

## **i2i Center Collaborative on Value-Based Payment and Contracting Progresses**

A central focus of the i2i Center is to convene collaboratives on pressing statewide issues. As earlier reported, i2i Center has begun a collaborative on Value-Based Payment and Contracting. North Carolina has a six year history of managed care in behavioral health and intellectual-developmental disability, yet only about 3% of the contracts between LME/MCOs and providers are value-based. In discussion with plan managers and providers, it is easy to glean that the commitment to increasing quality care is evident, but that there are contractual and process barriers.

The i2i Value-Based Payment and Contracting Collaborative is addressing both the structures needed to expand current efforts in value-based contracting/payments and those needed to conform with the vision for integrated, whole-person care. NC DHHS Secretary Mandy Cohen has stated many times that the use of value-based payments and contracts will be expected under Medicaid Transformation. In support of this vision, Dave Richard, Deputy Secretary for Medical Assistance, participated in i2i's first collaborative meeting and confirmed that value-based contracts between plan managers and providers will increasingly become the expectation of the State. He acknowledged that nationally the use of value-based purchasing has been difficult to achieve and will have to be factored in. The majority of contracts between LME/MCOs and providers remain fee-for-service. The goal of the Collaborative is to propose to NC DHHS changes needed to increase the use of value-based contracting in the near term and to further inform us on changes for the future in BH/IDD services.

In recruiting members for this business-focused collaborative, i2i Center identified providers, payers, and staff from the Division of Health Benefits and Division of MH/DD/SAS. As the initial round of technical issues and barriers are identified and addressed, it is expected that the work of this initial group will be refocused, likely with wider representation, to address the future of VBPs and additional issues related to service and quality strategies.

The VBP Collaborative moved quickly in its first meeting to identify current major barriers to value-based payments and contracts. Members are currently drafting a proposal to NC DHHS to "pilot" some operational systems and process changes that would address barriers to value-based purchasing. This pilot has the potential to resolve current challenges and to set a clearer path to achieving DHHS goals in value-based contracting in the future.