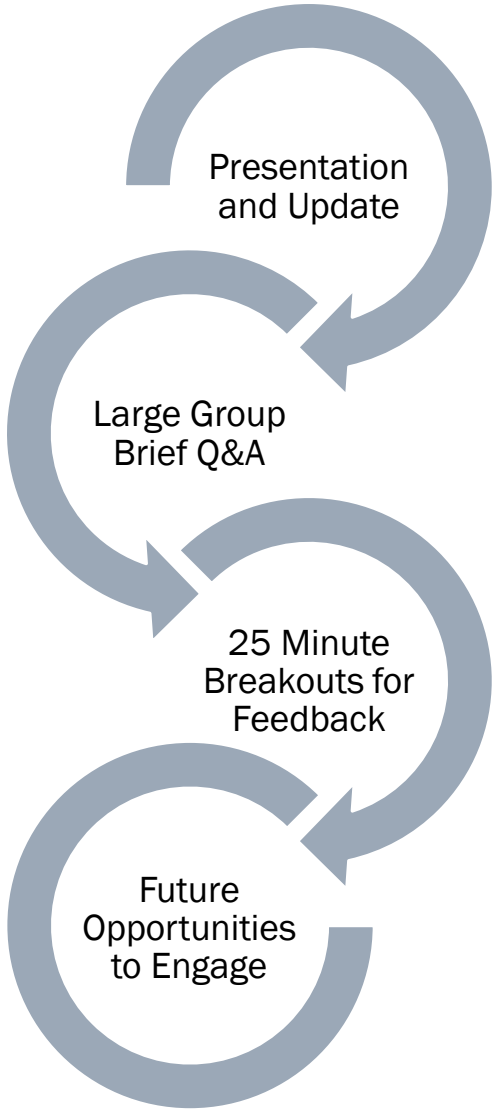
Behavioral Health Payment Reform

Provider Convening
September 9th, 2022

Behavioral Health Payment Reform - Agenda

- Welcome and Meeting Guidelines
- Presentation and Update
  - Context
    - Behavioral health payment reform in context
    - Brief alternative payment methodologies (APMs) with value-based purchasing (VBP) refresher
    - Brief SB 19-222 licensure overview & relation to the APMs with VBP
    - High level glidepath to BH reform
  - Medicaid VBP work to-date
    - Workgroup(s) contribution
    - Models advancing to learning phase
    - Quality measurement strategy
  - Learning period
    - Overview
    - Provider participation opportunity
- Large group brief Q&A
- Small group discussion breakout groups



Behavioral Health Payment Reform – Welcome and Meeting Guidelines

Welcome to the Behavioral Health payment reform provider stakeholder meeting!

Today's meeting is focused on the future of Medicaid provider payment.

Goals of today's meeting:

- Level setting – payment reform
- Level setting – provider licensure changes
- Level setting – Medicaid payment reform update
- Discussion – Getting to quality and defining value
- Discussion – Provider readiness and state support

Topics that will **NOT** be covered today:

- Certified Community Behavioral Health Clinic (CCBHC) Program
- Regional Accountable Entity (RAE) utilization management or compensation policies
- Cost-based reimbursement
- Behavioral-health carveout (six-unit policy)

Context

- Behavioral health reform in context
- Brief alternative payment methodology (APM) and value-based purchasing (VBP) refresher
- SB 19-222 licensure changes
- Reform glidepath

Payment reform is a long-view opportunity and will take multiple phases or steps of reform. We are still at the early phases of development and implementation.

Meeting a Population's Behavioral Health Needs

1. **Evaluate State Population's Needs and Gaps in Addressing Those Needs**
   Foundational! Informs all downstream policy, including provider payment policy
2. **State Programs, Policies, and Investment Strategy**
   What strategies and policies are implemented to address the state's needs and close gaps?
3. **Actors that Execute the Policies and Programs**
   Wide spectrum of participants that render services and programs to address population's needs
4. **Resources**
   Financial, technical resources to maximize success of actors working to address population's needs
5. **Monitoring, Evaluation, and Oversight**
   Ensure resources are being used efficiently and effectively to address needs and recalibrate if not

BH Payment Reform In Context – Everything in Service of Coloradans

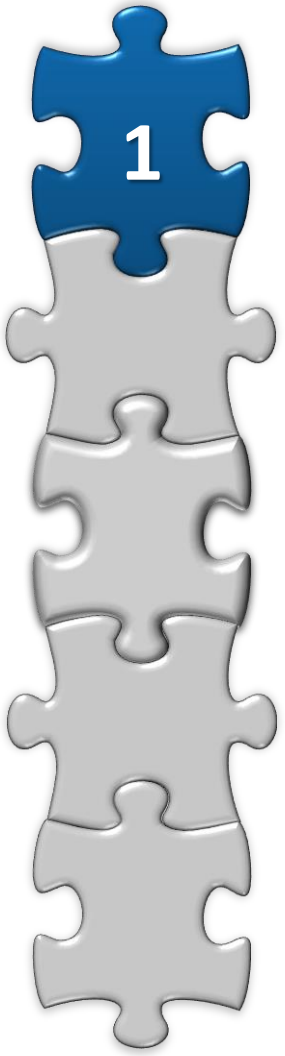
1

Evaluate State Population's Needs and Gaps in Addressing Those Needs

Foundational! Informs all downstream policy, including provider payment policy

We are amid a state-wide effort to better integrate and collaborate across state agencies to improve insights into the behavioral health needs of the state. Understanding the state needs is crucial for informing what programs, policies, and resources are required to address them.

