



New York's Delivery System Reform Incentive Payment (DSRIP) Program: How "DSRIptive" will this \$8 Billion Initiative Be?

Jefferson School of Population Health Forum

March 11, 2015

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Learning Objectives

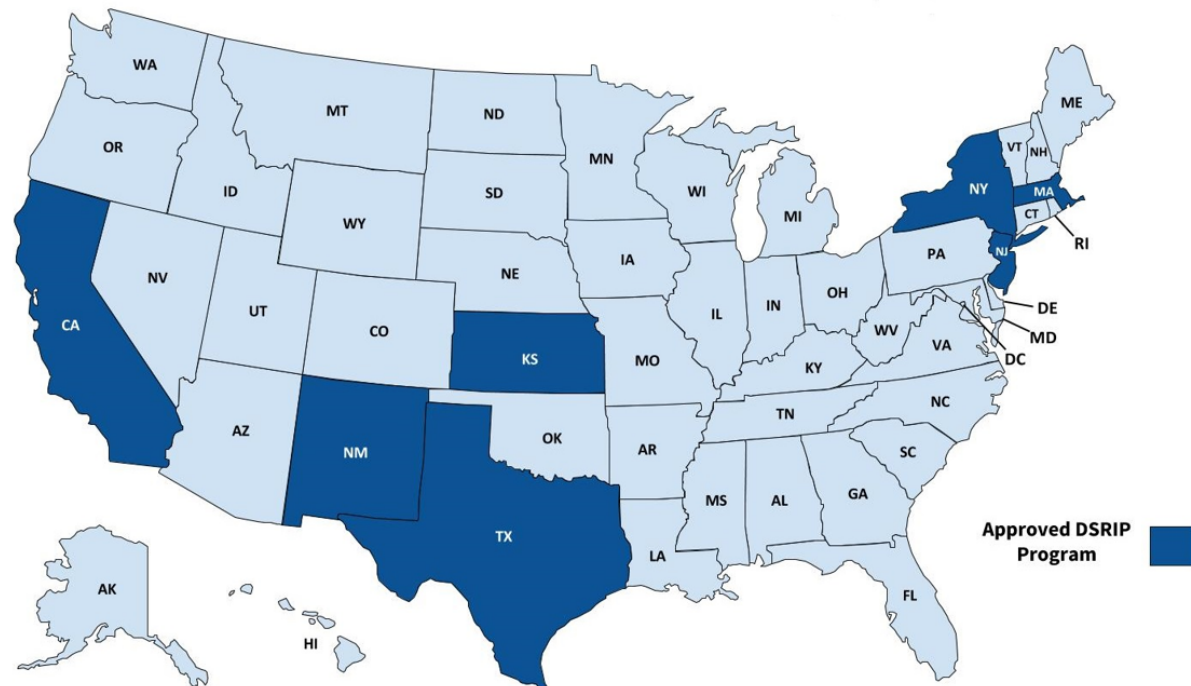
- To explain what the NY Delivery System Reform Incentive Payment (DSRIP) Program is, and why it is so important for healthcare transformation nationwide
- To discuss how the key principles and projects of the NY DSRIP Program may combine to promote achievement of the Quadruple Aim (better care, improved health, lower costs and decreased medical liability)
- To demonstrate how NY DSRIP's performance based funds flow to Performing Provider Systems (PPS) may help transition the health system from volume to value based purchasing and care delivery

What is DSRIP?

- The Delivery System Reform Incentive Payment (DSRIP) Program is an **incentive payment model** that rewards providers for performance on **delivery system transformation projects** that improve care for low-income patients
- Funded federally via Medicaid 1115 waivers, DSRIPs shift hospital supplemental payments from paying for coverage to **paying for improvement efforts**
- There is a large range in DSRIP funding amounts and durations across states, with per state funding as high as **\$11+ billion** and lasting **up to 5.5 years**
- DSRIP projects and milestones are **state-specific** and tend to have an **increasing focus on outcomes** over time

SOURCE: A. Hamblin. "The New York State DSRIP Program: A Model for Reforming the Medicaid Delivery System," Presentation at Center for Health Care Strategies and New York State Department of Health webinar, December 11, 2014. Available at <http://www.chcs.org/resource/new-yorks-dsrip-program-model-reforming-medicaid-delivery-system>

