



OneCareVermont

OneCare Vermont Accountable Care Organization

2018 Budget Highlights and Fact Sheet

2018 Budget Highlights

- ✓ ***First ACO Budget Submitted to Green Mountain Care Board (GMCB)***
 - Act 113 passed in 2015-2016 Legislative Session giving the GMCB regulatory oversight role for ACOs
 - Covers Year One of Vermont's All Payer Accountable Care Organization Model (APM)
 - Represents a big step in strengthening the public-private partnership to deliver on Vermont health reform goals
- ✓ ***Broad Based Network Preparing to Proceed in 2018***
 - Full continuum of care in 7 communities participating in this risk-bearing health care delivery reform effort
 - 8 hospitals including Dartmouth-Hitchcock and 2 Critical Access Hospitals
 - 29 independent primary care physician practices and 40 independent specialty practices
 - 3 Federally Qualified Health Centers (FQHCs)
 - Home Health and Hospice, Skilled Nursing Facilities, and Designated Agencies across all communities
- ✓ ***OneCare as Collaborative Partner in Support of our Communities***
 - Community focused accountability model, with local cost and quality success as the primary level of measurement
 - Strong continued commitment to local population health coordination through Community Collaboratives (CCs), co-conceived by OneCare and the Blueprint for Health
 - OneCare facilitative support to communities and CCs provided through Regional Clinical Representatives, Clinical Consultants, and OneCare's Quality Improvement team
 - Advanced information systems deployed for field use to measure and enable the model and highlight opportunities for improvement, all with full training on toolset use and interpretation of the data

- ✓ ***True Population Health Management***
 - Budget brings to life OneCare’s population health focus, which aims to improve the health of entire populations and to reduce health inequities.
 - Integrates prevention and health promotion as major component of the programs, with RiseVT as a major partner organization
 - Includes programs geared towards early identification of chronic illness
 - Includes proactive outreach and coordination for people with more complex conditions
 - Includes advanced Care Coordination program to support activation and engagement for people with multiple or severe conditions

- ✓ ***Aligned Financial Terms for Programs with Medicaid, Medicare and Blue Cross Blue Shield of Vermont***
 - OneCare is partnering with each of the 3 major payers. Each program includes discounted fixed revenue targets, where OneCare assumes downside risk. This means that in each program:
 - The partners agree on a target for total spending that is less than the payer would have otherwise projected, and if health care spending exceeds that target, some or all of the excess will be covered by OneCare and its hospital providers
 - This is built-in cost control for payers and ultimately consumers
 - Renewal process underway for a second year of the groundbreaking Vermont Medicaid Next Generation program developed by DVHA and OneCare for 2017
 - OneCare to enter a “Modified” Medicare Next Generation program with terms governed by APM, and a GMCB role in setting financial target
 - OneCare and BCBSVT are mutually developing details for a risk-based program covering BCBSVT plans on the Vermont Health Connect Exchange

- ✓ ***Evolving Our Payment Systems to Support Value over Volume***
 - Monthly fixed payments to hospitals, where hospitals are prepaid for all services delivered to covered populations
 - This is the strongest available incentive for hospitals to redefine economic success, which means keeping people out of the hospital when possible rather than performing many procedures

- ✓ ***Participating Hospitals – Strong Commitment to Value-Based Reform***
 - OneCare’s hospitals are providing financial resources to support more than their own primary care practices – also providing \$8M to independent and FQHC practices
 - Providing Medicare cash flow for Blueprint for Health funding on behalf of entire state
 - Funding OneCare infrastructure in support of the community-based, data-driven approach to Population Health Management

- Hospitals bear the financial risk on behalf of their local communities, insulating community-based providers from risk so they can focus on collaboration, quality and cost goals

✓ ***Primary Care Investment, Quality Improvement and Payment Reform***

- Broad based investment programs offered for all primary care (Independent, FQHC, Hospital-operated) to support wellness efforts, focus on chronic disease control, and to coordinate the needs of complex patients
- Access to a multi-payer Value Based Incentive Fund (VBIF) where incentives will be earned back by OneCare providers and communities based on measured high quality performance - the hospitals fund the VBIF, but 70% of payments will be allocated to Primary Care
- Access to program support payments for care coordination and quality improvement activities in addition to (not instead of) those from the Blueprint for Health
- Advanced pilot reform program to be offered for OneCare's independent primary care practices to enable them to offer more innovative approaches to care delivery

