AMAZING THINGS ARE HAPPENING HERE

DSRIP PPS "Value Flows"

Prepared for the NYP PPS PAC
December 15, 2014

NewYork-Presbyterian
Office of Strategy

Overview

- Many of you have asked how funds will flow between the PPS and the Collaborator Network ("Network")
- We believe that the best approach to optimizing the PPS for all Network participants means defining "value flows," of which funds flow is one important part
- We believe there are six distinct ways value flows in our PPS
- Collaborators may benefit in any or all of those six ways
- While attribution may impact the ultimate size of the value, attribution is not required to benefit

Categories of Value Flow

- Funded Hires
- Contracted Services
- Referral Growth
- IT Investments
- Performance Rewards
- (Re)Training

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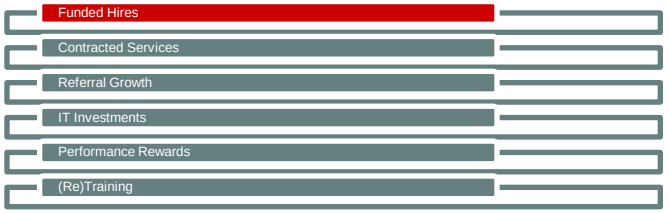
Funded Hires



- DSRIP is designed to augment certain kinds of resources. Those resources fall into several categories, including:
  - Primary Care
  - Care Management
  - Patient Navigation
  - Community Health
  - Behavioral Health
- Hiring those key personnel at the site of greatest integration and impact means resources will be funded at both traditional medical and non-traditional community sites

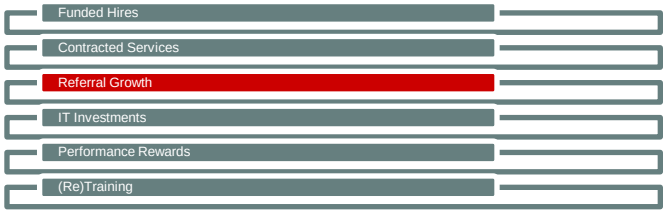
- EXAMPLE 1:
  - The PPS funds the hiring of provider and support staff in a Lower Manhattan FQHC to provide culturally competent and linguistically appropriate tobacco cessation services to patients; this FQHC does not currently offer a tobacco cessation program and their patient population has high rates of tobacco use
- EXAMPLE 2:
  - The PPS funds the hiring of patient navigators in the Weill Cornell Emergency Department, materially expanding an existing and proven program of engagement through patient navigation that currently exists on the Columbia campus

Contracted Services

- DSRIP is designed to compensate for certain kinds of services which do not currently receive reimbursement. Those resources fall into a number of categories, for example:
  - Outreach
  - Medication education
  - In-home counseling and support
  - Patient escort
- Providing a source of funding for services known to impact outcomes but without a traditional reimbursement model increases the likelihood of adequately addressing the social determinants of health

- EXAMPLE 1:
  - The PPS contracts with a provider of Community Health Workers (CHWs) to provide a team of CHWs with specialized knowledge regarding pediatric care that is culturally appropriate to the CSHCN living in the Dominican Community in Washington Heights. That team is integrated with the ACN-based Ambulatory ICU clinic team.
- EXAMPLE 2:
  - The PPS contracts with a pharmacy to provide bedside medication delivery and medication education for patients with poly-pharmacy at high risk for readmission who are being discharged to the community.

Referral Growth



- DSRIP is designed to redirect care from the ED and inpatient settings to the community. That means referrals for post-acute and community-based care will grow, including:
  - Home Care and Other Post-acute Care
  - Primary Care
  - Substance Abuse and Mental Health
- Delivering the right care, at the right time, in the right place, and with the right personnel means that providers of these services will see increased referrals when they agree to deliver consistent with the project protocols for the DSRIP population

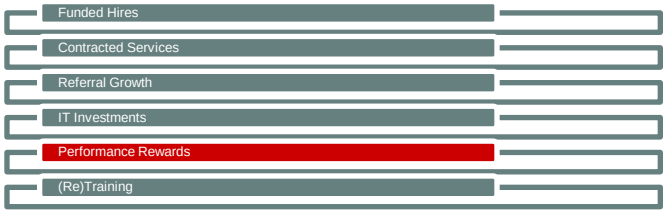
- EXAMPLE 1:
  - The PPS has success connecting patients with multiple chronic conditions requiring pain and symptom management to the new palliative care services in the PCMH. This results in an influx of home-based palliative care referrals, and revenue, for a community provider
- EXAMPLE 2:
  - The Transitions Care Manager, working to reduce readmissions, identifies a patient in need of primary care in the community. Because of geography, cultural, and linguistic needs, the insured patient is referred to a community doctor in the PPS network with a proven record of managing patients post-discharge

IT Investments

- DSRIP is designed to create information connections between traditional and non-traditional care providers across the community. Those connections rely on a host of rules and capabilities, including:
  - PCMH
  - Meaningful Use
  - RHIO/Healthix
  - Care Management Applications
- Creating this information web requires investments in access, software and skills that will bring the PPS Network to a new, foundational level of information integration.

