

Vermont All-Payer Accountable Care Organization Model Agreement: History and Context

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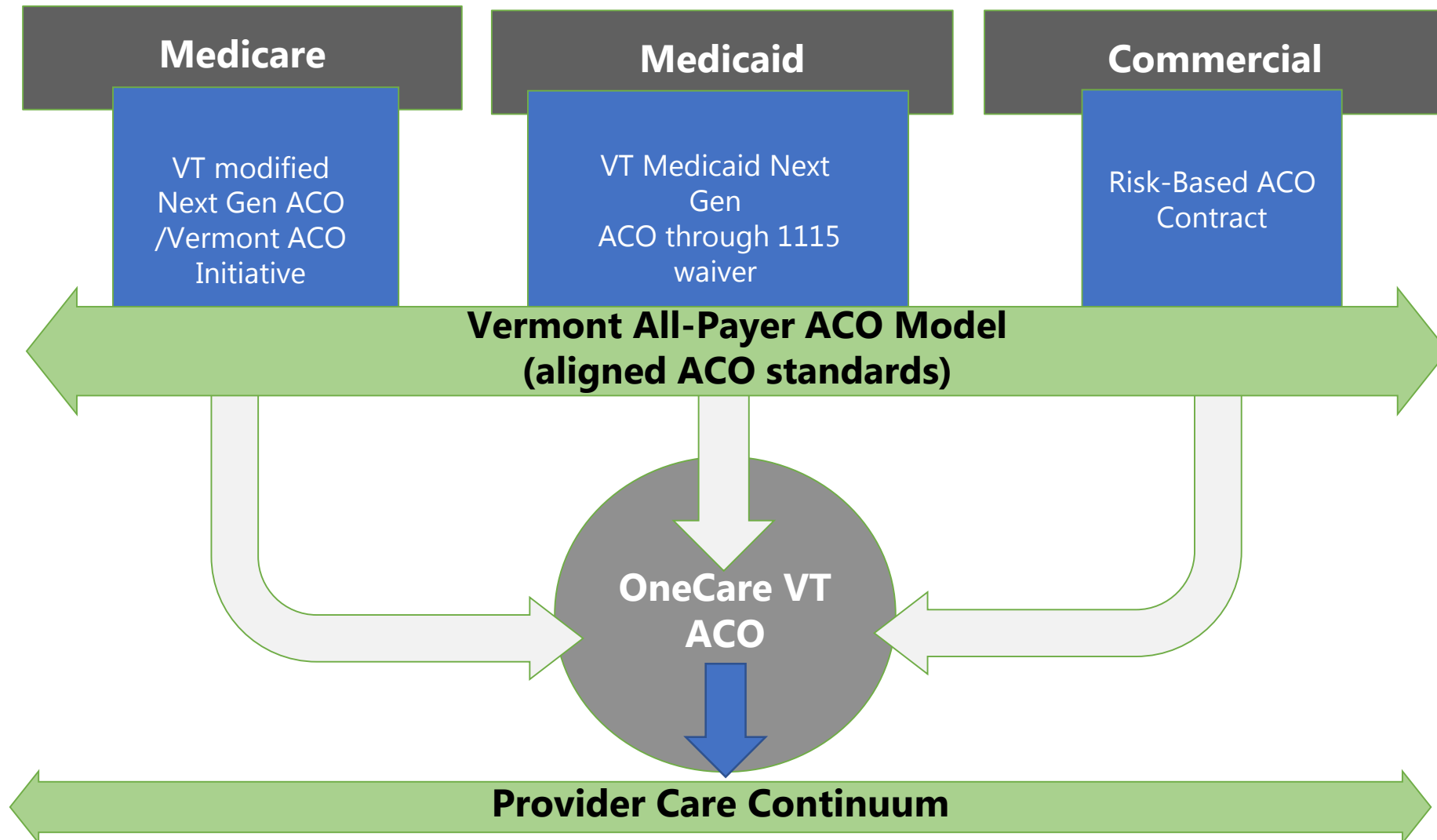
Director of Health Care Reform

