Health Care Oversight Committee

Update on Payment Reform Activities, State Innovation Model Project and Medicaid Payment Reforms

Al Gobeille
Chair, Green Mountain Care Board

Anya Rader Wallack
Chair, SIM Core Team

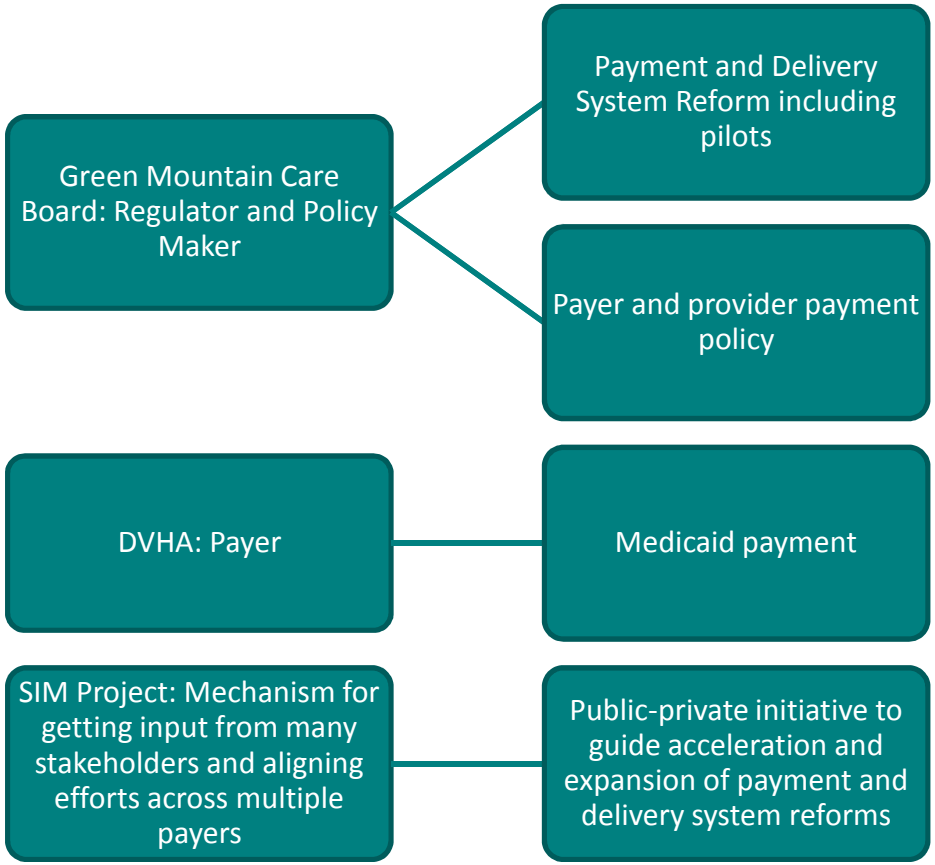
Mark Larson
Commissioner, Dept. of Vermont Health Access

October 3, 2013

Agenda

- GMCB Payment Reform Update (Al Gobeille)
  - Roles of GMCB, SIM and DVHA in payment reform
  - GMCB charge
  - Shared Savings Programs & Accountable Care Organizations
  - Approved and Pending Payment Reform Activities
- State Innovation Model Project Update (Anya Rader Wallack)
- Medicaid Payment Reform Update (Mark Larson)

Roles in Payment and Delivery System Reform



GMCB Payment and Delivery System Reform

GMCB Payment and Delivery System Reform Charge:

- 18 V.S.A. § 9377(a): "In order to . . . ensure the success of health care reform, it is the intent of the general assembly that payment reform be implemented and that payment reform be carried out as described in this section."
- 18 V.S.A. § 9377(b): "The board shall be responsible for payment and delivery system reform, including the pilot projects established in this section."

GMCB Payment and Delivery System Reform Charge, continued

- 18 V.S.A. § 9375(b)(1): GMCB shall "[o]versee the development and implementation, and evaluate the effectiveness, of health care payment and delivery system reforms designed to control the rate of growth in health care costs and maintain health care quality in Vermont."

