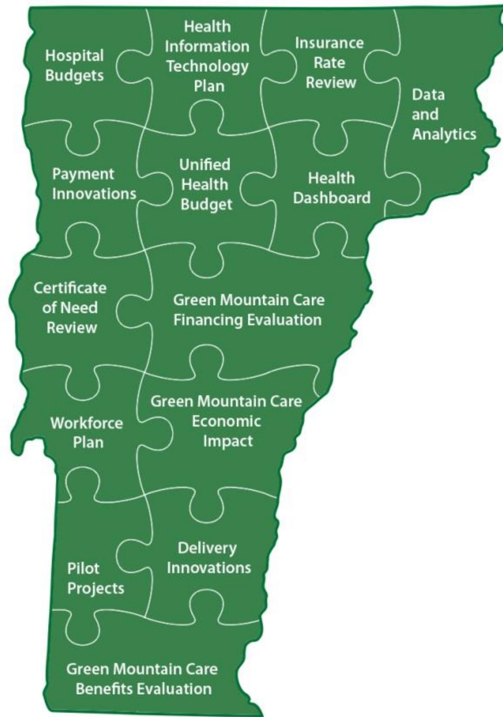

Moving Away From Fee-For-Service

Presentation to the House Ways and Means Committee

January 14, 2016

Al Gobeille, Chair, Green Mountain Care Board

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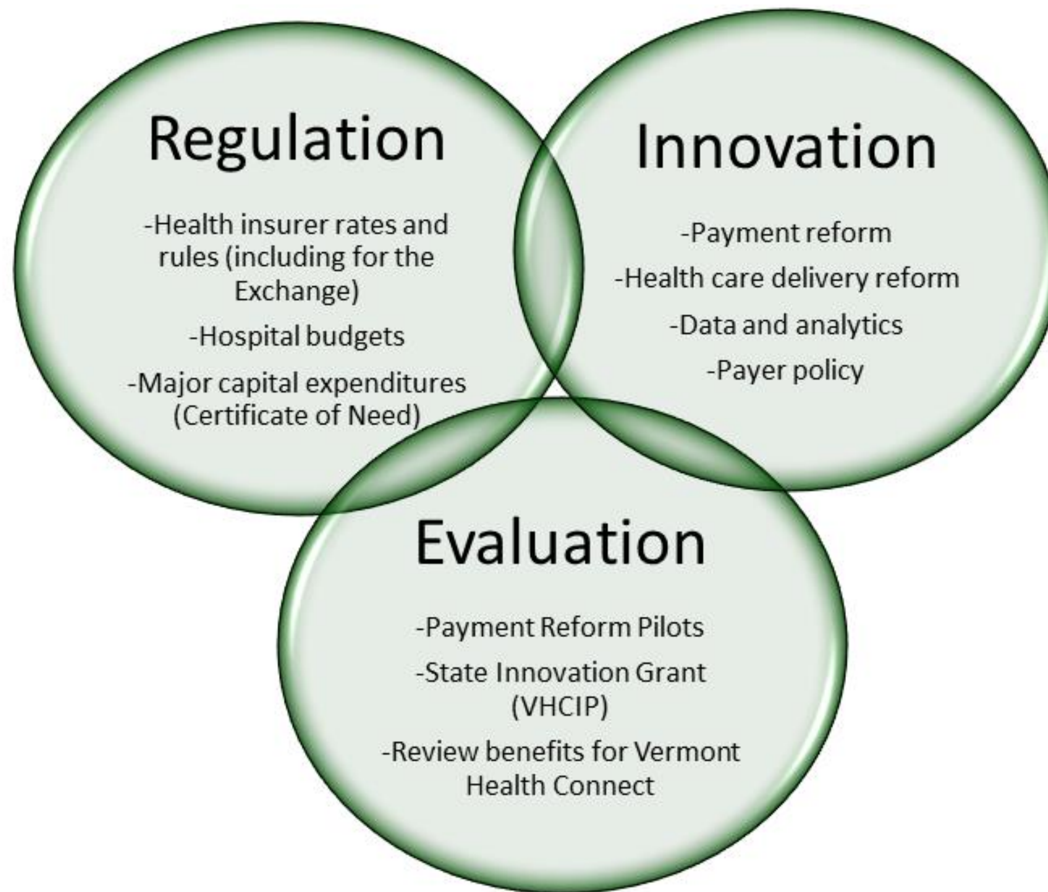
Role of Green Mountain Care Board Created by Act 48 of 2011



