaid Programs									
Program Name	Medicaid Program Type			Program Characteristics					VBP Opportunity*
	State Plan	1115 Waiver Program	1115 MCO Invst.	Approximate Annual XIX Expenditures	Lead	Age	Providers	Payment Type	Is Any Portion of Payment Linked To Performance?
Community Rehabilitation & Treatment	X	X	X	\$50-\$100 m	DMH	18+	DA/SSA	Bundled	Yes
Enhanced Family Treatment & Private Non-Medical Institution	X	X		\$10-\$20 m	DMH	<21	DA/SSA	Bundled	Yes (when IFS)
School Based Mental Health	X			\$20-\$50m	DMH	<21	DA/SSA	FFS/Bundle	No
Children's Respite			X	<\$1 m	DMH	<18	DA/SSA	Bundled	Yes (when IFS)
Children's Outpatient	X		X	\$10-\$20 m	DMH	<21	DA/SSA	FFS	Yes (when IFS)
Children's Community Services & Targeted Case Management	X		X	\$5-\$10 m	DMH	<21	DA/SSA	Bundle	Yes (when IFS)
Adult Outpatient & Underinsured	X		X	\$5-\$10 m	DMH	18+	DA/SSA	FFS	No
Mental Health Consumer Supports			X	\$1-\$5 m	DMH	All	DA/SSA	Bundle	No
Emergency Services	X	X	X	\$5-\$10 m	DMH	All	DA/SSA	FFS/Bundle	Yes (when IFS)
Recovery Housing			X	<\$1 m	DMH	18+	DA/SSA	Bundled	Unknown
Acute Hospitalization and IMD			X	\$5-\$10 m	DMH	21-65	Hospital	FFS	No
Special Payments for Treatment			X	<\$250k	DMH	All	DA/SSA	FFS	No
Designated Agency Underinsured			X	\$5-\$10 m	DMH	All	DA/SSA	FFS	No
Developmental Services		X	X	\$100-\$150m	DAIL	All	DA/SSA	Bundled	Unknown
Flexible Family Funds			X	\$5-\$10 m	DAIL	<21	DA/SSA	Bundled	No
Mobility Training/Visually Impaired			X	<\$500K	DAIL	18+	VABIR	Bundled	Unknown
DS Special Payments for Medical			X	\$1-\$5 m	DAIL	All	Multiple	FFS	No
Support and Services at Home			X	\$1-\$5 m	DAIL	65+	Unknown	Unknown	Unknown
Bridge -Targeted Case Management	X			<\$1 m	DAIL	<18	DA/SSA	Bundled	Yes (when IFS)
Traumatic Brain Injury		X		\$5-\$10 m	DAIL	18+	DA/SSA	Bundled	No
Choices for Care - HCBS		X		\$50-\$100 m	DAIL	22+	HHA	Bundled	No
Choices for Care- Res Care	X			\$10-\$20 m	DAIL	22+	Res Care	Bundled	Unknown
Choices for Care – Nursing Facilities	X			\$100-150m	DAIL	22+	NF	Bundled	Yes
General Assistance Medical			X	<\$500K	DCF	18+	Multiple	FFS	No
DCF - Children's Programs	X		X	\$20-\$50m	DCF	<18	Multiple	Bundled	Yes (when IFS)
Challenges for Change: DCF			X	<\$250K	DCF	22+	Shelter	Bundled	Yes

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Strengthening Families			X	<\$500K	DCF	<18	Child Care	Bundled	Yes (when IFS)
Lamoille Valley Community Justice			X	<\$500K	DCF	<21	Lamoille	Bundled	yes
Alcohol & Substance Abuse	X		X	\$10-\$20 m	VDH	All	Multiple	FFS	Unknown
Therapeutic Child Care			X	<\$1 m	DCF	<18	Child Care	Bundled	Yes (when IFS)
Lund Home	X		X	<\$500K	DCF	18+	Res Care	Bundled	Unknown
Residential Care Children Services			X	\$10-\$20 m	DCF	<18	Res Care	Bundled	Unknown
Community Clinics			X	<\$1m	VDH	All	Free Clinics	Bundled	Unknown
Recovery Centers			X	<\$1 m	VDH	18+	Multiple	Bundled	No
Challenges for Change-VDH			X	<\$500K	VDH	18+	DA/SSA	Bundled	Yes
Family Planning (ACA expansion)			X	\$1-\$5m	VDH	18+	PPNNE	Bundled	Unknown
Children's & Adult Personal Care	X			\$20-\$50m	VDH	All	Multiple	FFS/Bundle	Unknown
Intensive Substance Abuse Program			X	<\$1 m	DOC	18+	Multiple	Bundled	Unknown
Return House			X	<\$500K	DOC	18+	WCYSB	Bundled	Unknown
Northern Lights			X	<\$500K	DOC	18+	Multiple	Bundled	Unknown
Challenges for Change: DOC			X	<\$500K	DOC	18+	Multiple	Bundled	Yes
Northeast Kingdom Community Action			X	<\$500K	DOC	18+	Multiple	Bundled	Unknown
Pathways to Housing			X	<\$1m	DOC	18+	Pathways	Bundled	Unknown
School Based Health Services	X			\$20-\$50m	AOE	<21	AOA-LEA	Bundled	No

**VBP Opportunity to be analyzed and confirmed based on State's final list of program priorities and inclusion in this study*