

BCBSVT / OneCare 2018 ACO Program

House Health Care 2/8/18

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Care Coordination is Necessary for Transformational Health Care Reform

Why engage in a shared accountability ACO model?



- pay for quality outcomes
- provide all necessary medical services
- reduce overall medical spending

Focus on:

- patient experience
- population health care coordination
- provide support and satisfaction

Reducing costs not the leading factor in a reformed health care system—
IT IS A RESULT

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2018 BCBSVT/OneCare Agreement

Overview

Key Components	
What populations are included?	Qualified Health Plan lives attributed to OneCare PCPs
What is the size of the population?	Approximately 21,000 – 24,000 members
What is the term of the agreement?	One year with three option years
Is the agreement aligned with the APM?	<ul style="list-style-type: none">• Quality metrics aligned with All Payer Model and Medicaid/OneCare Contract• OneCare target includes savings and risk components as expected by All Payer Model• PCPs are supported through care coordination fee aligning with All Payer Model goals
How does the agreement relate to BCBSVT premiums?	OneCare target derived from Qualified Health Plan rate filing assumptions and GMCB final order
How is this program unique?	<ul style="list-style-type: none">• Performance on non-specialty retail pharmacy spend will impact potential savings• Requires collaboration with BCBSVT care coordination not simply turning over programs but rather leveraging expertise of both the ACO and BCBSVT care coordination efforts

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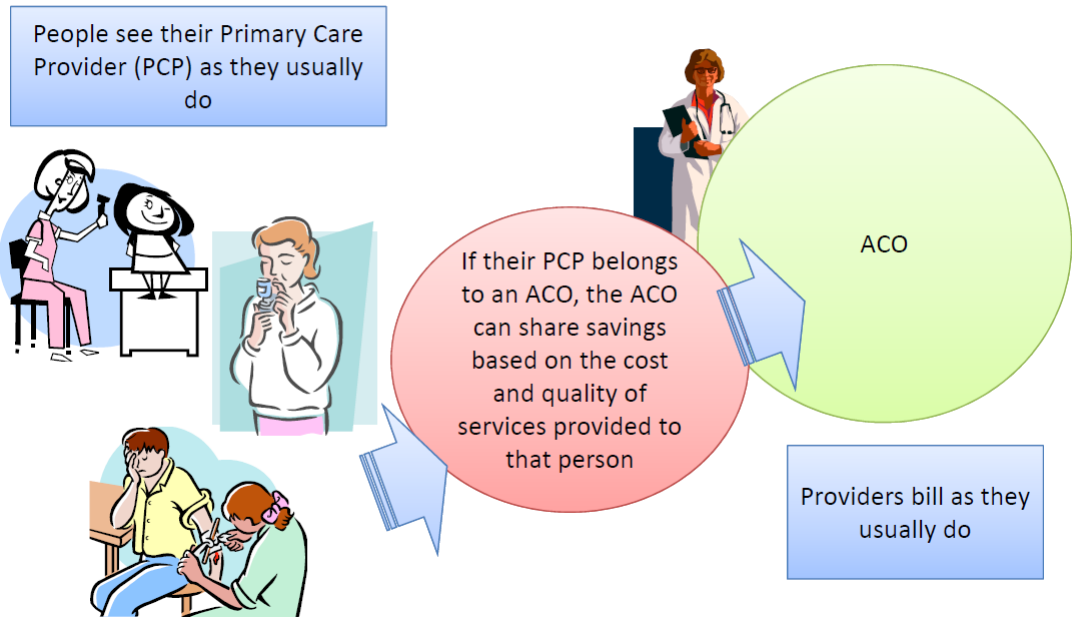
2018 BCBSVT/OneCare Agreement

Population Overview

Member Considerations

- Benefits not impacted
- Provider access not impacted
- Explanation of Benefits not impacted
- Member appeals and grievance process now includes ACO grievance process
- Member satisfaction and care coordination outcomes expected to improve

How are Patients Attributed to an ACO?



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2018 BCBSVT/OneCare Agreement

Key Contract Terms

Program Element	Description of Term
Included Services	<ul style="list-style-type: none">• All services considered medical spend portion of premium (including Blueprint & non-claims expenses)
Target Methodology	<ul style="list-style-type: none">• Expected spend for OneCare population based on final GMCB QHP Order
Risk Sharing	<ul style="list-style-type: none">• 6% corridor on total cost of care with 50% sharing within the corridor
Administrative Funding	<ul style="list-style-type: none">• BCBSVT will not provide administrative funding
Provider/Care Management Funds	<ul style="list-style-type: none">• \$3.25 pmpm, not to exceed \$1million dollars, to OneCare directly supporting provider care coordination efforts & complex care services• Care management support will be medical spend against target
Risk Premium	<ul style="list-style-type: none">• BCBSVT will not provide any risk premium support
Non-Specialty Retail Pharmacy	<ul style="list-style-type: none">• Rx savings offset medical loss• Rx savings only if medical savings and Rx savings exceed 3%.
Hospital Payment	<ul style="list-style-type: none">• Parties reviewing potential for fixed hospital payment in 2018 or 2019
Quality	<ul style="list-style-type: none">• Measures largely align with Medicaid/OneCare program• .5% of total cost of care tied to quality performance• Funds not earned will be shared between OneCare and BCBSVT with OneCare portion being invested in BCBSVT approved quality programs