Green Mountain Care Board Role in Payment and Delivery System Reform

- Oversee implementation, testing and evaluation of payment reform models
- In collaboration with DVHA:
  - Convene broad stakeholder groups
  - Facilitate Work Group processes
  - Seek to align program standards and performance measures across multiple payers
- SIM grant provides resources to implement, test and evaluate payment reform models

Shared Savings Programs
and
Accountable Care Organizations

Accountable Care Organizations

- Accountable Care Organizations (ACOs) are composed of and led by health care providers who have agreed to be accountable for the cost and quality of care for a defined population
- These providers work together to coordinate care for their patients and have established mechanisms for shared governance
- ACO participation in a Shared Savings Program is voluntary

Shared Savings Programs

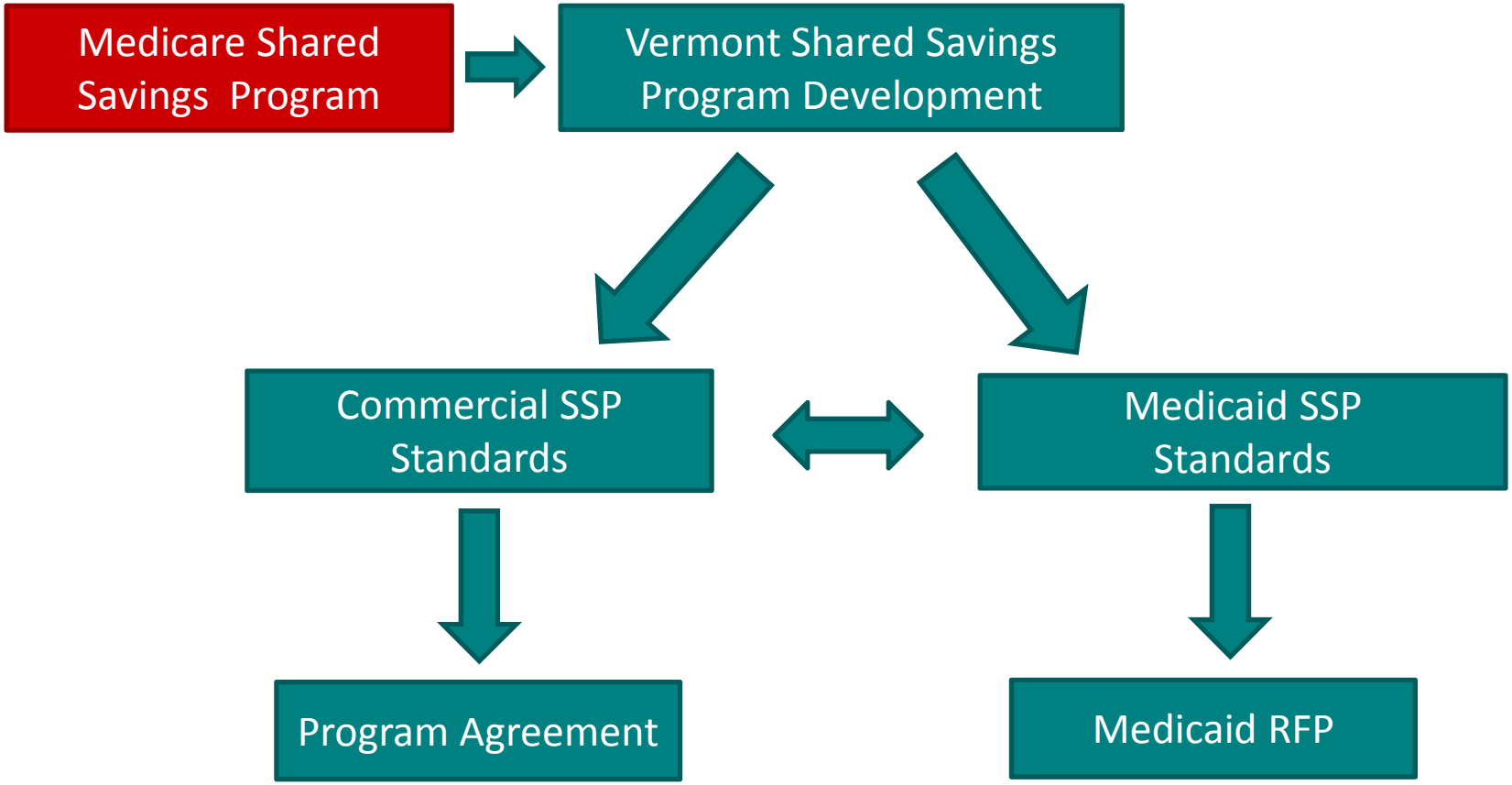
Shared Savings Programs are payment reform initiatives developed by health care payers. Shared Savings Programs may be offered to willing health providers who voluntarily agree to participate with the payer(s) to meet the following goals:

- Promote accountability for the care of a defined population
- Require coordinated care for services
- Encourage investment in infrastructure & care processes
- Payers and providers share a percentage of savings realized as a result of their efforts

Shared Savings Programs in Vermont

- Shared Savings Program standards in Vermont are a result of voluntary programs designed by payers, providers and stakeholders, and facilitated by the State.
- The standards include:
  - Attribution of Patients
  - Establishment of Expenditure Targets
  - Distribution of Savings
  - Impact of Performance Measures on Savings Distribution
  - Governance

Development of VT Shared Savings Program



Medicare Shared Savings Program Participation

Currently two Vermont ACOs participate in a Medicare Shared Savings Program; a third ACO has filed for approval:

- Accountable Care Coalition of the Green Mountains (ACCGM), July 1, 2012
- OneCare Vermont, January 1, 2013
- Community Health Accountable Care (CHAC), Proposed for January 1, 2014

Commercial and Medicaid Shared Savings Program Participation

- Potential pool is all Vermont Health Connect enrollees and Medicaid beneficiaries
- Participating payers include BCBSVT, MVP Health Care and Medicaid
- Potential ACOs include OneCare, ACCGM and CHAC
- Stakeholder process to develop shared savings program standards and performance measures
- Goal is to begin operations on January 1, 2014

Green Mountain Care Board Payment Reform Pilots

(as of October 1, 2013)

GMCB Payment Reform Pilot Application Process

- Applicant files request with GMCB:
  - Project goals, scope, population covered, payers
  - Financial model
  - Clinical model
  - Measures used
  - Project timeline
- GMCB reviews request at public meeting
  - Based on GMCB pilot policy
- GMCB approves pilot application
  - Pilot implemented
  - Periodic reports to the GMCB

OneCare Accountable Care Organization
(Medicare)

Start date: January 1, 2013

Goals:

- Improve quality and health outcomes
- Reduce costs
- Enhance the patient experience

Size:

- ~47,000 Medicare beneficiaries
- FAHC and DHMC, all VT community hospitals, 2 FQHCs, 5 RHCs, Brattleboro Retreat, 58 independent practices

Evaluation:

- Quality, patient experience, cost and utilization

St. Johnsbury Oncology Project
(Medicaid and Commercial)

Start date: June 1, 2012

Goals:

- Improve quality of care for cancer patients
- Improve patient experience
- Reduce costs

Size:

- ~40 patients enrolled as of September, 2013
- Northeastern Vermont Regional Hospital and its primary care practices, Norris Cotton Cancer Center North (DHMC), Northern Counties Health Care FQHC, Blueprint Community Health Team staff
- **Evaluation:** Clinical process and outcome, utilization/cost, patient experience, provider satisfaction

Northwestern Medical Ctr Emergency Dept Pilot
(Medicaid and Commercial)

Start date: Proposed for January 1, 2014

Goals:

- Reduce avoidable visits to ED
- Implement care management model to support patient transitions

Size:

- ~8100 potentially avoidable visits

Evaluation:

- Patient experience, cost, utilization and quality measures

Green Mountain Care Board Pending Applications

(as of October 1, 2013)

Community Health Accountable Care
(Medicare, Medicaid and Commercial)

Start date: Proposed for January 1, 2014

Goals:

- Expand access to care
- Improve quality and cost-effectiveness
- Focus on social and medical needs of patients

Size:

- Enrolled patients and providers to be determined

Evaluation:

- Patient experience, cost, utilization, and quality measures

Additional Payment Reform Initiatives

(as of October 1, 2013)

