

Health Care Reform: The Vermont All-Payer Accountable Care Organization Model Agreement

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Agenda

- Vermont Health Care Landscape
- The All-Payer Accountable Care Organization Model Agreement
- Delivery System Reform Investment Requirements

Health in the United States

- The United States spends more money on health care than any other country in the world.
- Yet, more spending on health care is not delivering better outcomes.
- Life expectancy in the United States has declined for the last three years in a row.
 - Deaths due to suicide, drug overdose, or alcohol-related

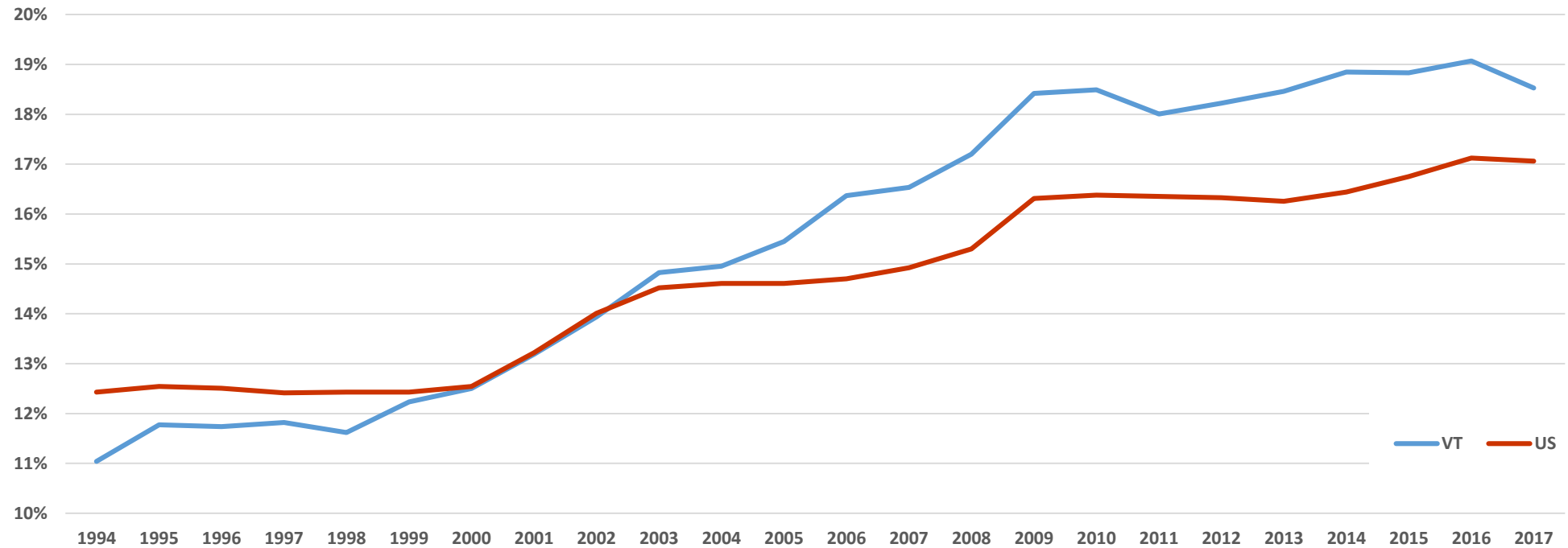
Health in Vermont

- Vermont was recently ranked the healthiest state in the country by America's Health Rankings.
- Yet, Vermont's greatest challenges are those of the nation.

