

Vermont Medicaid Next Generation ACO Pilot Program

Department of Vermont Health Access

March 20, 2019

VMNG PROGRAM OVERVIEW

DVHA Priorities

01

Value-Based
Payments

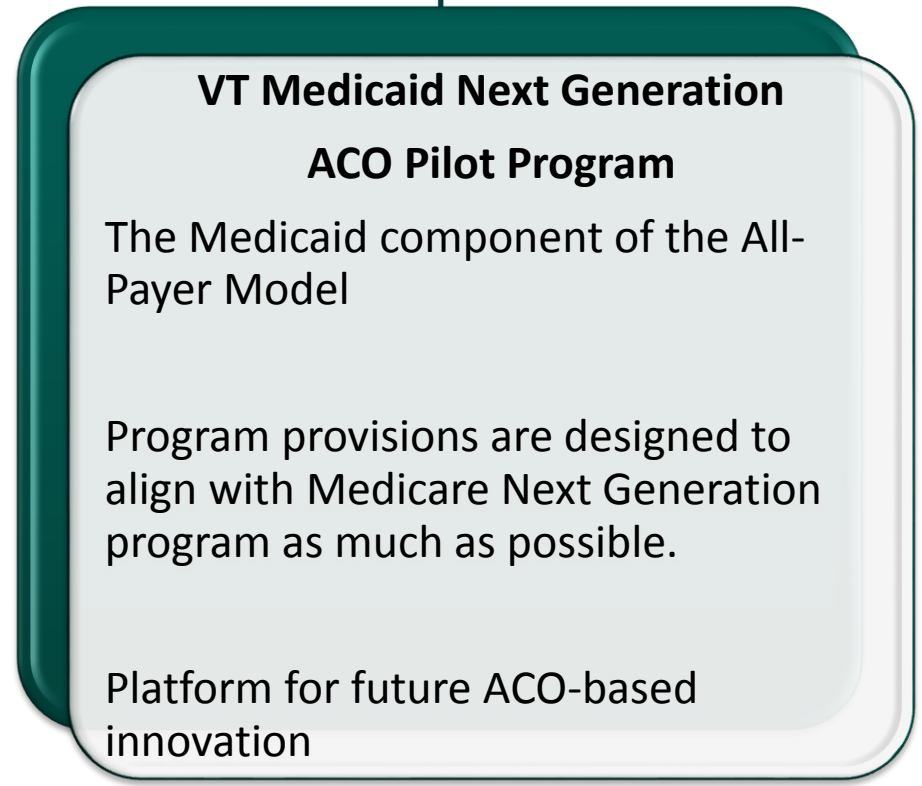
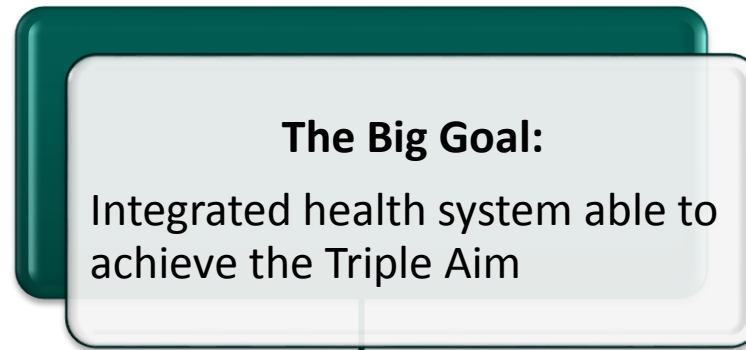
02