- **BHA – new and expanded roles to better understand the state population's needs**
  - Advisory Council to provide person first and boots-on-the-ground perspective and commitment to broader stakeholder engagement
  - Improved grievance system to understand system gaps and failures
  - Data connectivity with other agencies
  - Improved analytic capabilities to provide population-level insights
- **HCPF – responsible for understanding Medicaid and CHIP+ population's needs**
  - Developing new competencies for population-level behavioral health analytics
  - Expanding set of measures evaluated
  - Partnering with other agencies to combine data to improve analytics
- **Multiagency partnerships to improve understanding of behavioral health needs and opportunities from prevention efforts through CDPHE to workforce development efforts through CDHE**



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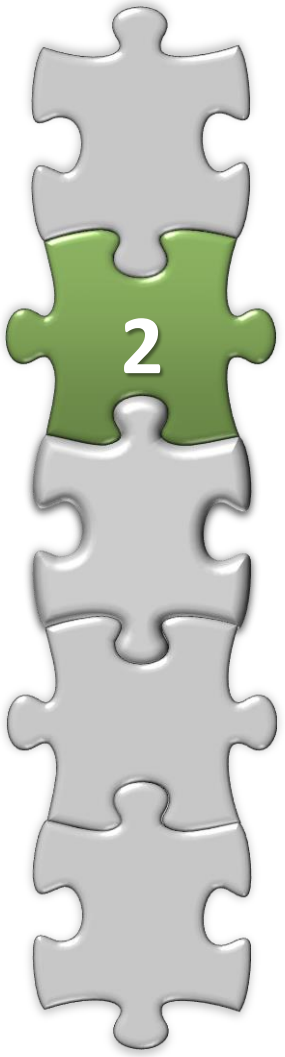
State Programs, Policies, and Investment Strategy

What strategies and policies are implemented to address the state's needs and close gaps?



The state and its partners' role in delivery system development and management is expansive.

From Medicaid benefit package design to targeted program implementation to address the needs of specific populations, the state is charged with identifying benefits and programs that best meet the state's needs and then providing the necessary monitoring and oversight.

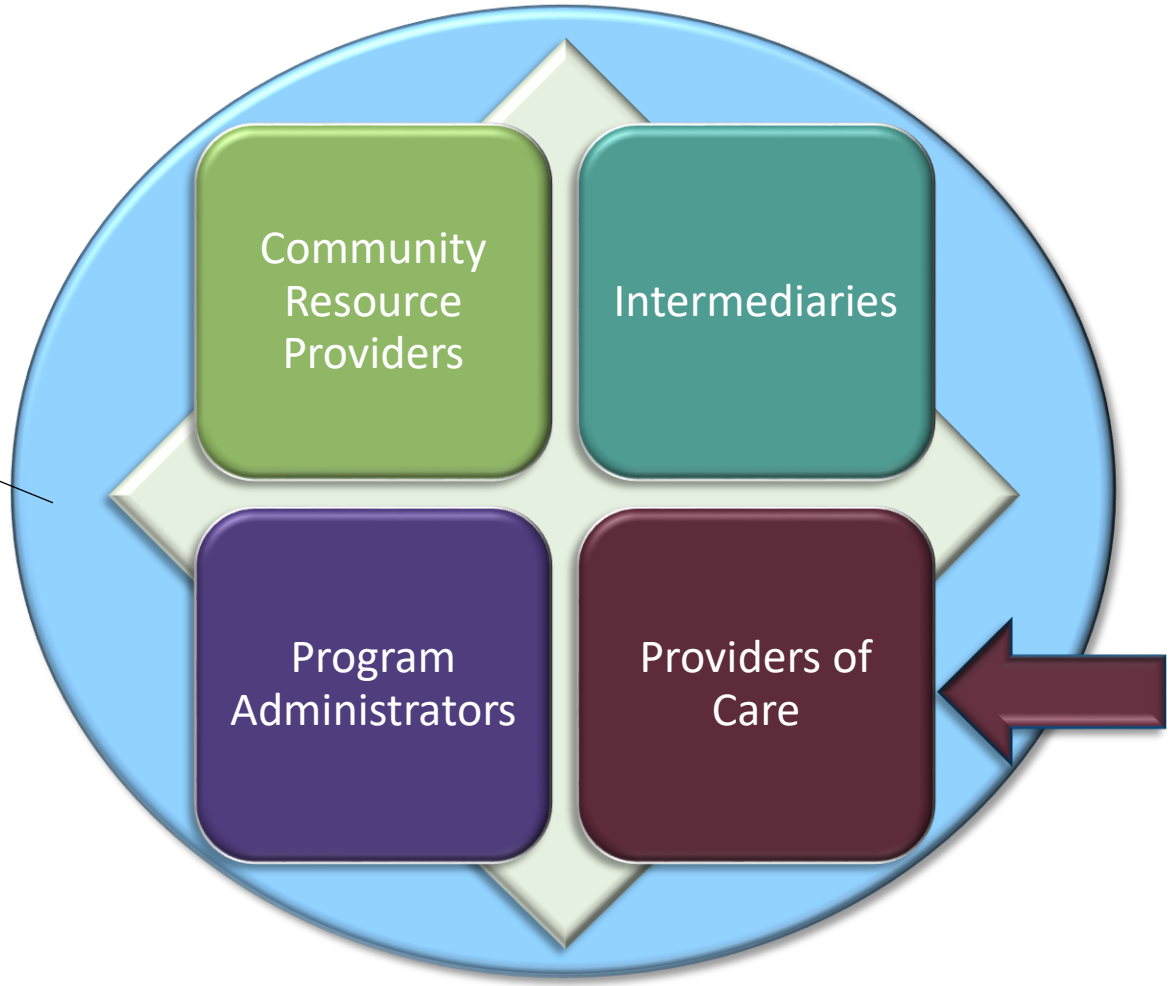
This all happens within the challenging environment of balancing finite resources, constraints that can't be addressed directly by the state, and competing priorities from stakeholders.

3

Actors that Execute the Policies and Programs

Wide spectrum of participants that render services to address population needs

Ancillary Support Providers (technology, infrastructure, etc.)



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Actors that Execute the Policies and Programs

Wide spectrum of participants that render services to address population needs

State Policy Levers (today's focus)

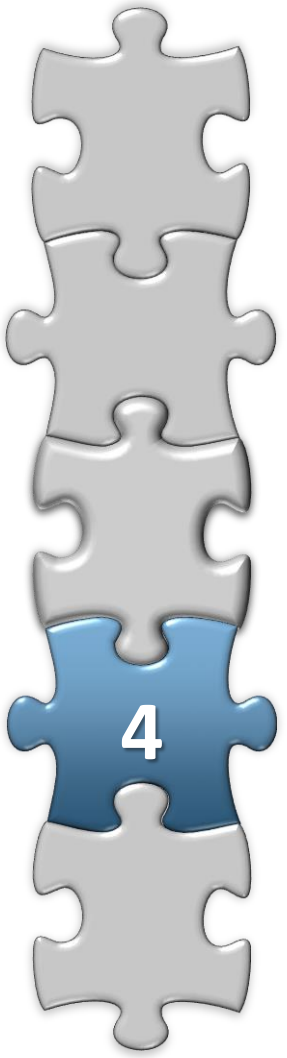
- **Licensure Standards** - requirements provider must meet to be eligible to provide services
- **Payment Structure** – means by which provider earns revenue
  - When well designed, allows provider to maximize their contribution to meeting the population's needs
- **Quality Standards** – accountability and/or transparency mechanism

