

NATIONAL COUNCIL LIVE

# Webinars

## Performance-Based Contracting



### Presentation to the National Council

Shannon Freedle, CEO, TeamBuilders

Deb Adler, SVP, National Networks, OptumHealth Behavioral Solutions

Pam Martin, VP, Networks, OptumHealth New Mexico

*Services are funded in part, under contract with the state of New Mexico*

NATIONAL COUNCIL LIVE

# Webinars

## OptumHealth New Mexico



# Setting the Stage in New Mexico

- > Beginning in 2004, New Mexico formed the Behavioral Health Collaborative, which consists of five state agencies who pool all behavioral health funds, including Medicaid
- > These funds have been managed by OptumHealth New Mexico (OHNM) since July 2009
- > 23% of the population is enrolled in Medicaid<sup>1</sup>
- > 25.6% of the population remains uninsured<sup>2</sup>
- > 65% of the Medicaid beneficiaries are children<sup>3</sup>
- > New Mexico had the fifth-highest child poverty rate in the nation, at 25.3<sup>4</sup>

<sup>1</sup> Comparison of July 2009 Medicaid population estimate (from New Mexico Human Services Department, Medical Assistance Division, All Client Eligibility Report, Nov 2011) to 2009 New Mexico population estimate (from Research and Polling, Inc, New Mexico Population At-a-Glance: 2009 Population Estimates – Western States, pg 4). Calculations by OptumHealth.

<sup>2</sup> Gallup, Inc. State of the States, Midyear 2009. Available at <http://www.gallup.com/poll/122387/uninsured-highest-percentage-texas-lowest-mass.aspx>.

<sup>3</sup> Comparison of July 2009 Medicaid children population estimate (from New Mexico Human Services Department, Medical Assistance Division, All Children Eligibility Report, Nov 2011) to July 2009 Medicaid population estimate (from New Mexico Human Services Department, Medical Assistance Division, All Client Eligibility Report, Nov 2011). Calculations by OptumHealth.

<sup>4</sup> Children's Defense Fund, State of America's Children 2011, pg B-10.

## Setting Up the Pilot

- > Goal: Increase community tenure for consumers with history of Out-Of-Home (OOH) placements
  - Measured by: Reduction in OOH placements of 15-25% or more during measurement period and no significant increase in incident rate or readmit rate (Inpatient and Residential Treatment Services)
  - Population: Children and adolescents (under 18 years old) who had at least one OOH placement
  - Baseline Measurement Period: 7/1/09 – 4/30/10
  - Performance Contract/Review Period: 9/1/10 – 2/28/11 and 10/1/10 – 2/28/11 (six months)
  - Three Core Service Agencies (CSAs) in three different counties were chosen to participate

## Provider Participation Requirements

- > Approved Core Service Agency provider
- > Demonstrated use of Evidence-Based Practices (EBP) including Multisystemic Therapy as well as offering Behavior Management Services and Comprehensive Community Support Services (CCSS)
- > Current OOH membership of 10 or more consumers
- > Demonstrated use of peer and/or family support models (e.g., hiring of peer advocates, use of peers/family members as non-independent providers where regulatory requirements allow)
- > Participated in weekly clinical rounds with OHNM staff
- > Participated in regular meetings to review data findings
- > Claims to be submitted within 15 days

## Metrics

- > Total OOH units for Inpatient, Residential Treatment Center, Group Home, Transitional Living Services, Treatment Foster Care and outpatient by member
- > Migration Reports (illustrating the defined group of children targeted for this initiative across each level of care)
- > Readmit rate for Residential Treatment Centers and Inpatient hospital setting
- > Critical Incident reporting – Count and % of the defined group

## Performance Awards

- > Percent reduction in OOH units per member per month (PMPM) comparing baseline period to the performance review with a target threshold of 20% reduction
- > Payment is contingent upon review and compliance with the following quality measures:
  - Readmit rate for Residential Treatment Centers or Inpatient for performance period will not exceed baseline period by >2%
  - Incident rate for performance period will not exceed baseline period by >2%
- > Migration reports demonstrate increase in cohort use of community-based services

# Performance Tiers: Example

<b>Tier 1</b>	15-19% reduction in OOH = \$75K
<b>Tier 2</b>	20-24% reduction in OOH = \$100K
<b>Tier 3</b>	25% or more = \$125K