Income vs. Health Care Costs

	2015	2025
Income	$60,000.00	$73,140.00
Hourly Pay	$30.00	$36.57
Plan Cost/Hour	$11.52	$19.83
Plan Cost/Hour with Subsidy	$5.92	$8.81
Plan Cost per Year	$23,957.00	$41,253.00
Cost/Income	38%	56%

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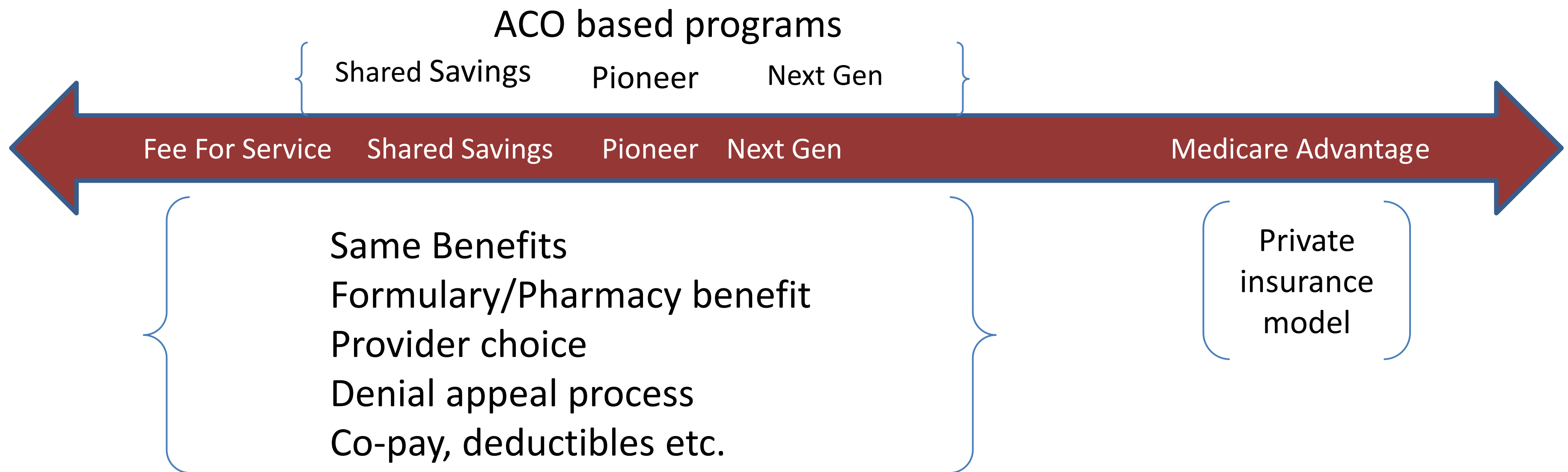
How Did We Get Here?

- Fee-For-Service (FFS) reimbursement encourages the health care system to deliver more services and more expensive services
- Separate fees for each individual service lead to fragmented care delivery
- Fees are typically the same, no matter the quality of the care provided

Medicare Is Moving Away from Fee-For-Service



What Is The Difference Between An ACO And An HMO?

ACO

- Patients can go anywhere for their care
- Quality measurement and improved patient outcomes are linked to payment
- Incentivizes care coordination
- Jury still out on potential

HMO

- Narrow networks limit Patient choice
- Primary care providers as "gatekeepers"
- Private insurance platform

Act 54 Of 2015

The Secretary of Administration or designee and the Green Mountain Care Board shall jointly explore an all-payer model, which may be achieved through a waiver from the Centers for Medicare and Medicaid Services.

