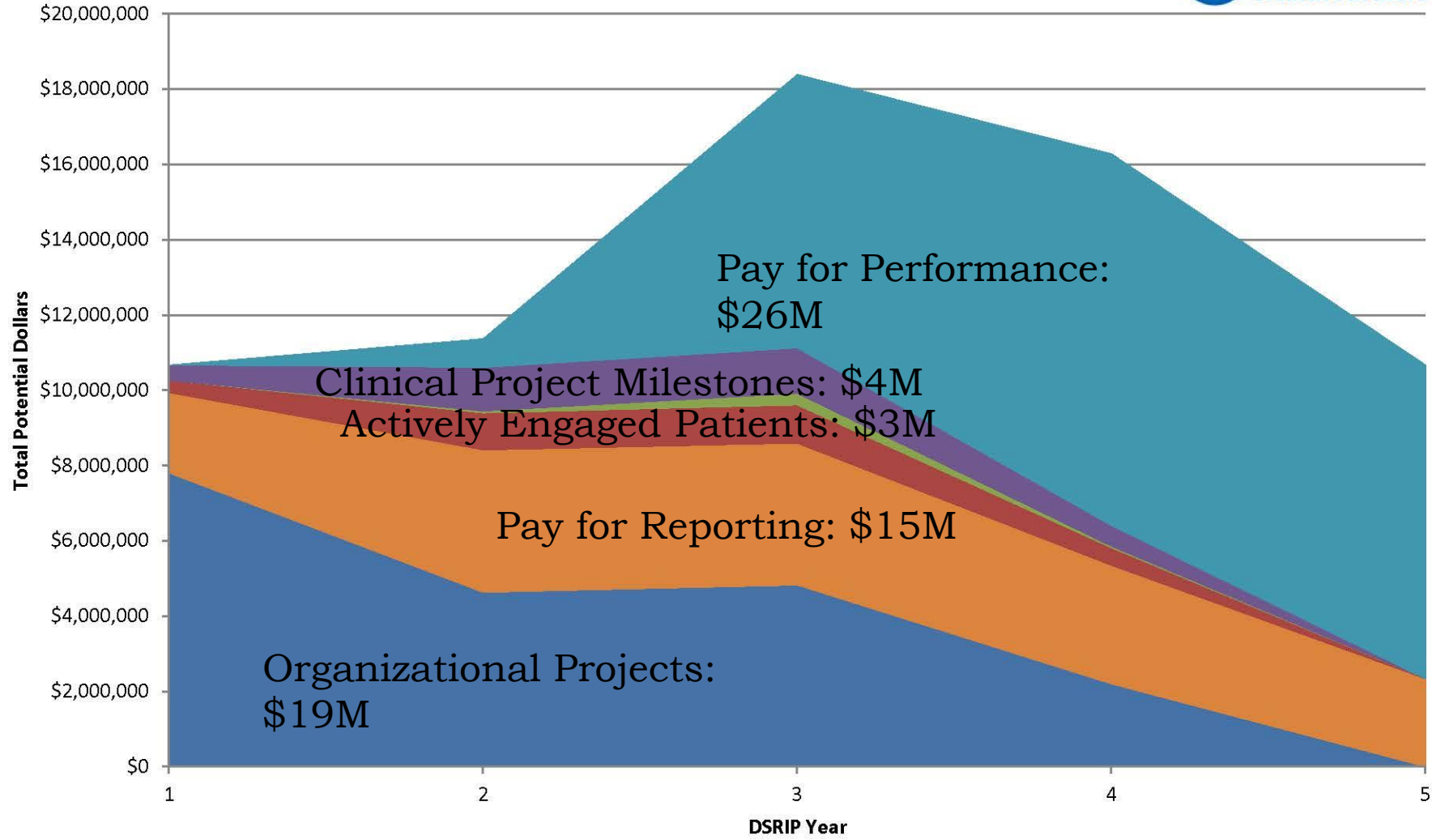


Delivery System Reform Incentive Payment Program – September 2017

LCHP PARTNER FUNDS FLOW MODIFICATION



DSRIP Budget Category over Time



Pay for Performance: \$26M
Clinical Project Milestones: \$4M
Actively Engaged Patients: \$3M
Pay for Reporting: \$15M
Organizational Projects: \$19M