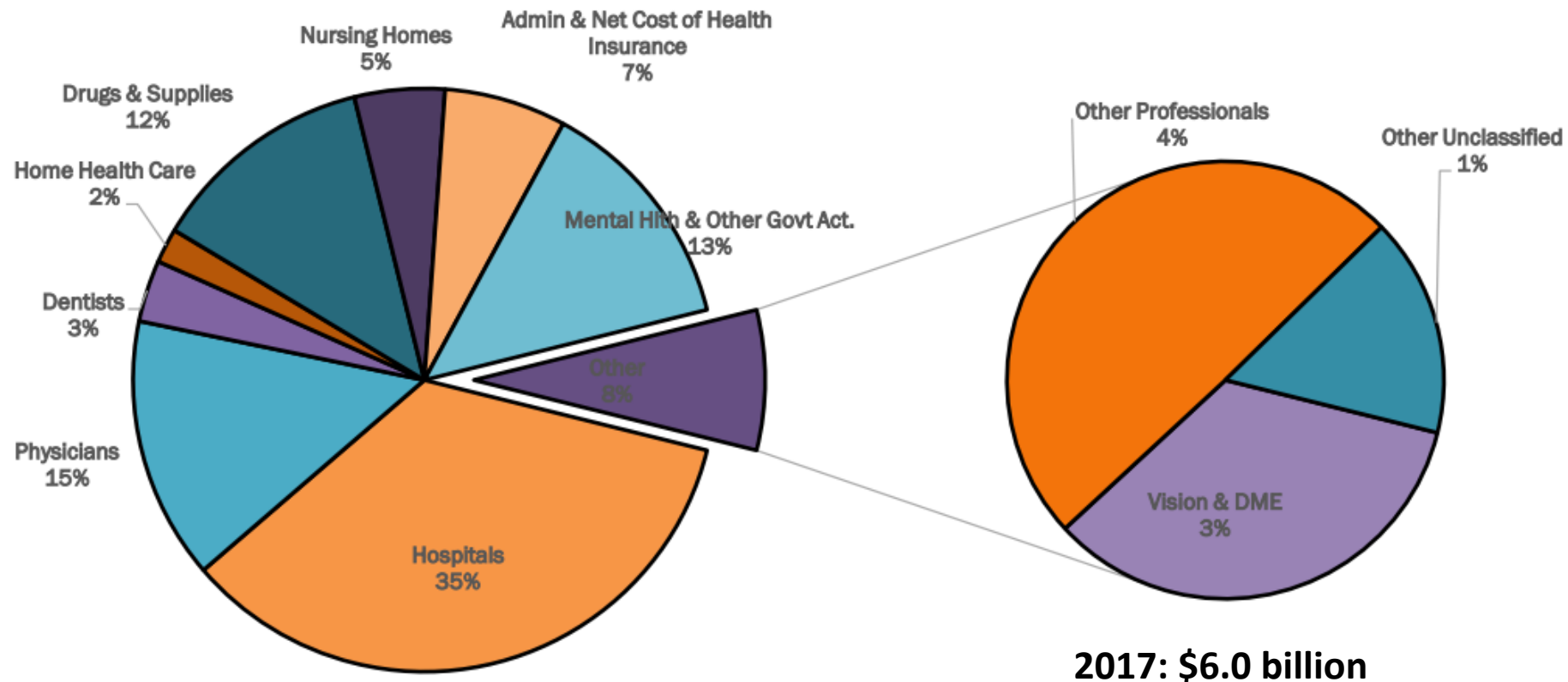
Source: America's Health Rankings 2019

Health Care Spending Growth in Vermont

Health care spending as % of annual growth in GSP



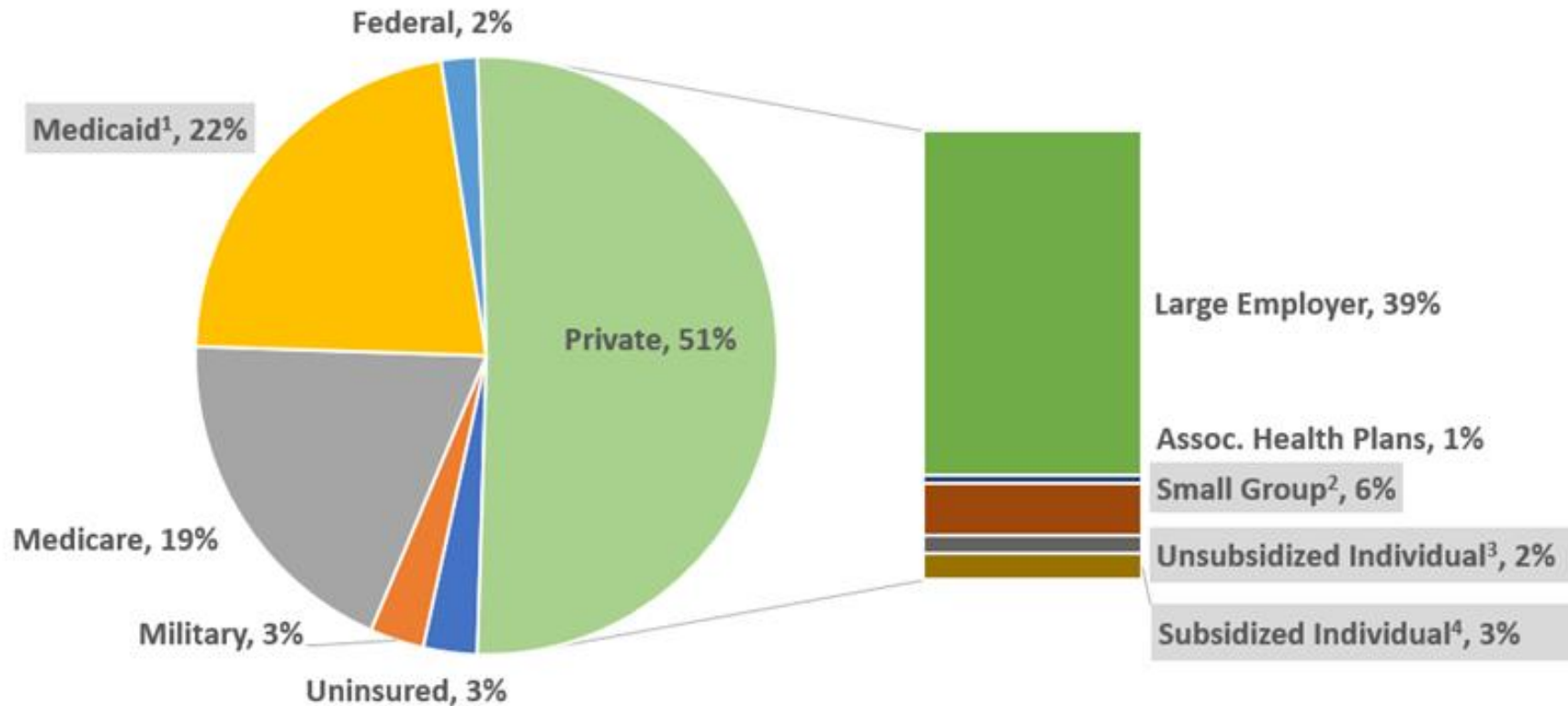
Vermont Health Care Spending: Residents % of total health care expenditure (2017)



2017: \$6.0 billion

Source: [GMCB Expenditure Analysis, 2017 Vermont Resident Analysis](#)

Health Coverage in Vermont



1- Enrollment administered by DVHA, benefits managed by DVHA

2- Certified by DVHA, enrollment and benefits administered by insurance carrier partners

3- Certified by DVHA, enrollment administered by DVHA or by insurance carrier partners, benefits managed by carrier partners

4- Certified by DVHA, enrollment administered by DVHA, benefits managed by insurance carrier partners

One out of three Vermonters are covered by a health plan that is administered and/or certified by the Department of Vermont Health Access (DVHA).

* Estimates of primary insurance type have been compiled from multiple sources, including the 2018 Vermont Household Health Insurance Survey, and should be viewed as an example of relative scale, not absolute values.

