Equity and Practice Transformation (EPT) Payment Program
Value Based Payment (VBP) Milestone Template

Value Based Payment Capacity Assessment (VaPCAT) Overview

Value Based Payment Milestone Description

Conduct an assessment of value-based payment (VBP) readiness, identify gaps, and develop an action plan to improve readiness for VBP. The VaPCAT is the first component of the EPT VBP milestone; EPT practices will also submit the VBP deliverables template which includes gap analysis and action plan. The VBP milestone can be submitted in May or November 2026.

Purpose of the Value-Based Pay Capability Assessment Tool (VaPCAT)

The purpose of this tool is to help practices learn what capabilities are important to have in place for participation in VBP contracts and to assess their own capabilities to better target appropriate, revenue-generating opportunities.

This assessment covers the leadership, operations, data, financial, and partnerships capabilities to enable VBP. However, to be successful in any value-based payment arrangement, clinical care improvements will have to happen as well. As such, this tool is meant to complement and serve as the "9th domain" of the Population Health Management Capabilities Assessment Tool (PhmCAT) that outlines the major components of high-functioning primary care practice including: empanelment & access; the business case for population health management; care teams; technology & data infrastructure; leadership and culture; patient-centered population-based care; social health integration; and behavioral health integration.

Defining Value-Based Pay

For the purposes of this tool, value-based pay contracts are those that reward practices for high performance. They can take multiple forms including pay-for-performance, shared savings (upside risk only), shared risk (upside and downside risk) and capitation for primary care, professional, or profession and facility services that are linked with financial consequences for quality performance.

Development of the VaPCAT

Equity and Practice Transformation (EPT) Payment Program
Value Based Payment (VBP) Milestone Template
This tool was created as part of the Value-Based Pay Workgroup convened by the PopHealth Learning Center as part of the California Department of Health Care Services Equity and Practice Transformation Program. The questions themselves are adapted primarily from Hope Glassberg and colleagues' report "Building Bridges to Value: Infrastructure Essentials" from the Milbank Memorial Fund. The first capabilities in each section are those needed for any type of value-based pay arrangement.

Those marked with a (*) may be more relevant for those who wish to participate in shared risk arrangements, e.g., large practices or those participating in a group that negotiates contracts together through an accountable care entity.

Who should complete this tool?

This survey is best completed by someone with visibility into financial, operational, and data assets of the organization, most often the practice owner or senior or executive organizational leader. If no one holds all those insights, it might be helpful to solicit input from several individual leaders.

How long will it take to complete?

It will take less than 30 minutes to complete this survey and can be done with limited need to access additional data.

VBP Training for EPT Practices

EPT Practices may find it helpful to review the February 2026 Learning Session on Introduction to Value-Based Pay for more context about this survey and next steps.

Value Based Payment Capacity Assessment (VaPCAT)

Section 1. About You

1. Your name

2. Which best describes your role?
    a. Chief Executive Officer, Executive Director, or Practice Leader
    b. Chief Finance Officer or Finance Director

c. Director/Leader of Payment Initiatives; Director/Leader of VBP Initiatives; Director/Leader of Provider Network
d. Chief Medical Officer, Medical Director, or other Clinical Leader
e. Chief Operations Officer or Practice Manager

3. Organization name (please do not use acronyms)

4. How many individual patients did your organization care for last year?

Section 2. Interest and history with value-based payment

5. How would you assess your organization's proficiency in management of performance-based contracts? (Select the answer that is closest to your organization's way of working)
    a. Organization operates primarily with fee-for-service billing; has experience negotiating and/or managing fee-for-service volume-based contracts or capitated contracts with no links to quality performance.
    b. Organization has experience negotiating and managing fee-for-service or capitated contracts with pay-for-performance components in place related to quality performance.
    c. Organization has experience negotiating and managing shared savings contracts with upside risk only.
    d. Organization has experience negotiating and managing shared risk contracts with upside and downside risk-bearing components in place.

6. How would you describe your organization's interest to participate in value-based payment (VBP) arrangements that meaningfully affect revenue (e.g. performance incentives, care management fees, shared savings), either directly or through a partner (Independent Practice Association (IPA), Accountable Care Organization (ACO), Managed Care Plan (MCP))? (Select the answer that is closest to your organization's perspective)
    a. We are actively pursuing or participating in a VBP arrangement and want to deepen or expand our participation
    b. We are interested in VBP but have specific barriers that need to be addressed first
    c. We are cautious or undecided about VBP participation at this time
    d. We are not currently interested in pursuing VBP arrangements

