



House Committee on Appropriations

Vicki Loner, CEO

January 15, 2020



OneCare Vermont
onecarevt.org

The Road to Value Based Care

Vermont's Health Care Reform Commitment:

The ALL-Payer ACO Model

Six year agreement between CMS and the State (Agency of Human Services, Green Mountain Care Board, Governor's Office)

The Vehicles

ACO(s), Payers, and Providers

The Drivers

Public Private Partnership; Aligned State and Payer Policies; Strategic Investments by the State, Payers, and Providers; Provider Leadership; and Scale

The Wins

START UP: Aligned care model, shared risk and reward, population health payments, enhanced flexibility

SHORT TERM: Shifting investments to prevention and primary care, paying for quality, investing in care coordination, reduced administrative burden, aligning care delivery

LONG TERM: Improving access, improve population health (physical and mental), and stabilized health care cost growth



OneCare Growth Supporting All Payer Model

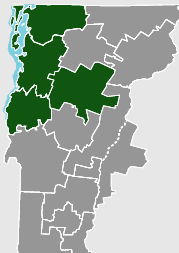
2017
YEAR 0

Programs

MEDICAID

29,100
Vermonters

HEALTH SERVICE AREAS



Burlington
Berlin
Middlebury
St. Albans

\$2.4M

PAYMENTS TO PROVIDERS

NEW PROGRAMS

- Care Coordination
- Primary Care
- VBIF

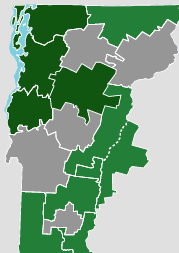
2018
YEAR 1

Programs

MEDICAID
MEDICARE
BCBSQHP
UVMMC (self-funded)

112,000
Vermonters

HEALTH SERVICE AREAS



Burlington
Berlin
Middlebury
St. Albans
Brattleboro
Springfield
Lebanon
Bennington
Windsor
Newport

\$23M

PAYMENTS TO PROVIDERS

NEW PROGRAMS

- RiseVT
- Blueprint Medicare
- SASH MH Pilot
- CPR
- SNF Waivers

plus programs from 2017

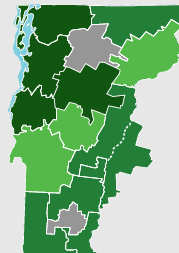
2019
YEAR 2

Programs

MEDICAID
MEDICARE
BCBSQHP
UVMMC (self-funded)

160,000
Vermonters

HEALTH SERVICE AREAS



Burlington
Berlin
Middlebury
St. Albans
Brattleboro
Rutland
Randolph
Springfield
Lebanon
Bennington
Windsor
Newport
St. Johnsbury

\$36M

PAYMENTS TO PROVIDERS

NEW PROGRAMS

- DULCE
- Innovation Fund

plus programs from 2017-2018

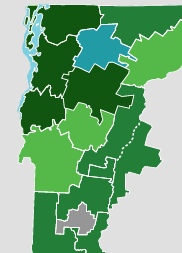
2020
YEAR 3

Programs*

MEDICAID
MEDICARE
BCBSQHP
MVPQHP
BCBS-ASO

250,000
Vermonters

HEALTH SERVICE AREAS



Burlington
Berlin
Middlebury
St. Albans
Brattleboro
Rutland
Randolph
Springfield
Lebanon
Bennington
Windsor
Newport
St. Johnsbury
Morrisville

\$43M

PAYMENTS TO PROVIDERS

NEW PROGRAMS

- Pharmacy
- Longitudinal Care
- PCP Engagement

plus programs from 2017-2019

* Anticipated for 2020

Our Work



Care Coordination

3,800 shared plans of care

3,000 vulnerable Vermonters actively making progress to goals

33% reduction in emergency dept. (ED) visits for Medicare patients actively supported

13% reduction in ED for Medicaid patients actively supported

Longitudinal Care Pilot Saves \$1,150 per member per month



Enhancing Primary Care

Comprehensive Payment Reform: Increasing access to mental health services in practices

Sustaining Patient Centered Medical Home and Community Health Team funding for Medicare



Data Informed Care

91% of high and very high risk Medicare patients now have seen their primary care provider (6% increase)



Smarter Care

Shifting investments to prevention (RiseVT/DULCE)

Reducing high cost care

10% reduction in ED care for vulnerable populations

Better care & patient experience: third ACO in the country for utilization of Skilled Nursing Facility waiver