- Domain 1 Organizational Projects
- Performance Measures - Pay for Reporting
- Patient Engagement Speed
- Project Implementation Speed
- Quarterly Progress Reports / Budget / Flow of Funds
- Performance Measures - Pay for Performance

DOH-PPS Achievement Value Metrics

Transformation Metrics

- Metrics which imply successful delivery system transformation but are not direct indicators of patient outcomes
 - Organizational Project Milestones
 - Clinical Project Milestones
 - Actively Engaged Patients
 - P4R Performance Measures (Paid for reporting system transformation, not outcomes)

Outcome Metrics

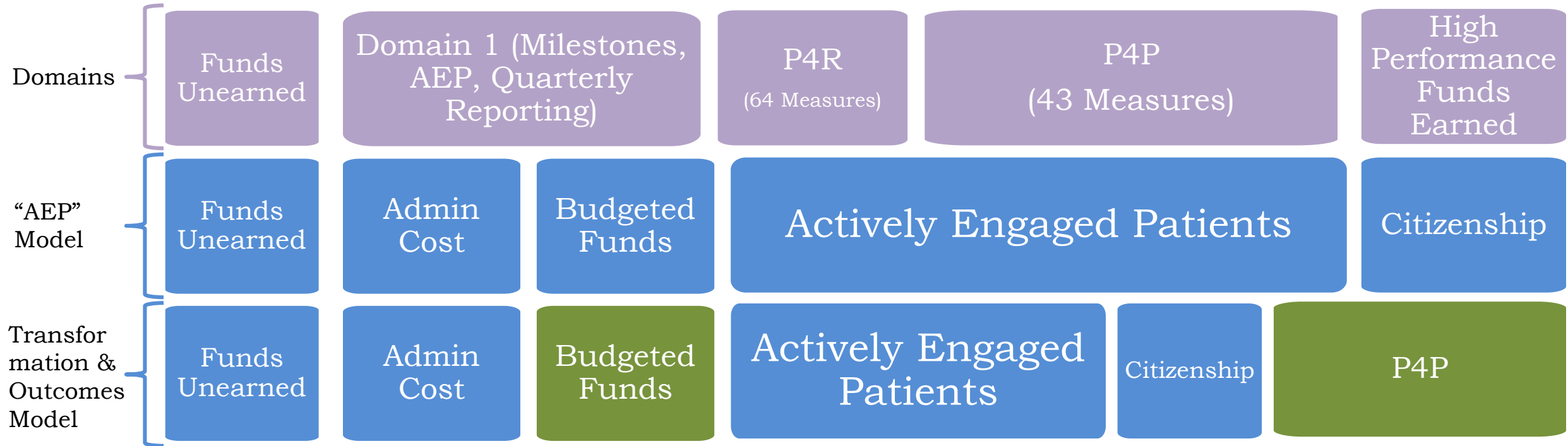
- Metrics which directly indicate success in patient outcomes
 - P4P Performance Measures
 - *Note: LCHP received it's first P4P Achievement Values for MY2 on 7/31/17*



Total Funds In & Out (Proportions Estimated)

Purple = DOH-to-PPS Funds Flow
 Blue = Existing PPS-to-Partner Funds Flow
 Green = New PPS-to-Partner Funds Flow

Total DSRIP Potential Worth - \$72M



Two Modifications to Funds Flow

1. Performance driven funds flow algorithm for distributing dollars earned by partner performance (Pay for Performance Measures)
2. Make funds available for partners to request to improve performance measures (Contract Incubator/Grant Funds)

Intended Outcomes of these Modifications

- Sustainable contracting relationships between Health Care and Human Services providers
- Transition to Value Based Payment arrangements with MCO's, built upon 5-county bargaining power
- Continuous Performance Measure improvement through population health management and new partner-to-partner relationships
- Distribution of up to \$26M in incentive funds to partners who make greatest impact!

