New York State Department of Health | Office of Health Insurance Programs

# NYS Value Based Payment is a Team Sport … What Role Can You Play ?

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## Agenda

Background: NYS Healthcare and path to VBP

Social Determinants of Health: Opportunities in Subpopulations

Social Determinants of Health: Promising Practices

Maintaining Momentum: Future Challenges

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# Statewide Performance: Then and Now

- >3% anticipated growth rate had become unsustainable, while quality outcomes were lagging
  - Costs per recipient were double the national average
  - NY ranked 50th in country for avoidable hospital use
  - 21st for overall Health System Quality
- 2017, NY State 12th overall, and 32 in avoidable hospital use

http://datacenter.commonwealthfund.org/scorecard/state/34/new-york/?_ga=2.85899545.1476542940.1495383962-false

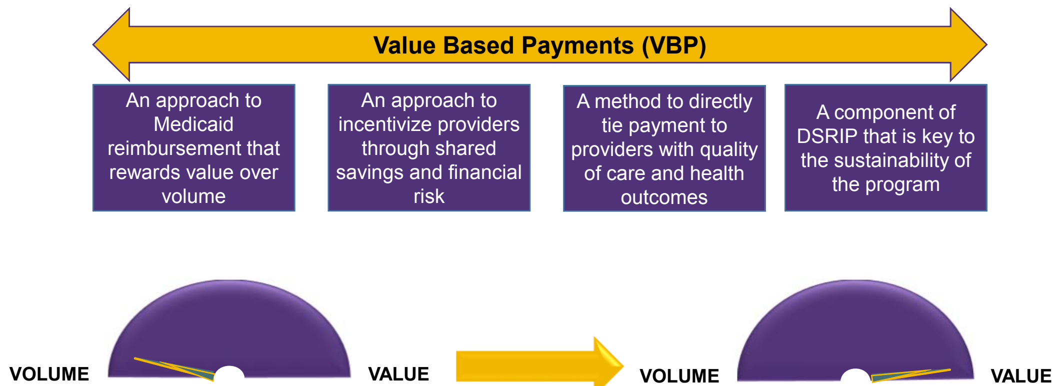
**DSRIP has helped. With VBP, NYS can do even better.**

**2009 Commonwealth State Scorecard on Health System Performance**

| *CARE MEASURE* | *NATIONAL RANKING* |
|---|---|
| **Avoidable Hospital Use and Cost** | **50th** |
| ✓ Percent home health patients with a hospital admission | 49th |
| ✓ Percent nursing home residents with a hospital admission | 34th |
| ✓ Hospital admissions for pediatric asthma | 35th |
| ✓ Medicare ambulatory sensitive condition admissions | 40th |
| ✓ Medicare hospital length of stay | 50th |

# Value Based Payments: Why is this important?

- By DSRIP Year 5 (2020), all Managed Care Organizations (MCOs) must employ VBP systems that reward value over volume for at least 80 – 90% of their provider payments.
- Currently, 38.32% of Medicaid payments are value based.



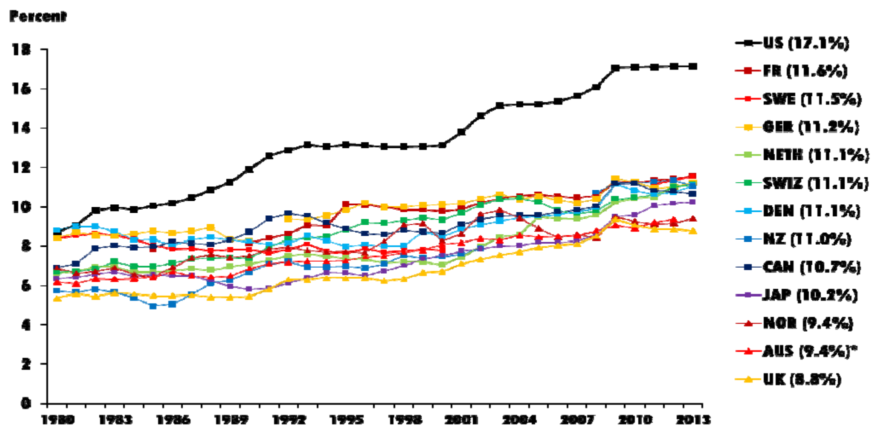

*Source: New York State Department of Health Medicaid Redesign Team. A Path Towards Value Based Payment, New York State Roadmap for Medicaid Payment Reform. NYSDOH DSRIP Website. Published June 2015.*