Eliminating prior authorization, enabling more time for clinical practice



Value Based Payments

Predictable fixed payments for hospitals and primary care

System incentivized versus penalized for quality

Selected Highlights of OneCare's Strategies to Address APM Population Health Goals

Goal #1

Increase Access to Primary Care

- ✓ Invest in Primary Care (PHM, Care Coordination, Quality)
- ✓ Comprehensive Payment Reform (CPR) program for independent practices
- ✓ Test innovations such as the Building Strong Families clinic in Burlington's New North End
- ✓ Tools, data, and education on annual wellness visits
- ✓ Deploy a Patient Engagement toolkit and support practices to encourage primary care engagement

Goal #2

Reduce Deaths Related to Suicide and Drug Overdose

- ✓ Ongoing support of SASH / Howard Mental Health Pilot
- ✓ Innovation fund pilots addressing access to child psychiatry, avoiding readmissions for individuals with serious mental illness, creating urgent child psychiatric care outside of the ED in Bennington
- ✓ Ongoing support for suicide prevention training across the state
- ✓ Focus on improving opioid prescribing practices and access to medication assisted treatment

Goal #3

Reduce Prevalence and Morbidity of Chronic Disease

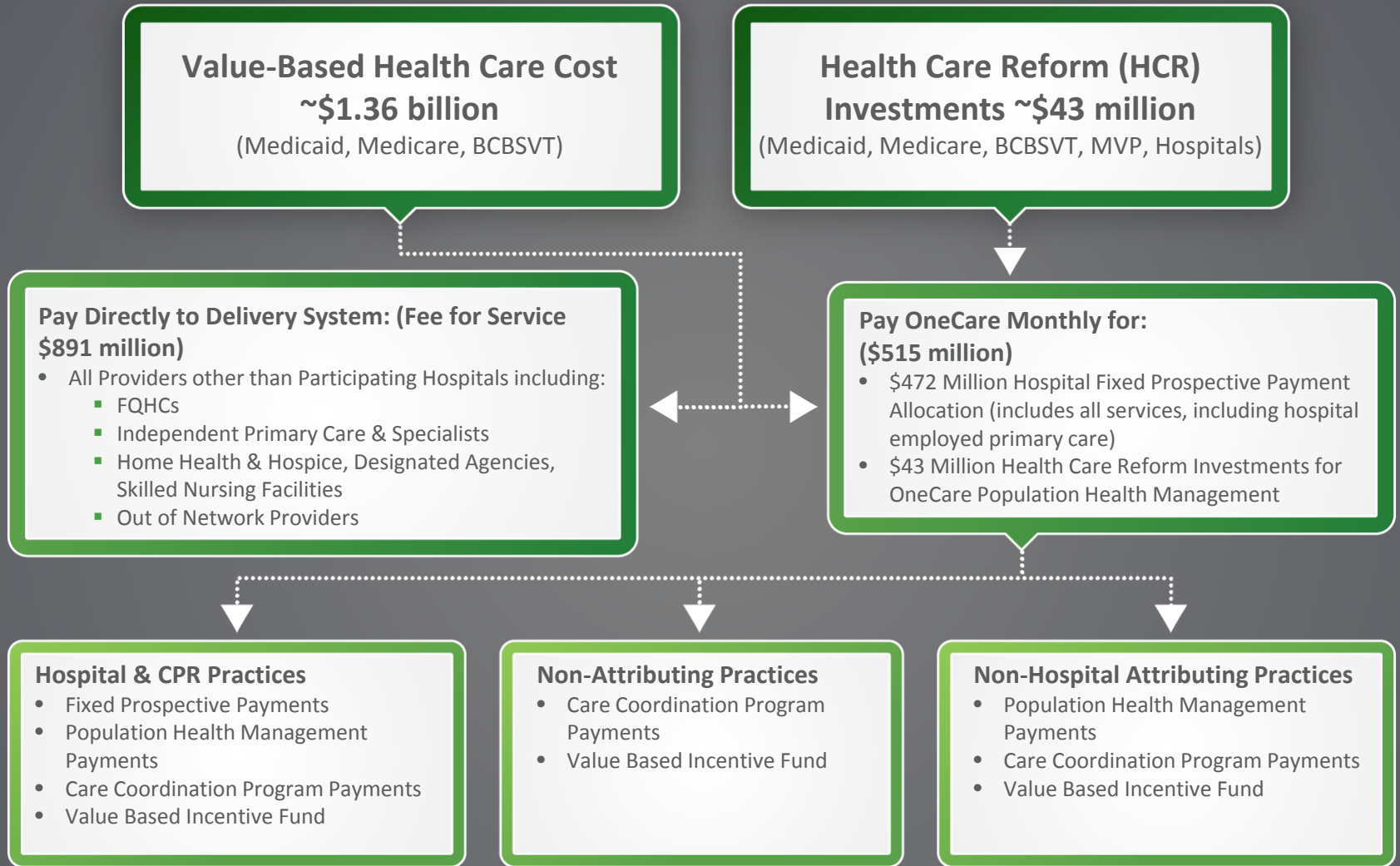
- ✓ Clinical education on Asthma and COPD
- ✓ Expansion of RiseVT to support health and wellness across communities
- ✓ Innovation fund pilots screening for diabetic retinopathy, cardiac & pulmonary prevention program, home-based care for patients with neurodegenerative disease
- ✓ Collaboration with VDH on creation of State Health Improvement Plan including focus areas and key actions



