



DECEMBER 2014

Advancing Delivery and Payment Reform in Managed Care Provider Networks

PART III: VALUE-BASED PURCHASING PLANNING TEMPLATE

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This planning template is part of a package of products to assist states interested in value-based purchasing for health care. The other parts of the package are an implementation guide and discussion of strategic considerations.

State purchasers—Medicaid agencies, state agencies purchasing employee benefits, and agencies responsible for qualified health plans on the insurance marketplace—are increasingly interested in value-based purchasing (VBP) strategies, including ways to move providers away from fee-for-service reimbursement and toward payment methodologies that motivate and reward value or outcomes. Because managed care plans oversee and administer the health care services provided to many, if not most of a state’s insured residents, health plans are one of the most effective channels by which state purchasers can accelerate VBP.

The state can use this template to document its strategy for advancing system reforms through its health plans. It can also use the template as a starting point for discussions with its health plans and other purchasers to achieve more value, and drive greater alignment across purchasers and payers. As the state, other purchasers, health plans, and the delivery system gain experience with VBP, the state can revisit and revise it.

Section 1: Understanding the Existing Landscape of VBP Efforts. Enter as much information as possible on existing VBP initiatives throughout the state. Feel free to add rows as needed—for example, each health plan could have its own row. If data are available, indicate the size/scope of the initiative (including total dollars and patients impacted) and impact on quality and cost. Update this chart over time as more information is gathered and/or initiatives begin or end.

Section 2: Selecting State VBP Strategies for 2014 and Beyond. Enter information about the strategies the state will adopt to purchase greater value from its health plans, and specify the levels of application the state will use to advance each strategy within its plans. Again, update and revise this table over time, as appropriate.

Section 3: Assessing the Impact of Health Plan Efforts. Identify the performance goals and measures the state has set in partnership with its health plans. Specify how each measure is tied to payment (if relevant) and whether the measure is nationally recognized and/or already adopted by other purchasers or payers. Expand this section as needed to accommodate new or revised goals and measures.

ABOUT THE CENTER FOR HEALTH CARE STRATEGIES

The Center for Health Care Strategies (CHCS) is a nonprofit health policy resource center dedicated to improving health care access and quality for low-income Americans. CHCS works with state and federal agencies, health plans, providers, and consumer groups to develop innovative programs that better serve people with complex and high-cost health care needs. For more information, please visit www.CHCS.org.

ABOUT STATE HEALTH AND VALUE STRATEGIES

State Health and Value Strategies, a program funded by the Robert Wood Johnson Foundation, provides technical assistance to support state efforts to enhance the value of health care by improving population health and reforming the delivery of health care services. The program is directed by Heather Howard at the Woodrow Wilson School of Public and International Affairs at Princeton University.

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Section 1: Understanding the Existing Landscape of VBP Efforts

The table below lists existing VBP and payment modernization initiatives in the state:

Purchaser or Payer	Initiative Name	VBP Strategy (e.g., medical home, ACOs, non-payment for never events, etc.)	Approximate Size/Scope of Initiative (if available)		Effect on Quality and Cost to Date (if available)
			Total Dollars Affected	Total Patients Affected	
Medicare					
State public employee benefits purchaser					
Medicaid agency					
Medicaid health plans					
Qualified health plans					
Employers and commercial plans					
Other					

Section 2: Selecting State VBP Strategies for 2014 and Beyond

The state will advance the following VBP strategies through its purchasing arrangements with health plans:

VBP Strategy (e.g., care model/alternative payment methodology)	State Lever (e.g., contracting, legislation, etc.)	Level of Application (e.g., encourage, require, etc.)

Section 3: Assessing the Effect of Health Plan Efforts

The following VBP goals and performance measures will assess health plan progress:

Value-Based Purchasing Goal 1: (E.g., bend cost trend by X percent; expand alternative payment methodology by X percent, etc.)

Performance Measures	Financial Risk for Plan	Alignment	
		National Recognition (e.g., NQF endorsed)	Adopted by Other Purchasers, Payers
Performance measure 1:			
Performance measure 2:			
Performance measure 3:			

Value-Based Purchasing Goal 2:

Performance Measures	Financial Risk for Plan	Alignment	
		National Recognition (e.g., NQF endorsed)	Adopted by Other Purchasers, Payers
Performance measure 1:			
Performance measure 2:			
Performance measure 3:			

Value-Based Purchasing Goal 3:

Performance Measures	Financial Risk for Plan	Alignment	
		National Recognition (e.g., NQF endorsed)	Adopted by Other Purchasers, Payers
Performance measure 1:			
Performance measure 2:			
Performance measure 3:			