# Social Determinants of Health

Opportunities to address subpopulation-specific needs

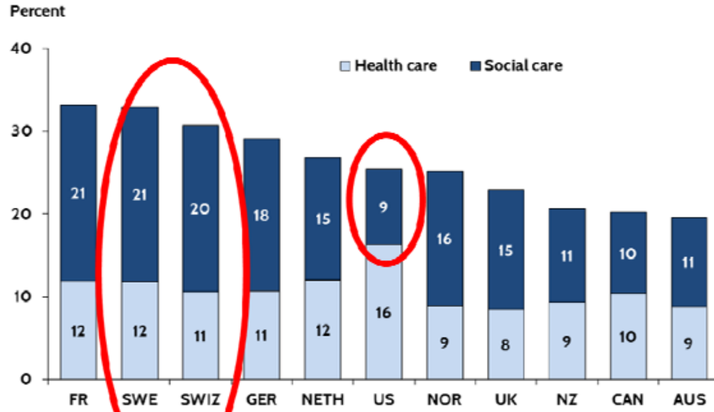
## Health Care Spending in US & Other Countries

Health Care Spending as a Percentage of GDP, 1980–2013




* 2012.
Notes: GDP refers to gross domestic product. Dutch and Swiss data are for current spending only, and exclude spending on capital formation of health care providers.
Source: OECD Health Data 2015.

# Health Care and Social/SDH Spending



# Health Care Quality, Health Care Spending, and Social/SDH Spending

COUNTRY RANKINGS

- Top 2*
- Middle
- Bottom 2*

| | AUS | CAN | FRA | GER | NETH | NZ | NOR | SWE | SWIZ | UK | US |
|---|---|---|---|---|---|---|---|---|---|---|---|
| OVERALL RANKING (2013) | 4 | 10 | 9 | 5 | 5 | 7 | 7 | 3 | 2 | 1 | 11 |
| Quality Care | 2 | 9 | 8 | 7 | 5 | 4 | 11 | 10 | 3 | 1 | 5 |
| Effective Care | 4 | 7 | 9 | 6 | 5 | 2 | 11 | 10 | 8 | 1 | 3 |
| Safe Care | 3 | 10 | 2 | 6 | 7 | 9 | 11 | 5 | 4 | 1 | 7 |
| Coordinated Care | 4 | 8 | 9 | 10 | 5 | 2 | 7 | 11 | 3 | 1 | 6 |
| Patient-Centered Care | 5 | 8 | 10 | 7 | 3 | 6 | 11 | 9 | 2 | 1 | 4 |
| Access | 8 | 9 | 11 | 2 | 4 | 7 | 6 | 4 | 2 | 1 | 9 |
| Cost-Related Problem | 9 | 5 | 10 | 4 | 8 | 6 | 3 | 1 | 7 | 1 | 11 |
| Timeliness of Care | 6 | 11 | 10 | 4 | 2 | 7 | 8 | 9 | 1 | 3 | 5 |
| Efficiency | 4 | 10 | 8 | 9 | 7 | 3 | 4 | 2 | 6 | 1 | 11 |
| Equity | 5 | 9 | 7 | 4 | 8 | 10 | 6 | 1 | 2 | 2 | 11 |
| Healthy Lives | 4 | 8 | 1 | 7 | 5 | 9 | 6 | 2 | 3 | 10 | 11 |
| Health Expenditures/Capita, 2011** | $3,800 | $4,522 | $4,118 | $4,495 | $5,099 | $3,182 | $5,669 | $3,925 | $5,643 | $3,405 | $8,508 |

Notes: * Includes ties. ** Expenditures shown in $US PPP (purchasing power parity); Australian $ data are from 2010.
Source: Calculated by The Commonwealth Fund based on 2011 International Health Policy Survey of Sicker Adults; 2012 International Health Policy Survey of Primary Care Physicians; 2013 International Health Policy Survey; Commonwealth Fund National Scorecard 2011; World Health Organization; and Organization for Economic Cooperation and Development, OECD Health Data, 2013 (Paris: OECD, Nov. 2013).