# New Mexico: Quantitative Results

Out-of-Home placements declined across all three agencies, with no increase in readmission or incidents rates



## Pay-for-Performance Contracting Shows Encouraging Results to Date and Results in System-of-Care Improvement

### Pilot Background & Objectives

- In New Mexico, a performance-based contracting initiative aimed at improving affordability, quality outcomes and member health was launched July 2010
- Specific objectives were to increase community tenure for consumers with history of Out-of-Home (OOH) placements within the New Mexico public sector population

### Program Structure



### Measured Outcomes

Metric	Target	Achievement
Reduction in OOH Units	20%	55%
Readmit Rate	Not to exceed baseline by more than 2%	Readmit Rate Declined
Critical Incidents	Not to exceed baseline by more than 2%	Critical Incident Rate Declined

### Post-Pilot Expansion

- Identified ~25 high volume facilities serving both commercial and public sector members as part of a phased implementation effort
- Aligning incentives to achieve reduction in average length of stay (ALOS), readmissions, and improvements in Healthcare Effectiveness Data and Information Set (HEDIS) 7-day ambulatory follow-up
- Provider has opportunity to earn rate escalator based on achievement levels

# Providers and OHNM Care Coordinators

- > Providers emphasized the critical role of the OHNM Regional Care Coordinators
- > The OHNM Regional Care Coordinators complimented providers on their collaborative approach, creativity and commitment
- > Numerous OOH placements were reduced or prevented
- > Slow start due to difficulty identifying consumers, lack of contact information, lack of clearance for contacts, and HIPAA concerns by OOH providers

# Stakeholder Feedback

*"We did a lot things creatively and were able to follow through in a way that would not have been possible without OHNM partnership. For example, BMS at night for suicide watch; more time for kids coming out of higher levels of care."*

*"Having a wraparound-service-designated person available on staff to participate in all triages was important."*

*"My son has been in residential services for so long that, at first, I was resistant. But [this program] has resulted in putting our family back together and my son is doing great."*

*"This was a challenging opportunity for growth."*

*"Care Coordination prevented splitting of the team, so the wraparound plan had a chance to work. There were a few cases where families tried to reject the wraparound model, insisting on RTC, and we were all able to work through that together."*

# System Barriers

- > Lack of availability of Developmentally Delayed/Mentally Ill (DD/MI) housing for transition-age youth
- > Difficult to bring kids back from out-of-state Residential Treatment because there is a log jam at the Treatment Foster Care (TFC) level of care
- > Consumers in TFC have long length of stay and are not moving to the next level of community-based treatment; all the TFC beds remain full
- > Any history of sexual acting out increases placement problems; provider education needed regarding appropriate presentation of consumers' history of sexual acting out in the context of current functioning
- > Need more flexibility in use of existing resources to create options for step-down, including those youth with specialized needs such as developmental delays or sexualized behavior

# Suggestions from the Provider Roundtable

- > Need clear procedure for sharing personal health information (PHI) in accordance with the Health Insurance Portability and Accountability Act (HIPAA)
- > OOH care providers need information about discharge planning and wraparound
- > Consumers and stakeholders need information about OHNM roles and functions
- > Need better quality data and ability to sort/filter, to determine who are the members of the target population, and to track/monitor progress of treatment
- > Need to conduct Provider education to help them work directly with CSA in discharge planning and wraparound process
- > Care Coordinators/OHNM could help by leveraging our relationship with providers to set up relationship between the Pay-for-Performance CSA and the provider
- > When families try to circumvent the wraparound process, it is important to be responsive and communicate and engage the family

# Pay for Performance Program Additional In-Flight Program – At a Glance

## Facility Participation Requirements

- > Collects HBIPS-7 (Hospital-Based Inpatient Psychiatric Services) data for the Joint Commission on Accreditation of Healthcare Organizations and shares yearly results with OHBS
- > Adheres to OHBS utilization management process, Level of Care Guidelines and Coverage Determination Guidelines, including attending MD visits, pre-auth requirement, and discharge planning
- > Qualifies as a OHBS high-volume provider
- > Participates in periodic meetings with OHBS clinical operations staff to review data
- > Submits claims electronically

