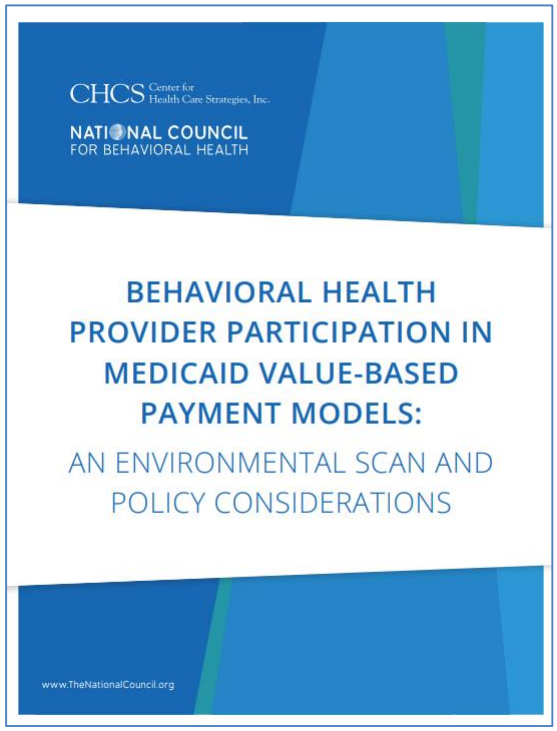
Value-Based Payments and Behavioral Health: Results of a Nationwide Environmental Scan

Association Executives Discussion
September 16, 2019



Project Goals and Deliverables

Goals

- Learn about value-based payment (VBP) models across several states
- Understand the impact of these models on the behavioral health delivery system including strengths, challenges, and policy recommendations

Deliverables

- Publishing a report that distills key themes — including recommendations for state and federal policymakers

Interviewees

Center for Health Care Strategies interviewed behavioral health associations, behavioral health providers, and/or state government officials in:

- Arizona
- Colorado
- Massachusetts
- New Hampshire
- New York
- Oregon
- Pennsylvania
- Tennessee
- Texas
- Vermont
- Washington

State VBP Policies

VBP Targets in Medicaid MCO Contracts	Eight of the eleven states have or plan to implement managed care VBP targets for physical and/or behavioral health: AZ, MA, NH, NY, OR, PA, TX, and WA
Behavioral Health-Specific VBP models	Examples include: • **New Hampshire** MCOs' capitated payments for community mental health providers • **Tennessee** Medicaid's Health Link program • **Vermont's** mental heath case rate payment for mental health agencies
Certified Community Behavioral Health Clinic Demonstration	Three of the eleven states reviewed participate in the CCBHC demonstration: **New York**, **Oregon**, and **Pennsylvania**
VBP Models Covering a Comprehensive Array of Services	Examples include: • **Massachusetts** Medicaid's Accountable Care Organization (ACO) and Community Partners programs • Models in **New York's** Value Based Payment Roadmap • **Vermont's** All-Payer ACO • **Tennessee** Medicaid's episodes of care program

Key Themes:

Opportunity of VBP

Behavioral health providers have seen benefits from participation in VBP and CCBHC

- Greater flexibility and incentives to deliver holistic, coordinated care
- Data collection and sharing facilitates quality improvement
- Additional or more predictable funding can improve access

VBP provides an opportunity to address funding gaps in the behavioral health system in a way that is tied to performance and accountability

- VBP based on historical payment rates may not address resource constraints limiting access to care
- Directing additional funding to the behavioral health system, such as through sharing savings, may support goals of improving quality and reducing total cost of care

Key Themes:

High-Level Policy Considerations

State governance structures and policy impact VBP adoption for behavioral health. Challenges include:

- Lack of integration at the state and MCO level
- Administrative burden of contracting with multiple MCOs
- Behavioral health care delivery regulations conflicting with health care reform efforts

Broadly defined VBP targets for MCOs do not necessarily result in new payment models for behavioral health providers. Challenges include:

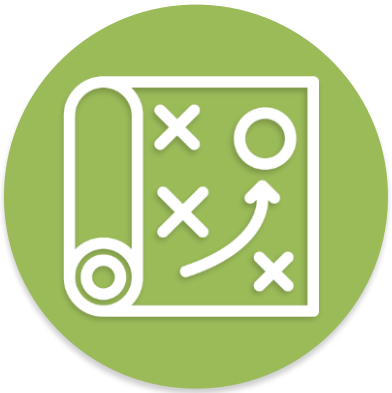
- Small size and subset of the population served by behavioral health providers
- Lack of MCO experience with behavioral health
- Difficulty beginning VBP negotiations

Behavioral health providers would likely benefit from technical assistance and infrastructure funding

- Implementing new VBP models often requires development of new capabilities, investment in new IT infrastructure, and hiring additional and/or retraining of staff
- Building data sharing capacity is particularly important

Key Themes:

VBP Model Design



Unique aspects of behavioral health conditions or provider operations may require tailored VBP policy approaches. Policymakers may consider:

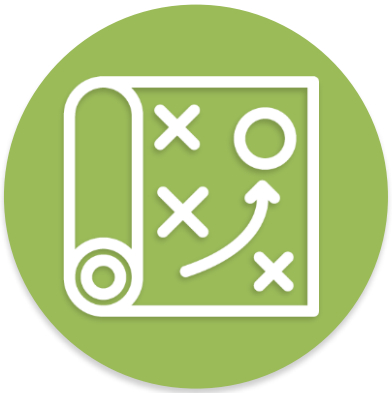
- How existing behavioral health payment models differ from physical health payment
- The chronic nature of behavioral health conditions
- The quality and type of available behavior health data

Approaches to key VBP design elements, such as attribution and governance, impact behavioral health's level of involvement in VBP models

- Broad VBP models generally base patient attribution on primary care providers and don't necessarily have a defined role for behavioral health providers
- Physical health providers may not have incentives to share savings or engage with behavioral health providers
- Behavioral health providers often do not have a substantial voice in VBP design and operations

Key Themes:

VBP Model Design *(continued)*



Case rate or population-based payment models tied to performance may be more impactful than P4P

- VBP models may need to move beyond pay-for-performance (P4P) models to be most impactful
- Reduced or different administrative requirements and restrictions may allow for improved care delivery
- While more advanced models may be beneficial, behavioral health provider readiness to enter into VBP varies

Developing more meaningful behavioral health-focused measures, while reducing overall reporting burden, is needed to support VBP

- There is an opportunity to develop more SUD, SMI, SDOH, and quality of life measures
- Holding behavioral health providers accountable for some physical health or care coordination measures may increase cross-system collaboration and help demonstrate value of behavioral health
- Varying quality measures across programs/payers is administratively burdensome

Policy Recommendations

1. Implement a **robust stakeholder engagement** process that includes meaningful participation from behavioral health providers and a broad range of state agencies.
2. Leverage **existing behavioral health system payment models** and infrastructure.
3. Adapt VBP models to include policies that further **incentivize adoption of VBP for behavioral health** services.
4. Include **sufficient financial incentives and flexibility** in VBP models to allow for behavioral health care delivery improvement.
5. Implement state policies to **track behavioral health VBP models** and promote transparency around VBP adoption.
6. Support **alignment and development of meaningful behavioral health quality measures** and data sharing infrastructure to facilitate quality improvement.
7. Develop **standardized federal guidance** that can be used by states as "guardrails" to assess the appropriateness and effectiveness of VBP models for behavioral health.

Discussion Topics

Supporting State-Based Policy Discussions

- How can National Council support your discussions with state policymakers regarding VBP?

Quality Measure Alignment

- How should we leverage CCBHC or other measure sets to achieve goal of an aligned, meaningful set of measures?

Follow Up Questions

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