2018 BCBSVT/OneCare Agreement

Provider and Claims Impact

- No change to claims submission process
- BCBSVT Provider Relations Consultants still supporting providers
- BCBSVT supporting providers with care coordination funding
- BCBSVT and OneCare finalizing evaluation of hospital fixed payment process similar to Medicaid
 - UVMHC, Porter, CVMC, Northwestern, Springfield and Brattleboro would receive monthly lump sum payments for OneCare attributed lives
 - Monthly payment covers facility and hospital owned provider services
 - Due to benefit and system complexities 2018 deployment still under evaluation
- BCBSVT will evaluate the primary care capitation pilot OneCare is deploying for future participation
- BCBSVT evaluating potential prior approval waivers for 2019

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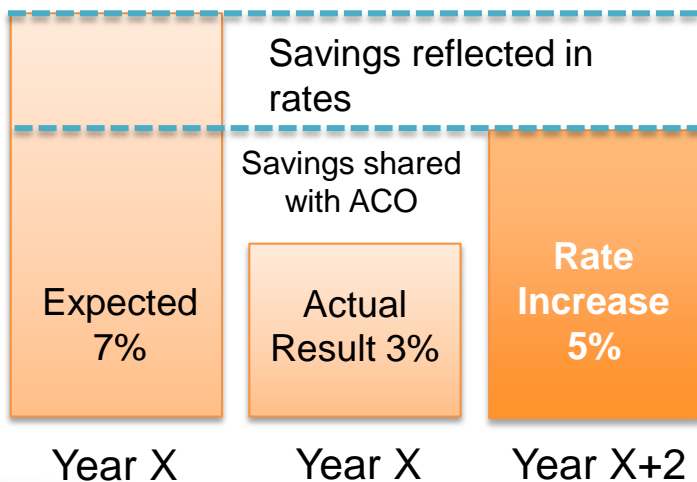
BCBSVT 2018 ACO Arrangement

How ACO Performance Impacts Premiums

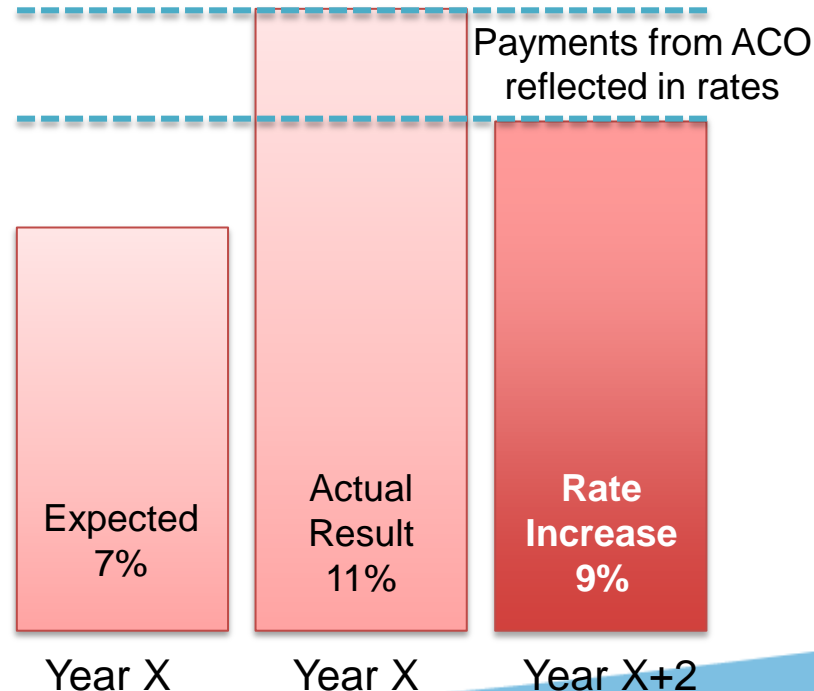
Simplifying Assumptions

- 50/50 risk sharing 7% trend and no other changes -> 7% rate increase

If experience is better than expected



If experience is worse than expected



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Critical Success and Value Creation Factors

BCBSVT will be looking for early indicators that the ACO program and the All Payer Model will:

- ACO/BCBSVT care and population health management capabilities will improve affordability and care coordination within the Vermont health care system
- The model will control trend and constrain the cost shift
- The model will not increase administrative costs and should result in administrative cost savings
- Consumers will participate in the savings generated by the APM
- Improved population health management
- There will be clear linkages between the ACO budget, hospital budget and health plan rate setting processes
- There will be measureable results & improved outcomes
- The model will provide for stakeholder and customer transparency