
PAYMENT AND DELIVERY SYSTEM REFORM IN VERMONT 2013

Presentation to the House Health Care Committee

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Topics to Cover in Today's Presentation

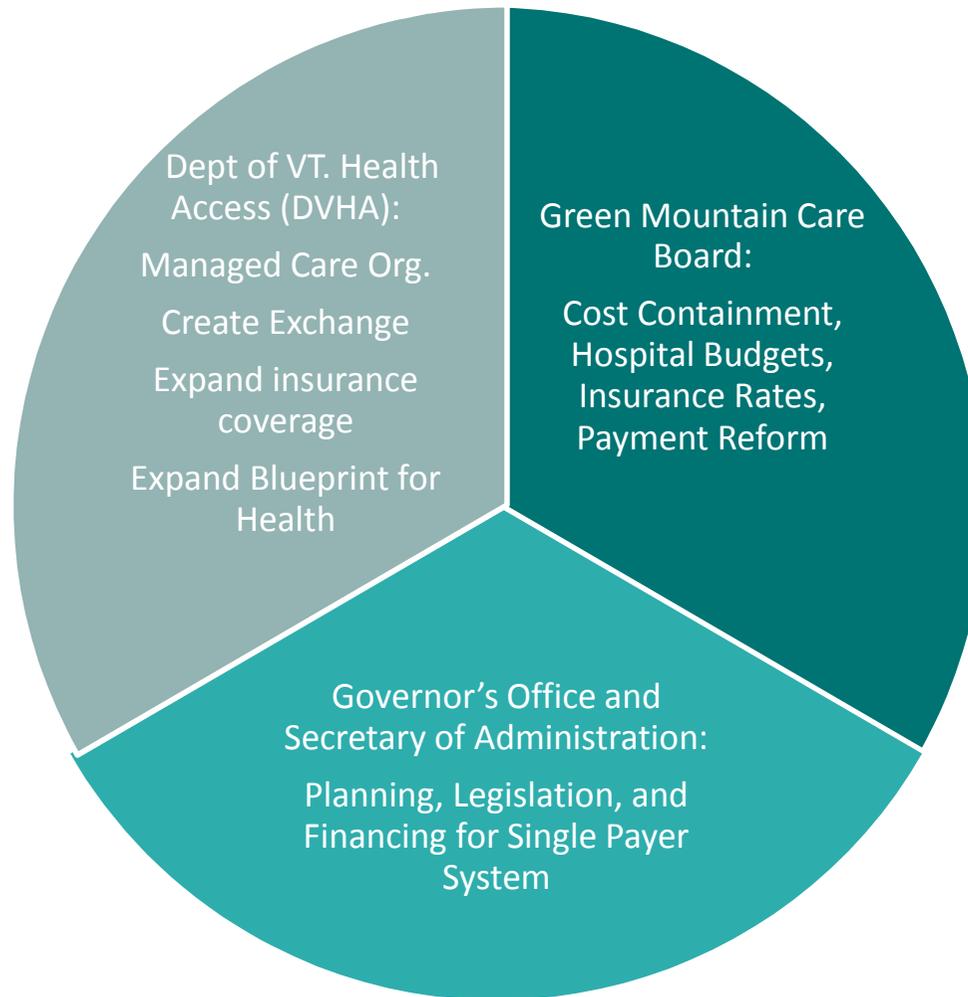
- 1. Responsibilities under Payment Reform Legislation
- 2. Payment Reform and Delivery System Reform
- 3. Accountable Care Organizations in Vermont
- 4. Payment Models to Consider
- 5. Current Payment Reform Pilots

VT Health Care Reform

1. ACT 48 Legislative Requirements

- Green Mountain Care Board shall be responsible for payment reform and delivery system reform and will set overall policies and goals for reform initiatives
- Director of Payment Reform shall develop and implement payment reform pilots in accordance with policies established by the Board
- Board shall evaluate the effectiveness of the payment reform pilots

Who Does What in Vermont Health Reform?



