

Performance-Based Contracting Basics

Topics in Contracting Web-Conference

July 29, 2014

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MERGING RESEARCH AND ACTION

Web-Conference Logistics

- Due to the large number of participants, your phones will be muted during the presentation.
- Please type your questions in the chat box on the lower left corner of your screen during the presentation and we'll address them after our presentation.
- **During the question/answer period only**, if you'd like to further clarify your question, press *7 to unmute your phone to speak and *7 again to re-mute.
- Please remember to dial in 866-740-1260
– Access Code # 6196625.

Performance-Based Basics



- Three HIV Prevention service categories are new to performance-based contracting:
 - **Community-Level Intervention (CLI)**
 - **Condom Distribution (CON)**
 - **Sexual and Behavioral Health (SBH)**
- Staff turnover - newer staff
- Check-in for seasoned staff

Performance Based Contracting Background

Goals of Performance-Based Contracting:

- Enhances accountability through aligning reimbursement with provision of prioritized services.
- Shifts focus away from detailed budget oversight to programmatic monitoring.
- Improves data quality - payments are contingent on successful reporting.

Performance-Based Contracting for HIV/AIDS Services Background

- Began in 2005 with HIV Prevention (HIV Testing).
- Continued with Ryan White and subsequent rebids/new initiatives thereafter.

Types of Performance-Based Reimbursement

Fee-for-service (most service categories)	Units of Service X reimbursement rate
Per Member, Per Day (Care Coordination - MCM/MCC)	Reported enrollment days X reimbursement rate
Hourly (Legal Services - ADV)	Hours of services reported X hourly rate
Deliverables-based	Completion of contracted project deliverable(s) paid at an agreed upon value per deliverable

Reporting

- Services reported via eSHARE (NYCDOHMH). HIVCS bases payment on the date entered by the 15th of the month.
- Electronic Program Narrative Report (ePNR) is the monthly electronic update due to HIVCS by the 15th of the month. The ePNR is accessed through HIVCS' website (www.healthsolutions.org/hivcare)

Projecting Revenue

Service Target Grid

- Details the number of encounters of each service type (and session when applicable) projected to be provided each month and annually.
- Includes the projected number of unduplicated clients to be served by the contract.
- **One of the most important** documents in your contract. HIVCS Contract Managers monitor your performance against these monthly and annual projections.

Projecting Revenue

Rates

- Some payment points represent discrete service outputs. Others reflect culminating events, such as graduations, linkages to care or workshop completion.
- HIVCS and NYCDOHMH use detailed cost and productivity data when determining rates.
- Assumptions are revisited periodically to determine if they reflect changes over time to costs and other inputs.
- Process involves comprehensive analyses of contractor cost and service reports.

Projecting Revenue - SLRAT

- The Service Level Rate Analysis Tool (SLRAT) computes the portion of your Maximum Reimbursable Amount (MRA) allocated to each service family/type based on units of service multiplied by the reimbursement rate for each.
 - Displays your rate for each reimbursable service family/type.
 - Includes the projected units (from your service target grid), your reimbursement rate, and total reimbursement for each service family.
 - Includes the total allocated dollar amount per service family and the percent of the MRA that each service family represents.
 - Includes a line for any Cost-Based or Deliverables-Based allocation.
 - Includes 'allocated difference' used by HIVCS staff to account for small differences between the calculated and actual MRA.
- Care Coordination (MCC/MCM) calculator