4

Resources

Financial, technical resources to maximize success of actors working to address population's needs

- Training and technical assistance
- Shared and streamlined infrastructure
- Making data meaningful and transparent
- Financial models that align with expectations and support achievement of broader goals



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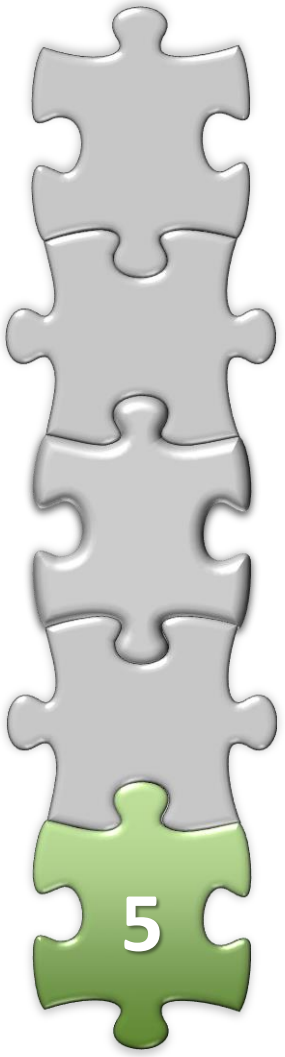
Monitoring, Evaluation, and Oversight

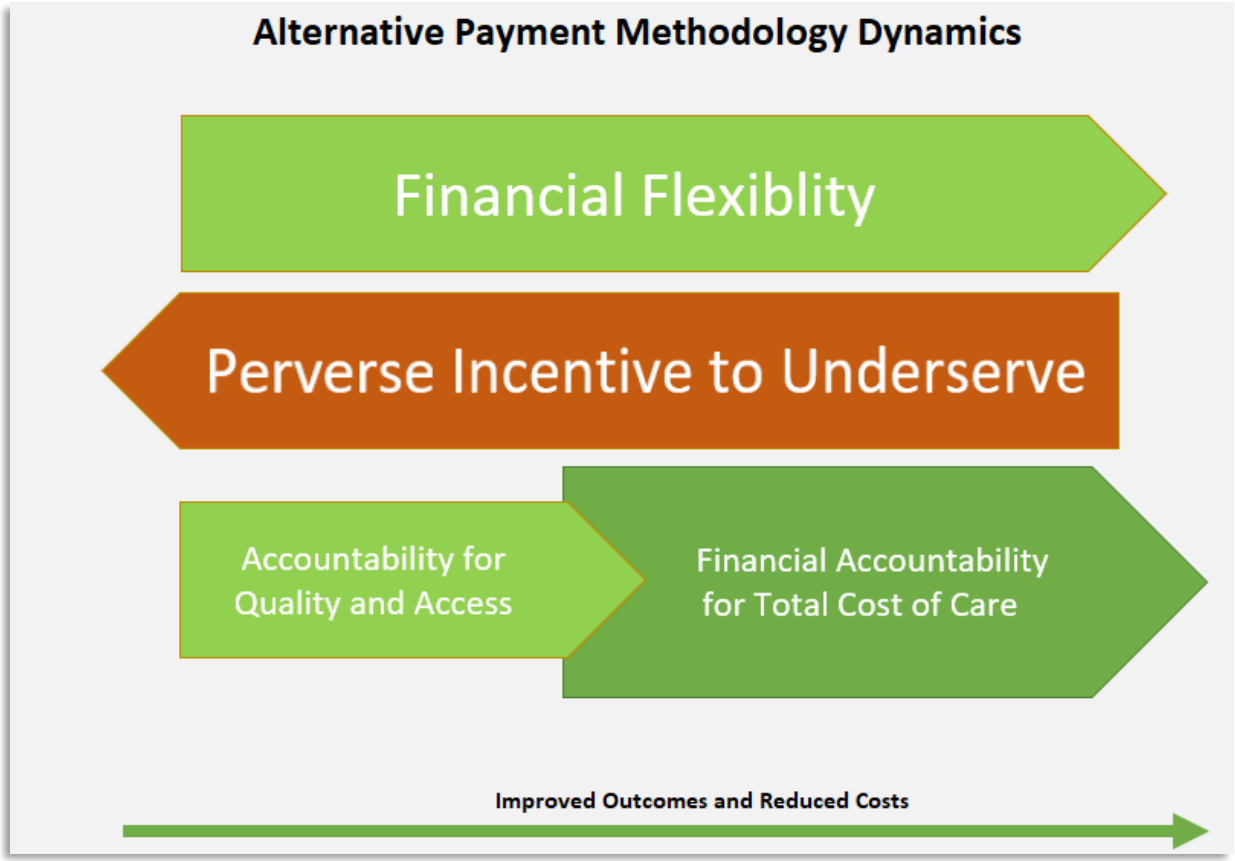
Ensure resources are being used efficiently and effectively to address needs and recalibrate if not

- Stakeholder feedback
- Quality metrics stratified by different populations
- Access to care analysis
- Stakeholder feedback
- Grievance process overhaul
- Safety inspection

