



Value-based Payment Update

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Authority



Overview

- Value-based payment (VBP) background
- CCO 2.0 VBP Requirements
- Resources and Questions

Driving forces for increased VBPs

The goal of increased use of VBPs is to incentivize delivery system reform that focuses on **value** instead of volume of care delivered, **rewarding** providers for a combination of **high-quality care, positive member health outcomes** and **cost savings**.

- **CCO 2.0:** Strategies to increase value-based payments and paying for performance is one of Governor Brown's four priority areas for recommendations from OHPB
- **Oregon's 1115 Waiver:** Requires OHA to develop a plan (VBP Roadmap) describing how the State, CCOs and network providers will achieve a set target of VBPs by June 30, 2022
- **2018 CCO contract:** Requires CCOs to engage in collaborative efforts with OHA to develop a VBP Roadmap

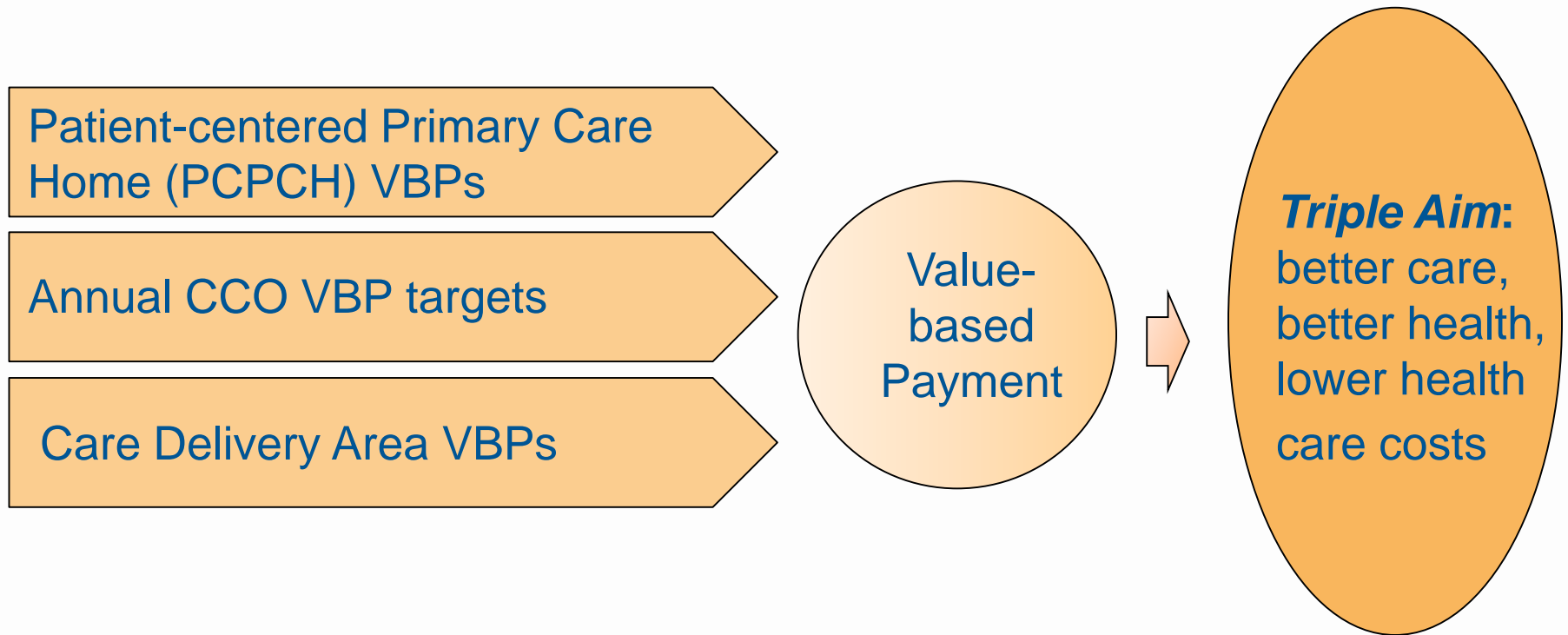
VBP lessons learned: first 5 years

- The use of VBP varies by CCO
- CCOs use payment models beyond fee-for-service (FFS), but have less experience linking payment to quality
- CCO differences in geography, plan size and provider market power means a “one-size-fits-all” VBP approach will not work
- Current reporting does not adequately capture CCO VBP activities

