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Draft VBP Innovator Program Application

OVERVIEW

On April 13th, the New York State Department of Health (DOH) released for public comment a draft application for the Value Based Payment (VBP) Innovator Program. This program will provide financial incentives to experienced VBP contracting providers who intend to participate in Level 3 or high-risk Level 2 Total Care for General Population (TCGP) or Total Care for Special Needs Subpopulation VBP arrangements. A successful Innovator applicant will be able to receive up to 95% of the relevant managed care premium rate as a pass-through.

Below is a summary of the draft application. Comments may be submitted to dsrip@health.ny.gov through May 12th. The application and other related documents are available here.

ELIGIBLE APPLICANTS

Innovator applicants must meet the following criteria:

- Applicants must be currently or committed to participating in a high or full risk Level 2 or Level 3 TCGP or Subpopulation arrangements.
    - High-risk Level 2 arrangements are defined as arrangements in which:
        - A minimum of 60% of potential losses are allocated to the provider; and
        - The provider's cap on potential losses is 35% of the target budget or higher.
    - Applicants without current experience must submit a written plan to DOH detailing how they intend to create such an arrangement. An applicant can only become an Innovator once a qualifying risk level is reached.
- The applicant should have past experience in contracting for TCGP or Subpopulation arrangements (with Medicare or commercial payers). For applicants who are new organizations, such as newly formed independent practice associations (IPAs),
    - Adequate experience is defined as:
        - Having either at least two years of experience in a Level 2 or Level 3 VBP arrangement, **or** at least three years of experience in a Level 1 VBP arrangement; and
        - Demonstrating positive financial and quality outcomes in prior VBP arrangements.
    - For applicants who are new organizations, such as newly formed independent practice associations (IPAs), at most 20% of expected member attribution may come from providers without sufficient independent VBP experience. If more than 10% of attribution comes from such providers, the applicant must explain how they will mitigate this potential risk source.
- The applicant must have sufficient attributed Medicaid members (total, across all plans):
    - At least 25,000 Medicaid members for a TCGP contract;
    - At least 5,000 Medicaid members for HIV/AIDS, Health and Recovery Plans (HARP), or Managed Long-Term Care (MLTC) Subpopulation contracts;

    - Qualifying members must be non-duals, except for MLTC, which may be non-dual or dual eligible.
- The applicant must commit to ensuring that their arrangements will not cause plans to be unable to meet network adequacy standards (i.e., by limiting patient choice); and
- The applicant must demonstrate financial solvency, by submitting current and historical financial statements and a plan for how the Innovator would remain viable if it were subject to the maximum possible loss under the proposed contract, as set by the terms of the VBP contract and certain other arrangements, such as stop-loss insurance

FUNDING

VBP Innovators will be eligible to receive between 90% and 95% of the managed care premium for individuals attributed to them. The percentage received by each Innovator will be determined based on

- Individual negotiations; and
- The number and scope of management functions delegated to the lead contracting entity (see below).

PERFORMANCE REQUIREMENTS

The lead contracting provider entity of a VBP Innovator must perform the following three functions:

- Utilization Review (UR);
- Utilization and Care Management (UM); and
- Disease Management.

In order to receive the maximum premium pass through amount of 95%, the Innovator lead must also solely perform Claims Administration and Credentialing.

The Innovator lead entity must also perform, either solely or collaboratively, at least four of the following functions:

- Drug Utilization Reviews;
- Appeals and Grievances;
- Member/Customer Service;
- Network Management;
- Provider Services Helpdesk;
- Provider Relations; and
- Data Sharing.

Innovators will also be responsible for providing quarterly reports in the form required by DOH.

APPLICATION PROCESS

Applicants must demonstrate that they fulfill all of the requirements listed above, as well as all other standard requirements that apply to Level 2 and Level 3 VBP contractors, such as:

- Implementing an intervention to address a social determinant of health;
- Identifying a Tier 1 (non-profit, non-Medicaid billing) community-based organization that they will contract with for support in the VBP arrangement; and
- Meeting all DOH and Department of Financial Services (DFS) financial security deposit requirements, including passing through DFS Regulation 164 review.

The State will provide a template form to submit financial viability information, and other forms to certify that applicants meet standard conditions.

Within 30 business days of submission of the VBP Innovator Program application, applicants will be notified of their approval status. Innovators may begin entering VBP contracts immediately upon approval.