Partner-Level Outcomes Tracking

Claims-Based Measures

- LCHP receives adjudicated outcomes data from DOH at the “Medicaid Provider” level.
 - Medicaid Provider: Medicaid billing provider who the patient has been attributed to by DOH for that MY
- Medicaid Providers are “associated” with LCHP Partners based on NPI numbers
- Partner data is rolled-up for each measure and compared to other contributing Partners via the Outcomes Funds Flow algorithm
 - Patient outcomes data assigned to Providers outside of the LCHP Contracted Partners are excluded from the Funds Flow algorithm

Third-Party/PPS Self-Report

- Exact methodologies may vary, but in general, LCHP or third-party vendors will track outcomes and report directly to LCHP/DOH.
- Self-report data will be “associated” with LCHP Partners
- Partner data for each measure will be compared to other contributing partners via the Outcomes Funds Flow algorithm



P4P Algorithm Details

	Attribution		Outcome		Improvement	
	25%		40%		35%	
	Measure Denominator/Partner		Partner Result Vs. PPS Goal		Partner Result vs Previous Year Partner Result	
Categories	Denominator - All Contributing Partners	Denominator - Passing Partners Only	Partner Result Above Annual Goal	Partner Result Above Annual Goal Weighted with Patients	Partner Improvement - Result	Partner Improvement - Weighted with Patients
Category Allocation	10%	15%	20%	20%	15%	20%
Does Partner Needs to Pass?	No	Yes	Yes	Yes	No	No

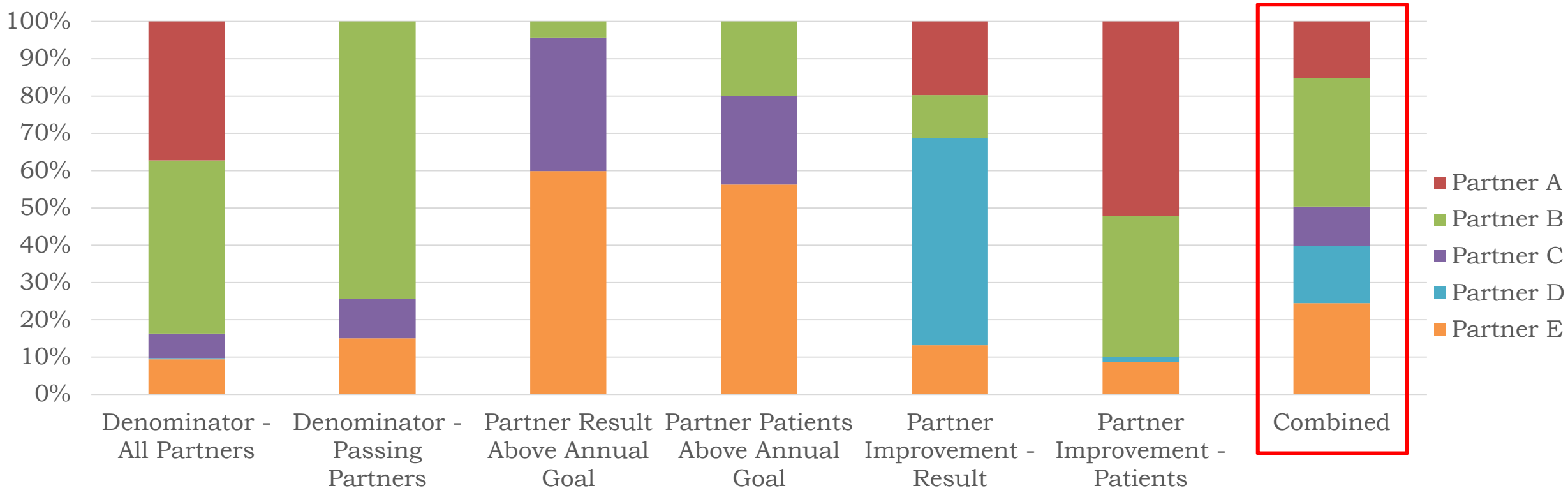
How Do Partner Outcomes Translate to Partner Funds?

Example (1 of 6 Algorithms)

Partner Goal Variance - Result		Weight: 20.0%	PPS Must Pass: Yes	Numerator:	Partner Result - Annual Goal				
		Value: 100,000	Partner Must Pass: Yes	Denominator:	Sum of All Passing Partner Points Above Goal				
	Numerator	Denominator	Result	Goal	Eligible	Reward Numerator	Reward Denominator	Reward %	Reward \$
Partner A	268	569	47%	50%	No	0%	26%	0%	\$ -
Partner B	362	708	51%	50%	Yes	1%	26%	4%	\$ 4,301
Partner C	60	101	59%	50%	Yes	9%	26%	36%	\$ 35,805
Partner D	2	5	40%	50%	No	0%	26%	0%	\$ -
Partner E	94	143	66%	50%	Yes	16%	26%	60%	\$ 59,894
Total	786	1526	52%	50%		26%		100%	\$100,000