## What Are Social Determinants of Health and Why Are They Important?

**Social determinants of health** are the structural **conditions** in which people are **born, grow, live, work and age**

Addressing social determinants can have a significant **impact on health outcomes**

SDH Interventions can be **less costly** than traditional medical interventions

Under VBP, VBP contractors aim to **realize cost savings** while achieving **high quality outcomes**

- The VBP program design **incentivizes** VBP contractors to **focus on** the core underlying drivers of poor health outcomes—**the Social Determinants of Health**

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## Rethinking Care for Medicaid's Highest-Need, Highest-Cost Populations

### SOCIAL DETERMINANTS OF HEALTH

**The social determinants of health are the conditions in which we are born, we grow and age, and in which we live and work. The factors below impact on our health and wellbeing.**

Childhood experiences

Housing

Education

Social support

Family income

Employment

Our communities

Access to health services

Source: NHS Health Scotland

*Experts estimate that **medical care accounts for only 10% of overall health**, with biological, social, environmental, and behavioral factors accounting for the rest. **Lack of** upstream **investment in social determinants of health** probably **contributes to exorbitant** downstream **spending on medical care** in the US.*

*The New England Journal of Medicine (NEJM)*

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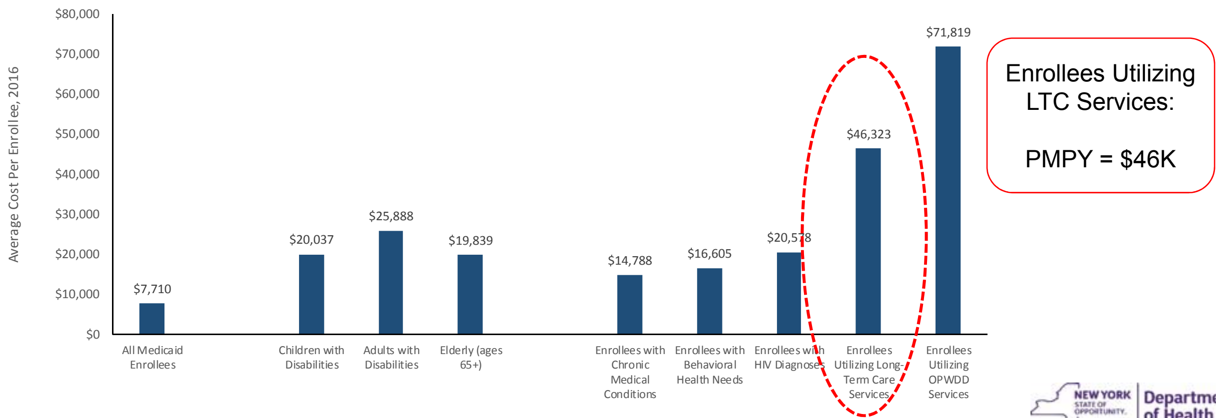
# Opportunities in Subpopulations

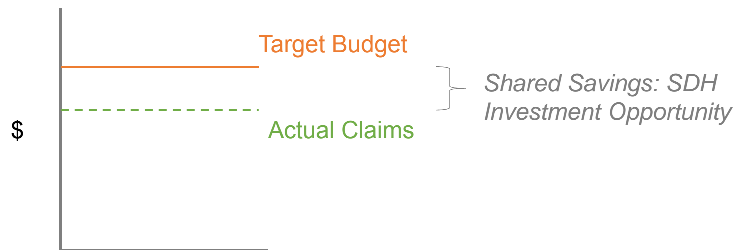
*Higher per-enrollee spending → greater opportunities to leverage specialized networks in pursuit of shared savings*

*Particular opportunities to address and invest in SDH interventions*



## NYS's VBP Program: Patient Needs over Billable Services

Through its emphasis on outcomes and by giving providers the opportunity to share in savings generated through more effective and innovative models of care, NYS's VBP program offers a unique opportunity to implement SDH interventions by redirecting these shared savings into social investment.