CCO 2.0 VBP public engagement themes

- Written comments by stakeholders
 - Largely supportive of increased use of VBPs; requests for meaningful incentives and metric alignment for providers; concerns around data-sharing; consideration of VBPs within rate-setting
- CCO 2.0 VBP Survey Themes
 - Comments mixed between VBP being the right direction and VBP challenges in implementation and practice
- Provider Survey Themes
 - Experience with VBPs; blended model of FFS and capitation has been effective to shift from FFS to VBP; concerns regarding meaningful incentives and metric alignment; sufficient/timely data; behavioral health integration

CCO 2.0 VBP Requirements



Health Care Payment Learning and Action Network (LAN) VBP Framework



CATEGORY 2
FEE FOR SERVICE -
LINK TO QUALITY
& VALUE



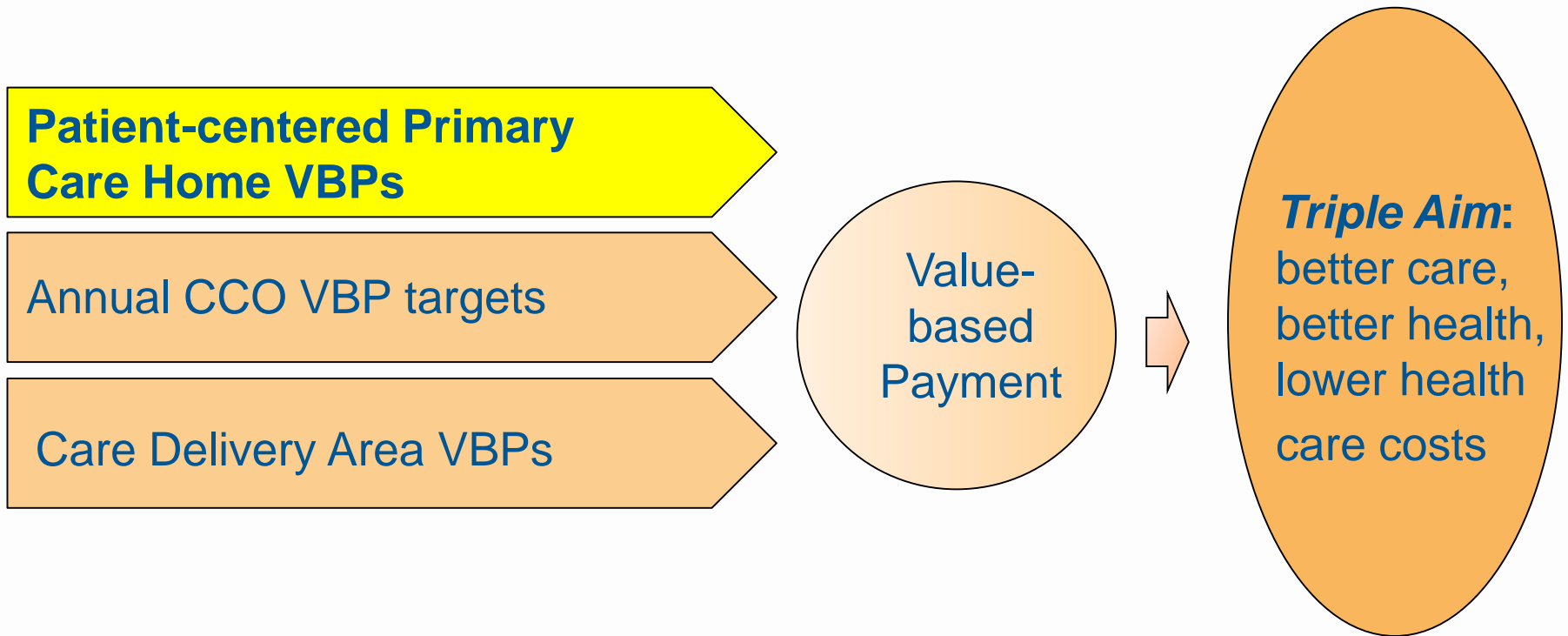
CATEGORY 3
APMS BUILT ON
FEE -FOR-SERVICE
ARCHITECTURE



CATEGORY 4
POPULATION -
BASED PAYMENT

Example payment model	Explanation
