

The State Innovation Model (SIM) Grant

Two Key Concepts

State Health Care Innovation Plan

Comprehensive approach to transforming the health system of a state. The State Health Care Innovation Plan includes the state's vision and strategies to transform its payment and service delivery system that will improve the quality of care and lower costs through continuous improvement.

Payment and Service delivery Model

Refers to specific delivery system designs, such as accountable care organizations, integrated care systems, or medical homes that are supported by aligned payment methods that reward value. These models will be described in a State Health Care Innovation Plan.

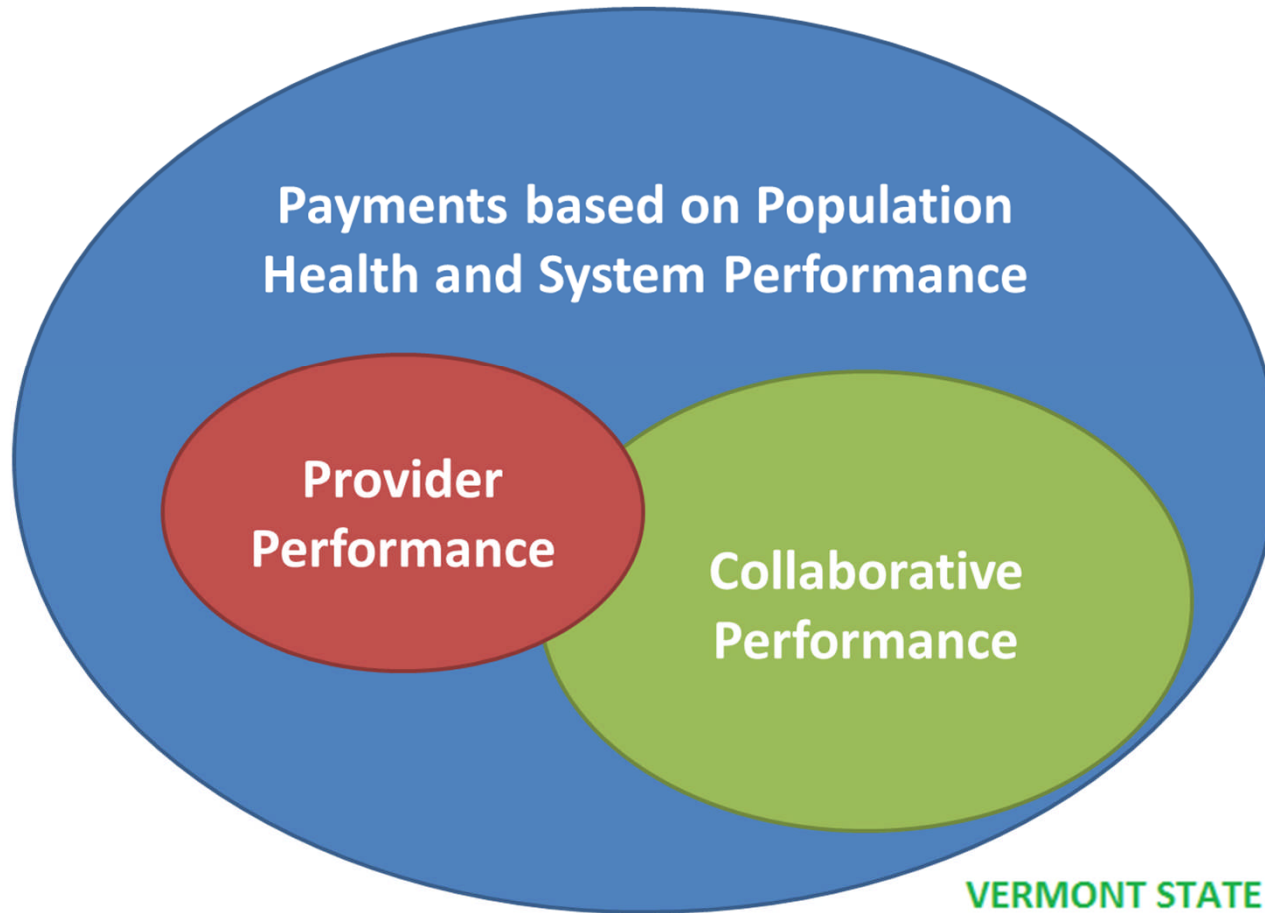
VERMONT STATE INNOVATION MODEL



State Innovation Model Proposal :
<http://gmcbboard.vermont.gov/sites/gmcbboard/files/Project%20Narrative.pdf>