Addressing Health Care Spending Growth

Change how we pay for and deliver health care:

- Set a budget for the health care system instead of paying for each service performed (fee-for-service), regardless of quality or outcomes.
- Tie the budget to the quality of care delivered and improved health outcomes.

Vermont All-Payer Accountable Care Organization (ACO) Model Agreement

- A contract between the State of Vermont and the Federal Government.
- Enables Medicare to join Medicaid and commercial payers in an aligned model to pay ACOs in Vermont differently than fee-for-service.
 - attribution methodologies
 - services
 - quality measures
 - payment mechanisms
 - risk arrangements
- A cost containment and quality improvement model, not a coverage expansion model.

Provider-Driven Reform

What are Accountable Care Organizations?

- **Accountable Care Organizations (ACOs)** are composed of and led by health care providers who have agreed to be accountable for the cost and quality of care for a defined population. These providers share governance and work together to provide coordinated, comprehensive care for their patients.
- Under the All-Payer ACO Model, ACOs are the organizations that can accept alternatives to fee-for-service payment (prospective payment, capitation, budget, full-risk) Vermont has one ACO certified by the Green Mountain Care Board: OneCare Vermont.
- **Step 1:** Agreement between CMS and VT provided an opportunity for private-sector, provider-led reform in Vermont that can be aligned across all major payer categories
- **Step 2:** ACOs and payers (Medicaid, Medicare, Commercial) work together to develop ACO-level agreements
- **Step 3:** ACOs and providers that want to participate work together to develop provider-level agreements

All-Payer ACO Model Agreement

What is Vermont responsible for?

State Action on Financial Trends

- All-Payer Growth Target: Compounded annualized growth rate <3.5%
- Medicare Growth Target: 0.2% below national projections
- Requires alignment across payers, which supports participation from providers and increases “Scale”

State/Provider Action on Quality Measures

- State is responsible for performance on **20 quality measures** (*see next slide*), including three population health goals for Vermont
 - ✓ Improve access to primary care
 - ✓ Reduce deaths due to suicide and drug overdose
 - ✓ Reduce prevalence and morbidity of chronic disease
- ACO/providers are responsible for meeting quality measures embedded in contracts with payers

Scale: Payer Program x Provider

- **What is “Scale”?**
- Percentage (%) of Vermonters attributed to a Scale Target ACO Initiative

Scale Targets per APM Agreement	PY1 (2018)	PY2 (2019)	PY3 (2020)	PY4 (2021)	PY5 (2022)
All-Payer Scale Target	36% (20%)	50% (31%)	58% (~48%)	62%	70%
Medicare Scale Target	60% (36%)	75% (48%)	79% (~46%)	83%	90%

All-Payer Accountable Care Organization Model Agreement Responsibilities

Primary Agency of Human Services Responsibilities

- Offer a Medicaid ACO Program
- Discrete reporting

Primary Green Mountain Care Board Responsibilities

- Medicare ACO Program Regulation
- Medicare ACO Program Customization
- Agreement monitoring and reporting

Delivery System-Related Investments: Overview

- The Vermont All-Payer Accountable Care Organization Model Agreement was signed the same year as the current 1115 Global Commitment to Health Medicaid waiver was renewed (2016)
- The Global Commitment waiver recognizes the All-Payer Model Agreement by:
 - Making new funding allowable for the state to assist the (1) Accountable Care Organization (ACO) and (2) providers in one-time, developmental start-up funding to support implementation of Vermont's All Payer ACO Model
 - These investments are called Delivery System-Related Investments
- The goal of the delivery system-related investments is to support implementation of Vermont's All Payer Accountable Care Organization (ACO) model

Agency of Human Services Delivery System Reform Investment Guardrails for 2020

- Federal review and approval and regular reporting
- Narrow focus of investments to target impact on the Agreement measures
- Multi-Department consultation on projects to identify overlap or complementary function
- Evaluation plan to assess project and determine if it should be scaled or sunset
- Projects should be data-driven with clear plan for measurement