**Vermont Medicaid Next Generation (VMNG) Accountable Care Organization Model**

**WHO:**

- **ACO Network**: OneCare Vermont, with participation of UVMMC, CVMC, NMC, Porter and additional participation from FQHCs/independent practices, home health providers, Designated Agencies, and skilled nursing agencies in the four communities.
- **Providers**: 1,836 unique providers are participating.
- **People**: 29,103 Vermonters are attributed as of 2/1/17.

**WHAT:**

- **Services**: DVHA aligned its model with the design of the Medicare/CMS Next Generation model.

| Services for which ACO is accountable | Services for which ACO is not accountable |
|---|---|
| • Inpatient hospital services<br>• Outpatient hospital services<br>• Physician services, primary care and specialty<br>• Nurse practitioner services<br>• Ambulatory surgical center services<br>• Federally Qualified Health Center and Rural Health Clinic services<br>• Home health services<br>• Hospice services *(room and board excluded)*<br>• Physical, occupational and speech therapy services<br>• Chiropractor services<br>• Audiology services<br>• Podiatrist services<br>• Optometrist and optician services<br>• Independent laboratory services<br>• Mental health and substance abuse services funded by DVHA and not funded by other State Departments *(excluding DA & SSA services)*<br>• Ambulance transport – emergent/non-emergent<br>• Durable medical equipment, prosthetics and orthotics *(eyewear excluded)*<br>• Medical supplies<br>• Dialysis facility services<br>• Preventive services | • Pharmacy<br>• Nursing facility care (SNF)<br>• Dental services<br>• Non-emergency transportation *(ambulance transportation is not part of this category)*<br>• Services provided by the Designated Agencies or Specialized Service Agencies<br>• Psychiatric treatment in a state psychiatric hospital<br>• Level 1 (involuntary placement) inpatient psychiatric stays in any hospital<br>• Smoking cessation services |

- **Total Cost of Care**: Payments will be made on a Per Member Per Month basis by Medicaid Eligibility Group. Total cost currently estimated at approximately $93 million assuming 12 full months of attribution for each member, but this number can be adjusted to reflect changes in the population served, health care services used, and the risk arrangement.

- **Risk Arrangement**:

| Expenditures over/under expected Total Cost of Care | ACO risk share | DVHA risk share |
|---|---|---|
| -3% to 3% | 100% | 0% |
| <-3% or >3% | 0% | 100% |

- **Attribution**: DVHA members must have at least one month of Medicaid enrollment in either of the two Attribution Years (the two complete state fiscal years preceding the Performance Year) to be considered eligible for attribution. A DVHA member is <u>not</u> eligible for attribution in the Performance Year if the member falls into any of the following categories during the Attribution Years:
  a. The DVHA member did not have paid Qualified Evaluation and Management (QEM) service claims;
  b. The DVHA member is dually eligible for Medicare;

c. The DVHA member had evidence of third party liability coverage;
d. The DVHA member is Medicaid eligible but has obtained coverage through commercial insurers;
e. The DVHA member is enrolled in Vermont Medicaid but receives a limited benefit package; or
f. The DVHA member is not enrolled as a DVHA member at the start of the Performance Year.

Attribution of the DVHA member is determined by comparing:

- Weighted paid claims for all QEM services that member received from ACO participating providers and weighted paid claims for all QEM services that the member received from non-ACO participating providers.
- A member is attributed to the ACO or physician practice from which the member received the preponderance of QEM services during the two-year attribution period.

**WHEN:**

- **Term**: One-year agreement (starting January 1, 2017), with four optional one-year extensions. Rates will need to be renegotiated annually and reconciliation may occur more frequently.

**WHERE (Operational Readiness):**

- **OneCare Operational Readiness**: DVHA conducted a readiness review with OneCare in November and December. The majority of areas were rated satisfactory (i.e. met) during the review. Remaining areas will be prioritized in Q1 2017 via monthly meetings between DVHA and OneCare.
- **DVHA Operational Readiness**: The DVHA Payment Reform Team is prepared to be point of contact for the ACO and to coordinate activities across DVHA units. Procedure manuals and operational timelines have been developed. DVHA, via Hewlett-Packard Enterprise, is prepared to classify payments as ACO FFS, ACO Fixed Perspective Payment, or Non-ACO (regular FFS).

**WHY:**

- **Supporting Provider-Led Care Transformation**: ACO structure allows doctors, nurses, community service leaders, and consumers significant input, along with strong voice in governance and the development of clinical and quality programing.
- **Supporting a Learning Health Systems Approach**: The pilot program with four participating communities and ~30,000 attributed Medicaid members allows for small changes to be implemented and refined (for both Medicaid and OneCare) prior to more broad-based participation in subsequent years.
- **Re-designing the Revenue Model**: First step in redesigning the revenue model is to reward value, meaning low cost and high quality, rather than volume. Redesigning payments ultimately supports the new care model.

**APM ALIGNMENT:**

- **Services**: The covered services are aligned with the Medicare Next Generation program.
- **Attribution**: Methodology is aligned with the Medicare Next Generation ACO program
- **Quality**: The majority of measures in the DVHA contract were drawn from the APM agreement.
- **Financial**: Payment methodology is aligned with the Medicare Next Generation ACO program. Program is within the 0.5% to 4.5% discount range set forth by CMS. The risk arrangement features upside and downside risk like the Medicare Next Generation program.
- **Scale**: Program will need to scale up substantially by 2022 to reach All-Payer Model scale targets.