Accountable Care Organizations and Shared Savings Programs

(What are they and how do they differ)

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Accountable Care Organizations

- Accountable Care Organizations (ACOs) are composed 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 coordinate care for their patients and have established mechanisms for shared governance

- ACO participation in a Shared Savings Program is voluntary

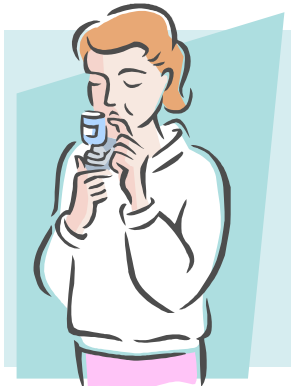
Shared Savings Programs

Shared Savings Programs are payment reform initiatives developed by health care payers. Shared Savings Programs are offered to health care providers who agree to participate with the payers to:

- Promote accountability for the care of a defined population
- Coordinate care
- Encourage investment in infrastructure and care processes
- Share a percentage of savings realized as a result of their efforts

How are Patients Attributed to an ACO?

People see their Primary Care Provider (PCP) as they usually do

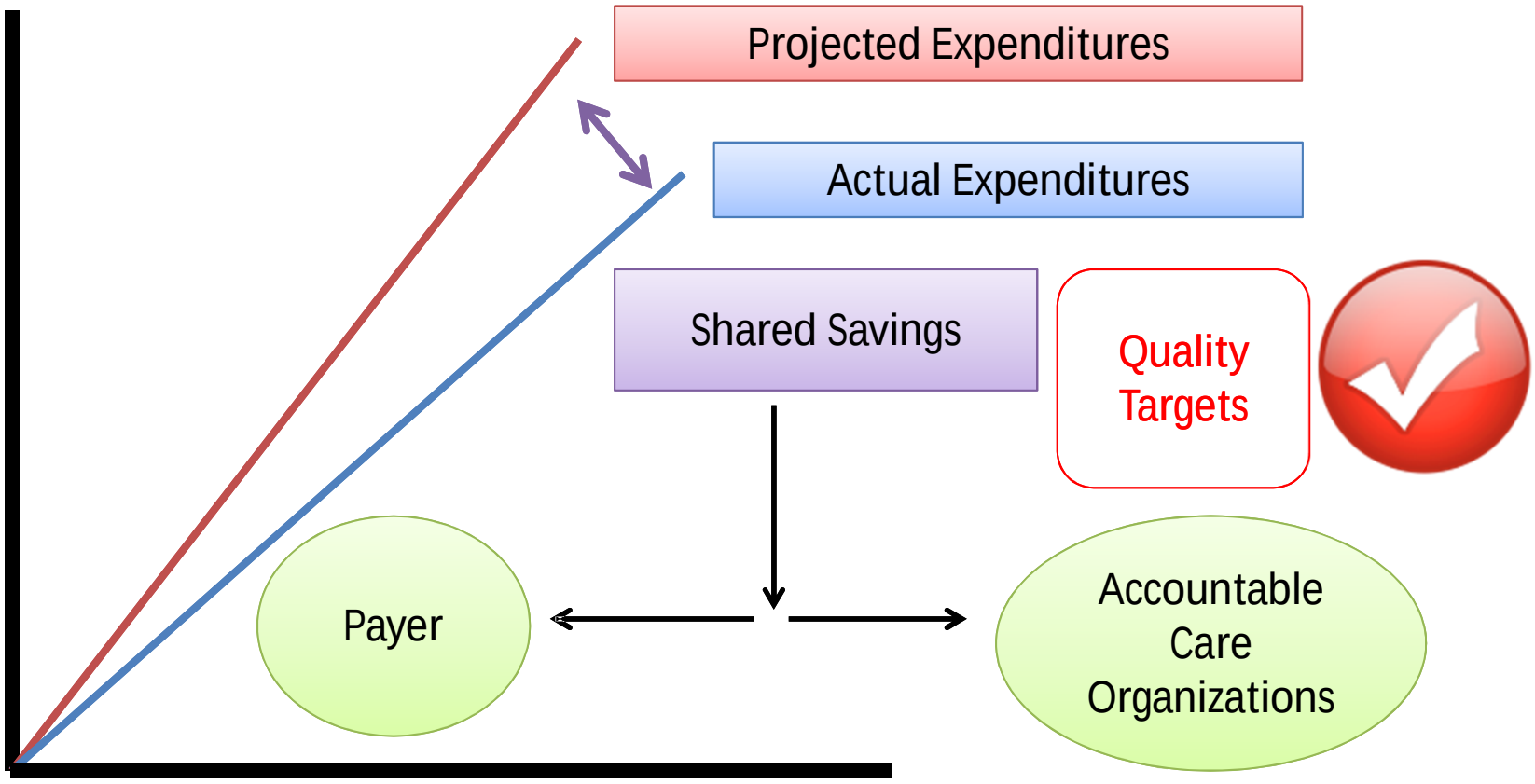


If their PCP belongs to an ACO, the ACO can share savings based on the cost and quality of services provided to that person

ACO

Providers bill as they usually do

Shared Savings Calculated Annually



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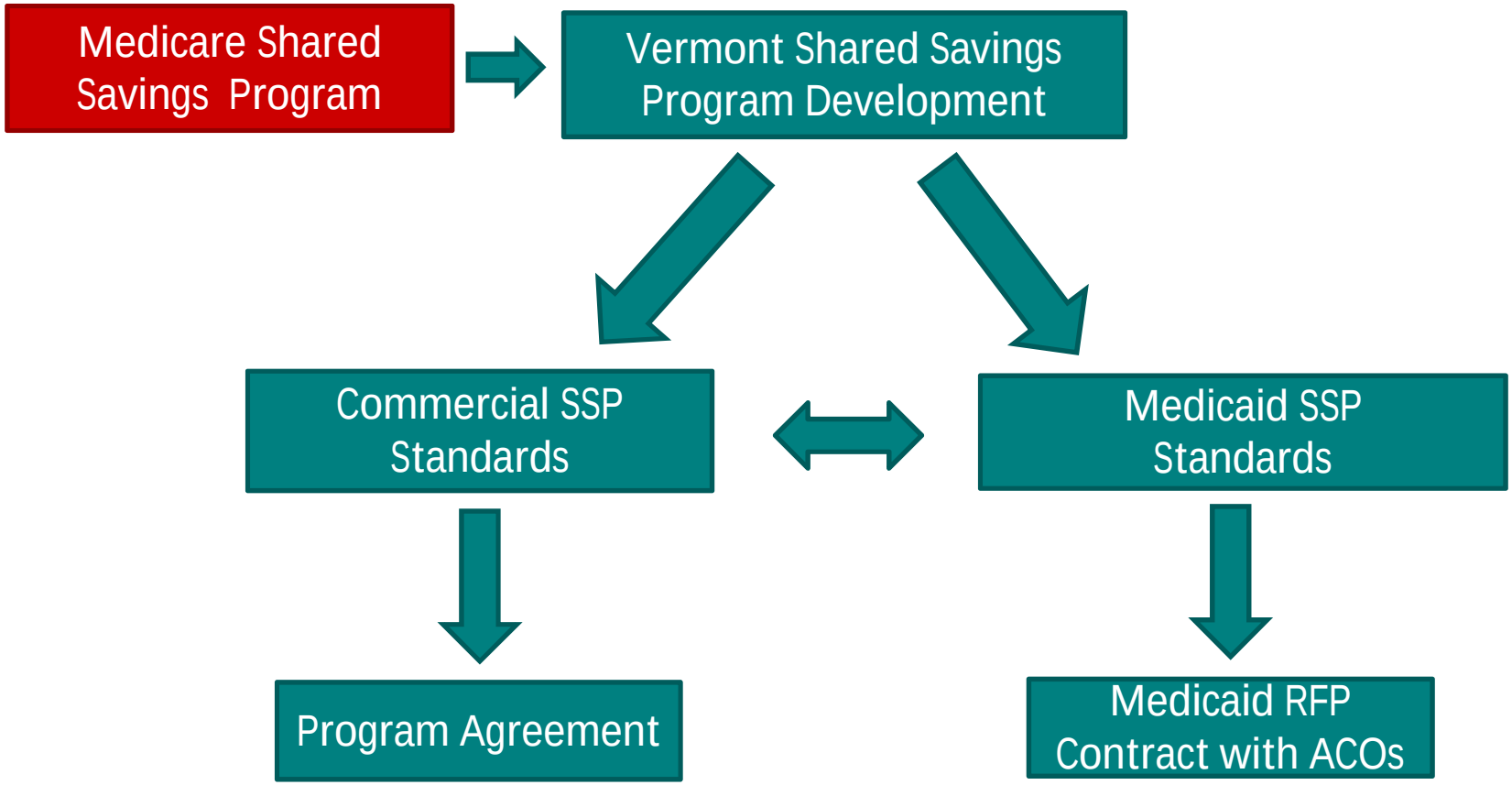
Shared Savings Programs in Vermont