Additional Payment Reform Initiatives

- Congestive Heart Failure Bundled Payment Initiative in Rutland region (Medicare)
  - 80 patients

- Accountable Care Coalition of the Green Mountains ACO (Medicare)
  - Primary care providers and specialists
  - 13 practices
  - ~ 41 physicians
  - ~6,100 attributed Medicare beneficiaries

Green Mountain Care Board Role in Payment and Delivery System Reform

- Oversee implementation, testing and evaluation of payment reform models
- In collaboration with DVHA:
  - Convene broad stakeholder groups
  - Facilitate Work Group processes
  - Seek to align program standards and performance measures across multiple payers
- SIM grant provides resources to implement, test and evaluate payment reform models

State Innovation Model (SIM) Project Update

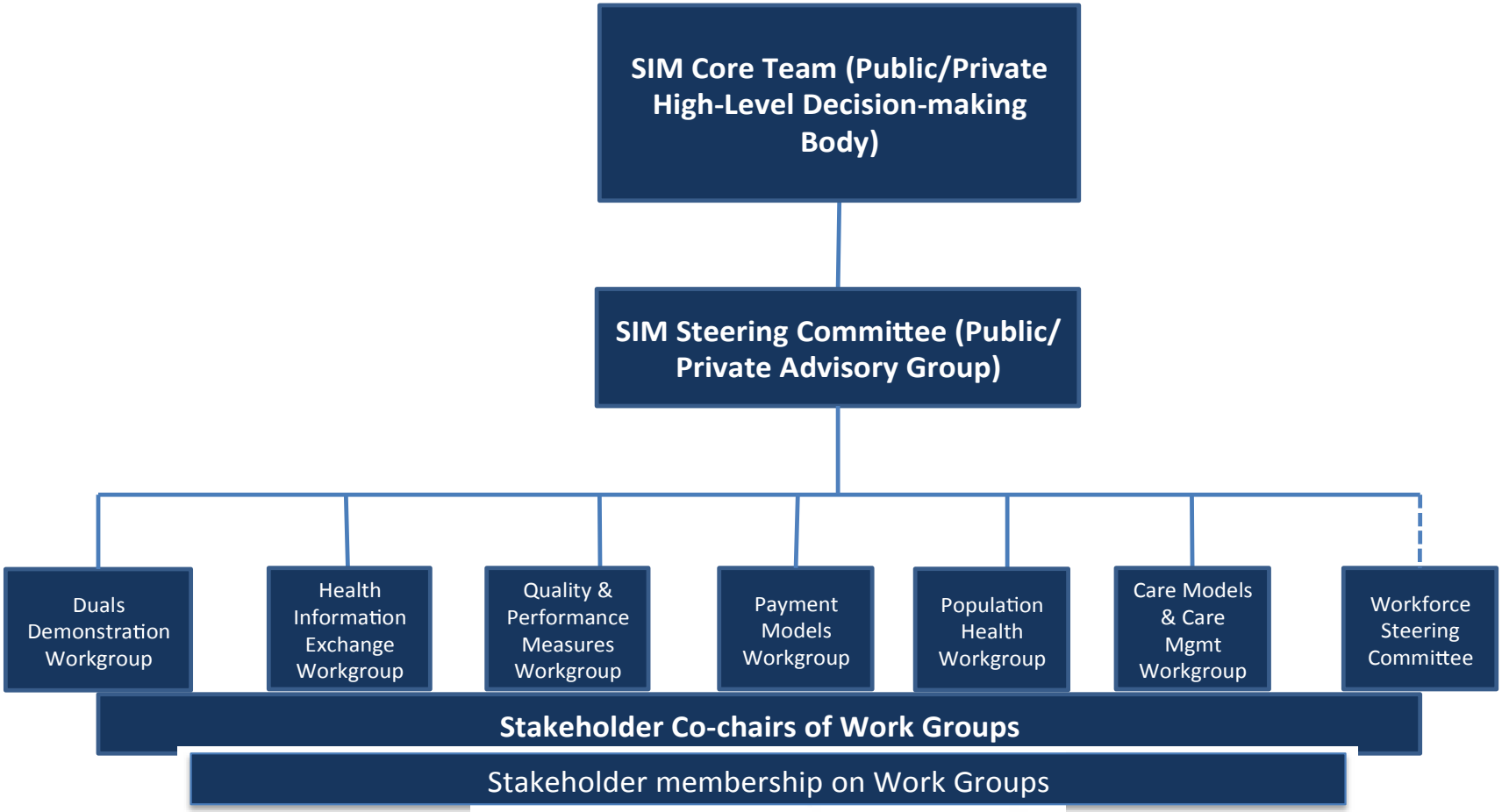
SIM Grant Requirements

- Address the triple aim
- Include multiple payers
- Test models of value-based payment (if requesting a testing grant)
- Include a broad array of stakeholders
- Show strong support for the project from the Governor
- Align with other federal demonstrations and waivers
- Prove "readiness" to test by October 1
- Rigorous evaluation

SIM Grant History

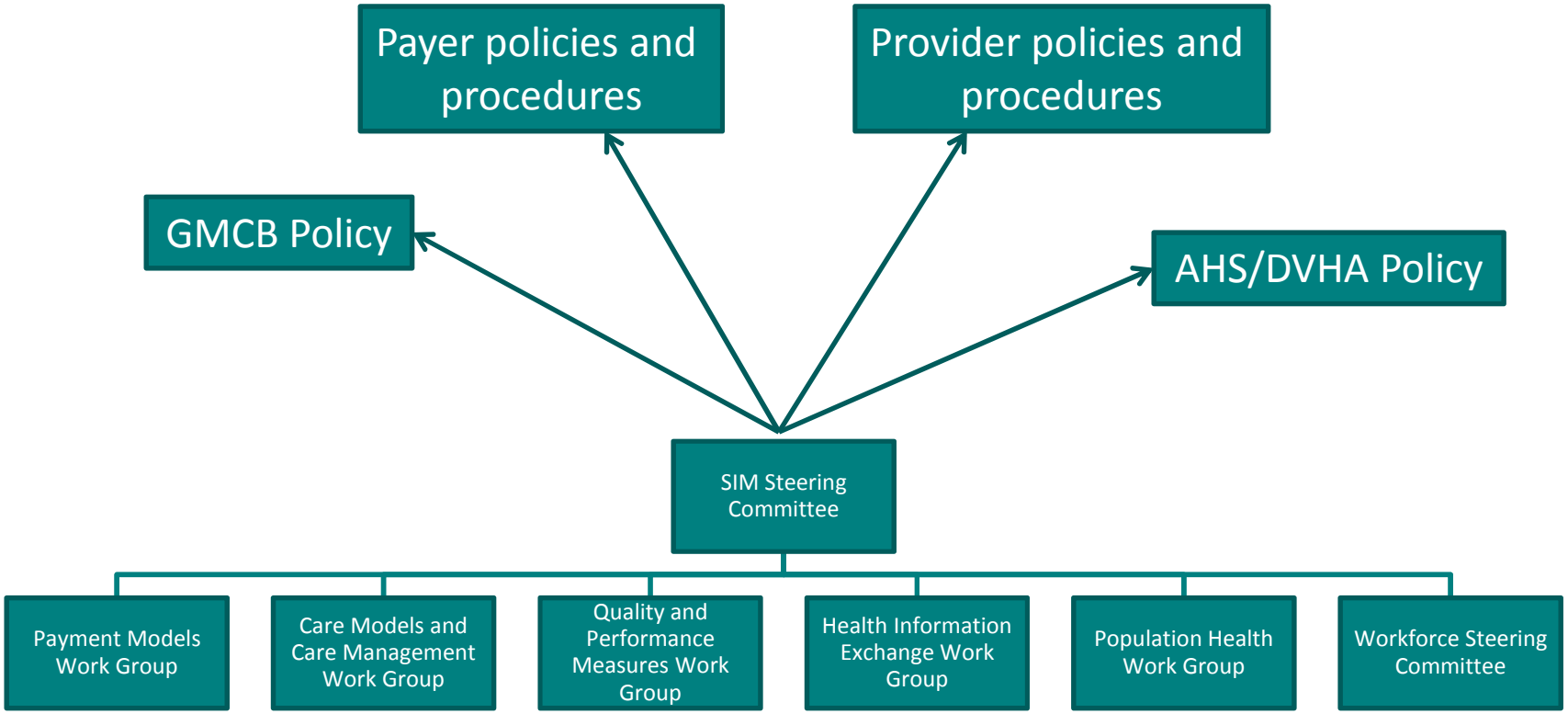
- Application submitted in September 2012
- Grant awarded in March 2013
- JFC approved receipt of funds in May
- Steering committee launched in June
- Operational plan submitted July 31
- Reconstituting and launching work groups now
- Approved for testing phase September 30
- Official project kick-off in mid-October