Projecting Revenue

Service Level Rate Analysis Tool (SLRAT) Example

Contract Period: 03/01/2013-02/28/2014

Schedule F: Service Level Analysis

Service Type	Projected Units	Multiplier	Total Units	Approved Rate	Calculated MRA	Percent	Allocated Difference	Total MRA	Total Rounded MRA
Intake and Assessment	44.00	1.00	44.00	\$200.00	\$8,800.00	11.35%		\$8,800.00	\$8,800
Reassessment	24.00	1.00	24.00	\$200.00	\$4,800.00	6.19%		\$4,800.00	\$4,800
Group Counseling - AOD	36.00	1.00	36.00	\$249.33	\$8,975.88	11.57%		\$8,975.88	\$8,976
Individual Counseling - AOD	139.00	1.00	139.00	\$249.33	\$34,656.87	44.69%	-\$90.39	\$34,566.48	\$34,566
Overdose Prevention Training – Group	4.00	1.00	4.00	\$249.33	\$997.32	1.29%		\$997.32	\$997
Overdose Prevention Training – Individual	4.00	1.00	4.00	\$249.33	\$997.32	1.29%		\$997.32	\$997
AOD Services					\$59,227.39	76.38%	-\$90.39	\$59,137.00	\$59,137.00
Low Threshold AOD Services – Group	44.00	1.00	44.00	\$229.00	\$10,076.00	12.99%		\$10,076.00	\$10,076
Low Threshold AOD Services – Individual	36.00	1.00	36.00	\$229.00	\$8,244.00	10.63%		\$8,244.00	\$8,244
Low Threshold AOD Services					\$18,320.00	23.62%	\$0.00	\$18,320.00	\$18,320.00
Service Plan Development	48.00	0.00	0.00	\$0.00	\$0.00	0.00%		\$0.00	\$0.00
Service Plan Update	24.00	0.00	0.00	\$0.00	\$0.00	0.00%		\$0.00	\$0.00
Other Programmatic Services					\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total					\$77,547.39	100%	-\$90.39	\$77,457.00	\$77,457.00
							Approved MRA	Difference	Rounded Difference
							\$77,457.00	-\$90.39	\$0.00

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Reporting and Payment

In general, data reports give HIVCS a series of snapshots of your contract's ongoing activities. HIVCS and NYCDOHMH use this information to assess contract performance.

Data are also the basis of calculating payment for performance-based contracts as well as awarding enhancements, and imposing reductions ('takedowns') as well as estimating service category trends.

Data Entry

- eSHARE is the web-based data system for all service categories developed and operated by NYCDOHMH.
- Because eSHARE is web-based, data that are entered are 'pushed' to HIVCS in a single extract file each month (meaning there is no 'submit data' process per se).

Reporting and Payment

Recognizing Services

- Services that have been entered into eSHARE are processed through HIVCS' payment system, which uses the client ID, date of service, service type and units of service.
- Only services that meet a basic threshold of correct data will be recognized (processed for payment) and will therefore show up on the Master Itemization Report (MIR).
- Services that have been recognized but also have been identified as problematic are shaded in color on the Master Itemization Report (MIR) and the nature of the problem is noted.

Reporting and Payment

Payment Rules

- Guide to Requirements for Service Payability and Data Reporting (Payability Guide) provides guidance on data requirements for performance-based contracts to earn revenue.
- Emphasizes the requirements for payment, covers certain requirements for contract compliance, and provides information on other data reporting and evaluation requirements.
- Updated regularly and available on the HIVCS website:

www.healthsolutions.org/hivcare/documents/requirementsguide.pdf

Master Itemization Report (MIR)

Provides an itemized listing, as well as a summary, of the services recognized by HIVCS' payment system.

- Produced from the monthly extract of eSHARE data sent to HIVCS by NYCDOHMH.
- Compares actual services to projected services.
- Presents information about services recognized by HIVCS' payment system that have been found to be problematic.
- Sent monthly to Program Managers with a separate notification to the Senior Administrator and Fiscal Manager (for confidentiality reasons).
- Sent as a .pdf and Excel document.
- Contact your HIVCS Contract Manager with questions about the MIR.

Site Visits and Reconciliation

HIVCS staff review and validate reported services during Site Visits by reviewing the most recent MIR for each contract to identify and select a sample of records for review.

- **During Site Visits**, HIVCS staff reviews service documentation.
 - Any discrepancies discovered will be discussed. Some may result in recoupment.
 - HIVCS will inform you of any necessary corrective actions.
- **After Site Visits**, HIVCS staff enters any discovered issues into the HIVCS payment system, attached to each specific item's record.
 - Problematic items will appear on the MIR (with issues noted). Your Contract Manager will keep in contact you about the issues found and the actions pending.