7. What are the main reasons for your selection? (Select all that apply)
    a. Limited staff or operational capacity
    b. Unclear or unfavorable financial risk/reward
    c. Limited access to timely or usable payer data
    d. VBP decisions are controlled by an IPA, ACO, or MCP
    e. Concern about cash flow timing or financial stability
    f. Concern about upfront capital investments required to build data, operational, or clinical capabilities for VBP
    g. Competing organizational priorities
    h. Prior negative experience with VBP
    i. Not aligned with our current mission or strategy
    j. Other (please describe): _____

Section 3. Value-based pay capabilities

Please select whether the following capabilities are present at your practice and if so how well they are working; if they are not present at your practice but available to you through an IPA, ACO or MCP or other accountable care entity, or not available to you in any form. *Some of these capabilities, especially those marked with an *, are most appropriate for very large practices or accountable care entities, or are most relevant for higher level VBP e.g. HCP-LAN 3 & 4 per Glassberg H et al "Building Bridges to Value" May 2025, Milbank Memorial Fund.*

	An area of strength at our organization	In place at our organization	Starting to be in place at our organization	Not in place at our organization, but available through an IPA, ACO, MCP, or other accountable care entities	Not in place at our organization or available to use through accountable care entities
A. Leadership, governance, legal					
Senior clinical and operations leaders who support / champion VBP work					

	An area of strength at our organization	In place at our organization	Starting to be in place at our organization	Not in place at our organization, but available through an IPA, ACO, MCP, or other accountable care entities	Not in place at our organization or available to use through accountable care entities
Owner or board members who support / champion VBP implementation & investment					
Committee or governance body specific to overseeing the VBP arrangement*					
Determination of whether an organizational entity can bear risk or whether it should join or create a risk-bearing entity*					
B. Operations					
Person responsible for educating organization staff about VBP and its impact on patient care					
Person responsible for and skilled in negotiating VBP contracts / terms with payers					
Person responsible for identifying vendors or partners to support the VBP work and assessing terms and benefits and potential risks and downsides					
Care management approach for identifying and managing the care of individuals with complex care needs, including those with co-occurring medical, mental health and/or substance use disorder.					

	An area of strength at our organization	In place at our organization	Starting to be in place at our organization	Not in place at our organization, but available through an IPA, ACO, MCP, or other accountable care entities	Not in place at our organization or available to use through accountable care entities
Ability to contract with clinicians outside of the organization to take risk contracts*					
Ability to credential clinicians outside of the organization on behalf of a payer*					
Person responsible for and skilled in overseeing an appeals and grievance process on behalf of a payer*					
Ability to conduct effective utilization management and utilization review functions on behalf of a payer*					
C. Data, Analytics, and Technology					
Ability to review, and correct if needed, the accuracy of a list of people attributed to or assigned to the organization under a VBP contract against those who use care at the organization					
Connections to qualified health information organizations (QHIOs) and/or other data exchanges to obtain holistic data on patients (e.g., hospital discharges / admissions)					
Dashboard reports to monitor quality performance					
Ability to obtain and analyze claims data*					

	An area of strength at our organization	In place at our organization	Starting to be in place at our organization	Not in place at our organization, but available through an IPA, ACO, MCP, or other accountable care entities	Not in place at our organization or available to use through accountable care entities
Ability to track hospital, specialty care, and pharmacy utilization*					
Database of contact information enabling outreach to attributed patients*					
Ability to track rising risk index of patients and subpopulations and to deploy targeted clinical interventions to meet performance expectations under value-based payment arrangements*					
D. Financial					
Ability to assess potential revenue associated with the VBP opportunity, taking into account infrastructure costs and incentive payments					
Determination of methodology for allocating and apportioning any gains or losses among participating clinicians or other partners					
Billing and coding expertise to capture all care delivered					
Dashboard reports to track spending performance against contract goals over the year to inform management and meet benchmarks *					
Funding of capital reserves*					

	An area of strength at our organization	In place at our organization	Starting to be in place at our organization	Not in place at our organization, but available through an IPA, ACO, MCP, or other accountable care entities	Not in place at our organization or available to use through accountable care entities
Ability to pay claims on a fee schedule*					
E. Payer and Partner Relations					
Productive working relationships with hospitals, specialists, behavioral health providers, and community organizations within the service area to support care coordination and care transitions to and from emergency room, in-patient settings, etc.					
Functional data sharing capabilities with key partners like hospitals, specialists, behavioral health providers, community organizations, etc. within the service area (e.g. ADT feeds, closed-loop referrals) to enable population management					
Productive working relationships with IPAs, ACOs or MCPs including shared accountability for quality, cost, and patient attribution and reconciliation					
Functional data sharing capabilities with IPAs, ACOs or MCPs including data exchange					