Shared Savings Programs, 1 of 3 Models to Test

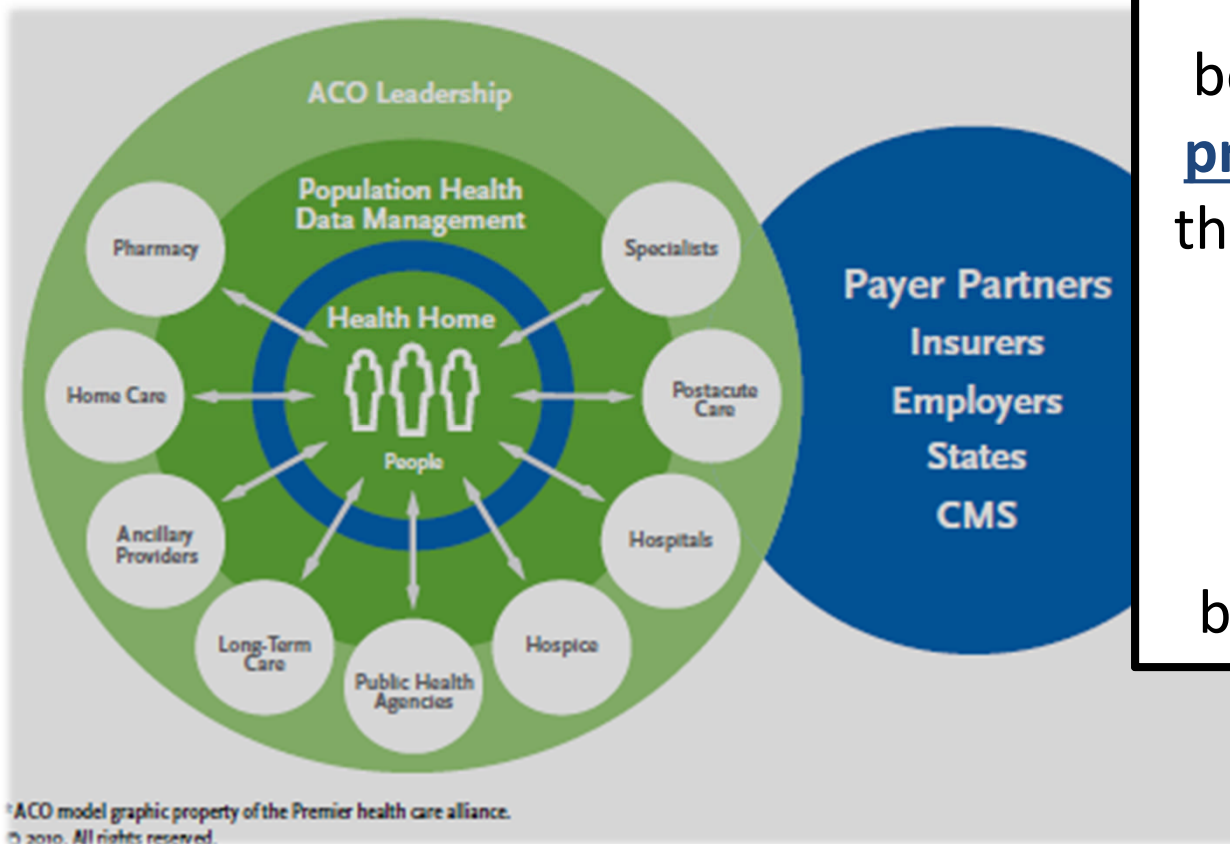
Using Complementary Financial Models to Drive System Change and Bend the Cost Curve



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What is an ACO Shared Savings Program (SSP)?

A performance-based contract between a payer and provider organization that sets forth a value-based program to govern the determination of sharing of savings between the parties.



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http://www.commonwealthfund.org/~media/Files/Publications/Fund%20Report/2012/Aug/1618_Forster_accountable_care_strategies_premier.pdf

What is an ACO?



Accountable Care Organizations (ACOs)

are comprised 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 manage and coordinate care for their patients and have established mechanisms for shared governance.

*SIM Payment Standards Work Group Definition 2013

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What Does this Mean for Beneficiaries?

ACOs are NOT HMOs

- They do not affect beneficiaries access or choice in health care providers
- There is no “gate keeper”
- There is no change to beneficiary coverage benefits
- They are governed by the same providers who provide care

The Program is designed to improve beneficiary outcomes and increase value of care by:

- Promoting accountability for the care of beneficiaries
- Requiring coordinated care for all services provided under FFS systems
- Encouraging investment in infrastructure and redesigned care processes

The Program also would aim to reduce:

- lost or unavailable medical charts
- duplicated medical procedures
- having to share the same information over and over with different doctors

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<https://www.rmfi.harvard.edu/Clinician-Resources/Article/2012/ACO-Explaining-the-benefits-of-it-to-Patients>
<http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/sharedsavingsprogram/index.html?redirect=/sharedsavingsprogram/>