- EXAMPLE 1:
  - The PPS recognizes the importance of interdisciplinary care management across the continuum and funds Allscripts Care Director licenses, implementation and training for key mental health providers. This investment allows the mental health provider to both understand the discharge care plan and contribute to it in real time
- EXAMPLE 2:
  - The PPS relies on all Network members collaborating to deliver integrated care. That means Network members must be able to view how the patient interacts with other points in the health care system. The PPS invests in connecting them to the RHIO/Healthix

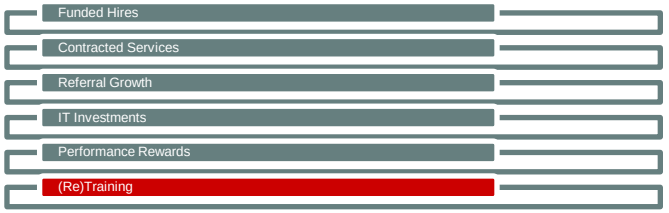
Performance Rewards



- DSRIP is designed to incentivize those who contribute to the health of the attributed population and the sustainability of the Medicaid system. Rewards can be earned through:
  - High outcomes/metrics performance *and* attribution
  - High outcomes/metrics performance *alone*
  - Extraordinary contributions to process, information, competencies or technology that enable the broader PPS to achieve high outcomes/metrics performance
- The PPS will prioritize such outcomes and contributions, and reward these high performers

- EXAMPLE 1:
  - The D&T clinic collaborates closely with the PPS becoming effective utilizers of the care management app, integrating palliative care, and utilizing CHWs to bridge the care gap home. The avoidable readmission and ED visit rates for this clinic's Medicaid population decline by 18% by DY3 and the PPS shares reward dollars consistent with its attributed lives
- EXAMPLE 2:
  - A community-based treatment adherence program for patients with serious mental health issues markedly improves adherence to antipsychotic medications. That treatment adherence program is then used as a blueprint across the PPS, and the PPS shares bonus payments

(Re)Training



- DSRIP recognizes that today's skills, competencies, and professions are different from tomorrow's. Training and retraining bring value to Network members and their workforces by increasing their relevance and competitiveness as the delivery system shifts to valuing:
  - Cultural competency
  - Behavioral health expertise
  - Care coordination expertise
  - Services that impact the social determinants of health
- The PPS will invest in training to build these capabilities, prioritizing workforces in danger of reduced future relevance or excess capacity

- EXAMPLE 1:
  - The PPS identifies medical assistant staff serving a declining inpatient population as strong candidates to be future CHWs. These medical assistants, already resident in the communities the PPS serves, are trained to become CHWs and help meet the growing need for this capability
- EXAMPLE 2:
  - A provider of nutritional support lacks staff who are culturally appropriate for a new population of Chinese patients. Because of the prevalence of chronic illness and poverty in this population, the PPS invests in cultural competence training for staff who are paired with translator volunteers

DSRIP Capital & CON 101
12/15/14

Jay Gormley
Chief Strategy & Planning Officer

Medicaid Waiver

- On April 14th, NYS received approval from CMS on the Terms and Conditions of its $8 billion Medicaid waiver.
- The State's Medicaid Redesign Team waiver:
  - Delivery System Reform Incentive Payment (DSRIP) Plan: $6.4 B
  - Interim Access Assurance Fund (IAAF): $500 million
  - Other Medicaid Redesign: $1.08 billion
    - Health Home development
    - Behavioral health
    - Workforce training
- Related Funding: 2014-15 Budget includes:
  - $1.2B in capital investment
  - Regulatory relief to support provider collaboration on DSRIP projects

Capital Restructuring Financing Program

- RFA released on 11/18
- 1.2 B over 6 years via DASNY Bonds
  - Must support the goals of DSIRIP
    - Quality
    - Financial Viability
    - Efficiency
- Applications are due to state Feb 20th
  - Originally due Dec 22nd
  - Must be submitted via PPS lead, so there will be a due date sooner than Feb 20th to get the info to NYP DSRIP
  - Letter of Intent? Lets discuss.

What can we ask for Capital to do?

- Eligible Projects (include but not limited to) :
  - Development of primary care service capacity
  - Consolidation of Service Line
  - Improvements to infrastructure
  - Closures, mergers and or restructurings
  - Development of telehealth infrastructure
  - Development of co-located ambulatory services
  - Integrated Delivery Systems
  - Asset Acquisitions
  - Equipment costs, including capital costs for health IT
    - Additional information is forthcoming on HIT projects including information of what IT investments (including software) that can be seen as capital

Who can apply?

