



Presentation to the Senate Committee on Finance regarding the All Payer Model

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What is an all-payer model?

- A system of health care provider payment under which all payers – Medicare, Medicaid and commercial insurers such as Blue Cross and Blue Shield – pay doctors, hospitals and other health care providers on a consistent basis, within rules prescribed by a state or national government
- Can be used to promote desirable outcomes and reduce or eliminate cost-shifting between payers
- In the U.S., the only example of an all-payer model is in Maryland (currently only for hospital payments)
- A number of other countries use all-payer systems to assure that provider payments are fair, transparent and consistent with desired policies such as promoting primary care, prevention, quality of care and cost containment

Next Generation ACO

Offers four payment mechanisms: FFS, FFS+PMPM for Infrastructure, FFS+Withhold to ACO, Capitation

- Dramatic change by CMS. Affords ACOs many new options.
- CMS is encouraging “graduation” to capitation.
- Capitation only for ACO and affiliated providers – CMS pays claims for everyone else.