*Through proactive arrangements with MCOs or lead VBP contractors, it is also possible for these SDH investments to be made in advance of actual shared savings realization, as a means to achieving lower overall health expenditures*

# Promising Practices

In SDH Interventions

# Housing Security: Outcomes of MRT Supportive Housing

Number of high-need Medicaid recipients served to date: **11,656**

## Objective

- Medicaid Redesign Team Supportive Housing invests in the social determinants of health to reduce avoidable hospital utilization for high-cost, high-need Medicaid recipients

## Accomplishments

- 40% reduction in inpatient days
- 26% reduction in emergency department visits
- 44% reduction in patients with inpatient rehab admissions
- 27% reduction in patients with inpatient psychiatric admissions
- Medicaid health expenditures reduced by 15% in one year (average decrease of $6,130 per person)
- Through strategic prioritization, the top decile of enrollees had average Medicaid savings of $23,000-$52,000 per person per year (varied by program)
- 29% increase in care coordination after housing enrollment
- MRT houses extremely vulnerable populations
  - 66% have a serious mental illness
  - 46% of a substance use disorder
  - 40% are HIV+
  - 53% have one or more other chronic medical conditions
  - 26% have at least three of these diagnosis types

## Benefits

- Reduce Medicaid health expenditures
- Improved participant health outcomes and quality of life
- Increased Olmstead compliance statewide

### Decreased Inpatient, ED Use

| | 12 Months Pre-Housing | 12 Months Post-Housing |
|---|---|---|
| Avg. # of inpatient days | 10.1 | 6.1 |
| Avg. # of ED visits | 3.1 | 2.3 |

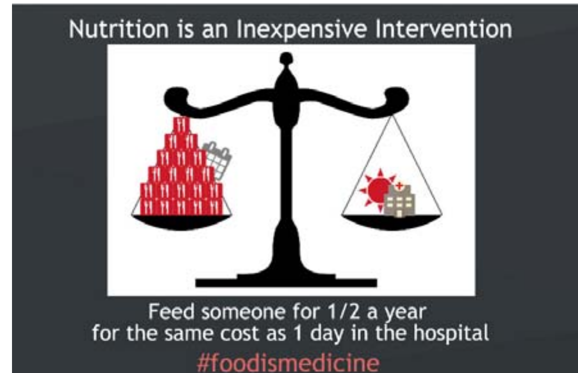
### Decreased Percentage of Recipients with Behavioral Health Admissions

| | 12 Months Pre-Housing | 12 Months Post-Housing |
|---|---|---|
| Any psychiatric inpatient | 10.0% | 7.3% |
| Any inpatient rehab | 7.2% | 4.0% |

## Food Security: Outcomes of Medically Tailored Meals (MTM)

### God's Love We Deliver Nutrition Intervention Outcomes

- Low-cost/High-impact intervention: Feed someone for half a year by saving one night in a hospital
- Reduce overall healthcare costs by up to 28% (all diagnoses compared to similar patients not on MTM)
- Reduce hospitalizations by up to 50% (all diagnoses compared to similar patients not on MTM)
- Reduce emergency room visits by up to 58% (pre-post MTM intervention)
- Increase the likelihood that patients receiving meals will be discharged to their home, rather than a long term facility (23%) (all diagnoses compared to similar patients not on MTM)
- Increase medication adherence by 50% (pre-post MTM intervention)

