

MEDICAID PATHWAY UPDATE

TO THE HOUSE HEALTH CARE COMMITTEE

MELISSA BAILEY, COMMISSIONER, DMH

GEORGIA MAHERAS, DEPUTY DIRECTOR FOR HEALTH CARE REFORM, AHS

MARCH 22, 2017

Agenda:

- The big goal
- Medicaid Pathway: How did this come about?
- Act 113, Section 12 Report

The Big Goal:

Integrated health system able to achieve the Triple Aim

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

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

Global Commitment Medicaid Waiver

Vermont's contract for how Medicaid will be administered

Allows Medicaid to participate in APM and pursue delivery system reform

Creating an Integrated Health System

- Strategic choice to move away from fee-for-service payment system.
 - Payment reform is moving away from fee-for-service nationally.
 - Medicare is making this transition through the Medicare Access and CHIP Reauthorization Act (MACRA), which starts in 2017. MACRA requires clinicians who bill Medicare to participate in either the Merit-Based Incentive Payment System (MIPS) or an Advanced Alternative Payment Model (Vermont's APM falls into this group).
 - Hundreds¹ of Large Employers and commercial insurance carriers are also shifting through their own programs.
 - Medicaid agency innovation is the top innovation effort nationwide (according to NAMD).

1. <https://hcp-lan.org/about-us/committed-partners/>

Why Pay Differently Than Fee-for-Service?

- Health care needs have evolved since the fee-for-service system was established more than fifty years ago.
 - More people are living today with multiple chronic conditions.
 - CDC reports that treating chronic conditions accounts for 86% of our health care costs.
- Fee-for-service reimbursement is a barrier for providers trying to coordinate patient care and to promote health.
 - Care coordination and health promotion activities are not rewarded by fee-for-service compensation structure.
- Overall health care cost growth is not sustainable.

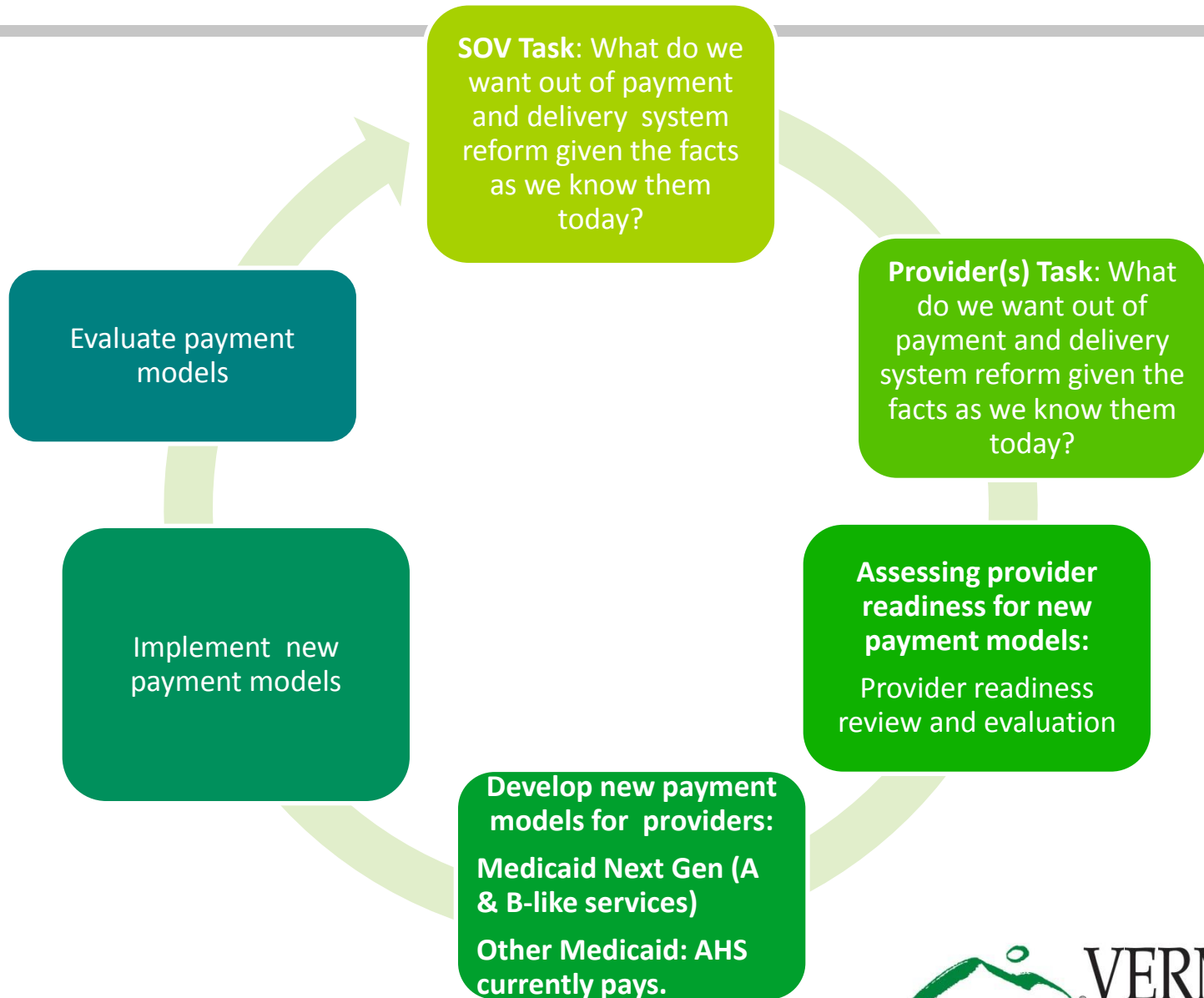
MEDICAID PATHWAY: HOW DID THIS COME ABOUT?