Pay-for-performance	<ul style="list-style-type: none"> -Incentives/disincentives for providers that achieve/fail to achieve quality improvement targets -Example: the CCO Incentive Metrics Program acts as a pay-for-performance VBP
VBP with shared savings and downside risk	<ul style="list-style-type: none"> -Providers are eligible to share in savings, but are also at risk for financial penalties based on performance against cost budgets (and at times for performance on quality measures) -Example: Bundled payments for maternity care
Condition-specific population-based payment	<ul style="list-style-type: none"> -Providers are prospectively paid a lump sum that covers all care they deliver for a specific condition -Example: Lump-sum payments to manage chronic conditions such as diabetes

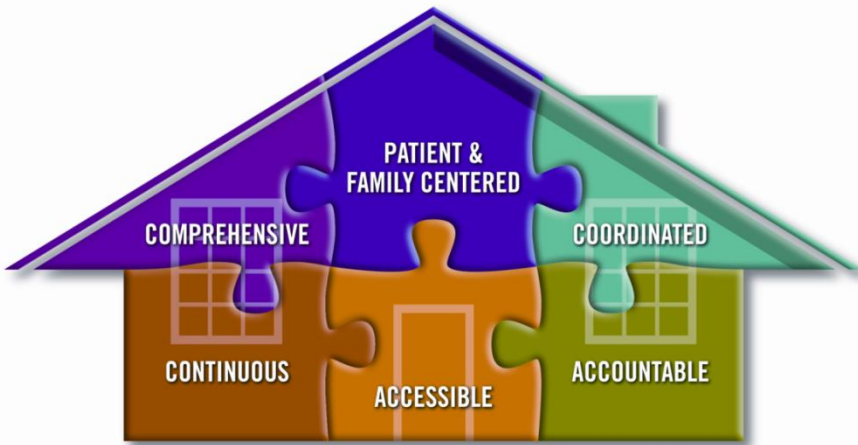
CCO 2.0 VBP Requirements



Patient-centered Primary Care Home VBP

CCOs are required to provide per-member-per-month payments to their Patient-Centered Primary Care Home (PCPCH) clinics.