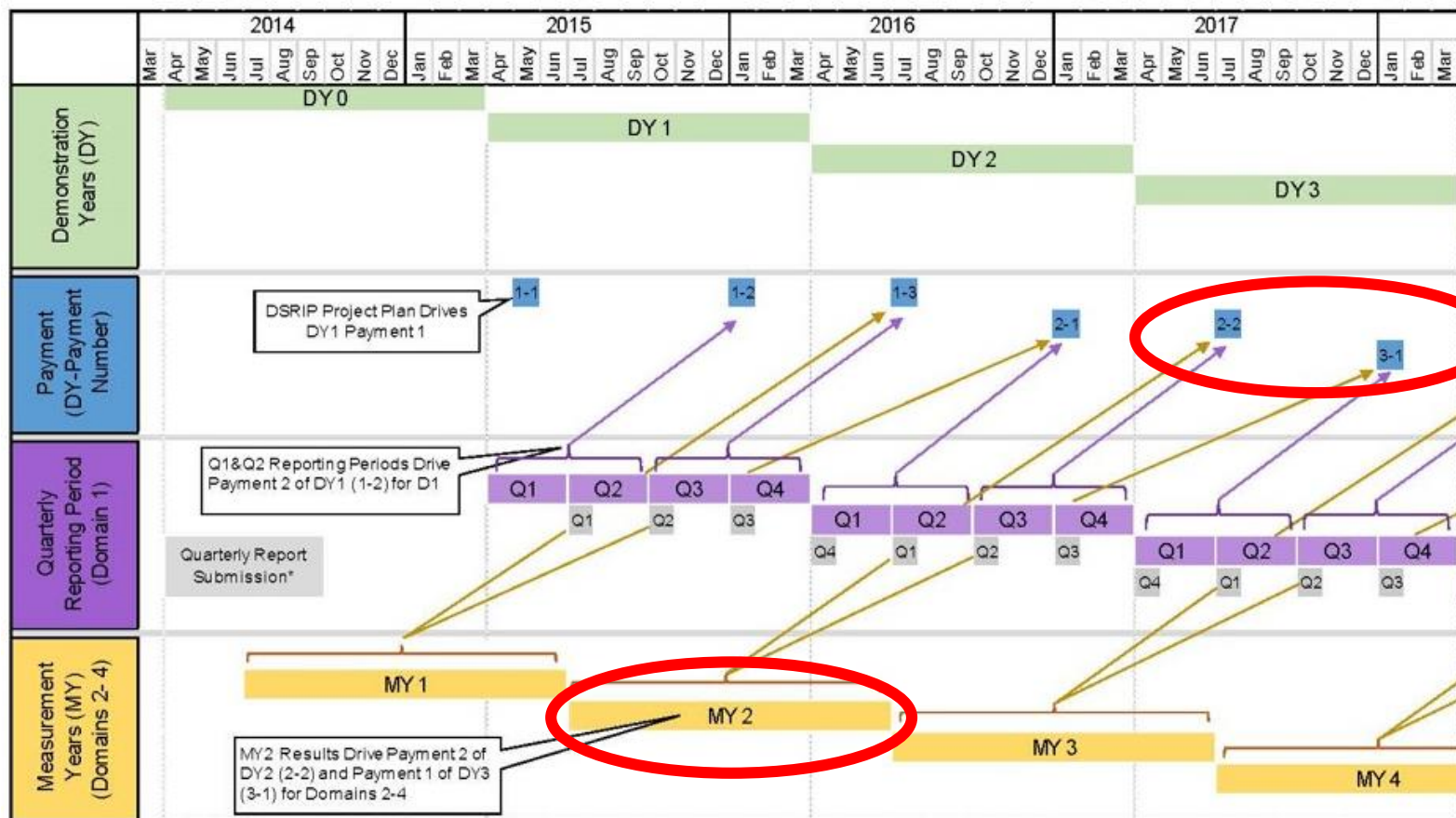
How Do Partner Outcomes Translate to Partner Funds?

