

As the state moves more of its Medicaid spending into payments that reward high-quality providers, a new program aims to accelerate progress on the behavioral-health side.

The state is investing \$60 million over the next three years through the Behavioral Health Value Based Payment Readiness program to get more providers up to speed.

Until now most of the state's efforts have focused on physical health. Preparing the behavioral-health industry for payment reform will be an integral part of the state Medicaid program's goal for managed-care organizations to spend at least half of their funds through value-based payments by April 2019. Annual Medicaid spending on behavioral-health conditions is about \$7 billion, according to Medicaid Director Jason Helgerson.

"This is the future. This is coming," Helgerson said at the Coalition for Behavioral Health's annual conference last week in Manhattan. "It's not time to bury one's head in the sand and try to resist change at all costs."

It was less than three years ago that city behavioral-health agencies began receiving payments from private managed-care plans rather than the state Medicaid program, requiring a more sophisticated system to bill for services. Now, as some providers are still adjusting to managed care, behavioral-health agencies must begin to build IT infrastructure and data-analytics capabilities to continuously measure and report patient outcomes.

"You have to collect data to show value and know how to measure it," said Jason Lippman, executive vice president of the Coalition for Behavioral Health, which represents more than 140 nonprofits. "This is all new for behavioral health."

For an agency like Midtown-based JASA, which offers a wide array of programs in addition to mental health services, such as housing and home care, it can be challenging to enter into contractual relationships with health systems and managed-care organizations, said Alan Cohen, chief health program officer.

"We enable people to remain in the community," he said. "We know we play an essential role."

But it can be difficult to demonstrate how JASA's services influence a patient's 30-day readmission rate, a common barometer of providers' performance, Cohen said.

To spur progress, the state's readiness program encourages providers to form new Behavioral Health Care Collaboratives, networks of agencies led by a nonprofit that will prepare organizations to create value-based contracts with insurers.

The seven lead agencies in the New York City/Long Island region are Coordinated Behavioral Care, Institute for Community Living, Family Service League, Recovery Health Solutions, Mental Health Providers of Western Queens, Lower East Side Service Center and Bailey House.

Some agencies have already begun experimenting with value-based payments. Institute for Community Living is participating in a pilot with Mount Sinai Health Partners and Healthfirst that reimburses providers for care delivered to people with Health and Recovery Plans, said David Woodlock, ICL's president and chief executive. HARP is the insurance plan for Medicaid recipients with mental health or substance-use conditions.

"It's very, very early. We're really in system-creation mode right now to be able to engage in value-based payments," he said. "The BHCC initiative is great because it's up-front money. It's not predicated on sweat equity, goodwill and crossed fingers to develop some of these networks." —J.L.