Characteristics of a Great Health Care System

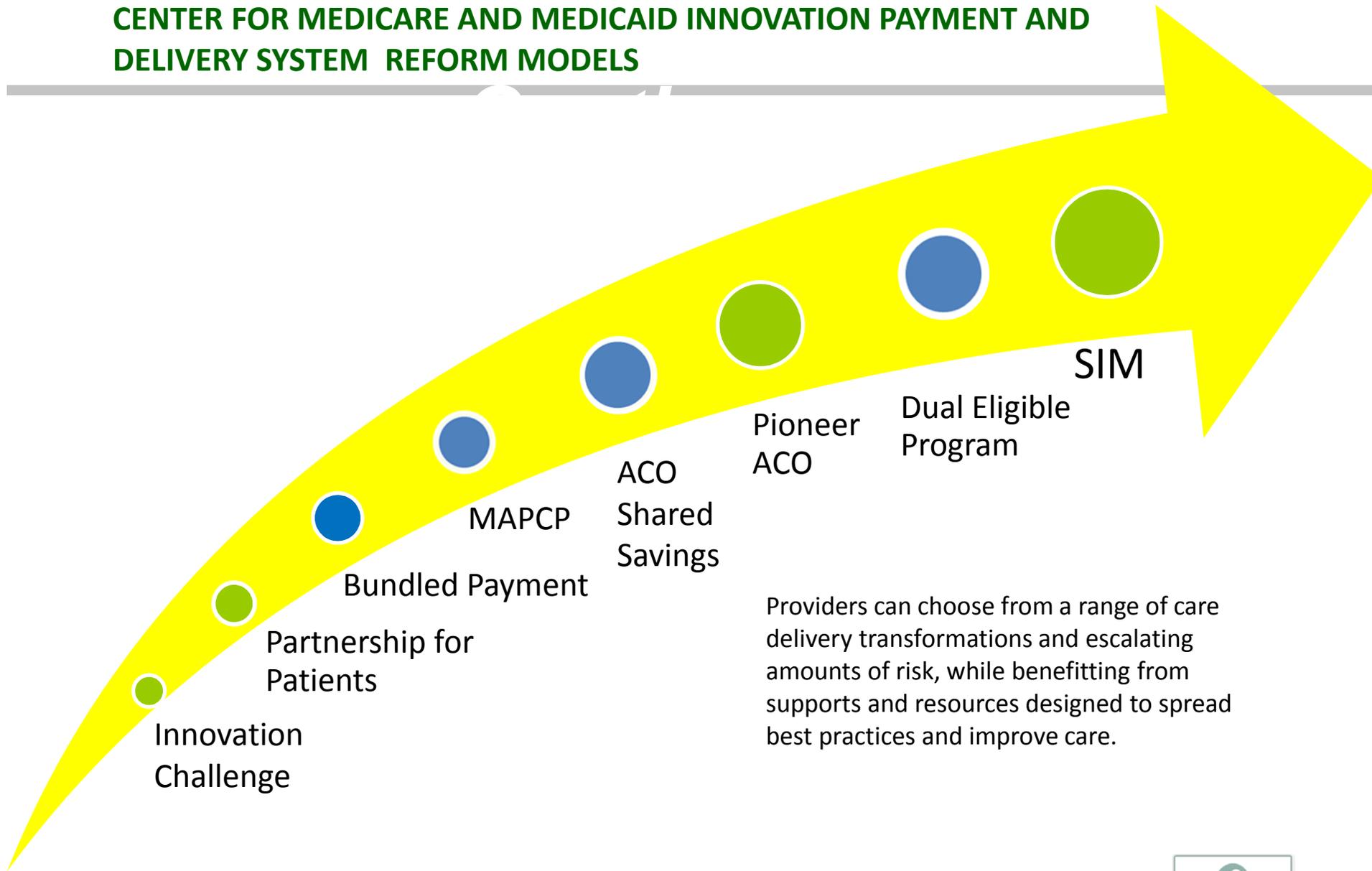
“Delivery System Reform”