2020 Value-Based Budget

Combined Healthcare Costs Under Value Based Care	\$1,425,000,000
Less: Existing Healthcare Spending	- \$1,363,000,000
OneCare Vermont Budget	\$62,000,000
Less: Network Investment Payments	- \$43,000,000
Less: Operating Costs	- \$19,000,000
Gain (Loss)	\$0

Financial Flow



All participating providers are eligible for Innovation Funds, Blueprint funds, and specialist funds.

Full OneCare Budget Summary

	Budget
Payer Program Investments	\$10.7M
New Programs (Delivery System Reform)	\$6.0M
Existing Programs (Delivery System Reform)	\$1.8M
Hospital Fixed Payment Care Coordination Allocation	\$5.3M
Health Information Technology (HIT) Investments	\$3.5M
Other Investments	\$2.3M
Blueprint Funding	\$8.2M
Hospital Dues	\$24.4M
Total Income	\$62.2M
Population Health Payments to Providers	\$43.1M
Network Support	\$13.2M
Regulation	\$1.6M
General Admin	\$4.5M
Total Expense	\$62.2M
Gain (Loss)	\$0

Break-even budget

Budget incorporates no additional reserve development (2019 performance results will need to be evaluated)

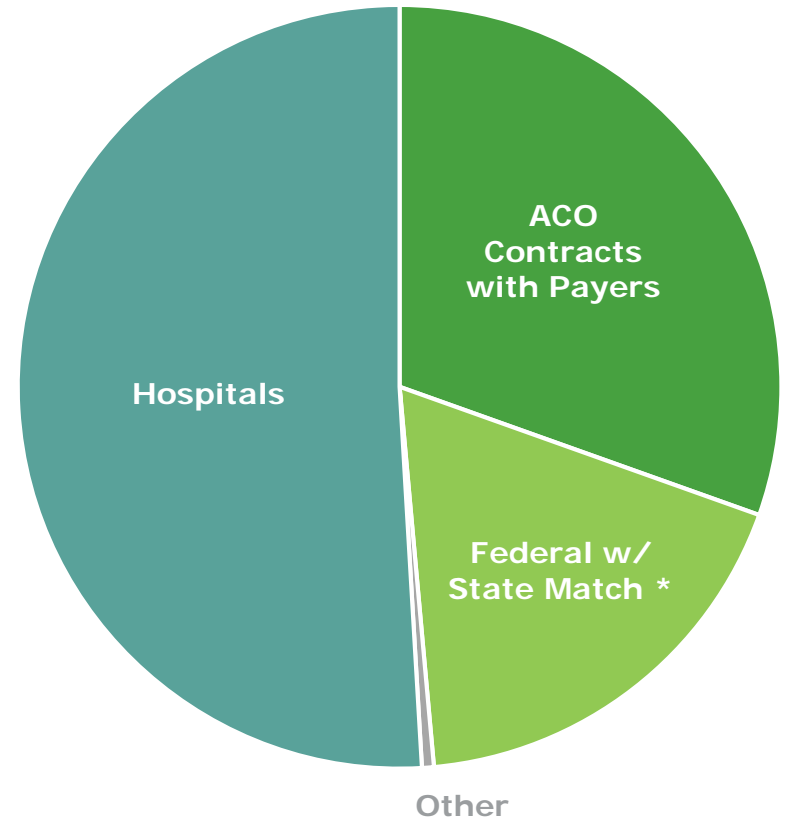
Continued investment in the provider network