Vermont Health Care Innovation Project Governance Structure*



*In addition to the standing work groups, we have agreed to create a time-limited group to address the interface between designated mental health agencies and SIM activities/recommendations

Expected Influence of the Health Care Innovation Project



Project "drivers"

PRIMARY DRIVERS: What are the major categories of effort that will affect these aims?	SECONDARY DRIVERS: What specific activities will we undertake to affect the primary drivers?
Improve care delivery models: enable and reward integration and coordination	Support the development of provider networks that coordinate preventive and acute health services across all sectors, including advanced primary care, specialty care and long-term services and supports
	Develop workforce planning that supports the needs of community networks
	Coordinate care process redesign and care management programs to maximize best practices and reduce duplication of effort or expense
	Expand the use of telemedicine to support appropriate resource use and access to care
Improve exchange and use of health information: develop a health information system that supports improved care and measurement of value	Guide expansion of electronic health records to providers of long-term services and supports
	Invest in enhancements to EHRs and other technology that supports integration of services and enhanced communication
	Enhance connectivity and data transmission from source systems including EHRs
	Develop advanced analytics and reporting systems
	Enhance data repository and data integration platform
	Enhance a statewide learning health system that provides reporting and analytics to support provider networks
Improve payment models: align financial incentives with the three aims	Implement all-payer value-based payment models that reward provider performance relative to the project aims
	Support investments in primary care and prevention

Summary of Proposed Vermont "Testing" Models

- Shared Savings Program Accountable Care Organization (SSP-ACO)
  - Medicaid
  - Commercial
  - **PROGRESS TO DATE**: standards developed for both programs with extensive input from work groups, steering committee and core team
- Episodes-based payments/bundled payments – to be designed
- Pay-for-performance – to be designed

Medicare and SIM Payment Reform Model Implementation Timeline

	2013				2014				2015				2016			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Medicare Shared Savings ACO -- OneCare and ACCGM (Health First)	shared savings															
Medicare Pioneer ACO -- DHMC only	two-sided risk															
Medicaid Shared Savings ACO -- participants TBD					ACO choice of shared savings or two--sided risk (mirrors Medicare), expansion of total costs of care over three years to include services beyond initial "core" set											
Commercial Shared Savings ACO -- participants TBD					shared savings, possible two-sided risk in year 3											
All-payer episode-based or bundled payments -- participants and model details TBD							one-sided or two-sided risk model TBD									
Pay-for-performance -- participants and model details TBD																

VERMONT HEALTH REFORM

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Medicaid Shared Savings ACO

- Design modified significantly based on feedback from stakeholders
- Two tracks for sharing of savings and risk:
  - No downside risk, less shared savings
  - Limited downside risk, more shared savings
- Expansion of "total costs of care" over the three-year test: encourage, incent, require
- Expanded requirements for consumer and provider inclusion in governance
- Does not include dual eligibles
- RFP to be released this week for contracting by January 1

Duals Financial Alignment Demonstration

- Vermont was one of 15 states chosen in 2011 to develop a proposal for integrating management of Medicare and Medicaid funds at the state level for dual eligibles
- Significant opportunities for improved service coordination, more person-centered care, administrative simplification and financial savings
- Proposal submitted in May 2012
- State would accept a capitation rate from the feds, state would pay providers either for enhanced care coordination or would pay "integrated service providers" one payment for a bundle of services
- Memorandum of understanding still to be negotiated with CMS
- Need to align with other Medicare and SIM efforts