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# Vermont Health Care Innovation Project Update

February 14, 2014

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Chair, VHCIP Core Team

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# 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.

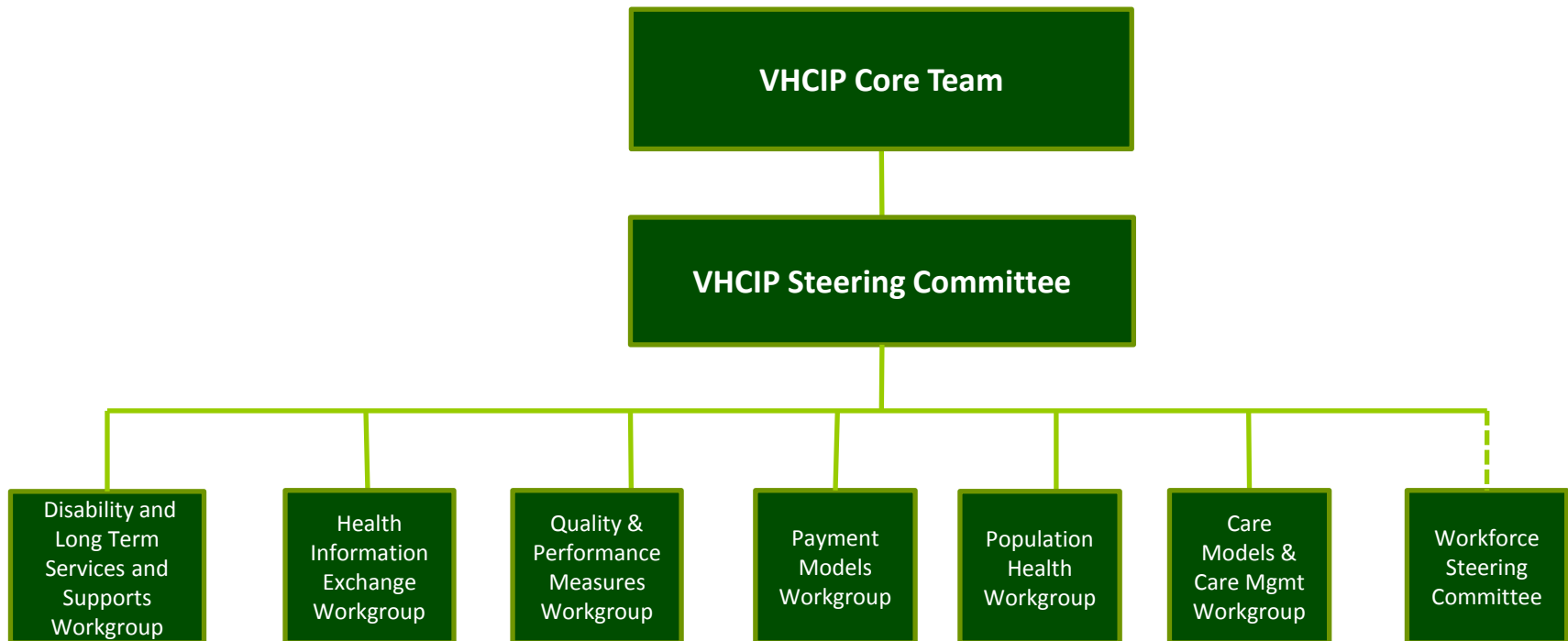
A system of care management that is agreed to by all payers and providers that:

- 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”



# 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

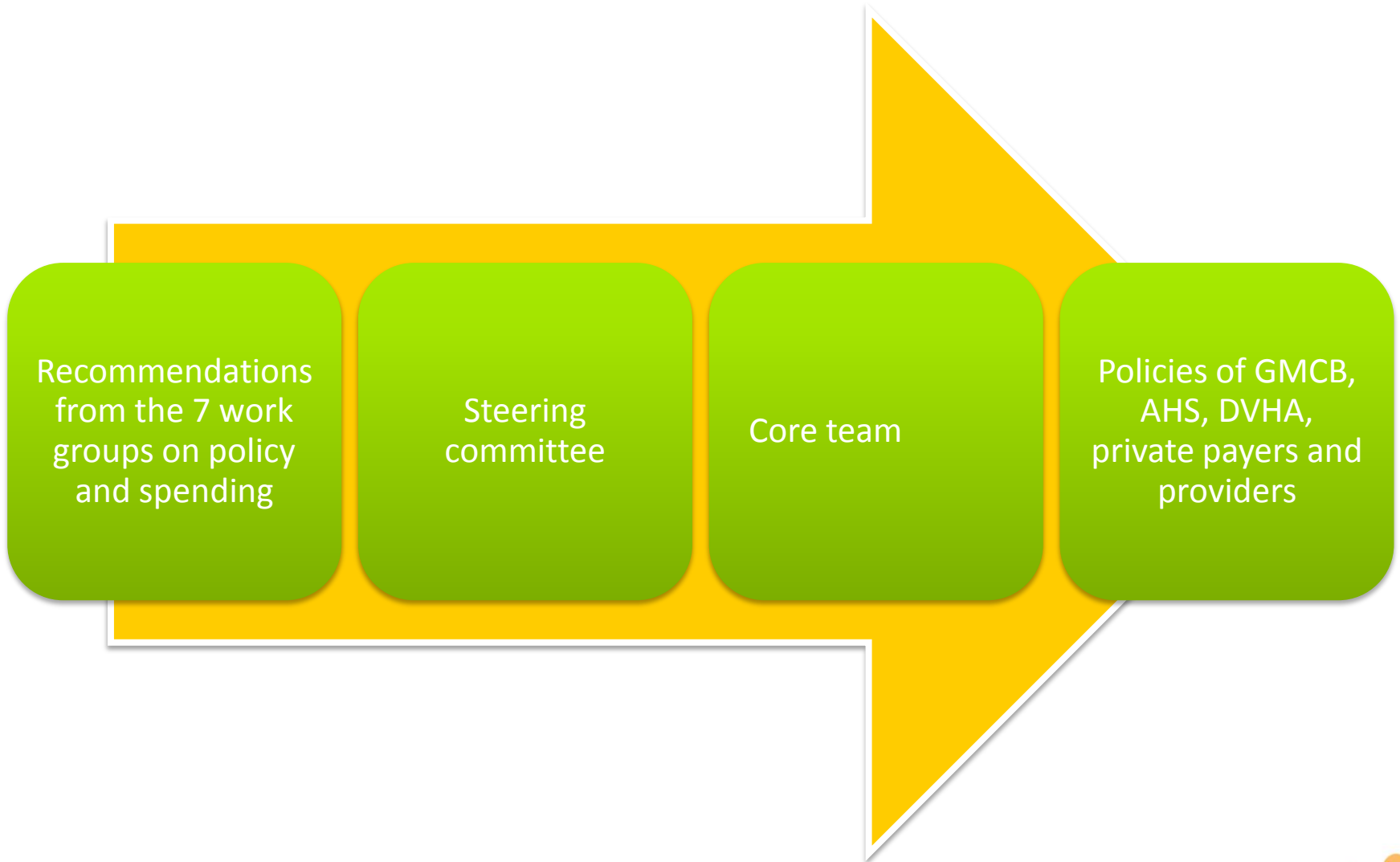
Karen Hein, M.D., Member of the Green Mountain Care Board

## ***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

- Save a dollar, lose a dollar

## Shared savings

- Save a dollar, share it with the payer (and consumers)

## Capitation

- 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?