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## Social Determinants of Health Call for Innovation

| | |
|---|---|
| **Background** | The Bureau of Social Determinants of Health launched a new initiative to identify innovative ideas to effectively address Social Determinants of Health (SDH) for Medicaid members across New York State. |
| **Purpose** | The goal of the SDH Call for Innovation is to share the best and brightest SDH innovations. |
| **Evaluation criteria** | Proposals will be evaluated on the following criteria by a team of internal and external experts convened by DOH.<br><br>1. Potential Return on Investment<br>2. Scalability<br>3. Feasibility<br>4. Evidence-based support for innovation<br>5. Relevance to the Medicaid Population<br>6. Speed to market (how quickly could the strategy be launched) |
| **Proposals are due** | **Proposals are due June 15, 2018 at 5:00 PM EST.** |
| **SDH Innovation Summit** | Top innovations will receive special recognition but all innovations, with the consent of the submitting organization, will be shared publicly by DOH.<br><br>Department of Health will host a Social Determinants of Health Innovation Summit that will allow the applicants with the best solutions to pitch their product or idea to a panel of expert judges and audience members. It will be a chance for top healthcare professionals and investors who are focused on driving transformational change, to hear new and exciting ways to better health outcomes for millions of New Yorkers on Medicaid. At the summit, winners of each category will be honored with a '2018 SDH Health Innovation Award'!<br><br>**THE SDH Innovation Summit will be held Wednesday, September 26th at the New York Academy of Medicine, NYC** |

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# Maintaining Momentum

Future Challenges in VBP

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# We Need to Challenge the Status Quo

**Health care has not fundamentally changed in 60 years**

We still go to health care – once upon a time, healthcare came to us

Technology can help us reimagine healthcare delivery

Challenging the status quo is essential if we are to meet the needs of an aging population … Status quo of what we treat, where we treat, how we treat

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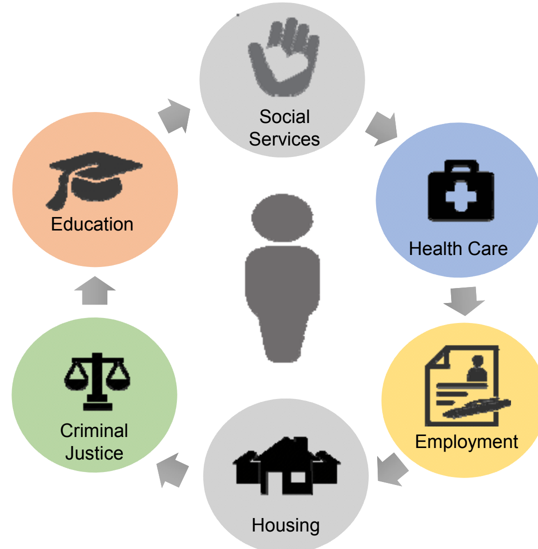
# Think Cross System

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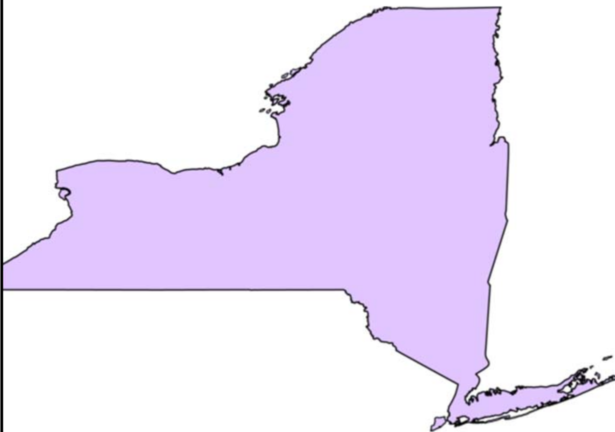
# New York State of Mind: Lessons Learned So Far



- The cost curve can be bent, but success depends on stakeholder buy in and consistency in government policy.
- Delivery system transformation is difficult, but the best path forward is system “integration” and incentive alignment to improve quality and cost effectiveness. Make health care a team sport.
- Don’t define “system” narrowly. Partnerships with other systems (social services, criminal justice, local government, education) is necessary for success especially with the most vulnerable patients.
- System transformation will only happen when change occurs at the point of care. Empower local problem solving through rapid cycle continuous improvement.
- Measure results and feed data back to providers in “actionable” ways.
- Don’t be afraid to innovate!

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