Shared Savings Program standards in Vermont are a result of voluntary programs designed by payers, providers and stakeholders, and facilitated by the State.

Develop ACO/SSP standards to that include:

- Attribution of Patients
- Establishment of Expenditure Targets
- Distribution of Savings
- Impact of Performance Measures on Savings Distribution
- Governance

Development of VT Shared Savings Program



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ACO Shared Savings Program Quality Measures

PAYMENT

Payment measures are collected at the ACO level. ACO responsible for collecting clinical data-based measures. How ACO performs influences amount of shared savings.

REPORTING

Reporting measures are collected at the ACO level. ACO responsible for collecting clinical data-based measures. How the ACO performs does NOT influence the amount of shared savings.

MONITORING & EVAL

Monitoring measures are collected at the State or Health Plan levels; cost/ utilization measures at the ACO level. ACO not responsible for collecting these measures. How the ACO performs does NOT influence the amount of shared savings.

PENDING

Pending measures are considered to be of interest, but are not currently collected.

Year 1 & 2 Payment Measures

Commercial & Medicaid

- All-Cause Readmission
- Adolescent Well-Care Visits
- Follow-Up After Hospitalization for Mental Illness (7-day)
- Initiation and Engagement of Alcohol and Other Drug Dependence Treatment
- Avoidance of Antibiotic Treatment for Adults with Acute Bronchitis
- Chlamydia Screening in Women
- Cholesterol Management for Patients with Cardiovascular Disease (LDL Screening)*
- Rate of Hospitalization for Ambulatory Care Sensitive Conditions: Composite+
- Diabetes Care: HbA1c Poor Control (>9.0%)*+

Medicaid Only

- Developmental Screening in the First Three Years of Life

**Medicare Shared Savings Program measure*

+ Year 2 only

Impact of Payment Measures

"Gate and Ladder" Approach:

- For most payment measures, compare each measure to the national benchmark and assign 1, 2 or 3 points based on whether the ACO is at the national 25th, 50th or 75th percentile for the measure.

- For payment measures without national benchmarks, compare each measure to Vermont benchmark or baseline performance, and assign 0, 2 or 3 points based on whether the ACO declines, stays the same, or improves relative to the benchmark.

- If the ACO does not achieve the required percentage of the maximum available points across all payment measures, it is not eligible for any shared savings ("quality gate").

Commercial SSP "Gate and Ladder"

Percentage of available points	Percentage of earned savings
55%	75%
60%	80%
65%	85%
70%	90%
75%	95%
80%	100%

Medicaid SSP "Gate and Ladder"

Percentage of available points	Percentage of earned savings
35%	75%
40%	80%
45%	85%
50%	90%
55%	95%
60%	100%

