

**Verity Integrated Behavioral Health Systems  
Pay-For-Performance (P4P)**

## Verity Pay-for-Performance Principles

Verity Integrated Behavioral Health Services Pay for Performance Program focuses on the "Principles for the Construct of Pay-for-Performance Programs," as formulated by JCAHO (1).

1. The goal of pay-for-performance programs will be to align reimbursement with the practice of high quality, safe health care for all consumers.
  - A. Payment systems will recognize the cost of providing care in accordance with accepted standards of practice and will guard against any incentives that could undermine the provision of safe, high quality care.
  - B. Reward programs will encourage qualified clinical staff to accept patients where complexity, risk, or severity of illness may be considerations.
  - C. Performance incentives will be aligned with professional responsibility and control.
2. Programs will include a mix of financial and non-financial incentives (such as differential intensity of oversight; reduction of administrative and regulatory burdens; public acknowledgment of performance) that are designed to achieve program goals.
  - A. The type and magnitude of incentives will be tailored to the desired behavior changes. Rewards will be great enough to drive desired behaviors and support consistently high quality care.
  - B. A sliding scale of rewards will be established to allow for recognition of gradations in quality of care, including service delivery.
  - C. The reward structure will take into account the unique characteristics of a provider organization's mission.
3. When selecting the areas of clinical focus, programs will strongly consider consistency with national and regional efforts in order to leverage change and reduce conflicting or competing measurement. It is also important to attend to clinical areas that show significant promise for achieving improvements because they represent areas where unwarranted differences in performance have been documented.
4. Programs will be designed to ensure that metrics upon which incentive payments are based are credible, valid and reliable.
  - A. Quality-related program goals will be transparent, explicit and measurable.
  - B. Metrics will be evidence-based or, in the absence of strong science, be based on expert consensus.
  - C. Metrics will also be standardized, be risk-adjusted where appropriate, and have broad acceptance in the provider and professional communities.
  - D. Credible and affordable mechanisms to audit data and verify performance must be developed and implemented.
  - E. The measurement set will be constructed to fulfill program objectives with the minimum amount of measurement burden needed.

5. Programs must be designed to acknowledge the united approach necessary to effect significant change, and the reality that the provision of safe, high quality care is a shared responsibility between provider organizations and health care professionals.
  - A. Incentive payments will recognize systemic drivers of quality in units broader than individual provider organizations and practitioner groups and encourage improvement at these aggregate levels.
  - B. Incentive programs will support team approaches to the provision of health care, as well as integration of services, overall management of disease, and continuity of care.
  - C. Incentive programs will encourage strong alignment between practitioner and provider organization goals, while also recognizing and rewarding the respective contributions of each to overall performance.
6. The measurement and reward framework will be strategically designed to permit and facilitate broad-scale behavior change and achievement of performance goals within targeted time periods. To accomplish this, providers and practitioners will receive timely feedback about their performance and be provided the opportunity for dialogue when appropriate. Rewards will follow closely upon the achievement of performance.
7. Programs will incorporate periodic, objective assessment into their structure. The evaluations will include the system of payment and incentives built into the program design, in order to evaluate its effects on achieving improvements in quality, including any unintended consequences. The program and, where appropriate, its performance thresholds will be re-adjusted as necessary.
8. Provisions will be made to invest in sub-threshold performers who are committed to improvement and are willing to work themselves or with assistance to develop and carry out improvement plans. Such investments will be made after considering both the potential for realistic gains in improvement relative to the amount of resources necessary to achieve that promise, and what is a reasonable timeframe for achieving program performance goals.

### **Pay-for-Performance Program**

The Institute of Medicine (IOM) report *Crossing the Quality Chasm: A New Health System for the 21st Century* made the case for changes in the health care system, including restructuring of payment methods, to close the quality gap. The report identified six aims for health care that will guide quality improvement efforts—safety, effectiveness, patient-centeredness, timeliness, efficiency, and equity. (2) When funds are available, new Pay-for-Performance programs adopted by Verity supporting the organization, delivery of services, as well as sustainability of future capitation payments will also support the realization of these aims.