CMS Has Approved Seven DSRIP Programs



*NOTE: In addition to the states highlighted above, Florida and Oregon operate “DSRIP-like” programs

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National DSRIP Program Trends

- First DSRIP programs were implemented in 2010-2011
- DSRIPs have evolved over time, with program requirements gradually becoming more prescriptive
- Recent models tend to:
 - ▶ Support wider-scale payment and delivery system reform
 - ▶ Encompass a broader set of providers than hospitals, including health and social service providers
 - ▶ Include a more narrow, defined set of project options

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MEDICAID REDESIGN: MRT WAIVER AMENDMENT

- In April 2014, Governor Andrew M. Cuomo announced that New York State and CMS finalized agreement on the MRT Waiver Amendment.
- Allows the state to reinvest \$8 billion of the \$17.1 billion in federal savings generated by MRT reforms.
- The MRT Waiver Amendment will:
 - ✓ *Transform the state's Health Care System*
 - ✓ *Bend the Medicaid Cost Curve*
 - ✓ *Assure Access to Quality Care for all Medicaid members*

SOURCE: G. Allen. "The New York State DSRIIP Program: A Model for Reforming the Medicaid Delivery System," Center for Health Care Strategies and New York State Department of Health webinar, December 11, 2014. Available at <http://www.chcs.org/resource/new-yorks-dsrip-program-model-reforming-medicaid-delivery-system/>

MRT WAIVER AMENDMENT: STATE/FEDERAL FINANCING

The MRT Waiver Amendment allows New York to reinvest \$8 billion in MRT generated savings back into New York's health care delivery system. The federal reinvestment is provided in two ways:

- 1) \$6 billion through Inter-Governmental Transfers (IGT) match**
- 2) \$2 billion through Designated State Health Program (DSHP) match**

Funding uses over 5 years:

- **\$500 Million for the Interim Access Assurance Fund (IAAF)** – Time limited funding to ensure current trusted and viable Medicaid safety net providers can fully participate in the DSRIP transformation without unproductive disruption.
- **\$6.42 Billion for Delivery System Reform Incentive Payments (DSRIP)** – Including DSRIP Planning Grants, performance payments, and state administrative costs)
- **\$1.08 Billion for other Medicaid Redesign purposes** – This funding will support Health Home development, and investments in long term care workforce and enhanced behavioral health services.

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DSRIP PROGRAM PRINCIPLES

Patient-Centered

- Improving patient care & experience through a more efficient, patient-centered and coordinated system.

Transparent

- Decision making process takes place in the public eye and that processes are clear and aligned across providers.

Collaborative

- Collaborative process reflects the needs of the communities and inputs of stakeholders.

Accountable

- Providers are held to common performance standards, deliverables and timelines.

Value Driven

- Focus on increasing value to patients, community, payers and other stakeholders.

Better care, less cost

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NYS DSRIP PLAN: KEY COMPONENTS

- Key focus on reducing avoidable hospitalizations by 25% over five years.
- Statewide initiative open to large public hospital systems and a wide array of safety-net providers.
- Payments are based on performance on process and outcome milestones.
- Providers must develop projects based upon a selection of CMS approved projects from each of three domains.
- Key theme is collaboration! Communities of eligible providers will be required to work together to develop DSRIP project proposals.

SOURCE: G. Allen. "The New York State DSRIP Program: A Model for Reforming the Medicaid Delivery System," Center for Health Care Strategies and New York State Department of Health webinar, December 11, 2014. Available at <http://www.chcs.org/resource/new-yorks-dsrp-program-model-reforming-medicaid-delivery-system/>

DSRIP DOMAINS

Project implementation is divided into four Domains for project selection and reporting:

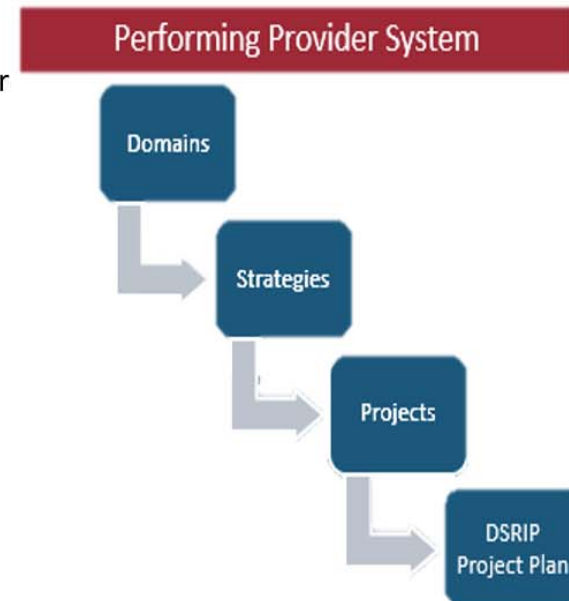
- *Domain 1 – Overall Project Progress*
 - *Domain 2 – System Transformation*
 - *Domain 3 – Clinical Improvement*
 - *Domain 4 – Population-wide Strategy Implementation*
- *The Prevention Agenda*

Through innovations in these four domains, the statewide DSRIP plan is designed to reduce avoidable hospitalizations by 25% over five years.

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DSRIP PROJECTS

- Safety net providers must choose a specified number of projects from Domains 2, 3 and 4. Domains 2 and 3 are further broken into specific strategy areas. Under each strategy are a number of projects.
- Each project has the following components specifically tied to the goal of reducing avoidable hospitalizations:
 - ✓ *Clearly defined process measures;*
 - ✓ *Clearly defined outcome measures;*
 - ✓ *Clearly defined measures of success relevant to provider type and population impacted; and*
 - ✓ *Clearly defined financial sustainability metrics to assess long-term viability.*



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DSRIP PROJECTS: SAMPLE FROM PROJECT TOOLKIT

| Project Numbers | DESCRIPTION |
|---|---|
| Domain 2: System Transformation Projects | |
| A. | Create Integrated Delivery Systems |
| 2.a.i | Create Integrated Delivery Systems that are focused on Evidence-Based Medicine / Population Health Management |
| 2.a.ii | Increase certification of primary care practitioners with PCMH certification and/or Advanced Primary Care Models (as developed under the NYS Health Innovation Plan (SHIP)) |
| 2.a.iii | Health Home At-Risk Intervention Program: Proactive management of higher risk patients not currently eligible for Health Homes through access to high quality primary care and support services |
| 2.a.iv | Create a medical village using existing hospital infrastructure |
| 2.a.v | Create a medical village/alternative housing using existing nursing home infrastructure |

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DSRIP PROJECTS: SAMPLE FROM PROJECT TOOLKIT

| Domain 3: Clinical Improvement Projects | |
|---|--|
| A. | Behavioral Health |
| 3.a.i | Integration of primary care and behavioral health services |
| 3.a.ii | Behavioral health community crisis stabilization services |
| C | Diabetes Care |
| 3.c.i | Evidence-based strategies for disease management in high risk/affected populations (adults only) |
| 3.c.ii | Implementation of evidence-based strategies to address chronic disease – primary and secondary prevention projects (adults only) |
| D. | Asthma |
| 3.d.i | Development of evidence-based medication adherence programs (MAP) in community settings– asthma medication |
| 3.d.ii | Expansion of asthma home-based self-management program |
| 3.d.iii | Implementation of evidence-based medicine guidelines for asthma management |

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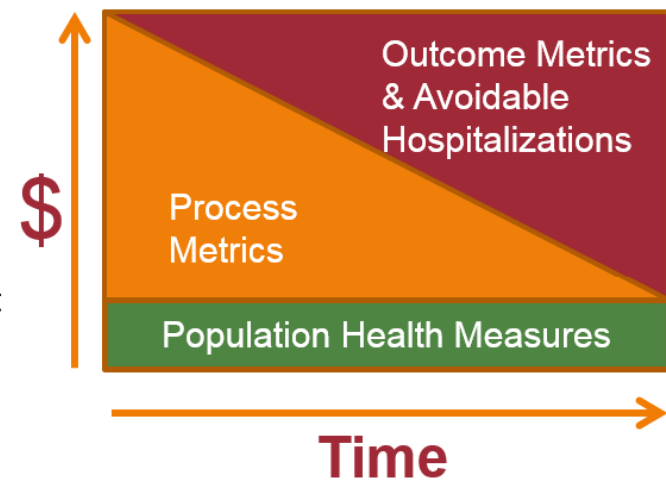
DSRIP PROJECTS: SAMPLE FROM PROJECT TOOLKIT