All Payer Model continues to rely on significant hospital investments



Revenue Source Breakdown

Revenue Source	Budget
ACO Contracts with Payers (includes Blueprint Funding)	\$18,999,749
Federal w/ State Match *	\$11,300,000
<i>Federal Share</i>	\$6,770,000
<i>State Match Share</i>	\$4,530,000
Hospitals	\$31,779,307
<i>Dues</i>	\$24,467,227
<i>Hospital Fixed Payment Care Coordination Allocation</i>	\$5,300,000
<i>Deferred Hospital Dues</i>	\$2,012,080
Other	\$313,759
Total	\$62,392,815



* Federal funds dependent on state match

Healthcare Reform & HIT Breakdown

Delivery System Reform	2019 Amount	2020 Budget	YTY Change	2020 State Contribution*
Care Coordination	\$375,000	\$5,500,000	\$5,125,000	\$2,750,000
Mental Health	\$0	\$500,000	\$500,000	\$250,000
Primary Prevention	\$1,100,000	\$1,800,000	\$700,000	\$900,000
Health Information Technology (HIT)	\$1,500,000	\$0	(\$1,500,000)	\$0
Delivery System Reform Total	\$2,975,000	\$7,800,000	\$4,825,000	\$3,900,000

Other State Investments	2019 Amount	2020 Budget	YTY Change	2020 State Contribution*
Health Information Technology (HIT)	\$2,750,000	\$3,500,000	\$750,000	\$630,000

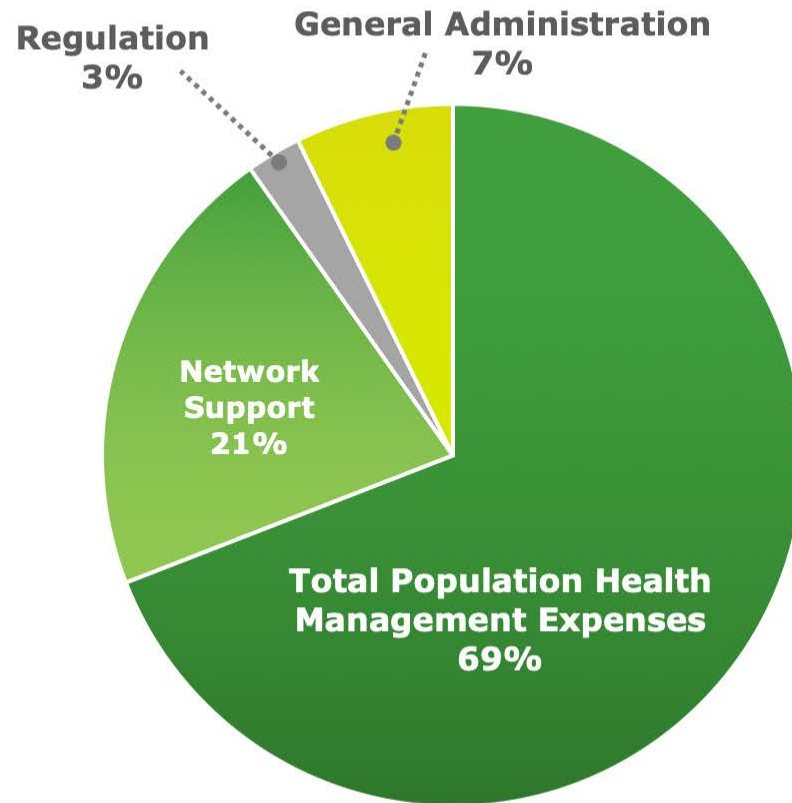
OneCare Contribution	2019 Amount	2020 Budget	YTY Change
OneCare Fixed Payment Care Coord. Allocation	\$5,125,000	\$5,300,000	\$175,000

Total	2019 Amount	2020 Budget	YTY Change	2020 State Contribution*
Healthcare Reform Investments	\$6,600,000	\$13,100,000	\$6,500,000	\$3,900,000
Health Information Technology	\$4,250,000	\$3,500,000	(\$750,000)	\$630,000
Total	\$10,850,000	\$16,600,000	\$5,750,000	\$4,530,000

* Based on estimated state match rates with the federal government

Investments and Expense Summary

Expense Line	Budget
Care Coordination	\$10,223,590
Primary Care	\$10,551,533
Quality	\$8,554,737
Primary Prevention	\$1,031,752
Specialty Care	\$3,144,500
Innovation	\$1,367,580
Blueprint Programs	\$8,242,374
Total PHM Expenses	\$43,116,066
Network Support	\$13,155,862
Regulation	\$1,572,241
General Administration	\$4,548,646
Total Operating Expenses	\$19,276,749
Total OneCare Budget	\$62,392,815



