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Creating Partnerships Based on Value

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Key HHS Value Based Purchasing (VBP) Programs

- MCO Pay for Quality
- DMO Pay for Quality
- Hospital Pay for Quality
- MCO payment reform (VBP) effort with providers (contractual targets for VBP)
- Delivery System Reform Incentive Payment (DSRIP) program

- Quality Incentive Payment Program (QIPP)
- Other



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VBP Targets and other efforts to support VBP

FY2018 MCO contracts:

- **Establishment of VBP Targets** (ratios of \$ paid in VBP relative to overall medical expense), increasing over 4 years (overall and risk based)
- Data collection by HHSC
- Data /report sharing by MCOs with providers
- Dedication of MCO resources to support VBP
- Annual deliverables will be basis for calculating VBP ratios
- Ongoing dialogue with MCOs and Providers on their VBP efforts and barrier identification



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MCO Progress

- Many MCOs were on this path, but P4Q and contract requirements seem to have accelerate the effort
- MCOs meeting providers where they are at and are starting with FFS models with upside incentives
- Some MCOs have move to alternative payment models such as bundled payments and partial capitation
- MCOs will likely hit their year 1 targets
- MCOs are looking ahead to how they can achieve risk based VBP targets
- Provider education must continue



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VBP- Key Issues Going Forward

- Paradigm shift-examine roles/relationships, level of support and overall structure
- Keep administrative simplification at the forefront
- Workable solutions for wide variety of providers: rural-urban, high volume-low volume, those that have developed infrastructure-those that do not, etc..
- Data analytics and business intelligence infrastructure at the HHSC level, MCO level, and provider levels needs to be supported



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VBP- Key Issues Going Forward

- Regular, data-driven engagement of MCOs and providers to assess progress, identify barriers (and remove if possible)
- Are investments needed?
- Examination of MCO rate setting in a value drive system
- Movement thru VBP continuum
- Patient attribution



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Questions?

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