Vermont Health Care Innovation Project Update

January 30, 2014

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Chair, VHCIP Core Team

What are we trying to accomplish through this project?

- Align policy, investments and payment to support a "high performing health system" in Vermont
- The aims of the VHCIP are to improve care, improve health and reduce costs
- How?
  - Enable and reward care integration and coordination;
  - Develop a health information system that supports improved care and measurement of value; and
  - Align financial incentives with the three aims.
- The whole thing is a public/private partnership

What would constitute success?

A health information technology and health information exchange system that works, that providers use, and that produces analytics to support the best care management possible.

A predominance of payment models that reward better value.

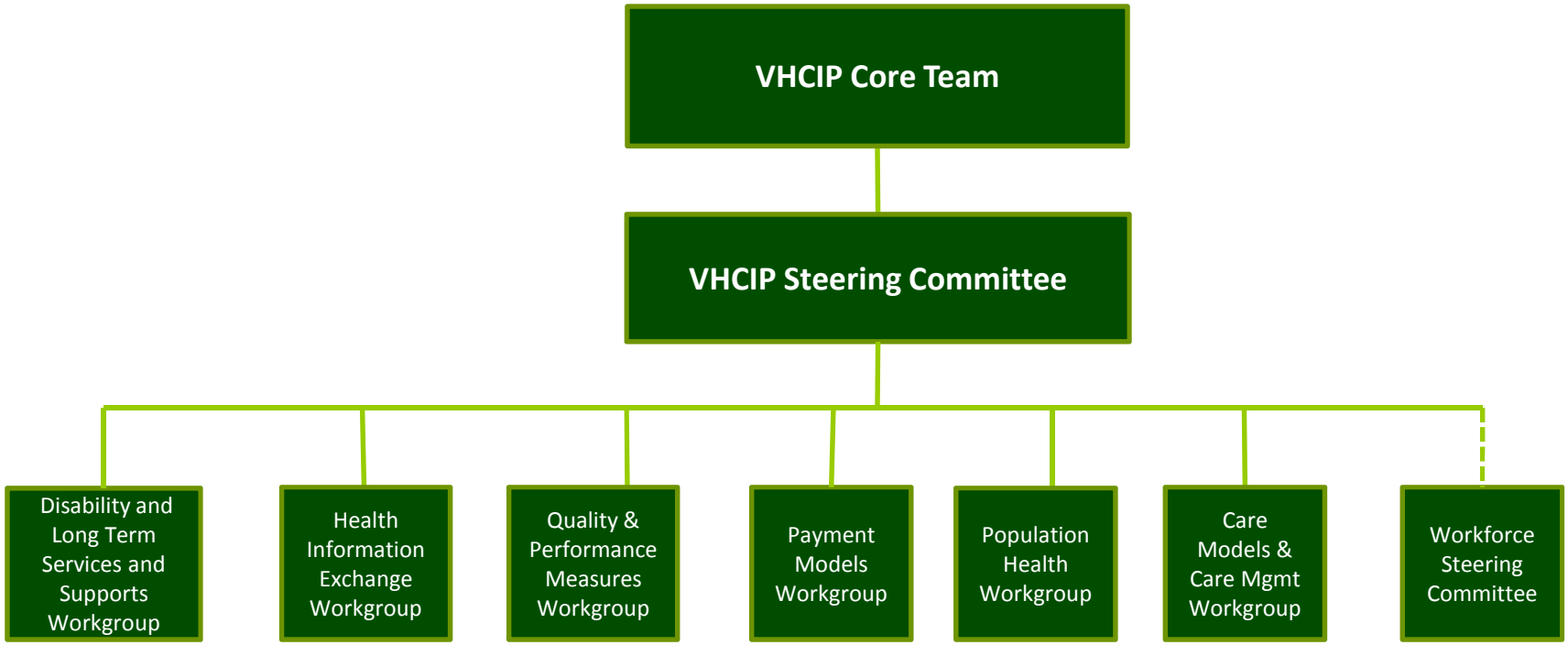
A system of care management that is agreed to by all payers and providers that:

- utilizes Blueprint and Community Health Team infrastructure to the greatest extent possible
- fills gaps the Blueprint or other care models do not address
- eliminates duplication of effort
- creates clear protocols for providers
- reduces confusion and improves the care experience for patients
- follows best practices

Trying to affect the “value equation”

1. Measure both
2. Create accountability for both
3. Expand unit of payment and scope of quality measurement

Project structure



More than 300 people are involved in these groups!

VHCIP Work Group Chairs

Payment Models

Don George, President and CEO, BCBSVT

Stephen Rauh, Health Policy Consultant and Member of GMCB Advisory Board

Care Models and Care Management

Bea Grause, President, Vermont Association of Hospitals and Health Systems

Nancy Eldridge, Executive Director, Cathedral Square Corporation

Health Information Exchange

Simone Rueschemeyer, Behavioral Health Network

Brian Otley, Chief Operating Officer, Green Mountain Power

Disability and Long Term Services and Supports

Deborah Lisi-Baker, Disability Policy Expert

Judy Peterson, Visiting Nurse Association of Chittenden and Grand Isle Counties

Quality and Performance Measures

Catherine Fulton, Executive Director, Vermont Program for Quality in Health Care

Laura Pelosi, Vermont Health Care Association

Population Health Management

Tracy Dolan, Deputy Commissioner, Department of Health

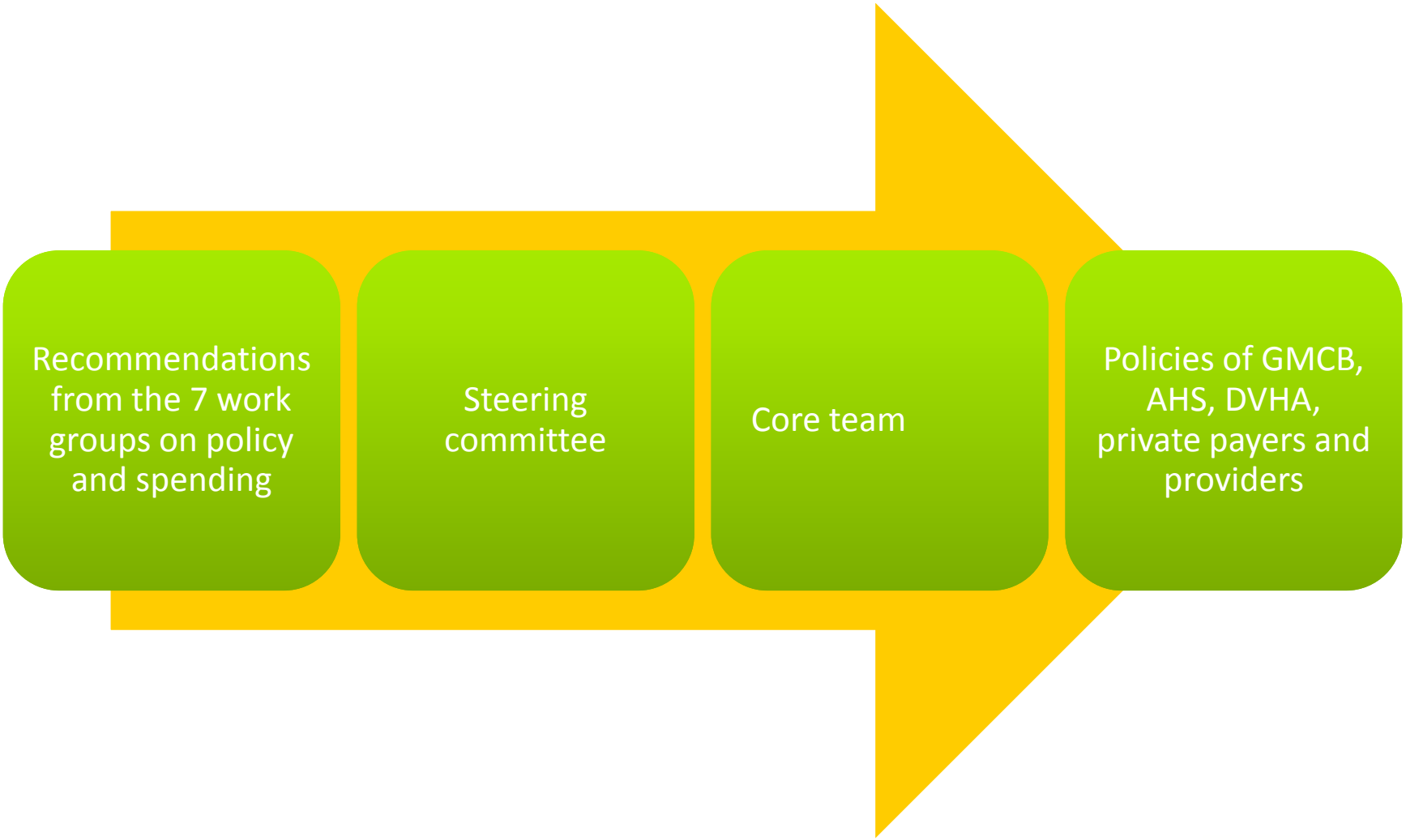
Karen Hein, M.D., Member of the Green Mountain Care Board