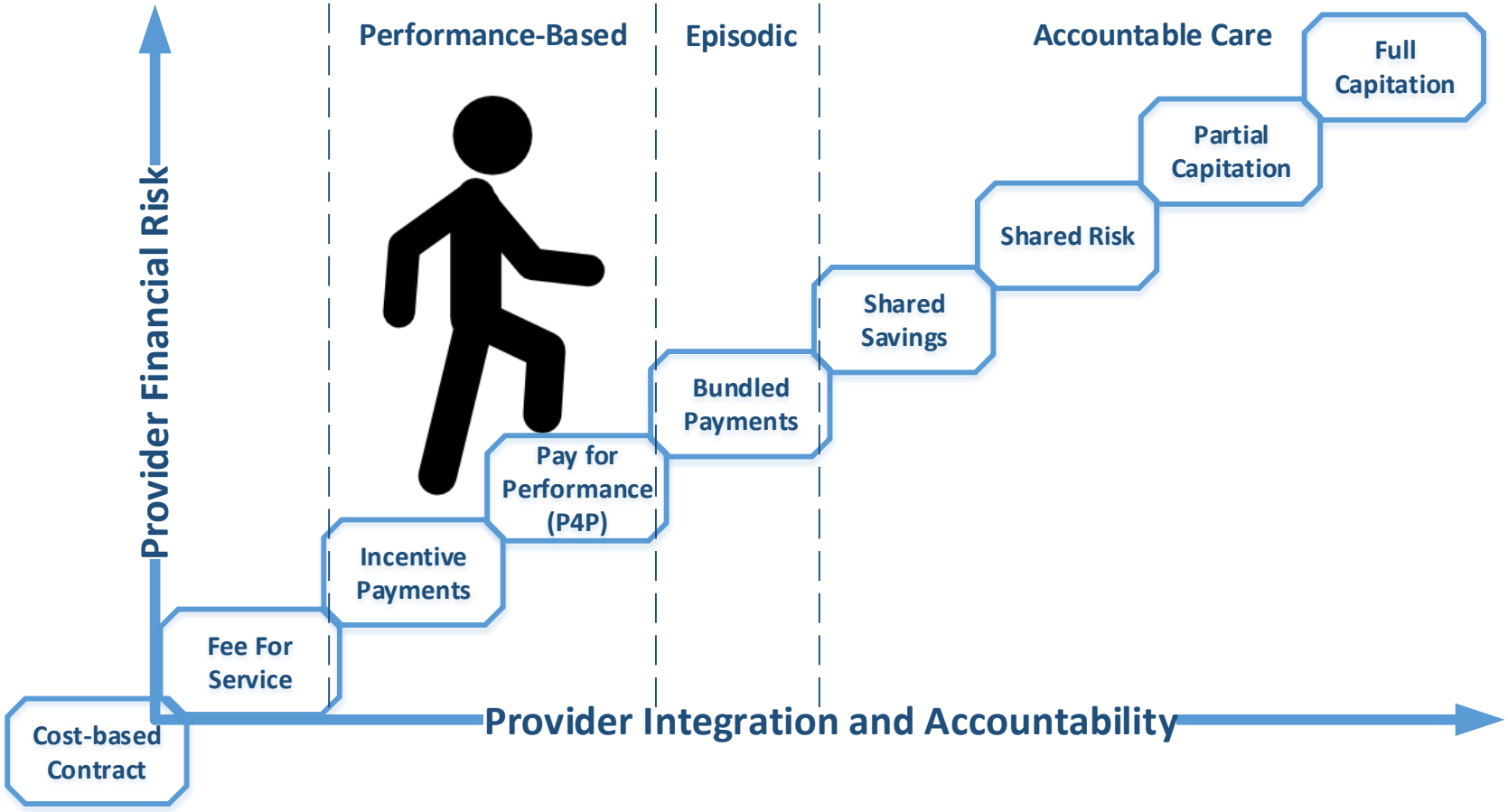


Alternative Payment Methodologies with Value-Based Purchasing Refresher

- Increased financial flexibility achieved by moving away from fee-for-service payments allows providers to deliver care efficiently and effectively without destabilizing their revenue
- Financial flexibility introduces perverse incentives to underserve patients; this is offset through accountability for quality and access, and potentially even accountability for total cost of care
- **Payment reform is an exercise in balancing flexibility and accountability**

