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Update on Health Care Reform  
Testimony of Mary Kate Mohlman  
before the  
***HOUSE HEALTH CARE COMMITTEE***  
***DECEMBER 14, 2017***

# Trajectory of Health Care Reform

## Expanding Coverage

Vermont Health Access Plan (VHAP)

Dr. Dynasaur

Catamount Health

## State-Led Reform

Global Commitment for Health

Blueprint for Health

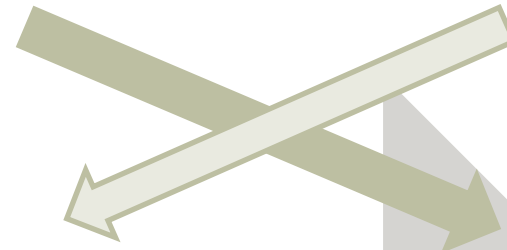
Emphasis on primary care transformation

## Community-, Provider-Led Reform

Global Commitment for Health

VT All-Payer ACO Model Agreement

System-wide health care transformation



Phase I:  
Covering People

Phase II:  
Reform the Payment System

Phase III:  
Transform Care Delivery

*Song & Lee, "The Era of Delivery System Reform Begins," JAMA, 309. no.1 (2013): 35-36.*



**VERMONT**

**HEALTH CARE REFORM**

# ACO-Based Health Care Reform

## Financing

- Medicare, Medicaid, Commercial Funds flow through Next Gen/Vermont ACO



## Payment Reform

- ACO distributes funding to providers



## Delivery Reform: Integrated Health Care System

- Work flow, health information technology, work force
- Coordinated team-based care, shared-decision making
- Supporting the right care at the right time in the right setting



## Prevention Initiatives

- Upstream initiatives to address physical, mental and social wellbeing



## Healthy Communities

- Community Collaboratives, Accountable Communities for Health

### The engine of Health Care:

All-Payer ACO Model, Global Commitment

Goal: Better Care, Better Health, Lower Cost

Exterior: How Vermonters see or experience care and service

# Key Agreements

- ✓ Improve patient experience of care
- ✓ Improve the health of populations
- ✓ Reduce per capita cost growth

## The Big Goal:

Integrated health system able to achieve the Triple Aim

### VT All-Payer Model Agreement

Vermont's contract with CMS to enable ACO Based Reform

CMS provides payment flexibility and local control in exchange for meeting quality, financial, and scale targets and alignment across payers