CMMI Term Sheet Elements

- *Performance Period*
- *Regulated Revenue*
- *Financial Targets*
- *Quality Framework*
- *Payment Waivers*
- *Fraud and Abuse Waivers*

Goals Of A Transformative All-Payer Model

- Improve experience of care for patients
- Improve access to primary, preventive services
- Incent value rather than volume
- Construct a highly integrated system
- Control the rate of growth in total health care expenditures
- Align measures of health care quality and efficiency across health care system

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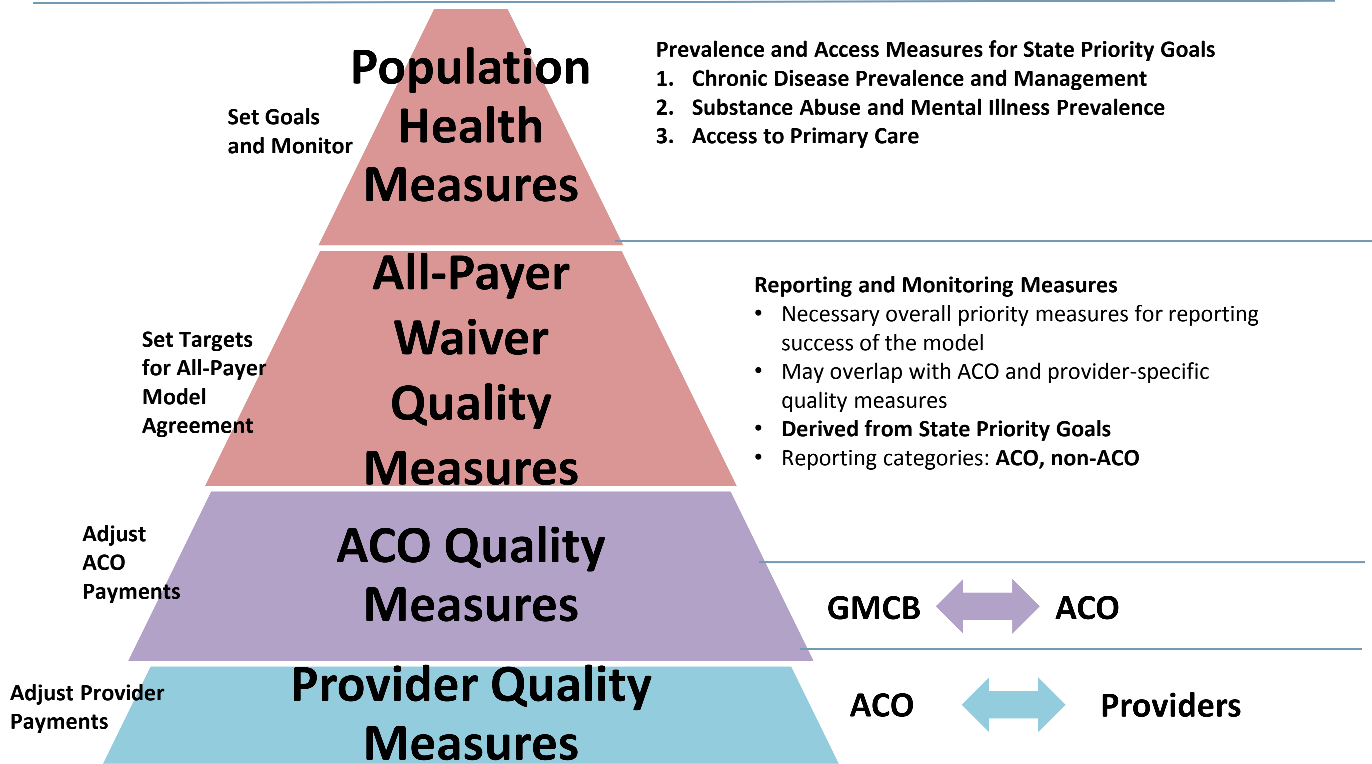
All-Payer Model Quality Framework



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QUESTIONS