New York's Proposed DSRIP Extension: What does it mean for Performing Provider Systems and Risk-Bearing Entities?

The State of New York has released its draft proposal for an extension to its Delivery System Reform Incentive Payment (DSRIP) program as part of the state's 1115 Medicaid waiver, currently set to expire at the end of March 2020. Asking CMS for $8 billion over four years to extend the program through March 2024, greater than the original $6.42 billion[1] in funding over the initial five years, the proposed extension would significantly shift the course of DSRIP if approved.

From Performing Provider Systems to Value-Driven Entities

The proposed extension envisions a new type of organization implementing DSRIP in New York. To replace the Performing Provider Systems (PPSs) currently in place, the State wants to create Value-Driving Entities (VDEs). The VDEs will include some ongoing PPS partners, plus Managed Care Organizations (MCOs), Community-Based Organizations (CBOs) and Regional Health Information Organizations (RHIOs).

PPSs will need to choose which partners to retain into the extension as well as which CBOs and MCOs with which to partner. Health systems, Federally Qualified Health Centers (FQHC) and behavioral health providers will be key partners in the VDE, important for attribution, advancing clinical programs and meeting performance measures.

The State's proposal indicates PPSs will need approval to become VDEs and be eligible for funding from the DSRIP extension, implying a selection process based on strength of governance, organizational partnerships and history of performance improvement.

The inclusion of MCOs in the process closes a significant gap in the first five years of DSRIP. PPSs were expected to facilitate value-based payment (VBP) contracting but were neither able to engage in VBP contracts nor had any influence over MCOs in the contracting process. However, there are still many unanswered questions for the extension. It is not clear what incentives MCOs or RHIOs will have to participate in VDEs. Additionally, PPSs had challenges convincing their members to engage in risk arrangements. VDEs will likely face similar difficulties, but the inclusion of MCOs in the new entities can provide new avenues for success.

What will the State expect Value-Driven Entities to do?

Instead of DSRIP projects, the State expects VDEs to focus on expanding and implementing promising practices from the first five years of DSRIP. These promising practices tend to match with topics aligning significant federal and State priorities, such as the opioid epidemic, improving behavioral health and addressing social determinants of health (SDH). The key goal of VDEs is to mature and scale these promising practices to the point that they are included in VBP contracts by 2023.

On SDH, the State proposes the creation of Social Determinants of Health Networks (SDHN). These entities would manage SDH for Medicaid members in geographic areas determined by the State. In each area, organizations, including VDEs, could apply to be lead entities. If approved, these SDHN leads would create a network of CBOs to address State-approved SDH issues, such as housing, transportation and nutrition. The SDHNs would also be responsible for creating a referral network and serving as the single point of contact for negotiating value-based services contracts. With no accountability or specifics yet released by the State, this may create an opportunity for integration of the SDHNs into existing Independent Provider Associations (IPAs) in order to improve their ability to succeed in reducing total cost of care and improving member outcomes under VBP agreements.

Brian Ball
Manager

Allen Miller
Principal and CEO

"For the last 4 years we have worked closely with COPE Health Solutions to create an integrated delivery system in the Hudson Valley. We view DSRIP 2.0 as a critical step to continue that work, leveraging the Analtyics for Risk Contracting (ARC) tool that we collaborated on with COPE Health Solutions, and allow us to bring together CBOs and MCOs to address SDOH gaps in a value-based environment"

-Allison McGuire, Executive Director, Montefiore Hudson Valley Collaborative

This work is not new to many PPSs or some IPAs already in VBP arrangements with MCOs. For example:

- COPE Health Solutions is currently partnering with a large PPS in upstate New York to establish a CBO network of preferred partners to help address the social service gaps in the community and reduce cost of care while improving quality. This effort includes partnering with local MCOs and health systems to help fund work being done in the community by CBOs and ensuring value-add services are in place.
- Finger Lakes IPA (FLIPA), a group of FQHCs that created their own IPA, has already integrated certain behavioral health CBOs into their network and is working to close SDOH gaps.
- Additionally, COPE Health Solutions has been helping Montefiore Hudson Valley Collaborative (MHVC) in downstate New York establish an IPA network that includes CBO partners to help address the social determinant needs of the Hudson Valley.

If the extension is approved and VDEs and SDHNs begin to apply to form, VDEs will need a number of CBOs involved to have their application approved and to engage in DSRIP activities after the extension. It will be important for VDEs to provide a clear reason for CBOs to join them even if the VDE does not apply for or receive approval from the State to form an SDHN. It appears likely that many PPS would apply to be both a VDE and a SDHN, some PPS will not likely be approved as VDEs and some subset will also be approved as SDHNs.

How will the State measure the performance of Value-Driven Entities?

Addressing a key issue in the first five years of DSRIP, the State proposes to significantly reduce the number of performance measures by which VDEs are evaluated. Without specifying which measures or clinical areas they want to focus on, the State made it clear that they want a smaller but more significant set of measures for VDEs to manage. Additionally, the proposal suggests a shift away from all-or-nothing earnings on individual performance measures, instead suggesting an unspecified broad measurement based on a basket of performance measures.

Left unspecified is how attribution will be managed in the extension. Although the State acknowledges that VDEs will have attributed members, it does not address whether they will be attributed through the State's current opaque DSRIP attribution methodology or whether it will use the industry standard of plan-assigned primary care physician. With MCOs being brought into the VDEs, this could be a perfect time for the State to switch its attribution methodology and align VDE attribution with attribution to MCOs and their contracted IPAs and PCPs.

While the draft released is very early in the long review and approval process, it outlines the State's vision and key objectives, which will likely shape the final extension and performance terms with CMS.

COPE Health Solutions is a national leader in helping health care organizations succeed amid complexity and uncertainty

COPE Health Solutions has been actively involved with DSRIP in New York State since 2014, providing strategic and implementation guidance to eight PPSs statewide, including initial application support, governance creation, project management, and performance management. Collectively, these eight PPSs manage over 2 million Medicaid members in DSRIP, 40% of the State's total in the program.

The work completed within the first five years of DSRIP serves as a strong foundation for the proposed goals of the DSRIP extension. COPE Health Solutions and its PPS partners have been working closely to find ways to meaningfully engage CBOs into VBP programs and have helped PPSs create and implement many of DSRIP's promising programs.

Should you have any questions on the proposed New York DSRIP extension, please reach out to Allen Miller at amiller@copehealthsolutions.com or call (213) 259-0245.