All-Payer ACO Model:
Agreement Requirements

Cost Growth and Quality

- Limit spending growth on certain health care services
  - Separate targets for Medicare and "all-payer" beneficiaries (most Vermonters)
- Meet targets for 20 quality measures, including three population health goals
  - Improving access to primary care
  - Reducing deaths due to suicide and drug overdose
  - Reducing the prevalence and morbidity of chronic disease

Alignment and Scale

- Ensure payer-ACO programs align in key areas, including
  - attribution methodologies
  - services
  - quality measures
  - payment mechanisms
  - risk arrangements
- Steadily increase scale (the number of people in the model) over the five years of the Agreement

All-Payer ACO Model:
Financial Targets

All-Payer Growth Target: Vermont is expected to maintain a compounding annual growth rate of 3.5% or less.

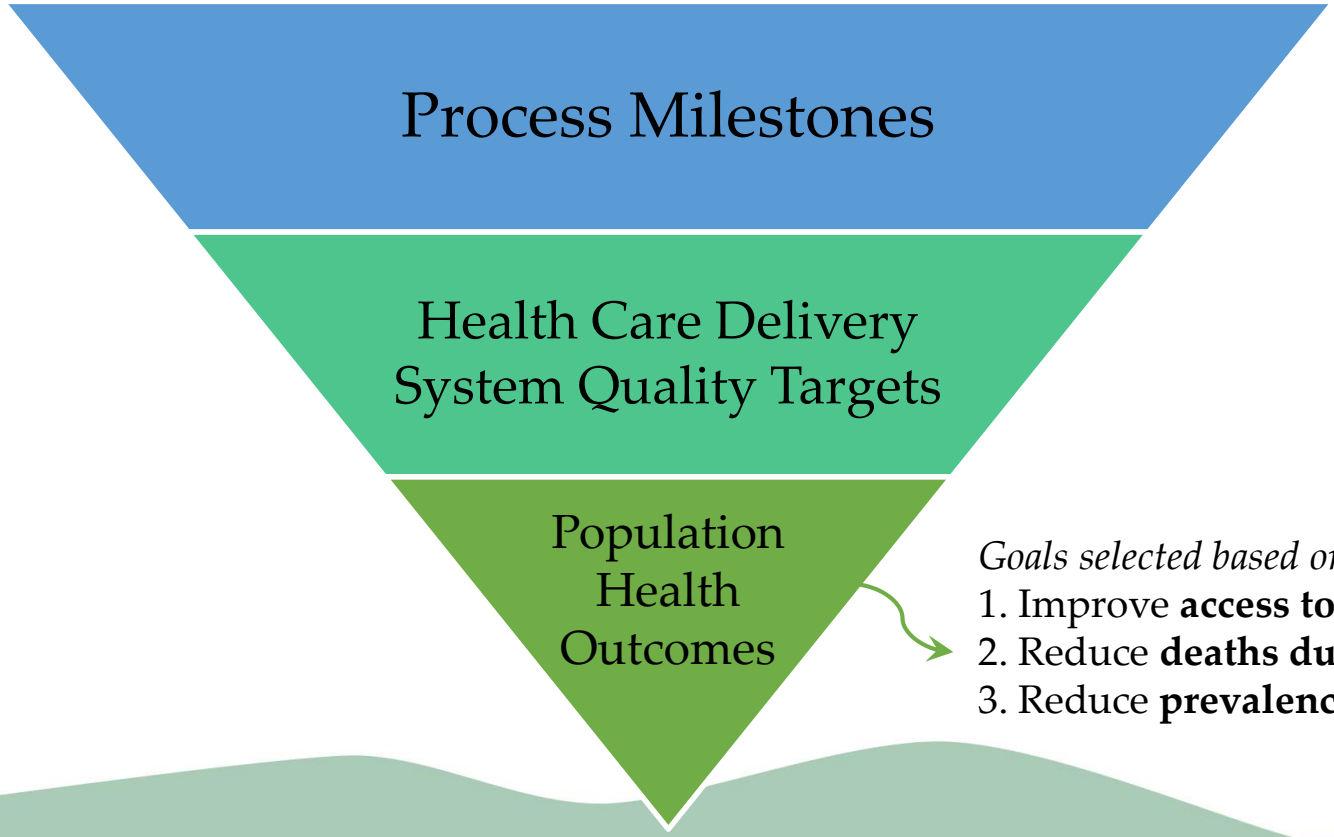
Medicare Growth Target: Vermont is expected to maintain a compounding annual growth rate that is at least 0.2% below national projections.