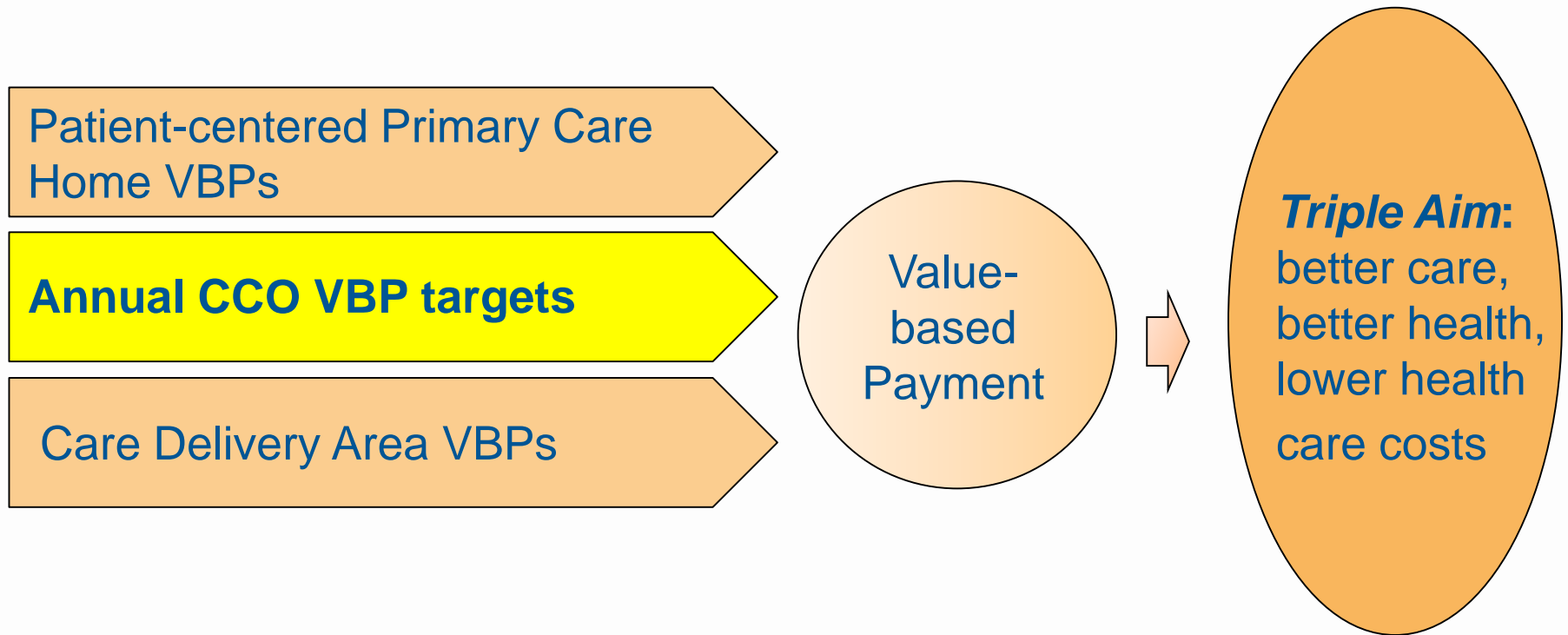
- Category 2A VBP (Foundational Payments for Infrastructure & Operations)
- Provides financial support for PCPCHs to implement and sustain a robust PCPCH model of care
- Supports staff and activities that are not reimbursed through FFS