Workforce Steering Committee

Mary Val Palumbo, R.N.

Robin Lunge

How does the project work?



Focus of work group recommendations

- Coordinated policy
  - Payment
  - Care management
  - Health information system
- Targeted funding
  - Modeling and testing payment reforms
  - Expanding and improving our health information system
  - Supporting providers to change their business models

Payment models we are testing

- Shared savings arrangements with accountable care organizations
  - If ACO beats the target for expected costs AND meets quality requirements, ACO shares in savings
- Episode-based payments to provider groups
  - Providers share savings for total costs of an “episode of care”
- Pay-for-performance
  - Payment for meeting or exceeding quality thresholds

Project timeline

April 1, 2013: SIM Grant Awarded (Planning Period begins)

October 1, 2013: Model Testing Year One Begins

January 1, 2014: ACO Shared Savings Programs Launch

2014: Episode of Care and Pay-for-Performance Planning

2014-2016: Evaluate and Potentially Modify all three models

September 30, 2016: SIM Grant Ends

Shared savings as a middle ground

From the provider perspective

Fee for service	Shared savings	Capitation
• Save a dollar, lose a dollar	• Save a dollar, share it with the payer (and consumers)	• Save a dollar, keep a dollar

Progress to date

- Recommended standards for shared savings ACO programs (both commercial and Medicaid)
- Recommended quality measures for same
- Charters and work plans developed for all groups
- Work groups are currently addressing such issues as:
  - How should we invest SIM funds in Vermont's health information system?
  - Where is there duplication and where are there gaps in Vermont's care management system?
  - How can we improve payment models to promote population health improvement and coordination across acute and long term care?
  - How can episode-based payments be useful/complementary?

Project budget

- Total of $45 million over three years
- Some major budget items:
  - Health information and analytics system -- $10.9 million
  - Personnel -- $10.3 million
  - Provider grants -- $3.4 million
  - Evaluation -- $3 million

How will we measure the results?

- Three evaluations:
  - External, under contract with CMS (RTI)
  - External, under contract with GMCB
  - Internal, under contract with GMCB
- Staff person hired to coordinate all evaluation
- Key questions:
  - What kinds of innovative approaches result in reduced cost while improving or maintaining the standard of care, patient health and quality of life, and satisfaction of the workforce?
  - To the extent that a particular approach is promising, what contextual factors need to be in place to make success likely, and what contextual factors might cause problems?