* Represents breakdown of \$62 million of OneCare expenses



Population Health Management Investments Recipients

Provider Type	Amount	Programs
Primary Care Providers	\$22,727,529	OneCare PMPM; Care Coordination Program; Value Based Incentive Fund; Comprehensive Payment Reform Program; Innovation Fund; Blueprint Programs
Specialty & Acute Care	\$5,068,854	Specialist Program; Value Based Incentive Fund
Supports and Services at Home (SASH)	\$3,968,246	Blueprint Programs
Designated Agencies / Mental Health	\$3,398,514	Care Coordination Program; Value Based Incentive Fund; Specialist Program; Innovation Fund
Community Health Teams	\$2,379,711	Blueprint Programs
Community Investments	\$2,206,752	Primary Prevention; DULCE
Home Health Providers	\$1,913,538	Care Coordination Program; Value Based Incentive Fund
To Be Determined	\$917,505	Innovation Fund; Quality Enhancement Projects
Area Agencies on Aging	\$535,415	Care Coordination Program
Total	\$43,116,066	Total funding opportunity; dependent on provider engagement and attribution

Challenges



- Foot in two canoes:
System operating two
business models
- Operational payer
challenges with data and
value based payments
- Magnitude of risk exposure
for rural hospitals
- Expanding investments
from the hospital systems as
population grows
- Lack of health care policy
and regulatory alignment
- Timing pressures



2020 Budget Plan Supports:

Better Health and Wellness
for Vermonters

Investments to Advance the
All-Payer Model Care Goals

Payer and Attribution Growth
in the All-Payer Model

Hospital Payment Reform

Primary Care and
Community-Based Services
Support

Continuity of Medicare
Blueprint and SASH Funds





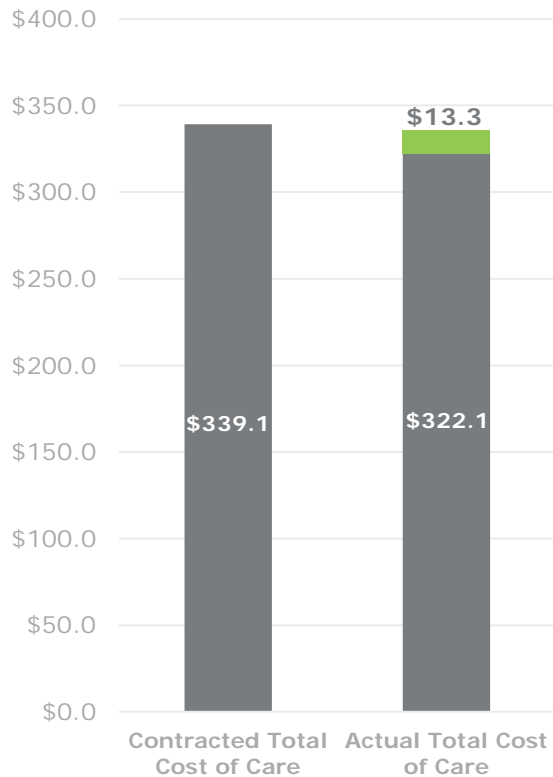
Appendix

2018 Value-Based Financial Results

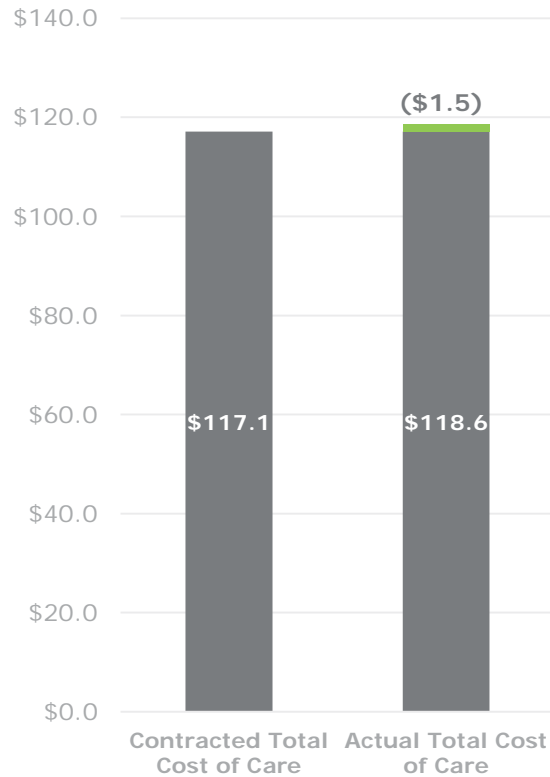
** Reconciling payment amounts incorporate any applicable risk corridor constraints and/or sharing factors per contract terms