Agency of Human Services

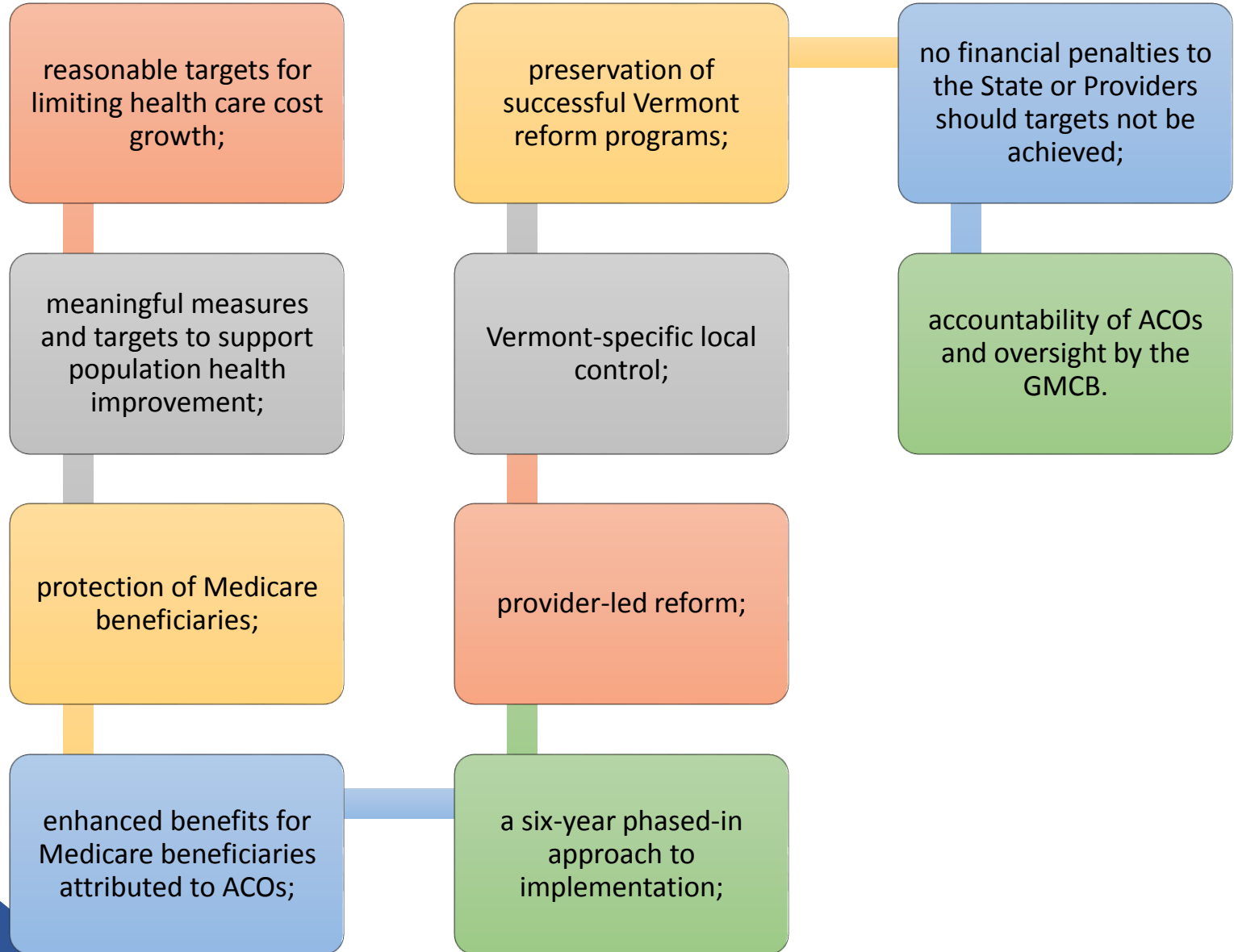
Vermont's Payment and Delivery System Reform Goals

- Move away from fee-for-service reimbursement system to a population-based payment (global budget) model.
- Employ a reimbursement model that directs payments for quality and outcomes.
- Create incentives to integrate and coordinate services across the care continuum to improve care and promote wellbeing for Vermonters.

Vermont All-Payer Accountable Care Organization (ACO) Model



What Does the All-Payer ACO Agreement Provide for Vermont?:



How Did We Get Here?

01

2014-2016 Negotiations with
Center for Medicare and
Medicaid Innovation

02

2016

Legislature grants authority to
enter into an APM agreement
with the federal government
consistent with the principles
outlined in Act 48

Requires ACO certification and
budget review

03

2016

Governor, Secretary of Agency
of Human Services, Chair of
Green Mountain Care Board
sign All-Payer ACO Model
Agreement

Platform for Reform: How did VT Arrive at an ACO Model?