Medicaid Patient Attribution

People see their PCP as they usually do



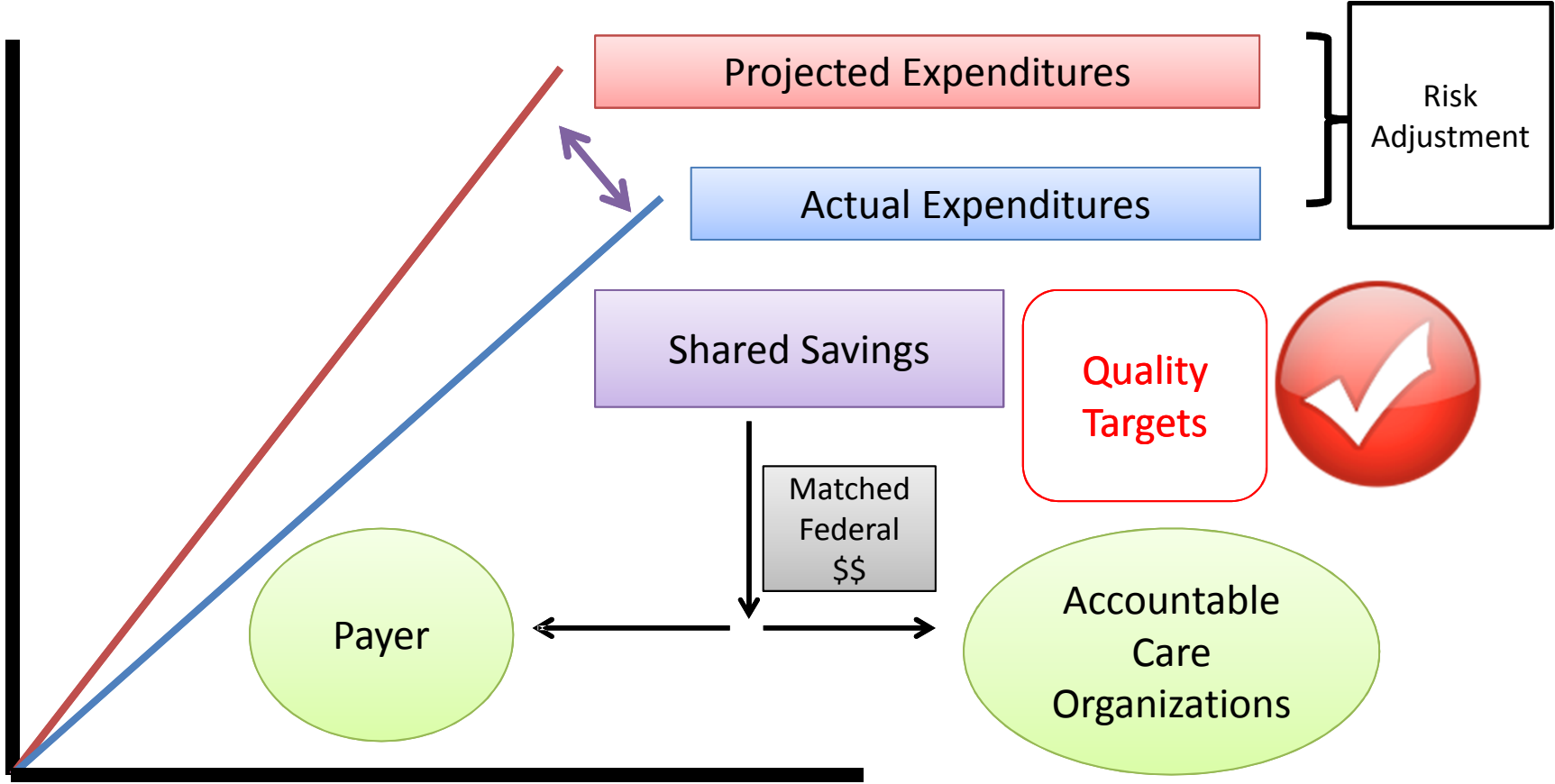
If their PCP belongs to an ACO, the ACO accepts responsibility for the cost and quality of care provided to that person



Providers bill FFS as they usually do

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Calculating Medicaid Shared Savings



Early Evidence

Early Results from Medicare Y1 SSP Experience

- All 32 health systems improved patient care based on quality measures
- 18 of 32 lowered costs for Medicare patients
- \$140 million in total savings by Medicare Pioneer ACOs
- \$92.4 million in total losses by Medicare Pioneer ACOs
- \$76 million in shared to be returned to 13 Medicare Pioneer ACOs
- \$33 million in net savings to the Medicare Trust Fund



When is it happening in Medicaid?

Timeframe	Milestone
Early August	Proposed SSP Framework Discussed in Work Groups (Standards, Quality, Care Management)
Late August	Steering Committee Review and Recommendations Made to Core Team
October	Release RFP
November	Concept Paper to CMCS
November	Review Proposals
November-December	Sign Shared Savings Program Contract
December	Public Notice & SPA Submitted
January 2014	Program Launch
December 2015	End of Performance Year 1
June 2015	Shared Savings Paid

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