- **Coordinated Care Over Time and Place!!!!**
 - BluePrint Primary Care Medical Home (PCMH)
 - Community Health Team Support (Care Coordinators)
 - Time with your health care provider/questions answered about how to stay healthy
 - Providers working together to keep your care organized – patients don't feel confused, lost or forgotten
 - Home and community based care to allow patients to stay at home, get healthy and avoid readmission

Vermont Health Care Reform

- **Goals of Payment Reform Shall Be**
 - All payers shall reimburse providers fairly through consistent payment methodologies
 - Scope of services included in the payments should be broad and comprehensive
 - Health care professionals, insurers, and health care facilities should participate in the planning and implementation of the reform initiatives under state supervision
 - Payment reform should be aligned with ACA requirements to insure Medicare participation

CONSISTENCY WITH MEDICARE POLICY: CENTER FOR MEDICARE AND MEDICAID INNOVATION PAYMENT AND DELIVERY SYSTEM REFORM MODELS



Providers can choose from a range of care delivery transformations and escalating amounts of risk, while benefitting from supports and resources designed to spread best practices and improve care.

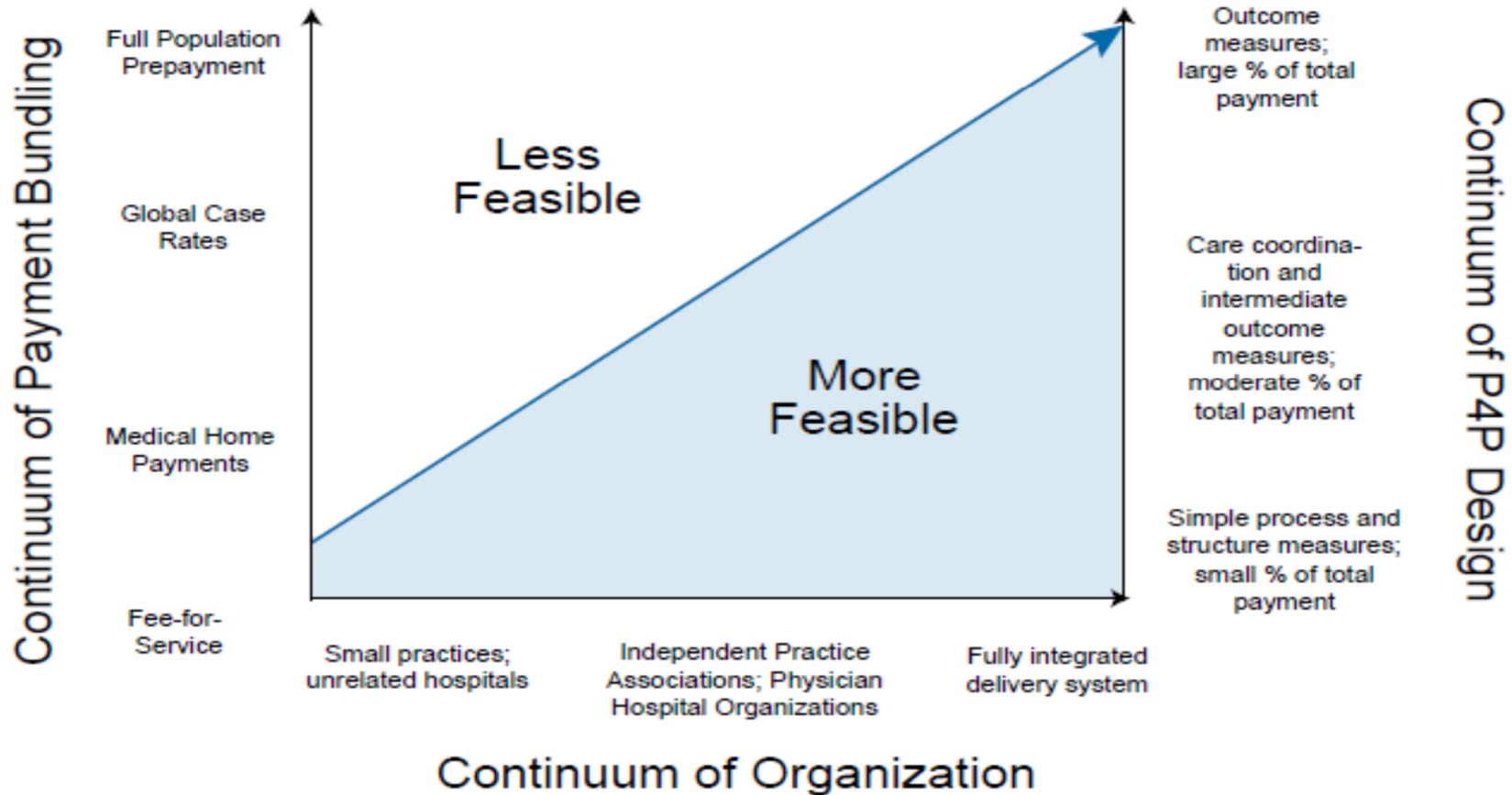


ACO Development in Vermont

What is an ACO?