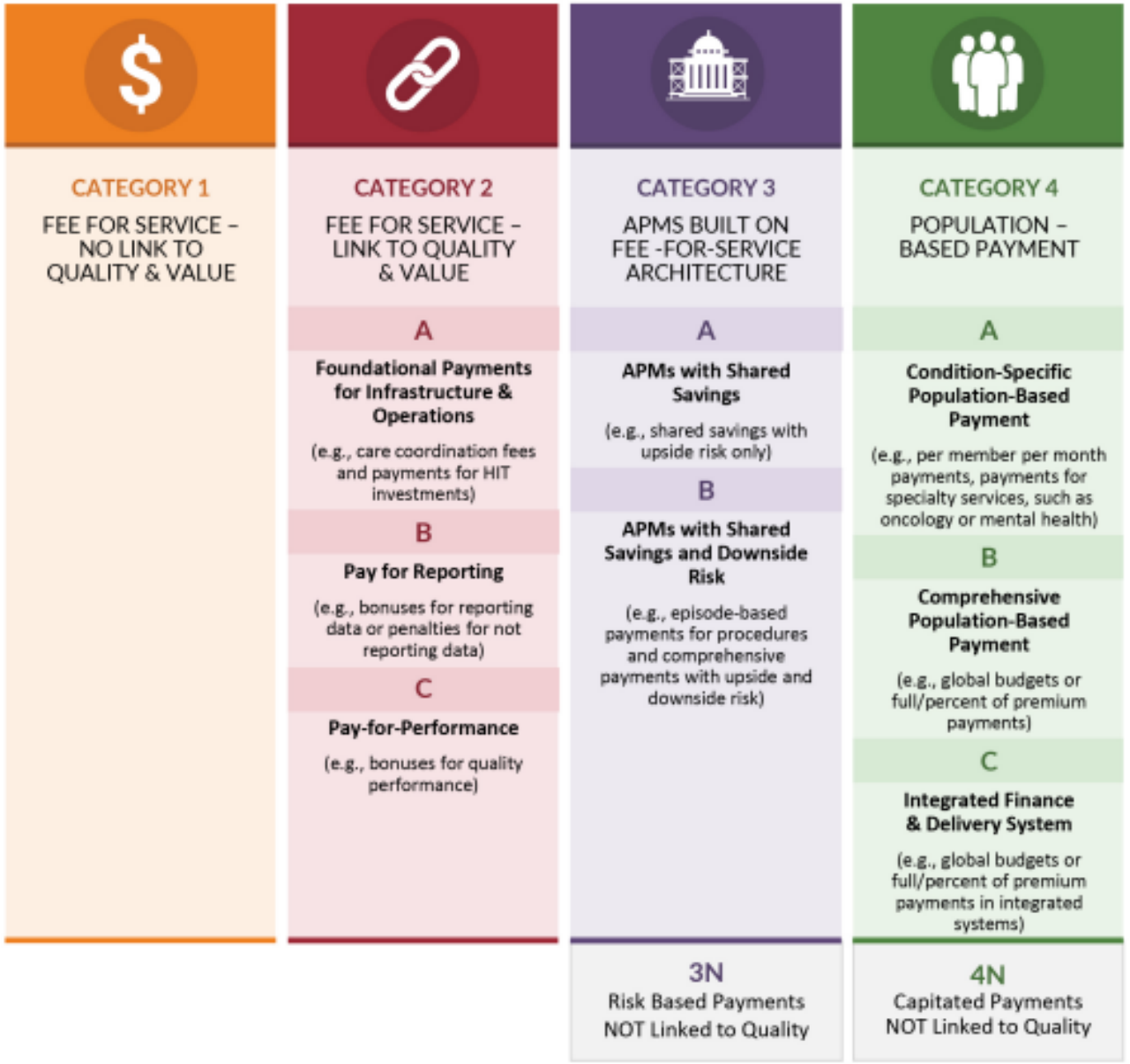


Alternative Payment Methodologies with Value-Based Purchasing Refresher



Health Care Payment Learning & Action Network Payment Reform Framework

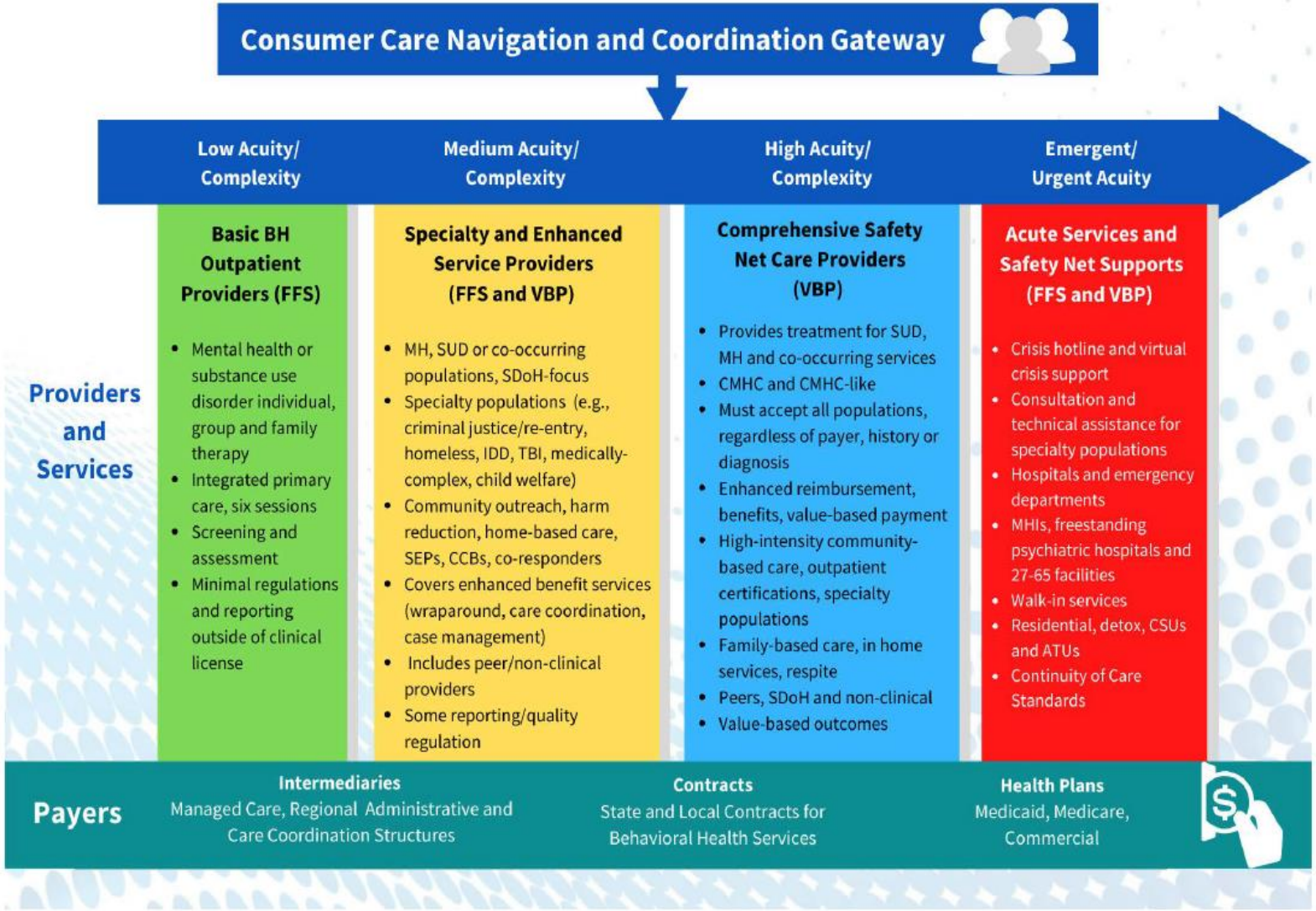
- Framework used nationally
- Creates a continuum of payment models with different levels of provider utilization risk and accountability for outcomes
- Useful for creating context for current state and desired future state
- **Ideal point in spectrum will vary for each provider based on numerous factors**



SB 19-222: "Individuals at Risk of Institutionalization"