Sets forth planning milestones for future integration

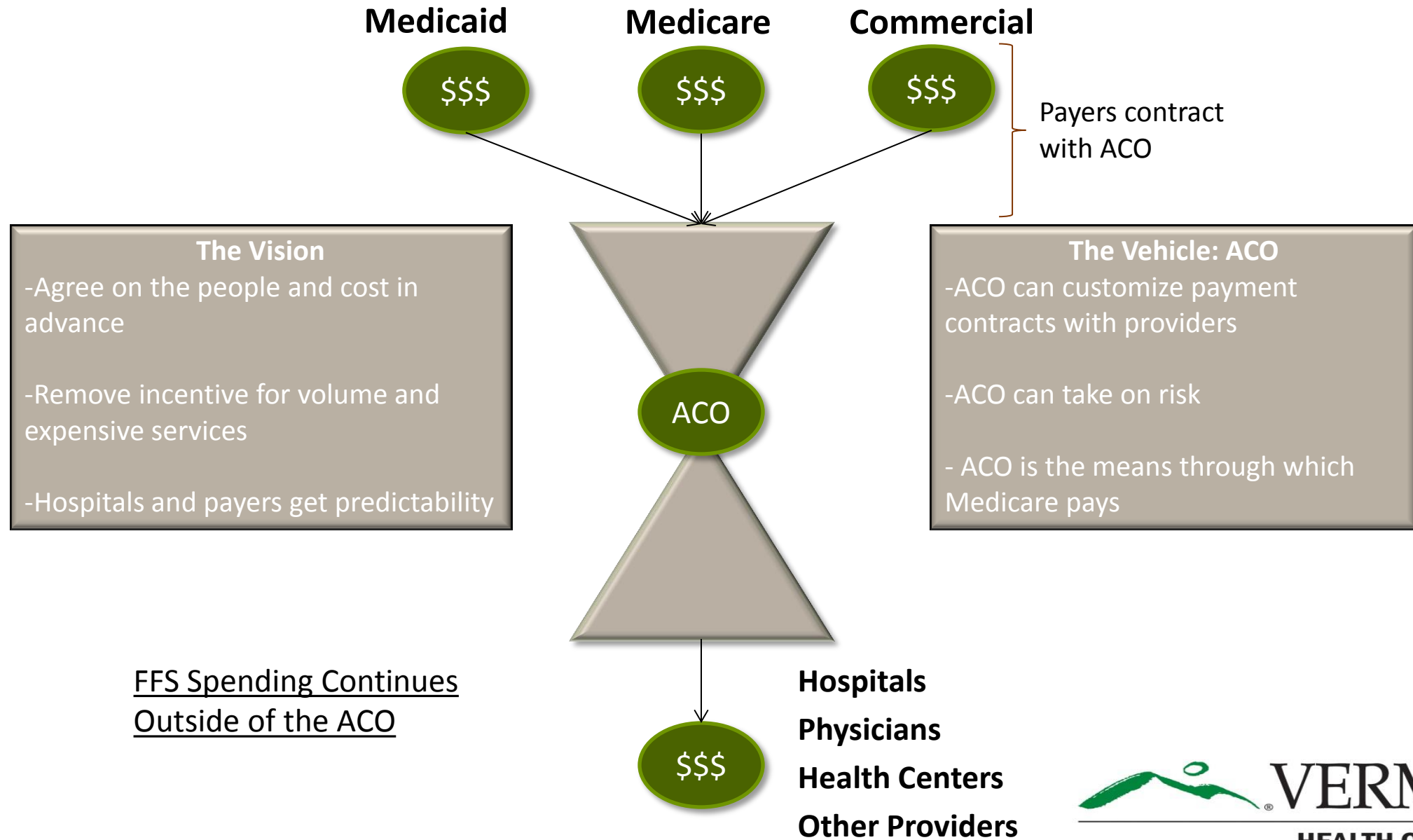
### VT Medicaid Next Generation (VMNG) ACO Pilot Program