Partner Funds Share by Category



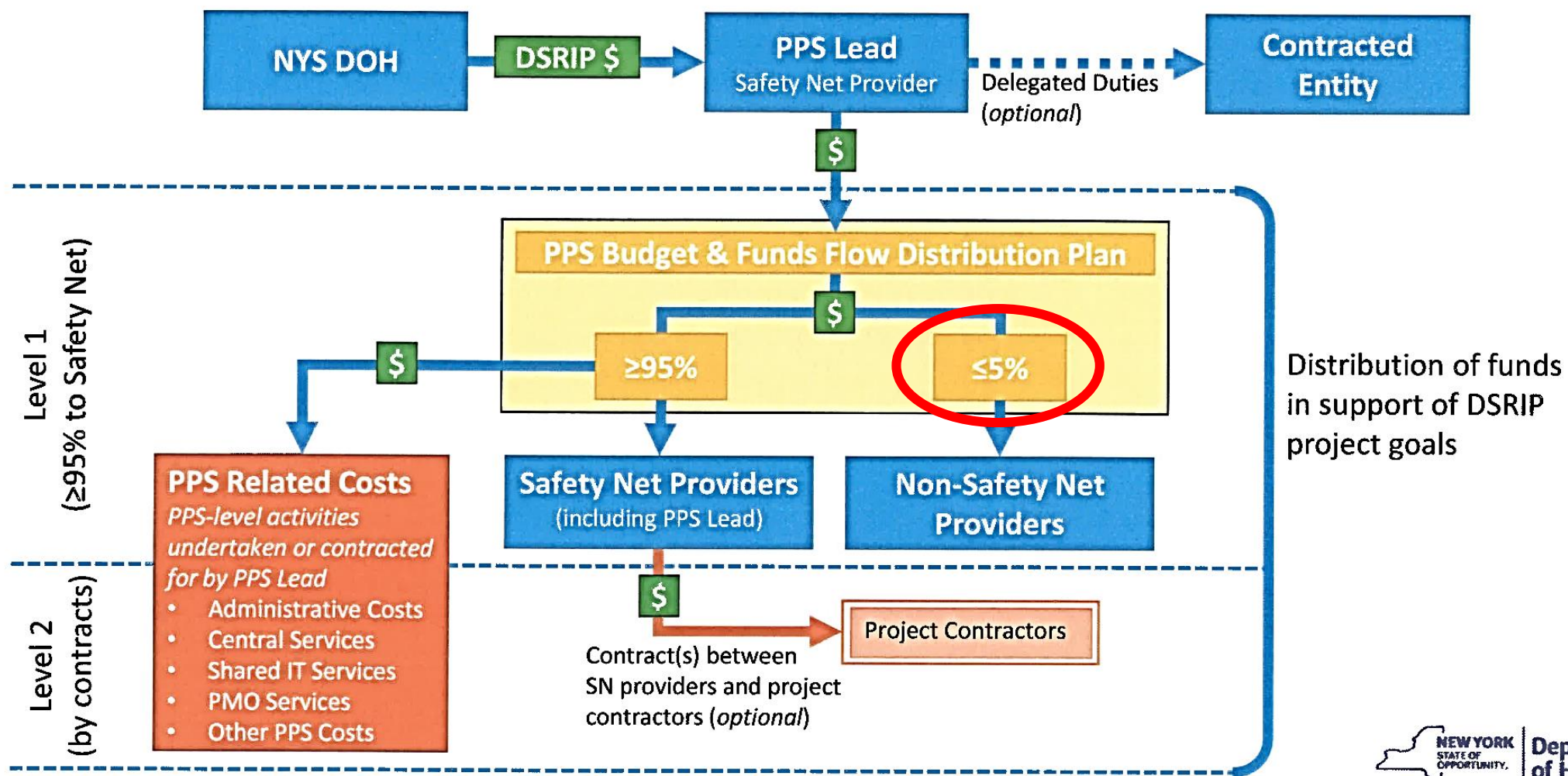
P4P Funds Flow Timeline

- Measurement Year 2 Ends
 - 6/30/17
- Claims Data Available
 - 1/17 – 3/17 (6-9mo)
- DOH AV Scorecard
 - 7/17 (13mo)
- MY2 Checks from DOH to LCHP
 - 7/17 & 1/18 (13&19mo)
- MY2 Checks from LCHP to Partners
 - 9/17 & 3/18 (15&21mo)