| Domain 4: Population-wide Projects: New York's Prevention Agenda | |
|---|--|
| A. | Promote Mental Health and Prevent Substance Abuse (MHSA) |
| 4.a.i | Promote mental, emotional and behavioral (MEB) well-being in communities |
| 4.a.ii | Prevent Substance Abuse and other Mental Emotional Behavioral Disorders |
| 4.a.iii | Strengthen Mental Health and Substance Abuse Infrastructure across Systems |
| B. | Prevent Chronic Diseases |
| 4.b.i. | Promote tobacco use cessation, especially among low SES populations and those with poor mental health. |
| 4.b.ii | Increase Access to High Quality Chronic Disease Preventive Care and Management in Both Clinical and Community Settings (Note: This project targets chronic diseases that are not included in domain 3, such as cancer) |

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OUTCOMES/PERFORMANCE MEASUREMENT APPROACH

- Annual improvement targets with use a methodology of **reducing the gap to the goal by 10%**.
- For example, if the baseline data for a measure is 52 percent and the goal is 90 percent, the gap to the goal is 38. The target for the project's first year of performance would be 3.8 percent increase in the result (target 55.8 percent).
- Each subsequent year would continue to be set with a target using the most recent year's data. This will account for smaller gains in subsequent years as performance improves toward the goal or measurement ceiling.
- Performing Provider Systems may receive **less than their maximum allocation** if they do not meet metrics and/or if DSRIP funding is reduced because of the statewide penalty).



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PAYMENT DEEP DIVE

- **Amounts received will be determined based on performance of the providers engaged on each approved project and the PPS's overall performance in achieving project goals.**
 - This can result in significant reductions in payments, even during the first year of DSRIP – missing 1 out of 5 milestones, for example, could lead to 20% reduction in funding for that year.

- **Each PPS may also receive additional funds from the High Performance Fund if “high performance” levels are met.**
 - **Tier 1** is met when the PPS closes the gap in their DSRIP project plan by 20% between current and high performance levels as defined by DOH
 - **Tier 2** is met when the PPS's performance meets or exceeds the 90th percentile of statewide performance for a specific measure

Statewide Accountability:

- **PPS funds received may be reduced for missed milestones statewide**
 - The reduction is applied proportionately to all PPSs
 - High Performance Fund payments are not subject to the reduction.

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PAYMENT DEEP DIVE

Each PPS will initially be compensated for project and infrastructure development, with a gradual transition to payment for achieving outcomes. *From the start, however, payments are based on realizing milestones.*

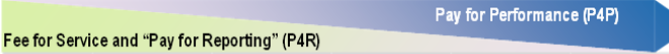
- **Incentive payments will initially be calculated based on the progress of process milestones/metrics:**

- ✓ *Approval of DSRIP plan; semi-annual reports*
- ✓ *Meeting scale and speed targets set in the Project Application per project*
- ✓ *Meeting other project-specific Domain 1 metrics*

- As projects progress, less payment will be allocated to achieving process milestones and more will be allocated to meeting outcome milestones

- ✓ *Preventable (re)admissions and ER visits*
- ✓ *Patient experience measures (CAHPS)*
- ✓ *Project-specific clinical improvement and health outcome metrics*

Project Valuation from DSRIP Program



| | Performance Payment | Pay for Performance (P4P) | | | | |
|---|---------------------|---------------------------|---------|---------|---------|---------|
| | | CY 2015 | CY 2016 | CY 2017 | CY 2018 | CY 2019 |
| Project progress milestones (Domain 1) | P4R | 80% | 60% | 40% | 20% | 0% |
| System Transformation and Financial Stability Milestones (Domain 2) | P4P | 0% | 0% | 20% | 35% | 50% |
| Clinical Improvement Milestones (Domain 3) | P4R | 10% | 10% | 5% | 5% | 5% |
| | P4P | 0% | 15% | 25% | 30% | 35% |
| Population Health Outcome Milestones (Domain 4) | P4R | 5% | 5% | 5% | 5% | 5% |
| PPS Infrastructure Development | P4R | 100% | 85% | 55% | 35% | 15% |
| Clinical Improvement and Health Outcomes | P4P | 0% | 15% | 45% | 65% | 85% |