The Verity Pay For Performance Program offers financial incentives that reward providers for the achievement of Verity objectives, including delivery efficiencies, submission of increased encounter data, improved access to care for members with higher level of need determination, and improved quality.

## Pay-for-Performance Program Design

The Verity Pay-For-Performance Program (P4P) is designed to ensure that payments are based on credible, valid, and reliable metrics. Verity will use current eligibility, authorization and claims data to minimize the burden of measurement, while fulfilling program objectives.

### 1. Target Outpatient Provider Agencies That Self-Authorize Services

The new Verity P4P incentives are introduced where the greatest system gains can be achieved addressing underutilization of outpatient care, and where Verity has fully developed claims data for each provider. Verity has no plans to target individual practitioners for incentives.

### 2. Participation

Performance incentive payments will be applied to all contracted network outpatient providers that have the ability to self-authorize service and providers delivering intensive community based outpatient services, as many measures are already required in contracts. Verity hopes that each network agency will use this opportunity to focus their improvement efforts on these measures. The P4P performance rewards system is subject to funding availability.

Providers will not be eligible to receive any performance payment available during any time period providers are out of compliance with any required reporting as specified in their contracts.

### 3. Funding Source

Verity has notified providers that performance payment availability is subject to change each fiscal year.

### 4. P4P Goals

Verity's goals for the P4P program include addressing over/underutilization in outpatient care, Increasing access to services, and moving towards outcomes (state-level performance measures). Goals and payment are subject to change based on performance results.

#### a. P4P for Children FY09/10 and FY10/11

Improve initial access to services for members receiving care from general outpatient programs

\$400,000 performance incentive pool

Second visit within 14 days <60% provider receives \$75 dollars for each client seen twice in 14 days, =>60% provider receives \$100 dollars for each client seen twice in 14 days

Four visits within 45 days <50% provider receives \$200 for each client seen 4 times in 45 days, =>50% provider receives \$300 for each client seen 4 times in 45 days

Decrease overutilization in lower CASII levels and increase utilization for children with CASII levels 3 and 4. Total services are measured for each child at the end date of the 6 month authorization.

\$400,000 performance incentive pool

Target Service Levels

\$700-CASII Level 1

\$900-\$1300- CASII Level 2

\$1800-\$2700- CASII Level 3

\$3000 and over- CASII Level 4

\$300 additional for each appropriately managed outpatient CASII authorization

Increase percent of community-based care provided to children receiving Intensive Community-based Outpatient Treatment

\$100,000 performance incentive pool

Increase community-based care in INTOP services

\$20 for each community based service day 45-59%

\$40 for each community based service day 60% or greater

b. P4P for Adults FY09/10 and FY10/11

Improve initial access to members receiving care from general outpatient programs and programs serving individuals severely and persistently mentally ill

\$250,000 performance incentive pool

Second visit within 14 days <60% provider receives \$75 dollars for each client seen twice in 14 days, =>60% provider receives \$100 dollars for each client seen twice in 14 days

Four visits within 45 days <50% provider receives \$200 for each client seen 4 times in 45 days, =>50% provider receives \$300 for each client seen 4 times in 45 days

Increase utilization of services by adults with SMI LOCUS 4 authorization

\$300,000 performance incentive pool

Providers receive \$20 dollars =>30% and < 50% on open authorizations when clients are seen weekly

Providers receive \$40 dollars =>50% and <70% on open authorizations when clients are seen weekly

Providers receive \$60 dollars =>70% on open authorizations when clients are seen weekly

Increase access for Medicare/Medicaid Dual Eligible

\$500,000 performance incentive pool

\$98 per service day provided to dual eligible Medicare/Verity members

Due to EOB requirement data will be refreshed and future payments will contain unpaid balance from prior quarter.

5. Payout Time Period

October payout for April- June services

December payout for July-September services

March payout for October-December services

June payout for January-March services