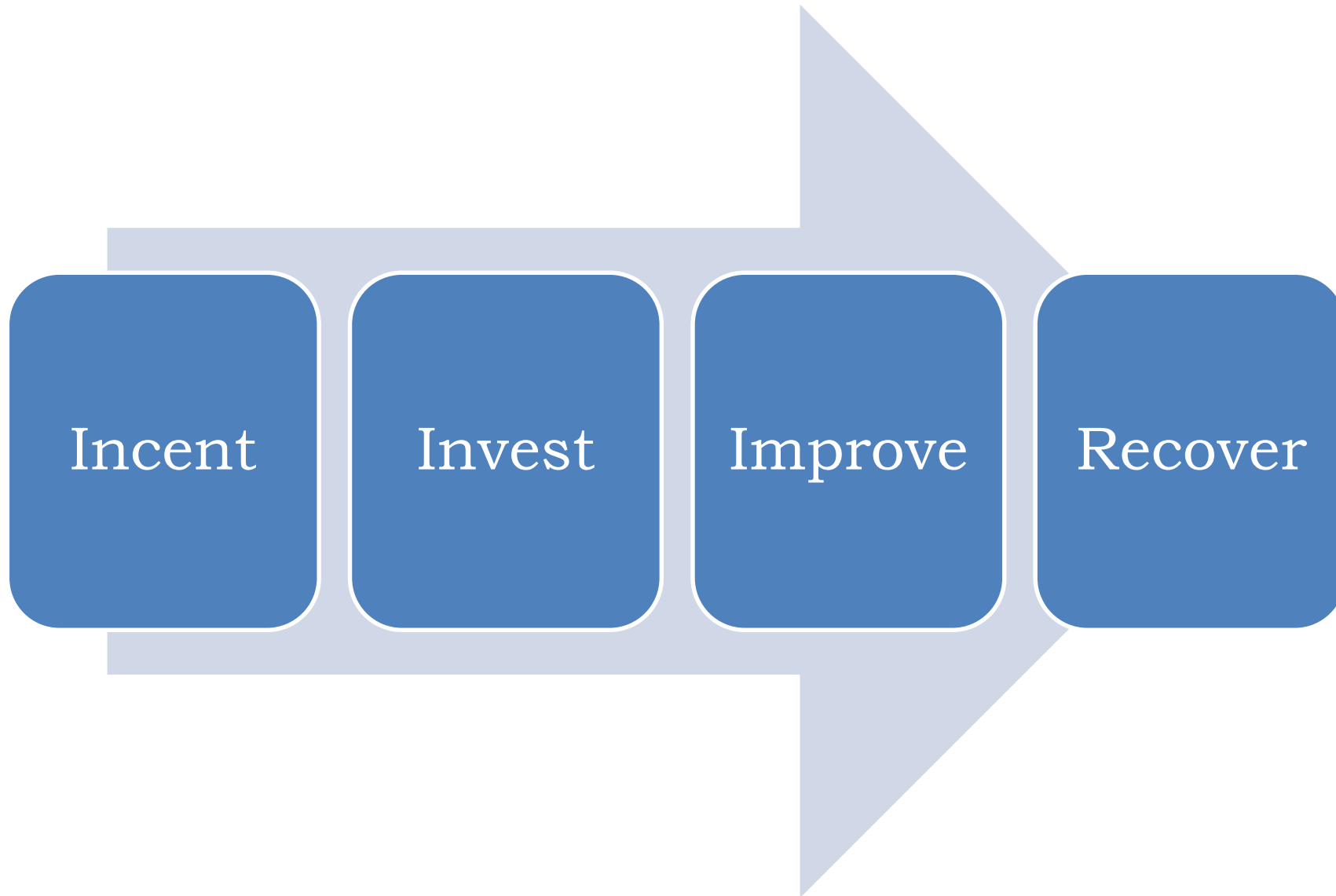




Funds Flow Restrictions

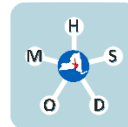


“Incentive” Model Problem: Cash Flow



Contract Incubator Funds

- LCHP has proposed two modifications to the existing Budgeted Funds:
 - Reduce future Budgeted Fund amounts, per Partner feedback
 - After 9/30/17, convert the remaining balances of the following funds to a consolidated “Contract Incubator Fund”:
 - Cost of Services Not Covered
 - Sustain Fragile Providers
 - Revenue Loss
- Contract Incubator Funds will primarily be requested by Safety Net partners to reimburse full/partial value of contracts with Non-Safety Net partners for “Value Based Production Payments” that impact LCHP initiatives