All chart numbers in millions

Medicare



Medicaid



BCBSVT QHP



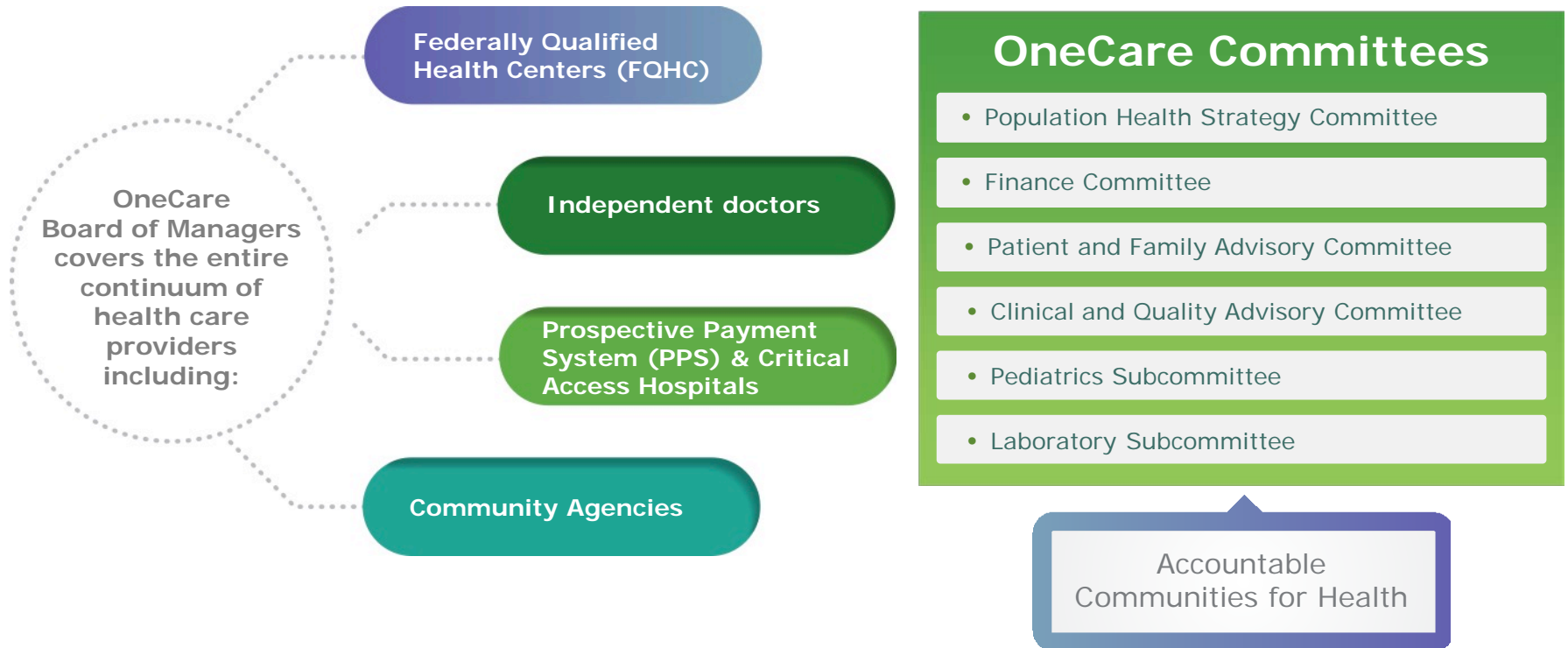
Reconciling Payment*	\$13,345,337
% of TCOC	3.9%
Fixed Payment Performance	\$0
Combined Result**	\$13,345,337

Reconciling Payment *	(\$1,540,534)
% of TCOC	(1.3%)
Fixed Payment Performance	\$7,663,309
Combined Result	\$6,122,776

Reconciling Payment *	(\$645,574)
% of TCOC	(0.5%)
Fixed Payment Performance	\$0
Combined Result	(\$645,574)



OneCare Vermont Board of Managers



Key Facts About the Board

- ✓ Representative Board to ensure voices of **all provider types** are present
- ✓ Requires “supermajority” vote to decide important key issues
- ✓ Use committees to process issues/make recommendations

