COORDINATED BEHAVIORAL CARE

CBC ISSUE BRIEF

July 2019

CONTRACTING WTH MANAGED CARE ORGANIZATIONS: CASE STUDY OF CHALLENGES AND REALITIES

OVERVIEW

In 2018, NYS announced an Adult Behavioral Health (BH) Home & Community Based Services (HCBS) Quality/Infrastructure Fund with $75 million--$50 million for infrastructure and $25 million for quality bonuses--to jump-start utilization of and access to Adult BH HCBS. The Fund was designed to support and reward NYS Medicaid Managed Care Organizations (MCOs) and Community Based Organizations (CBOs) for successfully engaging members in HCBS services, while assisting providers to solve persistent barriers to access. Specifically, it was intended for providers, in partnership with MCOs, to develop timelier HCBS eligibility determination/referral workflows and innovative engagement strategies, while increasing overall HCBS service delivery capacity.

Funding was added to the HARP premium beginning October 2017, with contracting and funding available as of April 2018. Contracts had to be in place by March 31, 2019, though the contract execution date was later extended to April 30, 2019. NYS developed a uniform form to be used by all 13 MCOs that operate HARPs to solicit proposals but did not create template contracts, uniform quality metrics nor any other standardized processes to align contracting among MCOs.

Coordinated Behavioral Care (CBC) IPA representing 8 community-based BH providers submitted proposals to 4 MCOs. It took 12 months to develop these proposals, have them approved by the MCOs and execute contracts, requiring hundreds of hours of executive staff time for project design and development, as well as over $110,000 in direct expert legal and consultant costs. By all measures, the work resulted in a successful outcome: CBC executed 3 contracts totaling $5 million, 10% of NYS' available funding for 15-month contracts. Our experience highlights the challenges faced by CBOs and IPAs comprised of CBOs in contracting with MCOs, as well as the resources necessary to succeed.

CASE STUDY

Opportunity**:** In 2018, NYS tasked MCOs that operate Health and Recovery Plans (HARPs) for adults with serious BH disorders with distributing $50 million of HCBS Infrastructure Funds to CBOs and IPAs.

IPA Response: HCBS Infrastructure Funds presented an ideal opportunity for CBC's IPA to convene interested CBC Health Home (HH) Care Management Agencies (CMA), as well as CBC IPA BH, housing and HCBS network providers, to discuss a comprehensive strategy and achievable metrics for a proposal that would offer a NYC-wide response. Our IPA convened a Work Group in May 2018 to develop an expedited process for engaging in HCBS services the many thousands of HARP-enrolled individuals who are currently served by the

CBC IPA Network. The Work Group also developed a plan for building our network's capacity to deliver these services. Eight CBC IPA providers elected to participate, based on some pre-determined criteria: all were CBC HH CMAs, NYS-designated HCBS providers and were willing to become Recovery Coordination Agencies (RCAs) to serve non-HH members.

After productive discussions with 4 MCOs, proposals were submitted in the fall of 2019 and all were approved. Given the reality of multiple contracts, the IPA offered considerable value in this procurement because the 8 providers were able to coalesce around a single program model, utilize CBC's HIT Platform and align around common quality metrics. Their joint effort makes it feasible to serve many clients in a seamless approach. Separately, they might only have been able to contract with one MCO in a much more limited fashion. A Project Director will administer the program, be the liaison with the MCOs and troubleshoot any issues. Two MCOs with high CBC enrollment, however, refused to consider an IPA proposal, so significant numbers of CBC Network members will regrettably be ineligible for the enhanced HCBS services.

IDENTIFIED CHALLENGES

1. The IPA incurred significant expenses and diverted executive time from other opportunities to develop the IPA's HCBS Infrastructure Program model and proposals to 4 MCOs. Senior CBC executives and participating agencies' senior managers spent hundreds of hours during the 12-month proposal/contracting period (May 2018-April 2019). The NYS proposal forms required applicants to prepare a unique submission for each MCO. While there were some economies of scale because CBC utilized the same service approach, staffing model, quality metrics and sustainability template for all submissions, each MCO had a different CBC enrollment requiring unique budgets, staffing patterns and quality metric targets. CBC supported the project planning, proposal/budget preparation and pre-approval MCO negotiations. This experience raised our awareness of the barriers impeding the success of BH IPAs and CBOs that do not have the data, financial and contract development infrastructure to support VBP contracting.
2. Once proposals were approved in December 2018, each MCO requested unique changes in the proposal budget, quality metrics/targets and/or project timeframe, requiring significant additional CBC resources to negotiate the requested changes and revise the proposal forms multiple times for each plan. One plan insisted on deviating so significantly from the aligned quality metrics and processes outlined in our proposal that CBC had to end the contract discussions because of the additional burdens/costs of implementing a unique quality process for that MCO.
3. In early 2019, MCOs started negotiating contracts with CBC. Each has its own contract template that was quite different from the others. The initial contracts sent by the MCOs required substantial legal term modification due to the unique nature of the HCBS Infrastructure funding. CBC's program proposals were initially not accurately described in the MCO contracts, requiring CBC to repeatedly review and create additional contract attachments to ensure that the contract accurately reflected CBC's proposals. There were

multiple legal reviews over a 3-month period until final contracts were executed. IPA then sub-contracted for each MCO contract with the 8 network providers. Each provider received 3 subcontracts mirroring the final terms of the 3 MCO contracts and allocating funds/metrics. The totality of this work resulted in large legal fees for CBC.

4. CBC and its network providers have been hampered in developing proposals by not having access to actionable Medicaid data, including HARP enrollment by MCO. CBC used PSYCKES data but this data set is limited because of claims lag. Consequently, our metric projections may be inaccurate.

5. CBC and its participating agencies are now in the start-up phase for the 3 contracts. Management staff from all entities continue to contribute dozens of in-kind hours monthly for project development activities that address data collection, hiring/training new employees, billing and other mundane, but critical tasks. CBC incurred in-kind costs to bring on the HCBS Infrastructure Project Director when contract execution was extended a month. CBC and providers ended up investing considerable resources for a contract addressing an important NYS priority that is only funded for 12-months of operation and 3-months of start-up activities.

RECOMMENDATIONS

- NYS should facilitate MCO contracting with BH IPAs and CBOs by developing model contracts.
- NYS and Medicaid MCOs, in partnership with BH IPAs and CBOs, should standardize a set of core quality metrics for all contracting with aligned quality reporting templates across MCOs.
- BH IPAs should have access to the All Payor Medicaid Database to support contracting proposals and negotiations that are moving them towards VBP contracting.
- BH IPAs and CBOs would benefit from access to a shared platform (initially supported with government funding) that could efficiently and affordably address their need for financial-actuarial modeling, data analytics, contracting and pricing expertise, credentialing and more to support MCO contracting.
- NYS should facilitate Medicaid MCOs to work with BH IPAs and CBOs to utilize alternative payment contracting to support promising, best practice and evidence-based interventions that can improve quality of care and outcomes for Medicaid beneficiaries served by multiple MCOs. BH IPAs and CBOs cannot sustain innovative programs without being able to engage eligible individuals regardless of their MCO plan.