Information
Technology
Projects

03

Performance

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



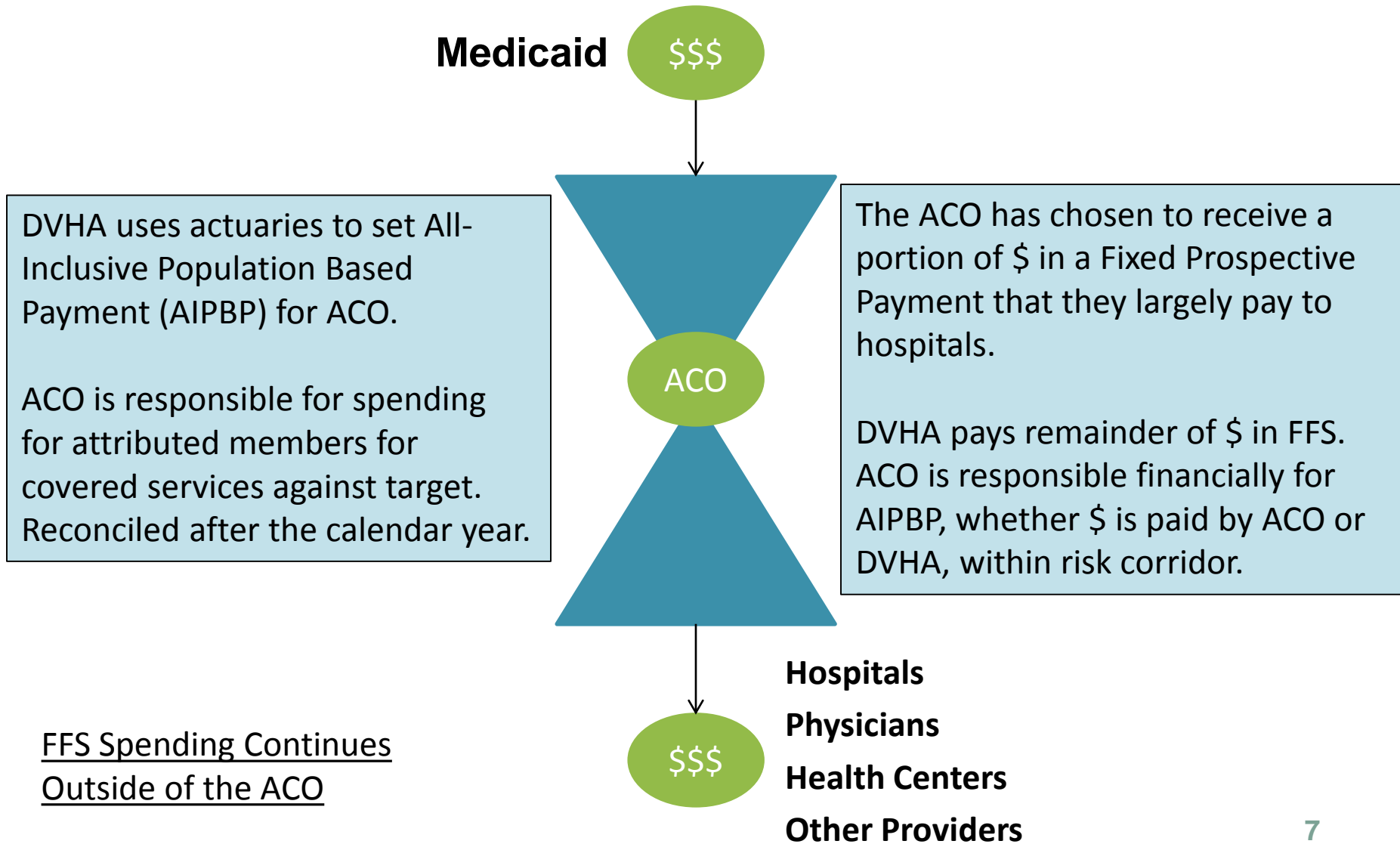
VMNG ACO Contract: Why?

- **Empower Provider Community:** Gives health care providers the opportunity to take leadership for cost containment and quality rather than the government.
- **Expands Pilot:** The program is expanding in a logical and manageable way, adding additional participating communities and attributed Medicaid members incrementally each year.
- **Create Sustainable Costs:** First step in potentially moderating Medicaid spending in the future by pushing risk down onto providers. Initial data is potentially promising.
- **Test Whether Alignment Matters:** The ACO is participating in aligned Medicare and commercial programs in 2019. This is essential in determining whether ACO based reform has the potential to transform health care.
- **Promote Value Based Payments:** Continue to move away from Fee for Service payment model and towards payment arrangements based on quality, risk, and accountability.

VMNG ACO Contract Term

- The original contract was a one-year agreement (2017) with four optional one-year extensions.
- DVHA and OneCare triggered the first one-year extension for 2018 and a second one-year extension for 2019. The parties will have the option of two additional one-year extensions thereafter.
- Rates are renegotiated annually and reconciliation may occur more frequently.

The Financial Model: The Math & The Money



2017 VMNG PROGRAM PERFORMANCE

Result 1: DVHA and One Care launched the program successfully

- DVHA conducted a readiness review prior to the launch of the 2017 program year. OneCare Vermont satisfied the majority of requirements before January 1, 2017 and completed all outstanding Readiness Review items prior to the end of the first quarter of 2017.
- DVHA worked with DXC Technologies to change Medicaid payment systems to make fixed prospective payments to OneCare Vermont.
- Processes for ongoing data exchange between DVHA and OneCare have been implemented and are regularly evaluated for potential improvements.
- DVHA and OneCare prepare and maintain an operational timeline to ensure contractually required data sharing and reporting occurs in a timely manner.
- OneCare and DVHA have established a forum for convening operational teams on a weekly basis, and for convening subject matter experts monthly. These forums have allowed the teams to identify, discuss, and resolve multiple operational challenges, and have resulted in several process improvements to date.
- DVHA and OneCare have worked together to monitor and report on program performance on a quarterly basis.

