



MEMORANDUM

To: Senate Committee on Health and Welfare
From: Sharon M. Winn, Policy Director, Bi-State Primary Care Association
Cc: Amy Cooper, Health First and Vermont Collaborative Physicians
Trinka Kerr, Chief Health Care Advocate
Subject: H. 812 An Act Relating to Consumer Protections for Accountable Care Organizations
Date: April 13, 2016

Background

- H. 812 adds framework for ongoing health care reform initiatives, with a particular focus on moving toward a single risk-bearing ACO – a very different world than current shared-savings plans.
- The bill breaks into 3 major sections:
 - All-Payer Model expectations
 - Criteria through which GMCB will certify ACOs
 - GMCB oversight of ACO budgets
- CHAC is concerned about a potential unintended consequence; i.e. the possibility the bill would create a regulatory environment that is burdensome and not sustainable for small ACOs
- Since testimony on March 31, 2016 we have worked closely with the Health Care Advocate's office and GMCB staff to forge consensus around key issues

Shared Understanding

- We are in a rapidly evolving environment around health care reform; it is unclear where and how all the moving parts will land in the short term
- We are all working toward a single ACO, but it may happen in stages rather than all at once
- As a matter of policy, we want an environment that allows health care reform to continue, even if our grandest visions do not materialize in the short term
- ACOs are, by definition, providers; they are a new construct and require new thinking around how the group might function (i.e. different than a health plan or HMO)
- Functions we expect an ACO to fulfill may be handled successfully within the actual provider practice, with no need for separate administrative function
- "ACO shall" language inherently refers to providers, and some (or most) of what the "ACO shall" accomplish may be done by ACO providers or practice groups

Requested Language Addition

- We suggest adding this compromise sentence in two places: "The board shall ensure these rules accommodate and are appropriate to a range of ACO models and sizes, balancing oversight with support for innovation."
- The language leaves room for a regulatory approach that right-sizes oversight to the model and scale of the ACO, and allows a variety of ACO models to thrive