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LEARNING COLLABORATIVES

- **New York will host learning collaboratives for all PPSs to engage in peer-to-peer and community stakeholder input on project level development of action plans, implementation approaches, and project assessment.**
- **Key personnel from the PPSs, stakeholders, and designated personnel from the state will be responsible for guiding the Learning Collaborative.**
- **The Learning Collaborative will be designed to promote and/or perform the following:**
 - 1) Sharing of DSRIP project development including data, challenges, and proposed solutions based on PPS's quarterly progress reports
 - 2) Collaborating based on shared ability and experience
 - 3) Identifying key project personnel
 - 4) Identifying best practices
 - 5) Providing updates on DSRIP program and outcomes
 - 6) Track and produce an FAQ document
 - 7) Encourage the principles of continuous quality improvement cycles

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PAYMENT REFORM & VALUE-BASED CONTRACTING

- **As part of the agreement between New York and CMS, New York is required to take steps to ensure DSRIP investments will be recognized and supported by the state's managed care plans.**
- **New York must submit a roadmap in Spring 2015 detailing how contract terms will be amended and provider capacities and efficiencies in managed care rate-setting will be reflected.**

Roadmap Guidelines:

- Will outline how New York and plans will implement goal of 90% of managed care payments to providers through value-based payments
- Will be a multi-year plan
- Must be flexible to reflect future DSRIP progress and accomplishments
- Requires CMS approval
- Must be updated annually

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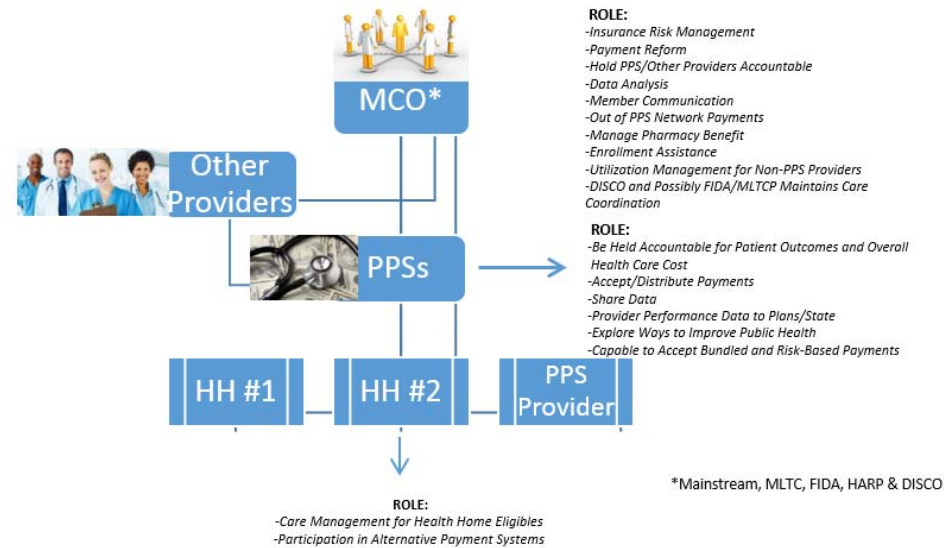
LESSONS LEARNED FROM CMS

- **Flexibility:** New York’s original proposal evolved from 13 grant programs to a three-part program: Interim Access Assurance Fund, DSRIP Program & Performance Payments, Other MRT Investments
- **Accountability:** Moving from a grant program proposal to a primarily DSRIP proposal ensures accountability at both the provider and statewide level
- **Targeted Proposal:** Ensure proposal addresses community-specific issues – New York’s safety net providers will engage with other New York providers to address key health issues at a community level
- **Leadership:** Governor Cuomo tirelessly advocated for waiver amendment approval and reinvestment of MRT-generated federal savings for New York’s safety net providers and Medicaid members

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THE DSRIP VISION: 5 YEARS IN THE FUTURE

How The Pieces Fit Together: MCO, PPS & HH



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Interesting Links: DSRIP PPS Applications, Executive Scoring Summaries of Applications, Latest DSRIP Timeline, Public Comments to PPS Applications & Value Based Purchasing Roadmap

- http://www.health.ny.gov/health_care/medicaid/redesign/dsrip/pps_applications/index.htm.
- http://www.health.ny.gov/health_care/medicaid/redesign/dsrip/independent_assessor_scoring_summaries/
- http://www.health.ny.gov/health_care/medicaid/redesign/dsrip/docs/dsrip_timeline.pdf.
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