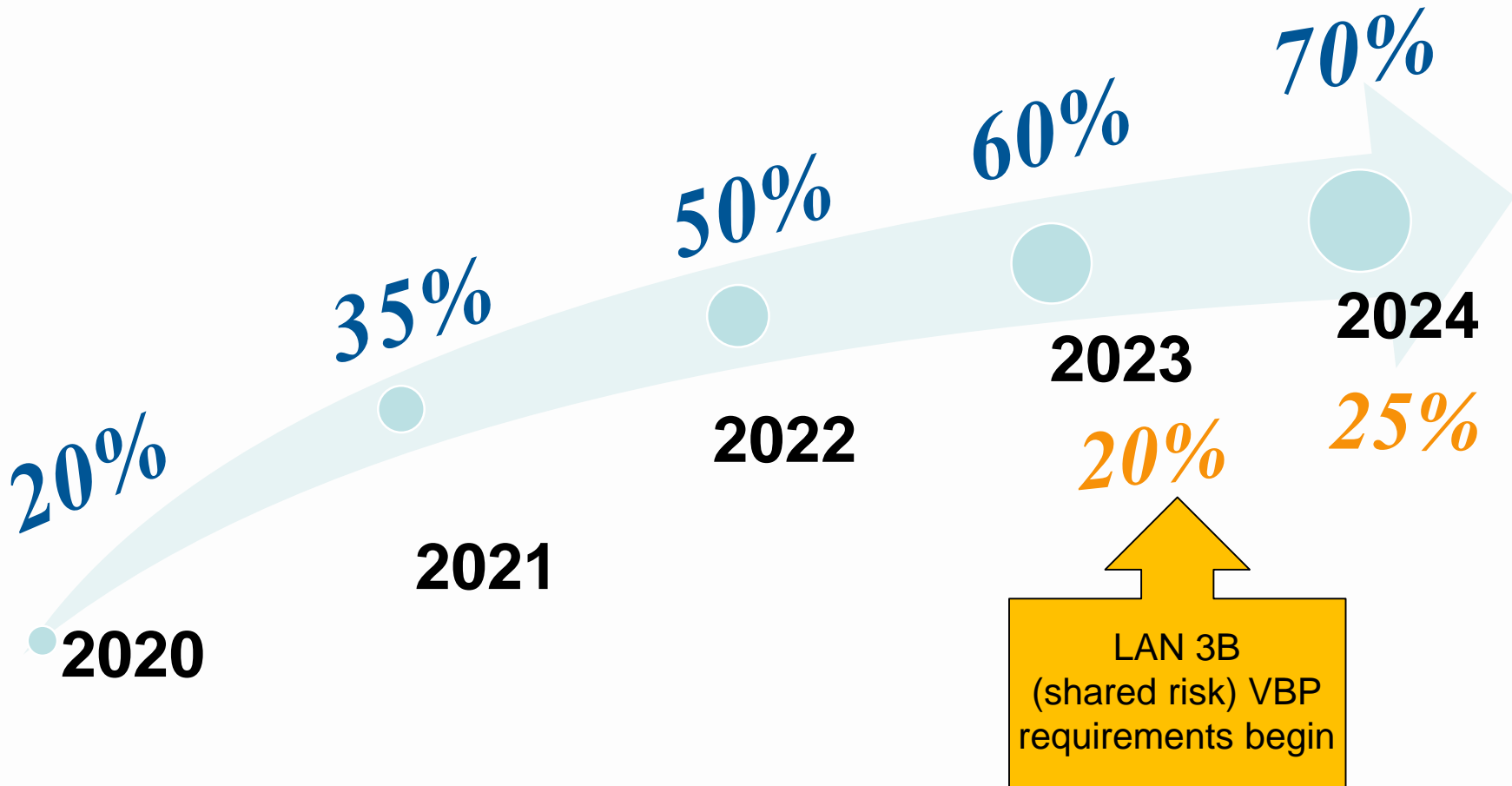
PCPCH program evaluation* findings:

- PCPCH Program encouraged clinics to embrace team-based care.
- Every \$1 increase in primary care expenditures related to the PCPCH Program led to \$13 average health care system savings.