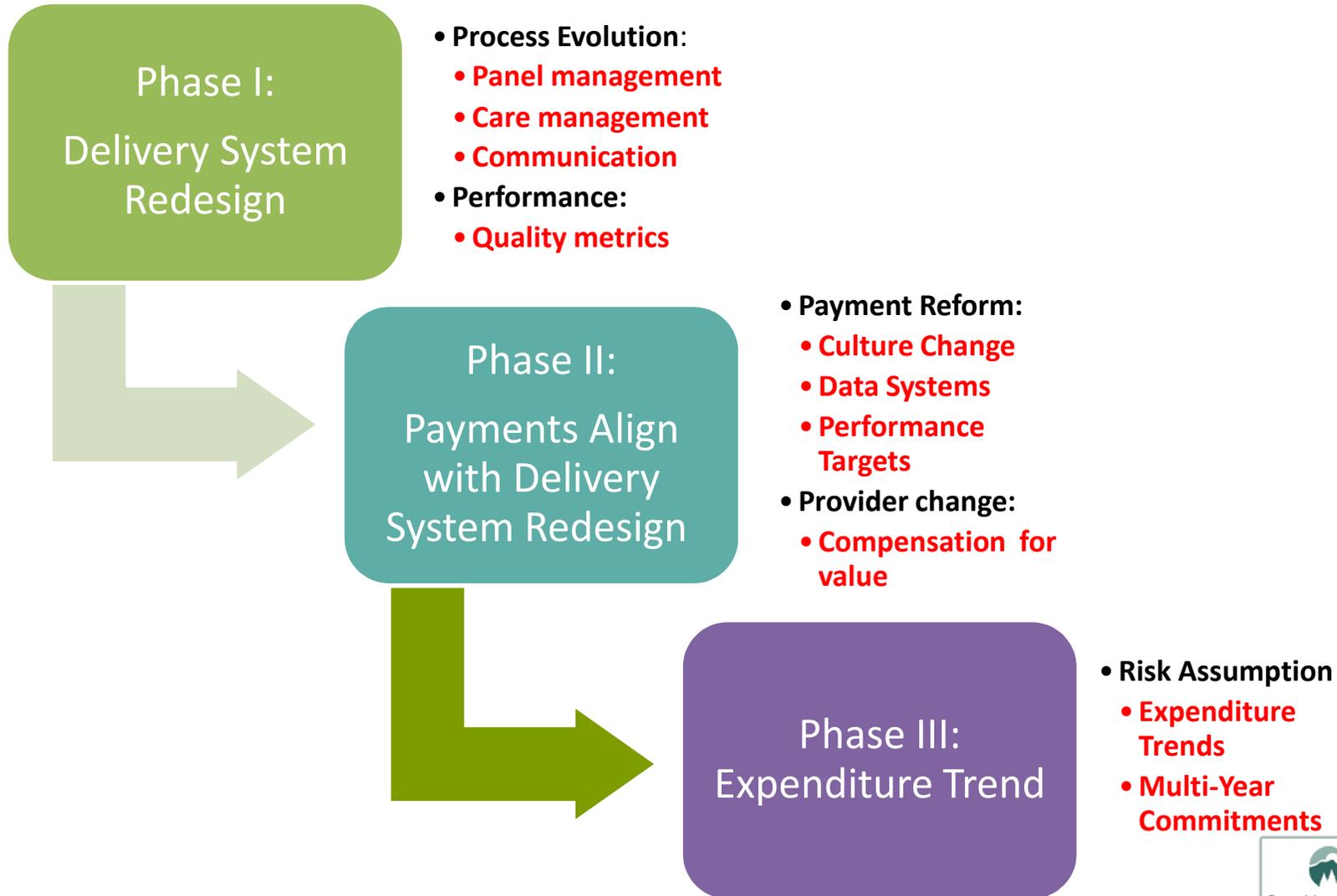


Exhibit ES-1. Organization and Payment Methods



Source: The Commonwealth Fund, 2008

GMCB Clinical Model for Payment Reform Projects



VERMONT HEALTH REFORM

Payment reform goals

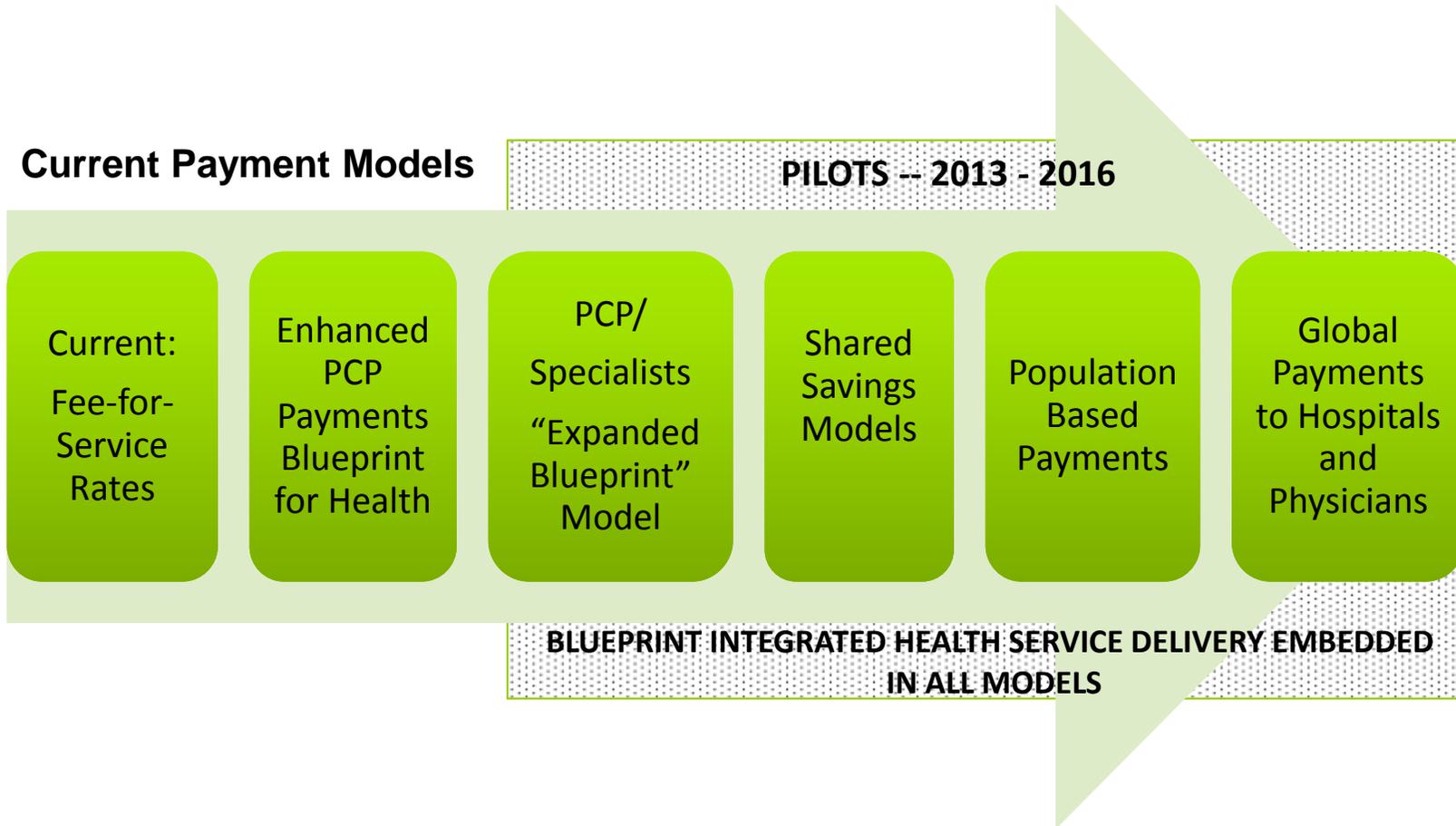
Move away
from fee-for-
service

Build on the
Blueprint For
Health

Include all
payers

Incorporate
performance
measures
for cost,
quality , and
patient
experience

Payment Reform Model Timeline



Current Payment Reform Pilots

- **Northeastern Vermont Regional Medical Center and Dartmouth Hitchcock Oncology Pilot**
 - Improve Care for Patients Diagnosed with Cancer in the St. Johnsbury Region
 - NVRH, Northern Counties Health Care, Norris Cotton Cancer Center (DH)
 - Enhanced payments to the PCP's and Specialists
 - BC/BSVT, MVP HealthCare, Cigna and Medicaid totaling about 270 patients and \$5 million a year in expenditures Statewide 9,800 patients and \$172 million/year
 - Approved by GMCB in June 2012 --- Enrollment of patients and payments began in October 2012.

Current Payment Reform Models