MIR REVIEW

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MIR Review

MASTER ITEMIZATION REPORT FOR CONTRACT

I:DATA INCLUDED

Agency Name	[REDACTED]
Contract Number	07-[REDACTED]
Contract year	2013
Date MIR Report Run	Mar 28 2014 11:00AM
Date Payment System Updated From DataLink	Mar 27 2014 8:47PM
Most Recent Contract Data Submission Reflected	Mar 25 2014 12:00AM
Most Recent Contract Data Submission Not Reflected	
First Month Reflected in Payment System	March, 2013(Contract Month=1)
Last Month Reflected in Payment System	February, 2014(Contract Month=12)
Last Month Officially Submitted	February, 2014

Section I [DATA INCLUDED] contains information about when the MIR was run and the most recent data extract file that affected the service count.

MIR

MASTER ITEMIZATION REPORT FOR CONTRACT [REDACTED]

I-A: HIVCS INFORMATION SYSTEM ACCOUNTING DISCREPANCIES UNDER INVESTIGATION

Service Family	Service Type	URSV4 Code	Units Recognized	Units Itemized	Discrepancy
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Section I-A [HIVCS INFORMATION SYSTEM ACCOUNTING DISCREPANCIES UNDER INVESTIGATION]

Notes any discrepancies that may arise in the aggregation of item-level data into HIVCS payment system. This section is for informational purposes only. It is usually blank. Any discrepancies that do arise will be investigated and corrected by HIVCS as soon as possible.

MIR

MASTER ITEMIZATION REPORT FOR CONTRACT

II: YEAR-TO-DATE TOTALS BY SERVICE

Service Family	Service Type	Service Type Code	Rate	Multiplier	Units Recognized	Projected Units	Percent Units Completed	Recognized Value	Projected Value	Percent Value Completed
AOD Services	Group Counseling - AOD [aka: AOD Counseling - Group]	038	\$221.00	1.00	767.00	519.00	148.00 %	\$169,507.00	\$114,899.00	
AOD Services	Individual Counseling - AOD [aka: AOD Counseling - Individual]	049	\$221.00	1.00	1359.00	1196.00	114.00 %	\$300,339.00	\$264,316.00	
AOD Services	Intake and Assessment	115	\$200.00	1.00	24.00	11.00	218.00 %	\$4,800.00	\$2,200.00	
AOD Services	Overdose Prevention Training – Group	261	\$221.00	1.00	19.00	11.00	173.00 %	\$4,199.00	\$2,431.00	
AOD Services	Overdose Prevention Training – Individual [aka: Overdose Prevention – Individual]	262	\$221.00	1.00	40.00	13.00	308.00 %	\$8,840.00	\$2,873.00	
AOD Services	Reassessment	076	\$200.00	1.00	54.00	30.00	180.00 %	\$10,800.00	\$6,000.00	
Subtotal for AOD Services								\$498,485.00	\$392,519.00	127.00 %
OPS	Service Plan Development	225	\$0.00	0.00	23.00	11.00	209.00 %	\$0.00	\$0.00	
OPS	Service Plan Update	226	\$0.00	0.00	100.00	30.00	333.00 %	\$0.00	\$0.00	
Subtotal for OPS								\$0.00	\$0.00	
Grand Total								\$498,485.00	\$392,519.00	

* Note that the Units Recognized and Recognized Value shown above may include services that may be recoupable at closeout. They also may include amounts which may not be payable insofar as they exceed the Maximum Reimbursable Amount for a given service family or the contract as a whole. The Projected Units and Projected Value shown above reflect the projections entered into HIVCS' payment system at the time this report was run; recent changes in projections that have not yet been entered into the payment system will not be reflected.