2010: Congress enacts Affordable Care Act:

- authorizes Medicaid and Medicare to test innovative payment and service delivery models that could be expected to reduce program expenditures while maintaining or improving the quality of beneficiaries' care, including Accountable Care Organizations.

2011: The Vermont Legislature enacts Act 48:

- creates the Green Mountain Care Board (GMCB) and requires it to regulate health care cost growth through Insurance Premium Rate Review, Hospital Budget Review, Certificate of Need Review;
- empowers GMCB to develop and implement payment and delivery system reforms with the goal of controlling the rate of growth in health care costs while maintaining or improving health care quality.

Platform for Reform: How did VT Arrive at an ACO Model?

2013: The federal government awards State Innovation Model (SIM) grants:

- grants awarded to six states, including Vermont;
- tests alternative payment models with an emphasis on multi-payer payment reforms.

2013: GMCB creates a multi-payer ACO Shared Savings Program (SSP) payment reform pilot:

- encourages networks of providers called Accountable Care Organizations (ACOs) in Vermont to join together and be held accountable for the quality and experience of care while reducing the rate of growth in health care spending.
- ACO and its network is allowed to keep a portion of the savings generated.
- Does not change payment, as Fee for Service continues and providers measure success or failure afterward.

Platform for Reform: How did VT Arrive at an ACO Model?

2015: The federal government develops a next generation ACO payment reform model:

- Changes payment model by offering monthly per-beneficiary-per-month (PBPM) payments to ACOs, who are responsible for paying providers;
- permits ACOs to accept higher levels of financial risk and reward than were previously available.

2015: Congress enacts the Medicare Access and CHIP Reauthorization Act (MACRA):

- changes status quo in Medicare significantly;
- moves the Medicare payment system towards incentive and performance-based payments;
- specifically, mandates that providers either take on risk based on quality performance in Fee for Service or join alternative payment models.

2015: The Vermont Legislature enacts Act 54:

- authorizes GMCB and the Secretary of Administration to explore an All-Payer Model (APM) - an alternative payment model in which Medicaid, Medicare, and commercial insurance pay for health care on a capitated basis facilitated through an ACO.

Platform for Reform: How did VT Arrive at an ACO Model?

2016: Vermont presents the All-Payer Model Term Sheet Proposal to the federal government, detailing the terms required by the State.

2016: The Vermont Legislature enacts Act 113:

- grants GMCB and the Agency of Administration (AOA) authority to enter into an APM agreement with the federal government consistent with the principles outlined in Act 48;
- confers GMCB substantial oversight responsibilities, including requirements for ACO certification and budget review.

2016: GMCB and AOA release a draft of the APM agreement followed by a series of public forums and Board meetings held in different regions of the State.

- the Governor's Office and GMCB receive numerous public comments and letters of support from health care providers, insurers, businesses and consumer advocates.

Platform for Reform: How did VT Arrive at an ACO Model?

2016: Vermont and the federal government enter into the All-Payer ACO Model Agreement. The Agreement provides for:

- protection of Medicare beneficiaries;
- enhanced benefits for Medicare beneficiaries attributed to ACOs;
- a six-year phased-in approach to implementation;
- meaningful measures and targets to support population health improvement;
- provider-led reform;
- Vermont-specific local control;
- preservation of successful Vermont reform programs;
- no financial penalties to the State or Providers should targets not be achieved;
- reasonable targets for limiting health care cost growth;
- addressing the payer differential between Medicaid and Medicare
- accountability of ACOs and oversight by the GMCB.

2016: Department of Vermont Health Access Issues RFP for Vermont Medicaid Next Generation (VMNG) ACO Program, offering all-inclusive population-based payments.

Platform for Reform: How did VT Arrive at an ACO Model?

2017: Department of Vermont Health Access Launches VMNG contract with OneCare Vermont

2017: GMCB adopts Rule 5.000 relating to oversight of ACOs.

2017: GMCB Approves OneCare Vermont Budget for All-Payer ACO program and sets Medicare rate of growth, launching performance year 1 of the All-Payer ACO Model Agreement.

2018: GMCB Approves OneCare Vermont Budget and sets Medicare rate of growth for performance year 2 of the All-Payer ACO Model Agreement.

Vermont's Goals are Consistent with the Direction of the Federal Government