- Examples of Eligible organizations are anyone who can enter into a master contract with DOH (e.g. Article 28s, Article 36s, Article 40s, primary care providers, OHMH, OMRDD, OSAS, etc.)
- Preferred Criteria
  - Applicants committing matching funds to the proposed project
    - This can include other state grants, but is most likely cash
    - A 1 to 1 match seems to be developing as a standard but there are a ton of variations
  - Applications with projects that demonstrate transformational change to the health care systems from FFS to value-based
  - Applicants who demonstrated significant financial need
- Whoever is the long term owner of the asset should apply, regardless of location

How do I apply?

- If you are a part of a PPS you must apply through a PPS
- The PPS will “rank” the applications in a to-be-determined process before they are submitted to the state
  - Unknown how the ranking will work
- Organizations in multiple PPS’s must select only one PPS to submit their capital application
- Trying to get clarity on the above:
  - What if a home and community based provider or a mental health provider wants to co-located services in two competing PPS?
  - What if an organization wants to submit an application for IT and an application for “bricks and mortar”?
  - What if an applicant is seeking to merge with another eligible applicant and they are in different PPS?

How do I apply?

- Documentation Required for each application:
  - **Technical proposal Requirements (15 pages of narrative)**
  - **Financial Proposal Requirements (15 pages of narrative)**
  - **Capital Project Budget Template**
  - **Work plan Template**
  - Summary Forms
  - Coverage and Checklist for both Financial and Technical Proposal
  - Sources of Funding
  - Minority and Women owned Business Enterprise Forms
  - Vendor Responsibility Attestation
  - Short Environmental Assessment
  - Smart Growth Assessment
  - NYS Master Grant Contract
    - **a.k.a. you've got to get registered with Grants Gateway**

How do they Pick'em?

- Financial Proposal (35 pts)
  - Project funding and match (15)
  - Project Budget (5)
  - Cost Effectiveness (5)
  - Project Financial Viability and Applicant long-term Sustainability (10)
  - Demonstration of Significant Financial Need (10 bonus pts)
- Technical Proposal (65 pts)
  - Executive summary
  - Project Description (10)
  - Relationship of Eligible capital project to CNA (20)
  - Relationship of Eligible project to DSRIP goals (25)
  - Transformational Change (10)
  - Regulatory Waivers
  - Applications Qualifications; Project Participation and Project Readiness
    - a.k.a. "CON Ready"

So What's a CON?

- CON stands for Certificate of Need Application
- Any organization in NYS that is governed under Article 28 of the public health law (Hospitals, DT&Cs, RHCFs, Ambulatory Surgery Centers) or Article 40 (Hospice) or Article 36 (Homecare) must file a CON if they want to:
  - Be Established;
  - Change ownership;
  - Acquire a new license or location;
  - Change their name;
  - Add or remove beds;
  - Add services;
  - Go into a new county;
  - Undertake capital improvements; or
  - Acquire significant equipment (Gamma knife, CT scanner, Particle Accelerator, etc.).

What Does it mean to be "CON Ready"?

- A CON requires six different aspects to be approved. A project must pass:

  I. Financial Feasibility*

  II. Need*

  III. Character & Competency*

  IV. Architecture

  V. Program

  VI. Legal

- Construction projects don't typically have to pass III., but establishment projects (i.e. anything that requires a new license or the transfer of a license) do.

*Statutory reviews

What Does it mean to be "CON Ready"?

1. Have an architectural plan that could pass review (i.e. 1/16th scale drawings) and an architects certification letter
2. Have a capital budget for that plan that includes moveable equipment, contingencies, fees, financing costs and other soft costs
3. Have a demonstrated need either via an established need methodology or a need narrative that would be consistent with the CNA
4. Have a source of matching funds that was reflected on a certified financial statement of some kind or if borrowing some kind of documentation from a bank or if a grant an award letter.

What Does it mean to be "CON Ready"?

5. An operational budget showing 1st and 3rd years break even operations, including revenue & expense assumptions with draft rate calculations if necessary
6. Working capital to cover 3 months of year 3 expenses
7. A cash flow analysis
8. Demonstration of site control.
    - If in rented space a letter of intent from the landlord with the rent, plus at least 1 letter from an independent agent that the rent was reasonable. You don't need it to submit, but for approval you would need a draft lease on the space as well
9. If establishment completed schedule 2as, 2bs and 2cs (the character and competency forms) singed & notarized
10. Narrative describing the components of your proposed program and that demonstrates compliance with regulations

What Does it mean to be "CON Ready"?

- A good consultant (plus an architect and an accountant) can create a lot of what you need so the "bare bones list" is:
  A. Control of space that can be made code compliant
  B. Draft plans with a construction estimate
  C. Enough cash (or the ability to borrow/access enough cash) to cover the match plus 3 month working capital
  D. Board members or owners that could pass establishment.
  E. Some idea on the rates of payment for the services including DSRIP funds flow if the PPS is going to be a source of funds for the first 5 years to support the capital investment.
  F. A description of your proposed program

Thank You

Questions?

Comments?

Queries?

Excited Utterances?

Please Feel free to reach out:

Jay Gormley
Chief Strategy & Planning Officer
MJHS
jgormley@mjhs.org
(347) 834-5868