Result 2: The program is growing

- Additional providers and communities have joined the ACO network to participate in the program for the 2018 and 2019 performance years.

	2017 Performance Year	2018 Performance Year	2019 Performance Year
Hospital Service Areas	4	10	13
Provider Entities	Hospitals, FQHCs, Independent Practices, Home Health Providers, SNFs, DAs, SSAs		
Unique Medicaid Providers	~2,000	~3,400	~4,300
Attributed Medicaid Members	~29,000	~42,000	~79,000

Result 3: The ACO program spent less than expected on health care in 2017

- DVHA and the ACO agreed on the price of health care upfront, and the ACO spent approximately \$2.4 million less than the expected price. Financial performance was within the $\pm 3\%$ risk corridor, which means that OneCare Vermont and its members are entitled to retain those dollars.

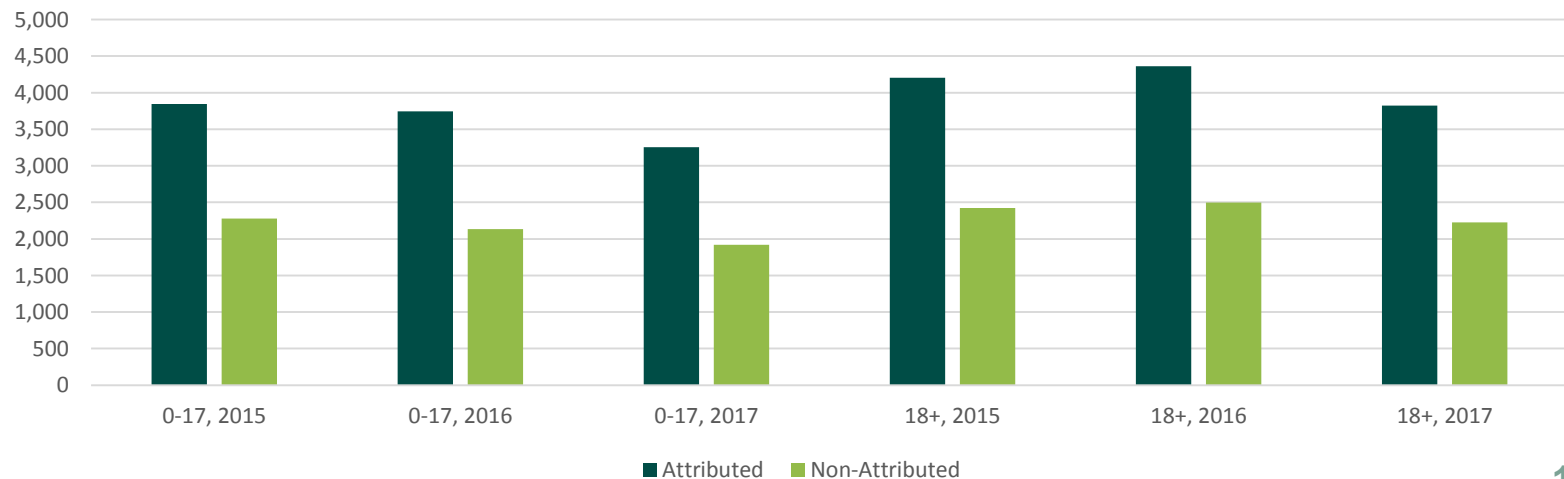
Result 4: The ACO met most of its quality targets

- The ACO's quality score was 85% on 10 pre-selected measures.
- OneCare's performance exceeded the national 75th percentile on measures relating to diabetes control and engagement with alcohol and drug dependence treatment.
- Examining quality trends over time will be important in order to understand the impact of changing provider payment on quality of care.

Result 5: DVHA is seeing more use of primary care among ACO-attributed Medicaid members

- Based on preliminary analyses of utilization, the cohort of attributed members has had higher utilization of primary care office-visits than the cohort of members who are eligible for attribution but not attributed.
- As further information about utilization becomes available, DVHA will conduct more robust analyses to determine whether differences between cohorts are statistically significant, and to understand the impact of the program on utilization patterns over time.

Primary Care Visits Per 1,000 Member Years by Age and Year



NEXT STEPS: MEDICAID PAYMENT REFORM

Next Steps

- Evaluate 2018 VMNG program performance
- Monitor 2019 VMNG program performance
- Plan for 2020 VMNG performance year
- Develop and implement complementary Medicaid payment models
 - Integrating Medicaid payment and delivery system reform efforts across the care continuum and across departments in the Agency of Human Services
 - Aligning new Medicaid value-based payment models with the APM