✓ ***Community-Based Services Investment and Integration***

- Partnership with Home Health and Hospice, DAs for Mental Health and Substance Use, and Area Agencies on Aging in complex care coordination programs as well as other community initiatives

✓ ***Continuity of Blueprint for Health Financial Support***

- OneCare is budgeting to fund the former Medicare investments through the Blueprint for Health - this means continued Community Health Team, SASH and PCP financial resources for the entire state, including communities and providers not in OneCare Vermont



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OneCare Vermont ACO Background

- Formed in 2012 by University of Vermont Medical Center and Dartmouth-Hitchcock Health
- Statewide ACO with inclusive governance model representing providers of all types
- Multi-payer ACO - participating in Medicare ACO programs since January 2013 and in Medicaid and Commercial ACO programs since January 2014

2018 OneCare APM Communities

- 7 Vermont Communities – Bennington, Berlin, Brattleboro, Burlington, Middlebury, Springfield, and St. Albans
- Also Lebanon, New Hampshire for BCBS Commercial Program
- Communities include participation by the Hospital, SNFs, Home Health & Hospice, DA, AAA, Independent Primary and Specialty Practices and 3 FQHC's

Payer Program Population Cost Budgets

- OneCare will be accountable for total spending on approximately 137,000 individuals for a total cost target of \$764M across the three budgeted payer programs
 - Medicare Next Generation: \$448M target for 42,600 beneficiaries
 - Vermont Medicaid Next Generation: \$178M target for 54,600 members
 - BCBSVT Commercial: \$138M target for 39,900 covered lives in their Qualified Health Plans on Vermont Health Connect
- Risk held or shared by OneCare – must cover/share excess spending above target and can earn/share savings if spending is below targets

OneCare Operations and Infrastructure

- Total operational expense of \$12.5M of which approximately 50% is labor (including benefits) across 47 FTEs
- 2018 budget represents basic inflationary cost growth over 2017 with minimal added costs for reinsurance to offset the ACO network's highest levels of maximum risk
- Operations cost (excluding reinsurance) of \$6.68 PMPM and 1.4% of Premium, both well within benchmark expected ranges

Risk Management

- Budget as submitted assumes program targets are met with no additional savings nor expected losses against the pre-determined discounted targets
- Hospitals accept spending risk at their organizations through prospectively set monthly fixed payments totaling approximately \$38.9M a month across the participating hospitals and representing a total of \$467M for the year; 61% of the Total Cost of Care (TCOC) for attributed lives

- Hospitals also cover additional downside financial liability for services delivered outside of their organization for the attributed lives in their local service areas, no matter which local provider attributed them and no matter where the additional spending occurs
- Aside from the hospitals, no other network providers or organizations are at financial risk, but there is support and expectations for collaborative, community-based coordination on population health management

Population Health Management Programs and Aligned Value-Based Payment Reform

- Total of \$29 M in additional reform programs
- Basic PMPM for PCPs - \$3.25 PMPM on top of Blueprint payments
- Complex Care Coordination program with \$15 PMPM to PCPs and matching \$15 PMPM to community partners with established role in patient's care coordination. Also an additional \$150 one-time payment and \$10 PMPM for being the lead care coordinator and developing a shared plan of care
- PCP Comprehensive Payment Reform Pilot will be offered to Independent PCPs and funded as a transformative demonstration project
- Value Based Incentive Fund is a pre-funded amount for payment on quality and may be supplemented with shared savings if earned - the Fund is budgeted at \$5.6M with 70% of that amount directed to primary care
- Blueprint for Health funding to maintain innovations and strengthen collaboration
 - OneCare to pick up CHT, PCP, SASH financial support previously coming under Medicare MAPCP demonstration
 - Total of \$7.8M of which \$5.5M goes to the 7 participating OneCare communities and \$2.3M goes to non-risk communities

Funding the Overall Model (All Elements)

- Participating hospitals provide \$19.3M which is withheld and redirected from the Hospital Fixed Prospective Payment funds flow
- OneCare also budgeted support from payers/programs in various forms
 - GMCB/Medicare accommodations in Modified Medicare Next Generation target
 - Continued operational funding from VT Medicaid Next Generation Year 2 as provided in 2017 and partnership on a program to deliver complex care coordination for Medicaid enrollees
 - State of Vermont partnership to provide support for OneCare's HIT infrastructure and resources for its partnership with RiseVT to expand that program to additional communities