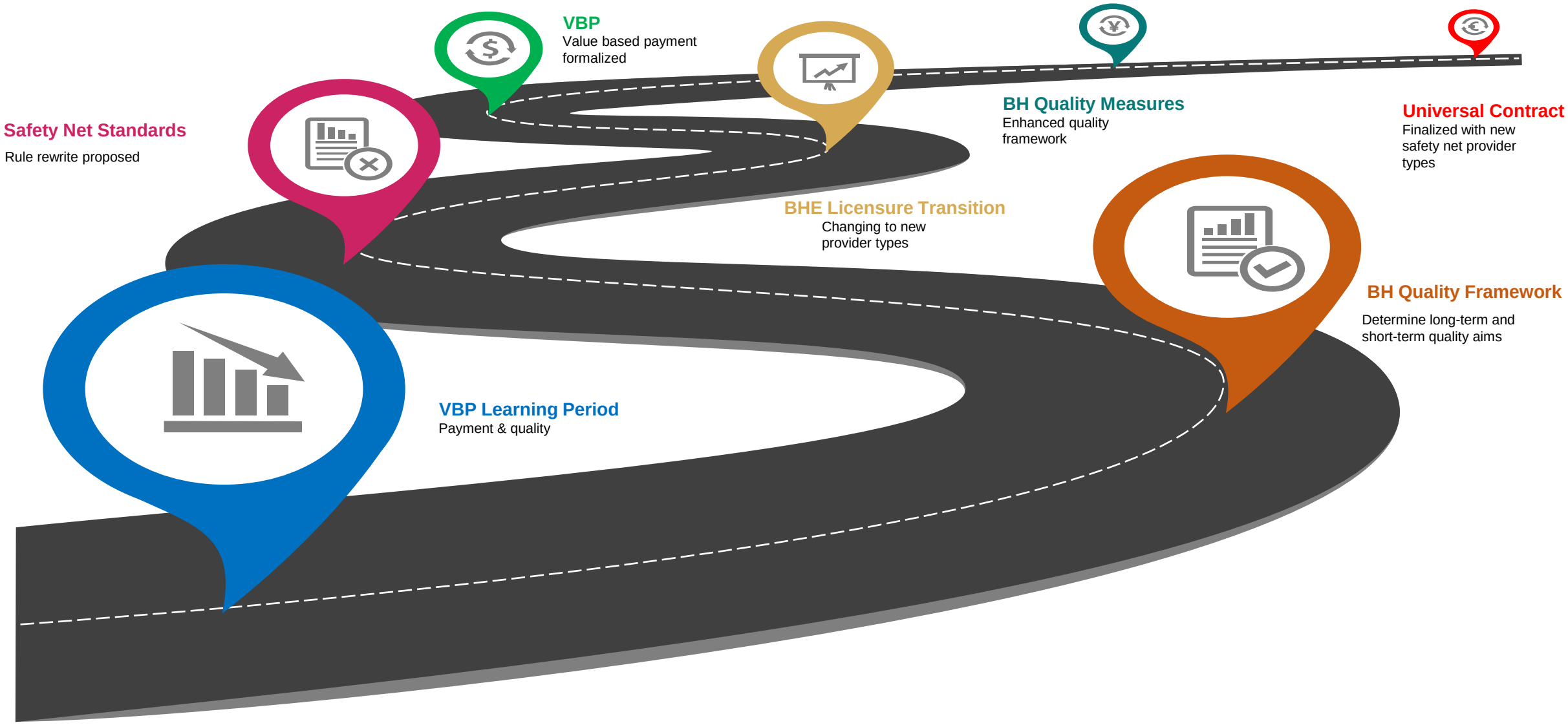
- Primary focus is to expand safety net
- Puts requirements on departments to implement comprehensive proposal and funding plan for safety net
- Outlines structure for broader behavioral health reform

Available payment models will align with provider licensure



SB-19-222 Provider Licensure Levels

Behavioral Health Reform Glide-Path Big Picture



Timeline Considerations

Legislative/Regulatory Mandates

- SB 19-222 safety net plan implemented - 1/1/2024
- Implementation of APMs with VBP must align with managed care rate setting requirements
- Implementation with fiscal impact must align with legislative process

Challenges and Opportunities

- The sequencing is challenging under current regulatory constraints
  - Licensure standards defined well into Learning Phase
  - Models may need to be modified to accommodate standards late in process as a result

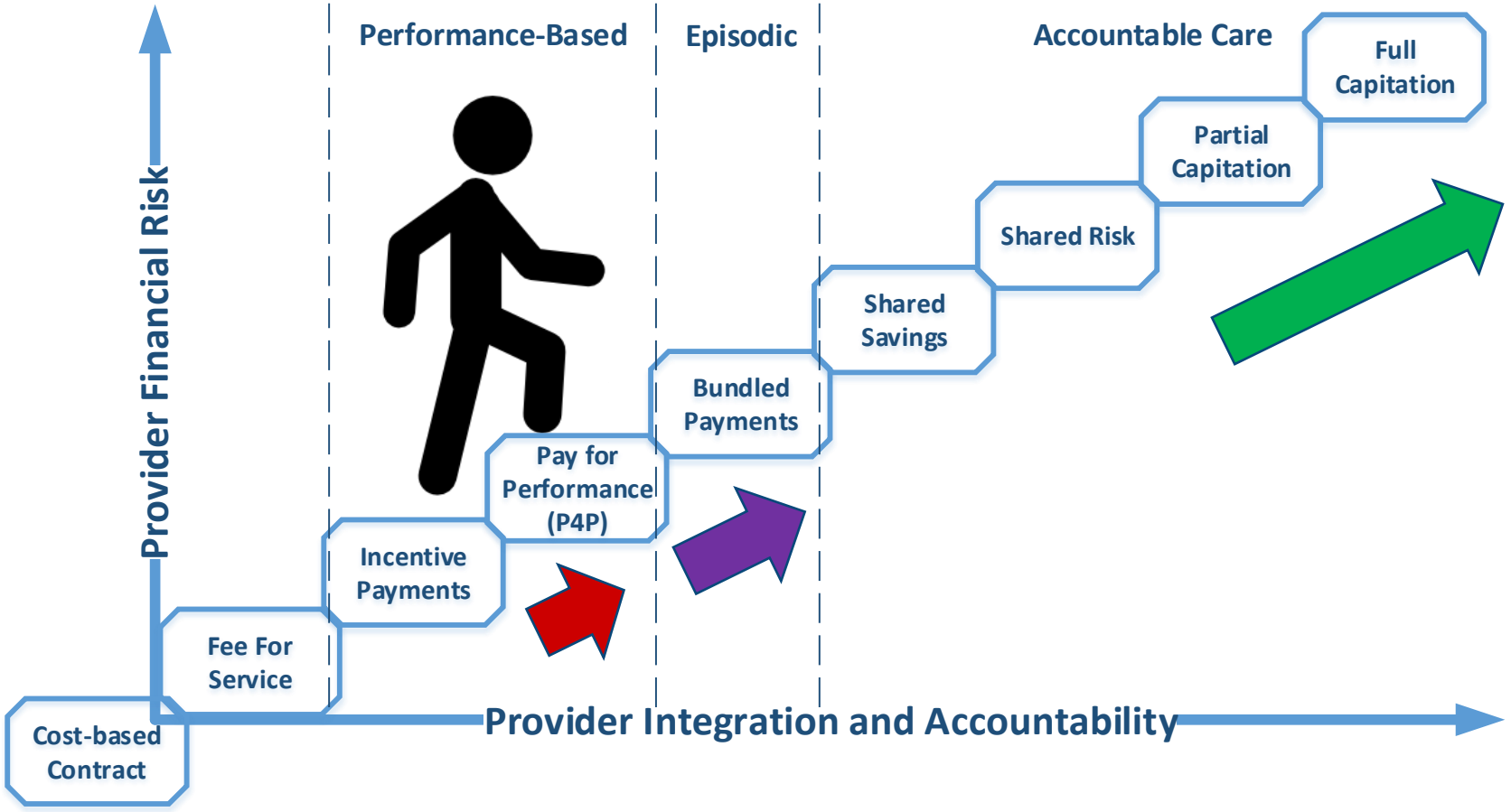
Medicaid VBP Work To-Date

- Workgroup(s) contribution
- Models advancing to ‘Learning Period’