CCO 2.0 VBP Requirements

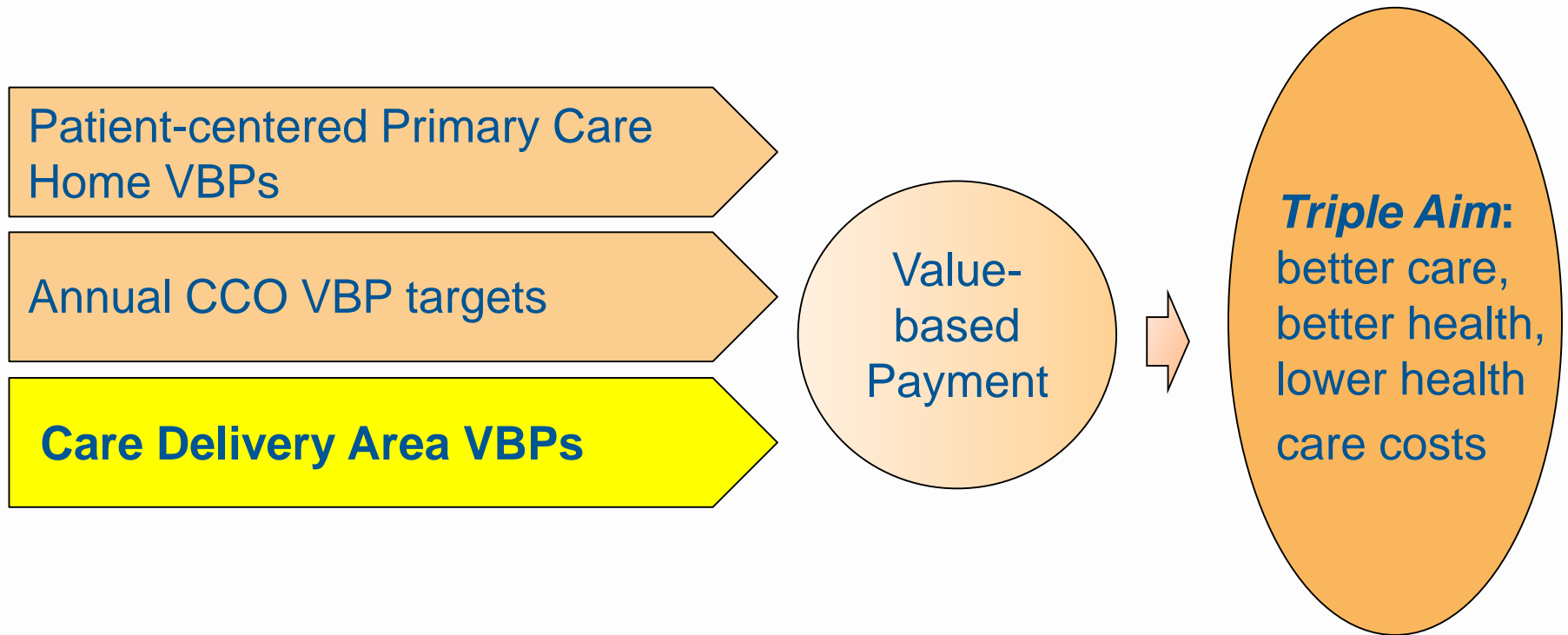


CCO Value-based Payment Targets



- VBP targets that must be at LAN Category 2C or higher
- **VBP targets that must be at LAN Category 3B or higher**

CCO 2.0 VBP Requirements



Care Delivery Area VBPs

2021: CCOs implement three new care delivery area (CDA) VBPs: hospital care, maternity care and behavioral health care.