Section II [YEAR-TO-DATE TOTALS BY SERVICE] shows, for each service type, the year-to-date total count of services, and their value, recognized by the HIVCS payment system, and compares them to year-to-date projections.

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MIR

MASTER ITEMIZATION REPORT FOR CONTRACT

III: SUMMARY OF ISSUES NOTED

Issue Noted	Service Code	Service Type	Rate	Multiplier	Units	Value	
MUST EITHER ATTEST AS SEPARATE SERVICE OR REMOVE FROM AIRS							
REVIEW: POSSIBLE DUPLICATE (Another record exists with same Client/Date/Service combo)	049	Individual Counseling - AOD	\$221.00	1.00	4.00	\$884.00	
SubTotal for MUST EITHER ATTEST AS SEPARATE SERVICE OR REMOVE FROM AIRS					4.00	\$884.00	
					Grand Total	4.00	\$884.00

Section III: [Summary of Issues Noted]: Summarizes services noted as potentially problematic

MIR

MASTER ITEMIZATION REPORT FOR CONTRACT

IV:MONTH TOTALS FOR SERVICES SUBMITTED AND RECOGNIZED

Service Family	Service Type	Service Type Code	Units Recognized	Rate	Multiplier	Projected Units	Percent Units Completed	Recognized Value
February, 2014(Contract Month = 12)								
AOD Services	Overdose Prevention Training – Group	261	2.00	\$221.00	1.00	0.00	0.00 %	\$442.00
AOD Services	Overdose Prevention Training – Individual [aka: Overdose Prevention – Individual]	262	5.00	\$221.00	1.00	0.00	0.00 %	\$1,105.00
AOD Services	Reassessment	076	8.00	\$200.00	1.00	1.00	800.00 %	\$1,600.00
OPS	Service Plan Development	225	0.00	\$0.00	0.00	0.00	0.00 %	\$0.00
OPS	Service Plan Update	226	7.00	\$0.00	0.00	1.00	700.00 %	\$0.00
Subtotal for February								\$44,695.00

Grand Total \$498,485.00

Section IV-[MONTH TOTALS FOR SERVICES SUBMITTED AND RECOGNIZED]

Shows the monthly total counts of services, and their value, recognized by the HIVCS payment system, and compares them to monthly projections. Some of these services may already have been paid, while others may be in the queue awaiting payment.

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MIR

MASTER ITEMIZATION REPORT FOR CONTRACT

V:ITEMS RECOGNIZED

Client ID	TC ID	ACT ID/ ATT ID	Work Date	Begin Time	End Time	Worker ID	Service Category	Encounter Code [AIRS]	Service Code [AIRS]	Encounter Type	Service Type	Units Recognized	Issue Noted
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May, 2013(Contract Month = 3)

Service Family: AOD Services

HIVCS Service Type: Individual Counseling - AOD [aka: AOD Counseling - Individual] (Service Type Code: 049)

AHN0001105647		01385948_25_1	5/21/2013					0		Counseling	AOD - Individual	1.00	REVIEW: POSSIBLE DUPLICATE (Another record exists with same Client/Date/Service combo)
AHN0001105647		01382623_25_1	5/21/2013					0		Counseling	AOD - Individual	1.00	
AHN0001105902		01385486_25_1	5/21/2013					0		Counseling	AOD - Individual	1.00	
AHN0001126890		01385598_25_1	5/21/2013					0		Counseling	AOD - Individual	1.00	
AHN0001210833		01382496_25_1	5/21/2013					0		Counseling	AOD - Individual	1.00	
AHN0001105902		01385493_25_1	5/22/2013					0		Counseling	AOD - Individual	1.00	
AHN0001126890		01385608_25_1	5/22/2013					0		Counseling	AOD - Individual	1.00	
AHN0001105227		01385661_25_1	5/23/2013					0		Counseling	AOD - Individual	1.00	
AHN0001105902		01385502_25_1	5/23/2013					0		Counseling	AOD - Individual	1.00	
AHN0001105997		01385949_25_1	5/23/2013					0		Counseling	AOD - Individual	1.00	
AHN0001115025		01385886_25_1	5/23/2013					0		Counseling	AOD - Individual	1.00	
AHN0001105212		01399059_25_1	5/24/2013					0		Counseling	AOD - Individual	1.00	
AHN0001105227		01385804_25_1	5/24/2013					0		Counseling	AOD - Individual	1.00	
AHN0001105421		01382544_25_1	5/24/2013					0		Counseling	AOD - Individual	1.00	
AHN0001104861		01385549_25_1	5/28/2013					0		Counseling	AOD - Individual	1.00	
AHN0001104905		01385861_25_1	5/28/2013					0		Counseling	AOD - Individual	1.00	
AHN0001105452		01382599_25_1	5/28/2013					0		Counseling	AOD - Individual	1.00	

