



TEXAS
Health and Human
Services

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

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 accelerated the effort
- MCOs meeting providers where they are at and are often starting with FFS models with upside incentives
- Some MCOs have moved 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
- MCO and provider engagement 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



VBP: Key Issues Going Forward (cont.)

- 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-driven system
- Movement thru VBP continuum
- Patient attribution



VBPQI Advisory Committee

- HHS established the Value-Based Payment and Quality Improvement (VBPQI) Advisory Committee in Fall 2016:
 - Provides a forum for ongoing public-private, multi-stakeholder collaboration for VBP and quality improvement, with a focus on Medicaid/CHIP
 - Comprised of a broad range of interdisciplinary health industry leaders from across the state
 - Goal: to help Texas achieve the highest value for healthcare in the nation
 - First deliverable:
 - Report to the 86th Texas Legislature



VBPQI Legislative Report

Reflects key themes identified by the committee over two years:

- Stakeholders need greater awareness and enhanced communication on opportunities, challenges, and goals for VBP
- MCOs, providers, and policy makers cannot currently access enough timely and actionable data/information for an optimal transition to a value-based system
- Reimbursement methods in Texas Medicaid must adequately reward success to encourage long term investment in VBP models



VBPQI Legislative Report (cont.)

Reflects key themes identified by the committee over two years:

- Medicaid would be best served by narrowing its initial VBP focus to core areas where it is an industry leader, such as child and maternal health
- VBP participants desire some standardization and guidance on appropriate models and measures to reduce administrative complexity



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Helpful HHSC Web Resources

HHSC Medicaid/CHIP Quality Webpage: <https://hhs.texas.gov/about-hhs/process-improvement/medicaid-chip-quality-efficiency-improvement>

Quality Plan:

<https://hhs.texas.gov/sites/default/files//documents/laws-regulations/reports-presentations/2017/HHS-Healthcare-Quality-Plan-2017.pdf>

VBP Roadmap:

<https://hhs.texas.gov/sites/default/files//documents/about-hhs/process-improvement/quality-efficiency-improvement/draft-texas-vbp-apm-roadmap-august-2017.pdf>

Medicaid/CHIP Quality Data and Reports:

<https://hhs.texas.gov/about-hhs/process-improvement/medicaid-chip-quality-efficiency-improvement/medicaid-chip-quality-efficiency-improvement-data-reports>



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