Budgeted Fund Type: Applicable Projects/Partners: Approved Funding Request Types:	Stimulus/Contract Incubator Fund						Grant Projects	Contingency
	Implementation	Innovation	Contract Incubator	VBP Transitions	Workforce Training			
	Withdrawal Management	All Clinical Projects	Safety Net (SN) Partners	All Partners	All Partners	MHSA, Tobacco		
	Initiatives Kick-Starting Clinical Project Success	Initiatives Supporting Clinical Project Success	SN/Non-SN Subcontracts Impacting Perf Measures	Services Not Covered, Revenue Loss, Fragile Providers	Workforce Training, Education and Development	Initiatives Supporting Grant Project Success	Unforeseen PPS-Level Costs	
Required Steps to be Completed, By Fund Request Type:								
1	Submit Preliminary Request to LCHP PM or Director	X	X	X	X	X	X	X
2	Review Grant Funds Policy & Procedure	X	X	X	X	X	X	X
3	Complete LCHP Funds Request Form, including:	X	X	X	X	X	X	X
4	Determine Type of Funds to Request	X	X	X	X	X	X	X
5	Obtain Clinical Project Committee Approval (>50% in attendance)	X	X				X	
6	Submit Request to Finance Director for Review	X	X	X	X	X	X	X
7	Present Request to Finance Committee for Approval	X	X	X	X	X	X	X
8	Submit Request to EGB for Approval	X	X	X	X	X	X	X
9	Formal Notification to Partner of Approval/ Denial	X	X	X	X	X	X	X
10	Execute LCHP Grant Funding Agreement	X	X	X	X	X	X	X
11	Disbursement of Funds	X	X	X	X	X	X	X
12	Submit Quarterly Expense Report	X	X	X		X	X	
13	Submit Quarterly Revenue Report (Revenue-generating requests only)	X	X	X		X	X	
14	Complete Re-Evaluation of Approved Requests by Finance Committee	X	X	X	X	X	X	X
15	Return Unused Funds to LCHP at Expiration of Agreement	X	X	X	X	X	X	X

		Stimulus/Contract Incubator Fund					
Budgeted Fund Type:	Implementation	Innovation	Contract Incubator	VBP Transitions	Workforce Training	Grant Projects	Contingency
Applicable Projects/Partners:	Withdrawal Management	All Clinical Projects	Safety Net (SN) Partners	All Partners	All Partners	MHSA, Tobacco	LCHP Admin Only
Approved Funding Request Types:	Initiatives Kick-Starting Clinical Project Success	Initiatives Supporting Clinical Project Success	SN/Non-SN Subcontracts Impacting Perf Measures	Services Not Covered, Revenue Loss, Fragile Providers	Workforce Training, Education and Development	Initiatives Supporting Grant Project Success	Unforeseen PPS-Level Costs



Why Should Partners Contract?

- Many Performance Measures (especially Avoidable Use) require service collaboration between Health Care Providers and Human Service Providers for successful improvement (referrals, screenings, etc.)
- Non-Safety Net Partners are not capped at 5% when subcontracting through Safety Net Partners
- There is zero cash flow outlay/liability for either partner to implement these contracts
- These contracts will set up a community Value Based Contracting model in preparation for Value Based Payments

How Can Partners Request Funds?

- Moving forward, all Partner Funds Requests (including Contract Incubator Funds) should be initiated through the LCHP Project Management Office
- Project Managers and the Director of Operations will guide Partners through the Funds Request process prior to submission to LCHP Finance Committee
- A formal Funds Request process and updated form are available on LCHP website under 'Finance' page

October 2018 Update

- After a review of future anticipated funds, and the multitude of Funds Requests still being submitted, the LCHP Finance Committee has approval that all three grant “funds” of MHSA, Tobacco and Contract Incubator will be combined into one “balance” of which all pending and future approved proposals will draw down from collectively. To clarify, MHSA and Tobacco proposals will still be accepted, but will pull from the collective remaining balance. Non-MHSA or Tobacco proposals will now have access to the collective amount, not just the Contract Incubator balance.