The Medicaid component of the All-Payer Model

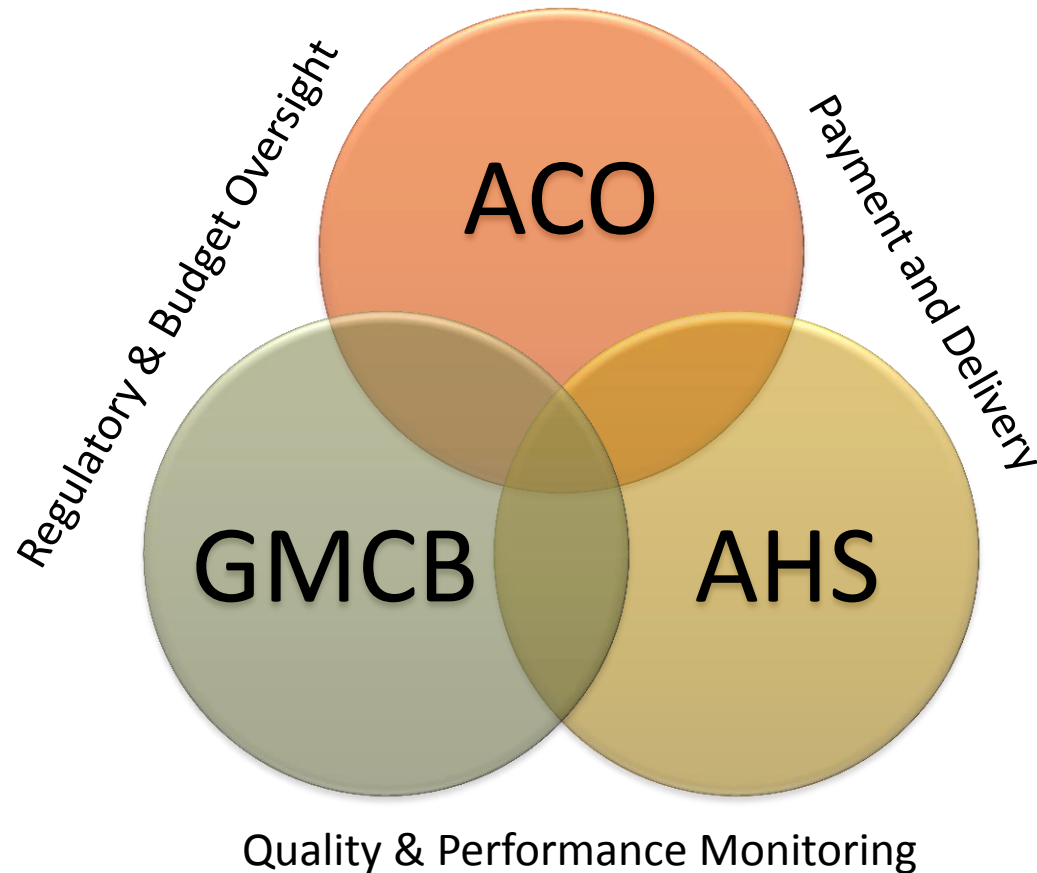
Program provisions are designed to align with Medicare Next Generation program as much as possible

Platform for future ACO-based innovation

# ACO Reform – how the money flows



# Key Relationships Under the APM Agreement



Others: Legislature, Centers for Medicaid and Medicare Innovation, Payers

# Alignment between Human Services and Health Care Reform

**AHS Mission:** to improve the health and well-being of Vermonter today and tomorrow and to protect those among us who are unable to protect themselves

- Increase coordination of AHS services
- Increase timely and accurate enrollment
- Increase use of cross-agency data
- Improve decision-making to streamline processes and maximize resources
- Maximize return on investment
- Drive quality and outcomes and lower costs
- Review, Analyze, and Plan AHS facilities

**Health Care Reform Goals:** Improved health, higher quality care, and lower costs

- Improved care coordination across medical, mental health, substance use disorder, and community-based providers
- Increase access to primary care
- HIT: improved clinical management, evaluation of reform, learning health system
- Increasing value-based payments: quality and outcomes with cost containment
- Shifting emphasis to prevention, community-based care, healthy communities

# AHS Responsibilities Under APM Agreement

1. Implement the **Medicaid Next Generation ACO** Program
2. Develop a plan to coordinate the financing and delivery of Medicaid **Behavioral Health Services** with the All-Payer Model financial targets
3. Develop a plan to coordinate the financing and delivery of Medicaid **Home and Community Based Services** with the All-Payer Model financial targets
4. Develop a plan that provides an accountability framework to the public health system to ensure that any Vermont ACO funding allocated to **Community Health Services** is being used toward achieving the Statewide Health and Quality of Care Targets.
5. Add Medicaid Long-Term Institutional Services in All-payer Financial Target Services for Performance Year 4 and Performance Year 5.



# Health Care Reform Activities Across AHS

- Focus on prevention, early intervention, and improved care and quality of life
  - Family-focused initiatives
  - Early childhood health
  - Healthy aging
  - Healthy communities
- Payment reform
  - Vermont Medicaid Next Generation ACO Pilot Program
  - Increase in Primary Care reimbursement
  - Mental health
  - Improving coordination across services