Section V [ITEMS RECOGNIZED] Shows the item-level data that informed HIVCS payment system. The client ID, date of service, service type and units of service are included. Items identified as problematic are shaded in color, and the nature of the problem is noted.

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Fiscal Management

- No budget modifications for performance-based contracts.
- Annual audit packages must be submitted.
- Equipment valued at \$25,000 or more per unit (not aggregate purchases) must be pre-approved.
 - Pre-approval from HRSA for Ryan White contracts and NYCDOHMH for HIV Prevention contracts.
- Administrative spending CAP rules still apply.
- Year-end cost reporting

Spending Management

Take-down (Ryan White)

- The New York City Eligible Metropolitan Area (EMA) must spend 95% of its Ryan White award to avoid penalties (penalties are severe).
- Ryan White Health & Human Services Planning Council of New York (Planning Council) establishes a reprogramming plan to maximize services and spending by redirecting funds (one time in nature for Ryan White programs).
- Fiscal and programmatic criteria for contract takedowns (and enhancements) are developed by HIVCS and NYCDOHMH
- Contractors whose contracts are taken down must decide how to apply the reduction among service families
- Appeals process

Take-down (HIV Prevention)

- HIVCS and NYCDOHMH may reduce Prevention contracts based on performance (typically during the closeout process).

Spending Management

Enhancements

- If funds are available, contracts that meet certain eligibility criteria may receive a contract enhancement, on a one-time basis.
- Contracts must meet the following criteria :
 - Contract is not on Conditional status for programmatic reasons
 - Year-to-date spending (drawdown) meets a certain predetermined minimum
 - Program has not requested an MRA reduction via a contract modification in the current year
- Performance-based enhancement funds are to be used to increase services, payable at established service family reimbursement rates.

Closeout

- Closeout Process reconciles services reported and determines a final payment.
- HIVCS sends closeout packages for contractors to complete as the year draws to a close.
- Submission of all outstanding items (e-PNRs, deliverables [if applicable], and client-level data).
- Final opportunity for contractors to reconcile and submit additional services or correct services reported.
- Possibility of additional contract take-downs and/or enhancement.

Performance-Based Contracting Tips

- Program & Fiscal staff should meet regularly to discuss each contract's spending (drawdown) and performance.
- Be familiar with your contract including your Scope of Services, Service Target Grid, SLRAT, rates, etc.
- Understand the Payability Guide.
- Understand that reporting = billing (same as submitting billing to Medicaid or insurance).
- Review your monthly MIR and compare it to your internal tracking/expectations. Beware of the dollar amount in the Summary of Issues Noted (SIN) section of the MIR throughout the year. This amount is subject to recoupment during Closeout.
- Share your performance data with staff!
- Be in frequent contact with your HIVCS Contract Manager for contract-related concerns, and your NYCDOHMH Project Officer for technical assistance about the service model.
- Understand the cost of running your program.
- Understand your service category's payment rules! Review the Payability Guide if you are unsure.
 - HIVCS will notify you with a **Contractor Newsflash** communication when updates are made to the Payability Guide.

Questions?

****Please complete the brief survey about this web-conference, which will be automatically sent to you via email after you log off. Thank You.**

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