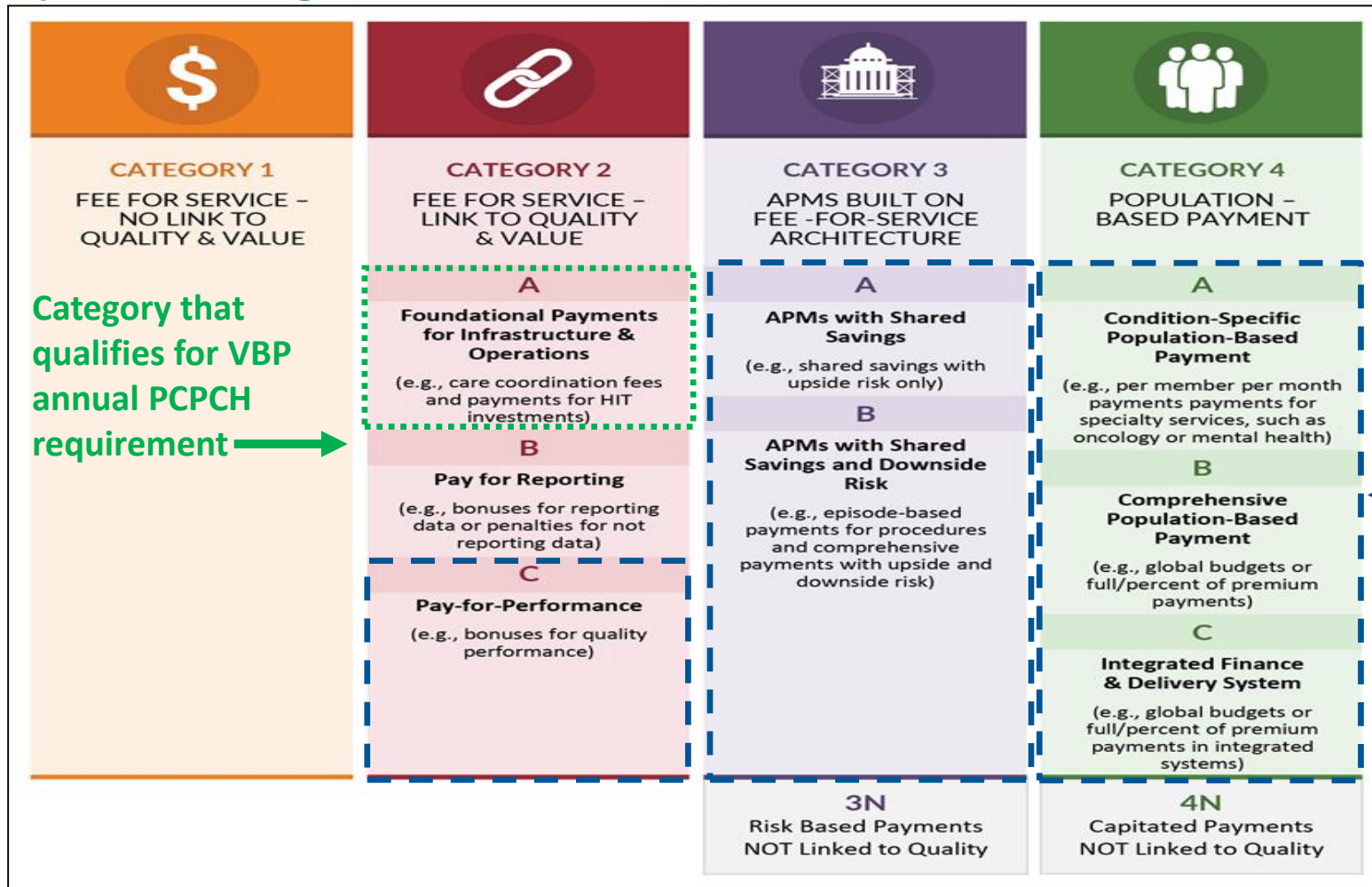
2022 and 2023: CCOs implement a new VBP each year in children's health care or oral health care.

- Flexibility of VBP models, design and size (i.e., no spend or population size requirement)
- VBP models may include more than one CDA

Care delivery area	Select criteria driving inclusion of focus area
Hospital care	High-cost; minimal CCO VBP experience
Maternity care	Governor's priority; major area of spending
Behavioral health care	CCO 2.0 priority; VBP can promote integration
Children's health care	Governors priority; widespread public support
Oral health care	Foundational to CCO model; VBP can promote integration

CCO VBP Requirements

by LAN Categories



Category that qualifies for VBP annual PCPCH requirement →

Categories that qualify for annual CCO VBP targets and CDAs ←

CCO 2.0 VBP Reporting

- Annual VBP interviews with OHA
- Supplemental data collection for CDA and PCPCH VBPs
- Streamlined VBP reporting through the All Payer All Claims (APAC) database
- Demonstrate necessary information technology (IT) infrastructure for VBP reporting

Resources and Questions

- OHA's Transformation Center is planning robust technical support program for CCO's VBP activities
- Current resources on www.transformationcenter.org
 - VBP Roadmap for CCOs
 - VBP Technical Guide for CCOs

THANK YOU!

Questions?