## Metrics

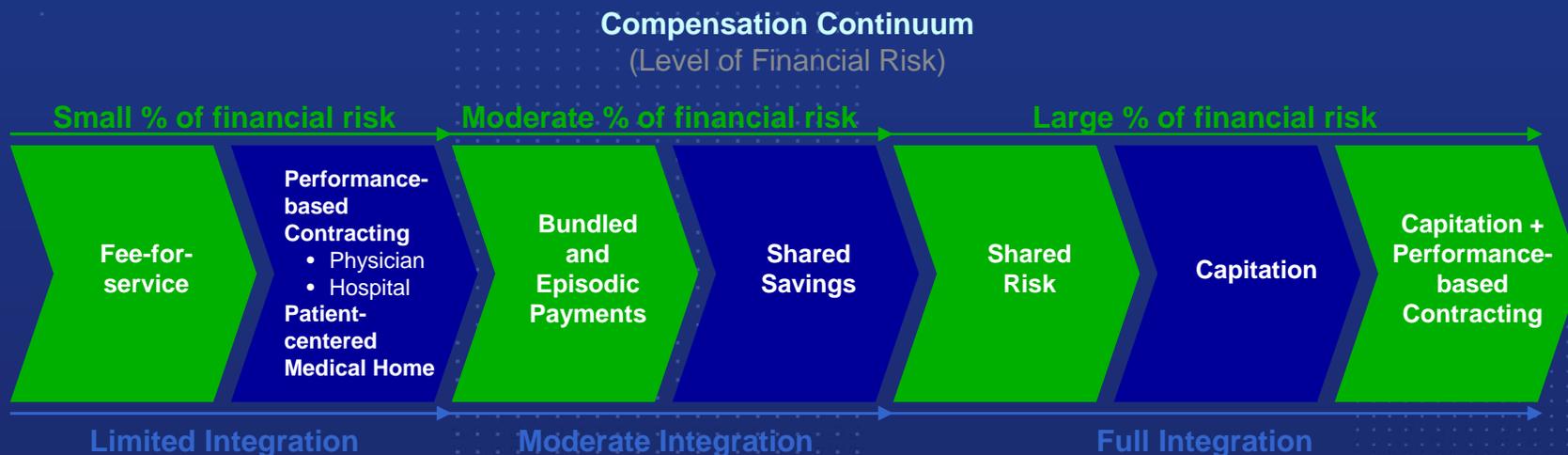
- > Reduction in Average Length of Stay
- > Reduction in 30-day readmission rate to any inpatient level of care
- > Improvement in HEDIS ambulatory follow-up measure

## Performance Incentives

- > Facility will earn escalator-based sharing of savings if performance is within targeted range
- > Facility will earn additional escalator through greater sharing of savings if performance exceeds range
- > Can earn return if only one measure is met as long as there are savings in total days

# Value-based Payments and Network Innovation as Tools

- > The shift toward increased collaboration, outcome-based payment, and new benefit design is driving innovation in both payment models and delivery system configuration.



Continuum of risks represents multiple value-based contracting options. OptumHealth is working to deploy a variety of options with its network of providers based on their readiness to accommodate varying levels of risk.

# What You Can Do Now to Prepare:

- > New focus on top performance both inside your walls and in the community at large
  - Taking health care to the community vs. bringing the community to you
  - Building new community relationships, strategic partnerships with allied systems of care
  - Care coordination and clinical integration
- > **Use data:** invest in data capture and management
- > **Track your outcomes:** talk about your accomplishments
- > **Be creative:** conduct pilots and share what you learn
- > **Stick to your budgets:** operating discipline could be the difference between remaining viable and closing your doors
- > Where you have high-volume membership, become a pioneer in the use of value-based contracting
- > Consider reading *The Innovator's Prescription: A Disruptive Solution for Health Care* by Clayton M. Christensen
  - Notice emphasis on creating value networks
  - Think about how peer- and family-run programs can become part of your future value network

NATIONAL COUNCIL LIVE

# Webinars

## Thank you.

For more information, please contact:  
[deborah.adler@optum.com](mailto:deborah.adler@optum.com)

Content is © 2011 OptumHealth Behavioral Solutions by United Behavioral Health