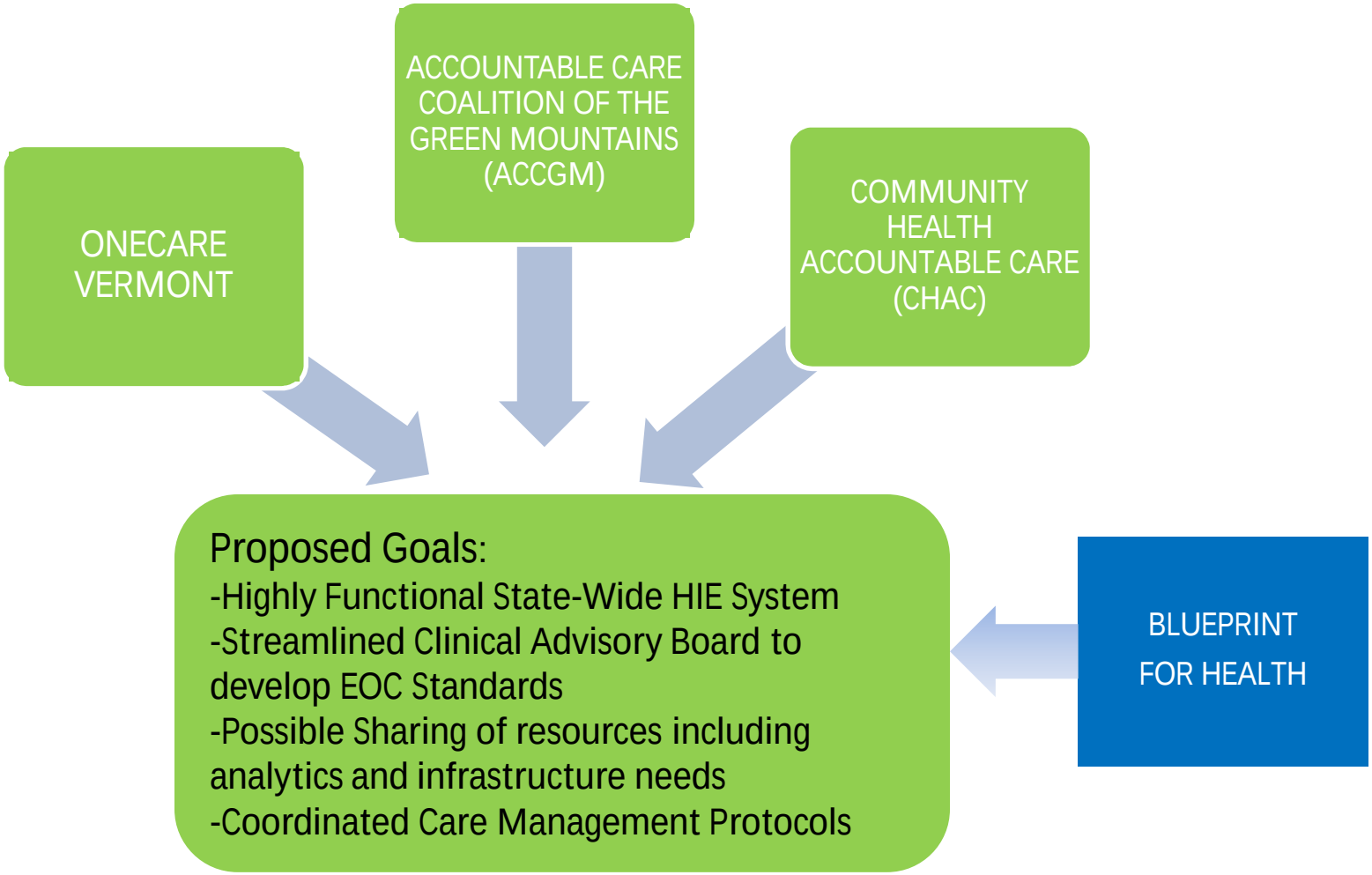
VT Shared Savings Programs by ACO and Payer

Attributed Lives by ACO by Respective Payer to date

	Medicare	Medicaid	Blue Cross Blue Shield VT	MVP	Total
OneCare Vermont	54,746	27,400	20,449		102,595
Community Health Accountable Care (CHAC)	5,980	20,068	9,906		35,954
Vermont Collaborative Physicians/Accountable Care Coalition of the Green Mountains (VCP/ACCGM)	7,509		7,830		15,339
Total	68,235	47,468	38,185	N/A	153,888

Note: Cells shaded gray indicate that those ACO and Payer decided not to enter into a Shared Savings Program Agreement.
Updated: With Medicare, Medicaid and BCBS Counts on 10/30/14

ACO Collaboration Meetings (Expanded to now include the Blueprint)



Shared Savings Programs In Vermont

Issues/Concerns with Shared Savings Programs

- The jury is still out on the value of Shared Savings Programs
- Earned Shared Savings are not sufficient to offset lost revenues to hospitals
- Minimum Savings Rate needs to be achieved before savings are earned
- ACOs are not convinced that two sided risk is in their interests
- Shared Savings Programs remain rooted in FFS reimbursement

Payment Reform Model Timeline