- Performance on these targets is calculated over the 5 performance years (2018 – 2022).
- The baseline year is 2017.
- During the Agreement's term, failure to be "on track" to meet these targets could require a corrective action plan:
    - <u>All-Payer Target:</u> Corrective action would not be triggered unless the compounding annual growth rate were to exceed 4.3%.
    - <u>Medicare Target:</u> Corrective action would not be triggered unless the compounding annual growth rate were to exceed national projections by 0.1% or more.

All-Payer ACO Model:
Quality Targets

Vermont is responsible for meeting targets on **20 measures** under the Agreement

Process Milestones and **Health Care Delivery System Quality Targets** support achievement of ambitious **Population Health Goals**



Goals selected based on Vermont's priorities:

1. Improve **access to primary care**
2. Reduce **deaths due to suicide and drug overdose**
3. Reduce **prevalence and morbidity of chronic disease**

All-Payer ACO Model:
Scale Targets

	Performance Year 1 (2018)	Performance Year 2 (2019)	Performance Year 3 (2020)	Performance Year 4 (2021)	Performance Year 5 (2022)
All-Payer Scale Target	36%	50%	58%	62%	70%
Medicare Scale Target	60%	75%	79%	83%	90%

All-Payer ACO Model:

Program Alignment

The Agreement requires reasonable alignment of payer-ACO programs in the following areas:

- **Attribution Methodologies:** What people will the ACO be responsible for?
- **Quality Measures:** What quality or population health measures will the ACO be responsible for?
- **Services:** What services will the ACO be responsible for (i.e., what expenditures will be included in determining shared savings or losses)?
- **Payment Mechanisms:** How will the ACO and ACO providers be paid?
- **Risk Arrangements:** What is the extent of the ACO's risk if expenditures exceed its financial target or it fails to meet its quality targets?

All-Payer ACO Model:
Role of the GMCB

The GMCB is responsible for:

- Certifying ACOs (18 V.S.A. § 9382)
- Reviewing, modifying and approving ACO budgets (18 V.S.A. § 9382)
- Setting the financial target for the Medicare ACO program (APM Agreement)
- Advising DVHA on Medicaid ACO rates (18 V.S.A. § 9573)
- Negotiating changes to the Medicare ACO program to increase alignment (APM Agreement)
- Tracking and reporting to CMS on Vermont's cost, quality, and scale performance, as well as alignment of ACO programs (APM Agreement)
- Integrating its regulatory processes to achieve the APM targets

ACO Certification

An ACO must be certified by the GMCB to receive payments from Medicaid or a commercial insurer under the All-Payer ACO Model or any other payment reform program or initiative.

There 16 statutory requirements related to ACO governance; solvency and ability to assume risk; the ACO's model of care (e.g., promoting patient engagement, enhancing care coordination, and ensuring access to appropriate mental health care); quality improvement; patient protections; provider payments; and use of health information technology.

There is an annual verification process following initial ACO certification.

ACO Budget (and Payer Program) Review

The GMCB considers statutory criteria, as well as the requirements of the All-Payer ACO Model Agreement, when reviewing and approving ACO budgets.

ACO budget review encompasses:

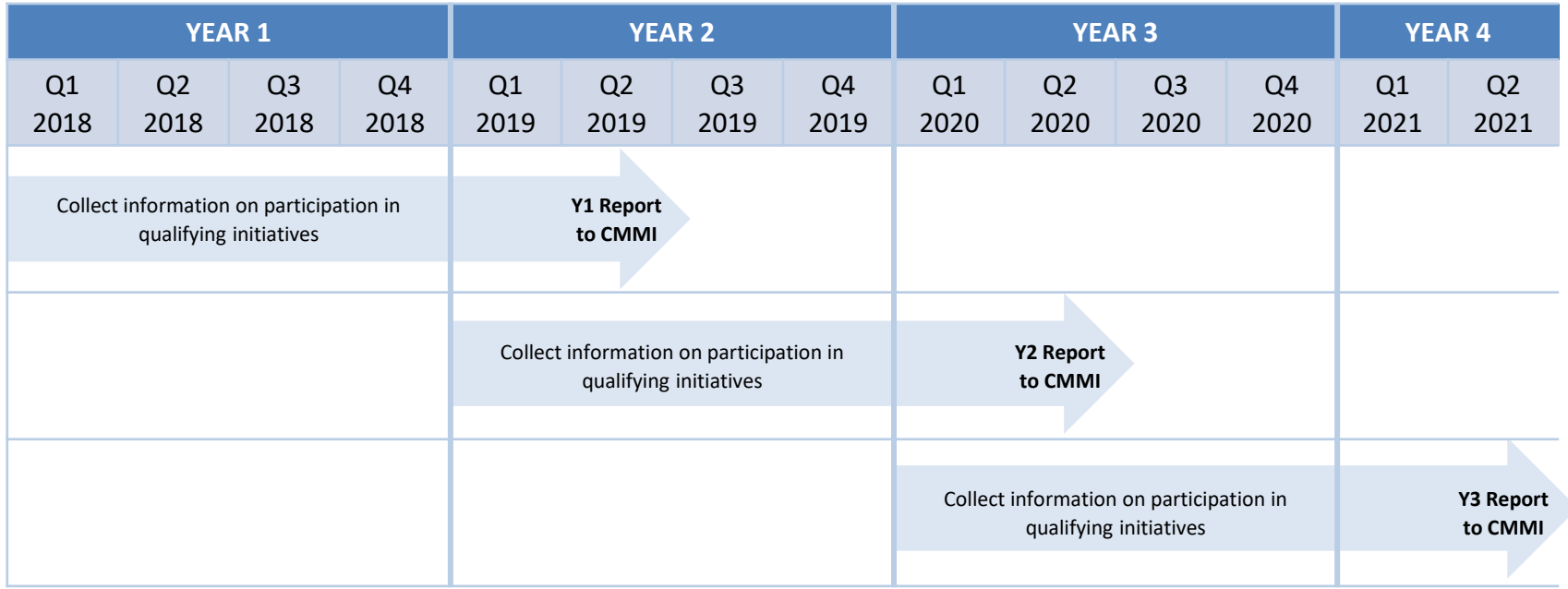
- Program financial targets
  - GMCB sets the Medicare program's target, subject to CMS approval
  - GMCB advises DVHA on the Medicaid program's target
- ACO investments/programs
  - Example: Supplemental payments to DAs, area agencies on aging, and skilled nursing facilities under complex care coordination program.
- ACO administrative expenses
- ACO risk management
  - Reserves, reinsurance, risk delegation to providers

All-Payer ACO Model Reporting:
Total Cost of Care

- **Total Cost of Care:** Claims submission and analysis requires 9+ months after date of care. Q1 2018 total cost of care results will be available soon (due to delay in receipt of data) and full 2018 results will be available at the end of Q3 of 2019.

YEAR 1				YEAR 2			
Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Q1 2018 claims incurred	Q1 2018 claims paid	Q1 2018 received in VHCURES	**Q1 2018 Report to CMMI**				
	Q2 2018 claims incurred	Q2 2018 claims paid	Q2 2018 received in VHCURES	**Q1-Q2 2018 Report to CMMI**			
		Q3 2018 claims incurred	Q3 2018 claims paid	Q3 2018 received in VHCURES	**Q1-Q3 2018 Report to CMMI**		
			Q4 2018 claims incurred	Q4 2018 claims paid	Q4 2018 received in VHCURES	**2018 Annual Report to CMMI**	

All-Payer ACO Model Reporting:
Scale and Alignment



All-Payer ACO Model Reporting:
Scale Performance

ACO Scale Targets: Preliminary data indicate that Vermont did not meet ACO Scale Targets in 2018, but significant increases in scale are anticipated for 2019.

		PY1 (2018)	PY2 (2019)	PY3 (2020)	PY4 (2021)	PY5 (2022)
Vermont All-Payer Scale Target Beneficiaries	Target	36%	50%	58%	62%	70%
	Actual	20%	35%*			
Vermont Medicare Beneficiaries	Target	60%	75%	79%	83%	90%
	Actual	35%	50%*			

* Estimates

All-Payer ACO Model Reporting:
Quality and Outcomes

Health Care Quality and Outcome Targets: Results not yet available. Measures rely on full-year claims and clinical data and will not be available until the end of Q3 of 2019.

YEAR 1				YEAR 2			
Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Performance Period – Claims Incurred				Y1 Claims Received in VHCURES; Data Analysis		**Y1 Report to CMMI**	

GMCB Regulatory Responsibilities

Goal #1: Vermont will reduce the rate of growth in health care expenditures

Goal #2: Vermont will ensure and improve quality of and access to care

GMCB Regulatory Levers

ACO Oversight (Budget Review and Certification) – Act 113 of 2016

Medicare ACO Program Design and Rate Setting – APM Agreement

Hospital Budget Review

Health Insurance Rate Review

Certificate of Need

GMCB Regulatory Responsibilities

	Commercial	Self Insured	Medicare	Medicaid
Hospital Budget Review	X	X	X	X
Health Insurance Rate Review	X			
ACO Budget Review	X	X	X	X
Medicare ACO Rate Setting			X	
Medicaid ACO Rate Review				X