Different Models to Meet Providers Where They Are

- Goal to have different models to meet providers where they are and allow them to maximize their contribution to meeting the state's needs
- Accountability for outcomes at every level
- Financially sustainable at every level, but allow for growth to high levels when providers are interested
- An individual practice could participate in multiple models simultaneously
- **The workgroups focused on the encounter-based model**

CONTINUUM OF MODELS



There are three versions of the encounter-based model being evaluated, all with provider-specific rates

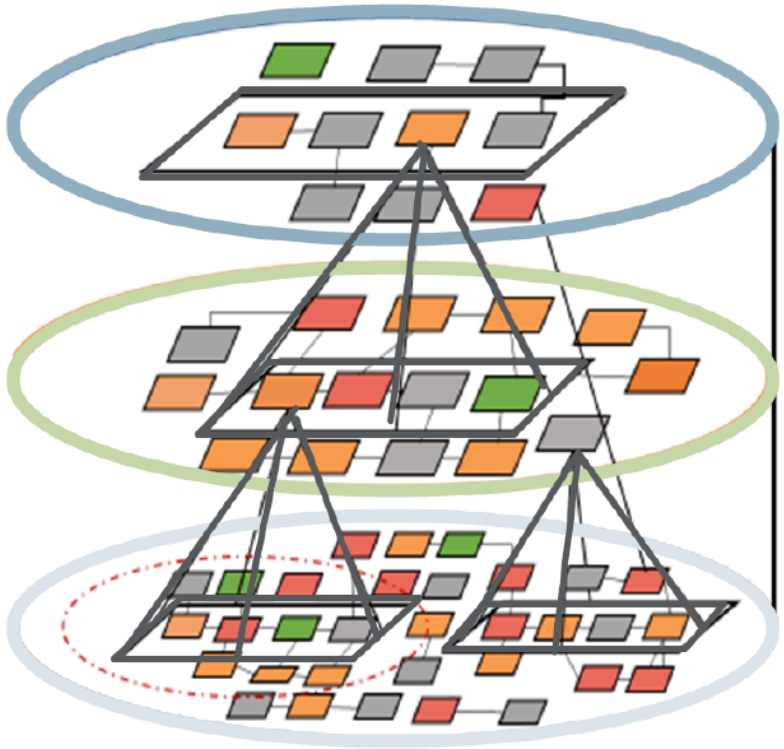
Encounter-Based Model with Quality Incentives

- Daily encounter rate for each managed care cohort → Stratification by Populations
- Daily encounter rate for four categories of service → Stratification by Services
  - Level 1 – Community Supportive Services
  - Level 2 – Psychotherapy Services
  - Level 3 – Evaluation and Management Services
  - Level 4 – Intensive Outpatient Services
- Single daily/monthly encounter rate → No Stratification

Note: a major area for policy development for all models is how utilization will be priced (cost-based, budget-based, fee-for-service equivalent, etc.)

NCQA RECOMMENDED FRAMEWORK WAS USED

BH Quality Framework: Approach for Aligning Measures Across Levels of a Delivery System



State & Federal: *Macro Level*
Set priorities and direct resources through regulations and financial support

Managed Care: *Meso Level*
Manage delivery of evidence-based care

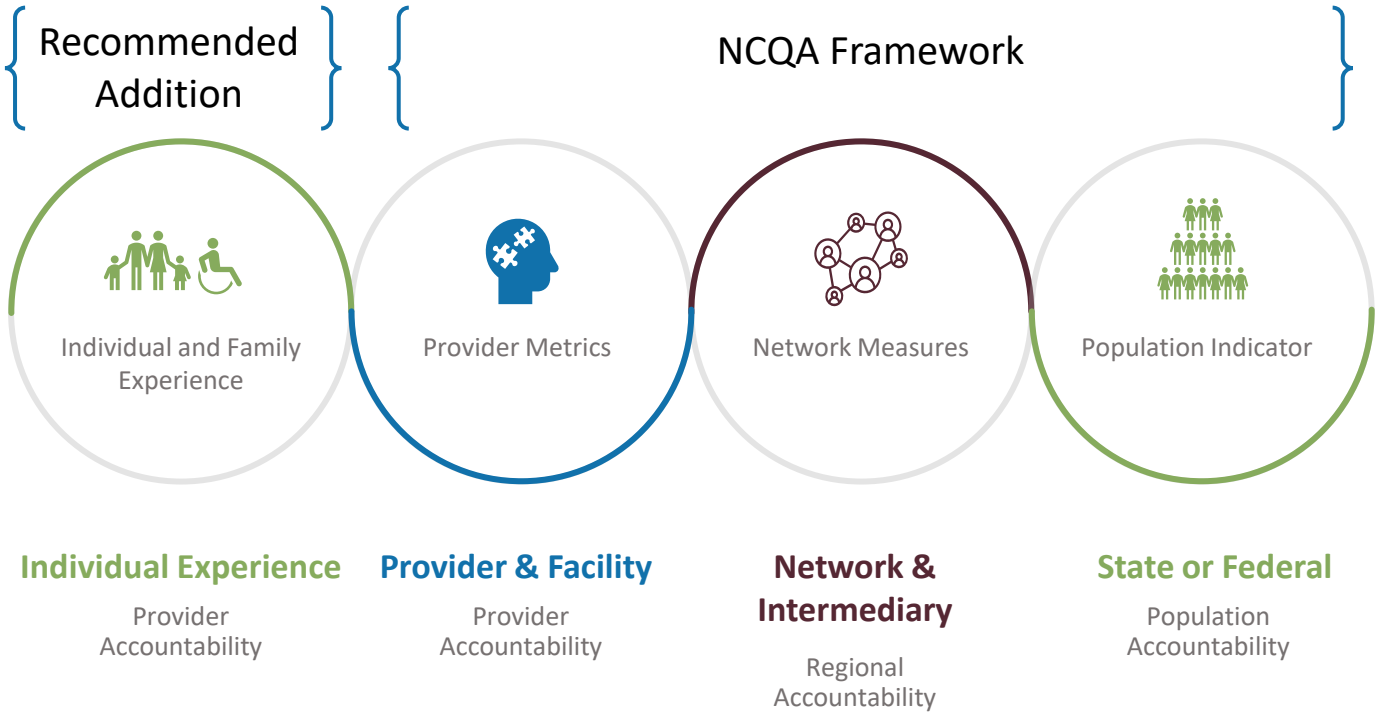
Facility/Provider: *Micro Level*
Provide evidence-based treatment and services to support whole-person care