■ OneCare Vermont Accountable Care Organization

- Create an Integrated Provider Network to serve Medicare Beneficiaries.
- Medicare Shared Savings Program Track 1 (upside only) no downside risk for first 3 years.
- FAHC, DHMC, 12 hospitals (CAH, PPS), 2 FQHC' s, 5 RHC' s
58 Practices/Providers
- Roughly 42,000 Medicare Beneficiaries with estimated expenditures of \$400 million per year
- Approved January 2013 for Implementation
- GMCB will assist and monitor progress—potential spread to Medicaid and Commercial Payers

Current Payment Reform Models

- **Rutland Regional Medical Center Congestive Heart Failure --- Medicare Bundled Payment Initiative**
 - Improve care for patients admitted to RRMC with CHF by creating an integrated system for the delivery of care
 - Medicare Bundled Payment model
 - RRMC, Pulmonologists, Cardiologists, Nursing Homes, Home Health, FQHC
 - Initially estimated 120 patients diagnosed with CHF with expenditures of @\$1.9 million/year
 - Approved January 2013 for Implementation
 - GMCB will assist and monitor progress

Current Payment Reform Models

- **Northwestern Medical Center Emergency Department Pilot**
 - Reduce avoidable ED visits (Triage Level 4 and 5) by employing a care coordinator and nurse practitioner to work with patients and refer them to PCP practices after the ED visit.
 - St. Albans has the highest per capita use of ED services in the state.
 - Shared Savings model with Medicaid and BCBSVT
 - Pilot is underway with the hiring of a care coordinator and NP, and NMC is working with the GMCB to submit the pilot for approval and any necessary assistance

Payment Reform Models Under Development

- Other Pilots under Consideration/Development
 - **Brattleboro Retreat** --- Opioid Detoxification Pilot (Bundled Payment/Shared Savings with Medicaid)
 - **FAHC** --- Joint Replacement Pilot (Bundled Payment with commercial payers and Medicaid) Will fit under the umbrella of an ACO.
 - **FQHC's** --- Medicaid (and possibly commercial) Shared Savings Model (Similar to Medicare SSP ACO Model). FQHC's collaborating to form an integrated care delivery network for Medicaid beneficiaries using the FQHC's

Questions ?