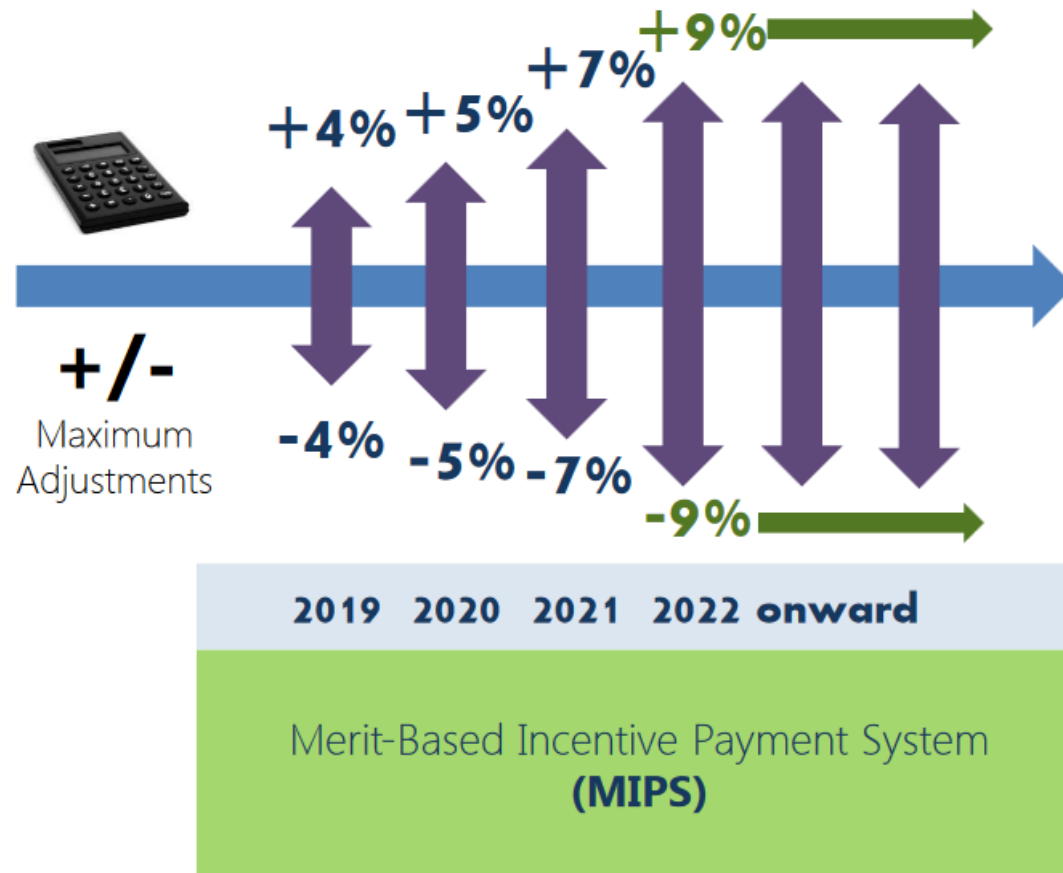
# Health Care Reform in Federal Context: MACRA

- Medicare Access and Children Health Insurance Program Reauthorization Act (MACRA) - 2016
  - Quality Payment Program Final Rule 2018 Rule recently released
    - Value-based care and value-based payments: high quality care and better outcomes while containing costs
  - Advanced Alternative Payment Model:
    - “contribute to better care and smarter spending by allowing physicians and other clinicians to deliver coordinated, customized, high-value care to their patients in a streamlined and cost-effective manner.”\*
  - Merit-Based Incentive Payment System:
    - “builds the capacity of eligible clinicians across the four pillars of MIPS to prepare them for participation in APMs in later years”\*
    - Four pillars: 1) quality; 2) improvement activities; 3) advancing care information (EHRs); and 4) cost.

\*MACRA QPP Rule 2018: <https://federalregister.gov/d/2017-24067>

# How much can MIPS adjust payments?

Based on a MIPS Composite Performance Score, clinicians will receive +/- or neutral adjustments up to the percentages below.



**Adjusted**  
Medicare Part  
B **payment** to  
clinician

The potential maximum adjustment % will increase each year from 2019 + 2022