Source: Niles and Olin. (2021, May). Behavioral Health Quality Framework: A Roadmap for Using Measurement to Promote Joint Accountability and Whole-Person Care. NCQA. Retrieved from: https://www.ncqa.org/wpcontent/uploads/2021/07/20210701_Behavioral_Health_Quality_Framework_NCQA_White_Paper.pdf

"Purposeful alignment and coordinated quality measurement activities that consider **each entity's sphere of influence** while keeping a line of sight to shared goals can empower stakeholders to make informed decisions and minimize burden."

NCQA RECOMMENDED FRAMEWORK

Stakeholders appreciated the addition of individual and family experience and there was a lot of discussion on how to create meaningful measures at the individual and family level.



DRAFT CRITERIA FOR SELECTING MEASURES

- **What are core principles that we may want to use in setting quality for BH in Colorado?**
  - Ensure some measures are meaningful to general public
  - Use an equity lens; manage unintended consequences to minimize harm
  - Align payment and expectations
  - Improve and build objectivity into reporting
  - Reduce administrative burden
  - Leverage national measures when possible, for benchmarking and to align with national standards
  - Select measures that counter perverse incentives
  - Need to be achievable and reasonable, payment needs to be aligned
  - Not everything needs to have a payment tied to it, can tie payment to limited set of measures and expand over time (progressive)
  - Some measures may not be appropriate for a pilot but can be kept in mind for future expansion
  - Bundle measures

QUALITY PROCESS-SUMMARY

- Quality working group discussed the purpose of the quality measures for the trial period
- Reviewed some national measure sets including the CMS BH Core Set and the Certified Community Behavioral Health Clinic (CCBHC) standards
- Reviewed examples of measures for other states
- HCPF requested use of CMS BH Cores Set as the focus. HCPF is required to implement the CMS BH Core Set by July 2023 and is currently behind. Needs to be "laser focused" on reaching this goal.
  - The challenge is that the CMS Core Set is process oriented and not well aligned for value-based payment.
  - The group brainstormed how to balance HCPF's need to focus on core set development with also adding more meaningful measures.
  - The stakeholder group largely wants to see more robust measurement sets
    - Current state is not working for getting to quality
    - Want to build on what's already collected or shift what's collected to something more meaningful (if the current state is not effective)
    - Asked about how the BHA data sets and vision for quality could inform discussion
    - Wants more experience of care voice in measurement

MEASURES SELECTED BY HCPF FOR LEARNING PERIOD

HCPF Proposed Measures for Learning Period

These would be stratified by sub-populations.

1. Engagement in outpatient substance use disorder treatment
2. Follow-up within 7 days of an inpatient hospital discharge for a mental health condition
3. Follow-up within 7 days of an emergency department visit for substance use disorder
4. Follow-up after a positive depression screen

Stratification of these measures by:

- ❑ Race and/or ethnicity
- ❑ Rural, urban, or frontier member home address
- ❑ Mental health diagnosis only, substance use disorder diagnosis only, or co-occurring diagnoses
- ❑ Intellectual and developmental disability
- ❑ Age bands that include children and youth
- ❑ Serious mental illness - needs to be developed and could (within HCPF and/or with BHA)
- ❑ Enrollment categories, waiver eligibility, and other demographics as determined

Learning Period

Learning Period - Overview

The "Learning Period" is preparation for thoughtful implementation of broader payment reform.

Important bodies of work include:

- Data informed refinement of new encounter-based model
- Developing competency in population data stratification that can be used for all future quality measures
- Analysis to understand link between value-based purchasing and managed care rate setting
- Preparation for provider-level performance monitoring and operationalization of initial quality and access framework
- Collaborative development of longer-term quality and access framework
- Development of additional payment models (FFS incentives with infrastructure development/capitated models)
- Work with RAEs and providers on VBP-related operational/policy issues
- Continue to engage stakeholders on relevant components above

Learning Period – Provider Participation

Provider Participation Opportunities

- Future stakeholder forums like this one
- Learning phase participation
  - Provider that is not currently but wants to pursue becoming a comprehensive provider
  - Provider that is already comprehensive that wants to inform how reforms are implemented
- Other more focused forums to ensure stakeholder input is well represented in all model designs

Shared Questions?

Any **clarifying** questions regarding:

- Payment reform concepts
- Licensure
- HCPF payment reform
- Reform learning period

Breakout sessions to hear more expansive feedback are next!

Can also offer feedback here (will be linked in the chat): https://forms.gle/KbKDvGroqAXvCWoZA

- ✓ CHAT clarifying questions
- ✓ We will not get to all questions and may not yet have all answers
- ✓ Please save comments and feedback for breakouts
- ✓ Will save all questions and create a Frequently Asked Question (FAQ) document

Questions for Breakout Groups

- As the state moves forward with value-based purchasing, what is the most critical thing to focus on in the short-term to ensure providers are best able to fill their role in meeting the needs of the population and reach alternative payments?
- What are the big opportunities in reshaping quality and measurement as the state shifts to VBP? How does BH demonstrate value?
- What do you see as your “sphere of influence” for value in BH and reaching effective outcomes?
- What could the state do differently to facilitate collaboration across providers with different scopes of services to ensure patients can seamlessly access the full continuum of care regardless of where they entered it?
- What is the most exciting aspect of payment reform and how it could impact your practice?

Next Steps

- ✓ Learning phase is launched
- ✓ State agency partnership for creating a quality improvement framework
- ✓ Working group re-established in fall or early 2023
- ✓ Ongoing stakeholder engagement opportunities to be identified
- ✓ Development of an FAQ document
- ✓ Routine review of open feedback form https://forms.gle/KbKDvGroqAXvCWoZA