Medicaid Pathway

- The Vermont Medicaid Pathway (VMP) advances payment and delivery system reform for services not included in the total cost of care of Vermont's All-Payer Model.
- The ultimate goal of this multi-year planning effort is the alignment of payment and delivery system principles to support a more integrated system of care for all Vermonters.
- Designed to systematically review payment models and delivery system values identified in Vermont's Model of Care across AHS.

Hypothesis: Reforming Medicaid payment and service delivery can improve health outcomes.

Payment and Delivery System Reform Continuous Cycle



ACT 113, SECTION 12 REPORT

Report requirements

- Who: AHS, in consultation with:
 - the Director of Health Care Reform;
 - the Green Mountain Care Board; and
 - affected providers.
- What: Directed to create a process for payment and delivery system reform for Medicaid providers and services:
 - “The process must address all Medicaid payments to affected providers and integrate providers to the extent practicable into the All-Payer Model and other existing payment and delivery system reform initiatives.”

Report requirements

- The report is to address:
 - (1) all Medicaid payments to affected providers;
 - (2) changes to reimbursement methodology and the services impacted;
 - (3) efforts to integrate affected providers into the all-payer model and with other payment and delivery system reform initiatives;
 - (4) changes to quality measure collection and identifying alignment efforts and analyses, if any; and
 - (5) the interrelationship of results-based accountability initiatives with the quality measures above.

Report:

- Intro: Goal-setting, stakeholder engagement, and information gathering.
- Section I: Identification of two initial provider cohorts and review of current payments to those providers.
- Section II (appendix F) Proposed changes to payment methodologies for one cohort of providers, and the process by which the State, consultants, and stakeholders developed the proposed methodology.
- Section III: Integration and alignment with the All-Payer Model and other reforms
- Section IV: Initial efforts to develop a quality measure set that meets federal and Legislative requirements, supports provider accountability to the State, and minimizes provider burden.
- Appendices provide additional background and documents developed for and in partnership with providers and other stakeholders.

Section I: Identification of Cohorts

- The first services under review within the Medicaid Pathway were:
 - Cohort 1: Those provided by Designated and Specialized Service Agencies (mental health, substance use disorder treatment, and developmental disability services).
 - Information Gathering Process in October. The proposed model is iterative and continues to evolve.
 - Cohort 2: Those provided by Long-Term Services and Supports Providers through the Choices for Care program (including Nursing Facility, Residential Care/Assisted Living, Home Health, AAA, Adult Day); primary focus on Home and Community Based Services.

The activities have included:

- Discussion of the Vermont Model of Care and how these providers can/do meet the Model of Care.
- Identification of services that could be included in the first phase of reforms (this is iterative and ongoing).
- Discussion of the organization of the delivery system and governance requirements.
- Discussion of a quality framework.

Section III: Integration and Alignment with the APM and Other Reforms

- The Medicaid Pathway work sought to align with the planning efforts around the All-Payer Model and consistent with the All-Payer Model agreement provisions that require Vermont to report on the feasibility of adding additional services to Vermont Total Cost of Care over time and as part of a future waiver renewal.
- The Medicaid Pathway process focused on payment and delivery system reform for those services not subject to the additional caps and regulation that is expected under the State's All-Payer Model.
- The ultimate goal of Medicaid's multi-year planning efforts is the alignment of payment and delivery system principles that support a more integrated system of care for all Medicaid supported services and enrollees.

Section IV: Initial Effort to Develop a Quality Measure Set

- The Agency believes that quality measurement and performance measurement should be aligned across all departments. In addition to aligning within the Agency, there is a need to align with other payers of similar services.
- Continued monitoring for opportunities for measure alignment with a focus on actionable information.
 - AHS Master Grant alignment project (2015-2016)

Questions?