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OVERCOMING THE VBP CHALLENGE

How will you maximize your Medicaid dollar while increasing access and quality in an uncertain healthcare environment?

Medicaid Directors are challenged to answer this question and accelerate transition of their programs to value based payment models. Maximizing Medicaid funds, while improving access and quality, are critical at this time. Designing a value based purchasing (VBP) program in this environment can be difficult as states are expected to function with fewer resources. It is important that a VBP plan addresses the unique program needs, goals, and challenges particular to a state's Medicaid program.

In CMS' November 22, 2013 State Health Official letter (letter four in a series), five key components were outlined regarding designing and implementing care delivery and payment reforms in Medicaid and CHIP programs.

The Five Key Components

Goals	Interventions	Metrics	Targets	Transparency and Feedback

LET'S LOOK DEEPER

Goals

Defining your VBP goals is integral to developing your VBP plan and your quality strategy. Clear program goals lead to the identification of appropriate quality metrics to measure if value and quality goals are being met. It is important to identify goals that offer the greatest return on investment while navigating the complex stakeholder landscape, including gaining approval from state legislators and CMS. A well-defined quality strategy and VBP plan should incorporate short-term and long-term program goals

Interventions

Having the right tools and the right experience is critical for states during the implementation of interventions that achieve VBP goals. Understanding clinical quality and delivery system innovation ensures a smoother implementation and continuous improvement process. States will also need partners to help with translating interventions to policy, revising quality strategy documents and ensuring Managed Care contracts include VBP. States may want to consider building alternative payment methods from pay-for-performance to bundled payments and shared savings models.

Metrics

Selection of quality metrics is a deceptively complex process and one of the primary areas that can lead to VBP program success or failure. States may face barriers to measure selection due to incomplete and unreliable data or lack of availability of data or inability of providers to submit data, particularly in the early implementation stages of a VBP program. However, appropriate measure selection is critical to effectively assess the impact of the interventions and calculate savings or performance awards/penalties. While we advocate for the usage of nationally recognized measures, a state should also consider the development of state-specific technical specifications for outcome measures that evaluate preventable high-cost utilization including low-acuity non-emergent emergency department utilization, preventable admissions and readmissions, and address gaps in care and population health disparities.

Targets

Establishing the expectations for improvement in a VBP program and communicating those to stakeholders has proved critical in promoting the type of transparency that providers and other VBP partners demand. We believe it is important to model a variety of improvement scenarios and commensurate incentives/disincentives. These scenarios include improvement above set thresholds, percent and percentage point improvement and improvement relative to others in the market.

Transparency and feedback

Accurate, consistent and timely feedback is needed to ensure that all stakeholders in a VBP program are aware of the trajectory of their performance. This could include developing interim reporting to VBP partners to ensure they are able to address healthcare gaps, population health drivers, racial disparities and other key quality and utilization metrics. Transparency and feedback considerations must be designed to meet providers where they are at, and may require building provider readiness — only then can providers take the necessary steps to improve. Thus, developing reporting solutions that provide VBP partners with the information they need to achieve the VBP goals is essential as is, demonstrating VBP program success to stakeholders. We have learned that it is critical to provide clear data and actionable information in a dynamic presentation for a wide variety of audiences.

IN CONCLUSION

Value based purchasing and alternative payment models are complex and require significant expertise and resources to develop a plan that ensures State value and quality goals are met while appreciating the pressure on providers to transform their care delivery model. Now is the time to prepare for these goals even when the healthcare environment is fluid and unsure.