
**ACCOUNTABLE CARE ORGANIZATIONS AND
ALTERNATIVE PAYMENT MODELS**

**HOUSE COMMITTEE ON HUMAN SERVICES
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AGENCY OF HUMAN SERVICES**

Presentation Overview

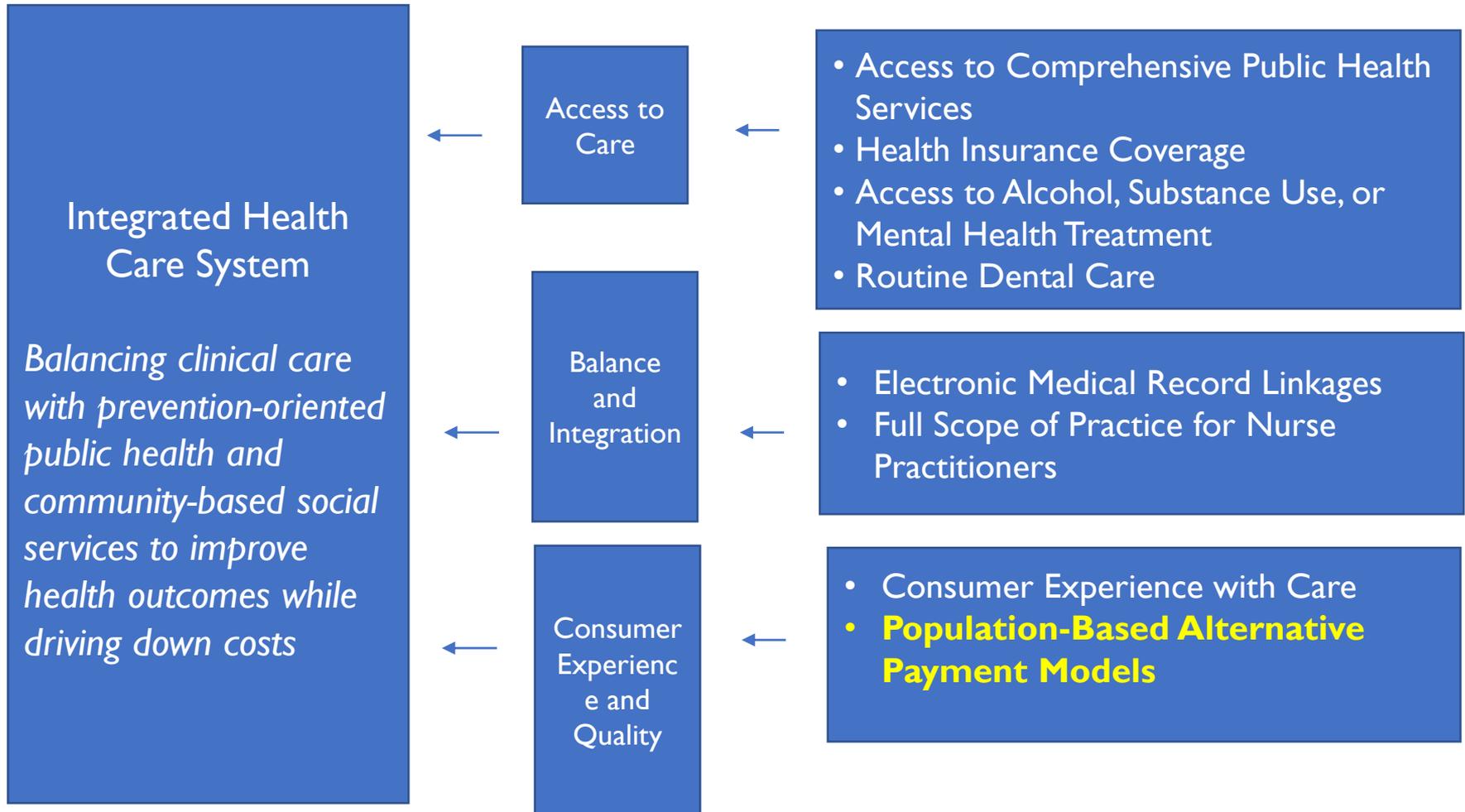
- What is an Accountable Care Organization?
- What is an Alternative Payment Model?
- ACOs in the National Landscape
- ACOs and Alternative Payment Models in Vermont
- Vermont All-Payer Model Accountable Care Organization Agreement

What is an Accountable Care Organization?

- ACOs are groups of doctors, hospitals, and other health care providers who voluntarily form partnerships to collaborate and share accountability for the quality and cost of care delivered to their patients.
 - ACOs strive for clinical integration among those who are responsible for delivering patient care, across the health care continuum.
- <https://khn.org/news/aco-accountable-care-organization-faq/>

What's an Integrated Health Care System Anyway?

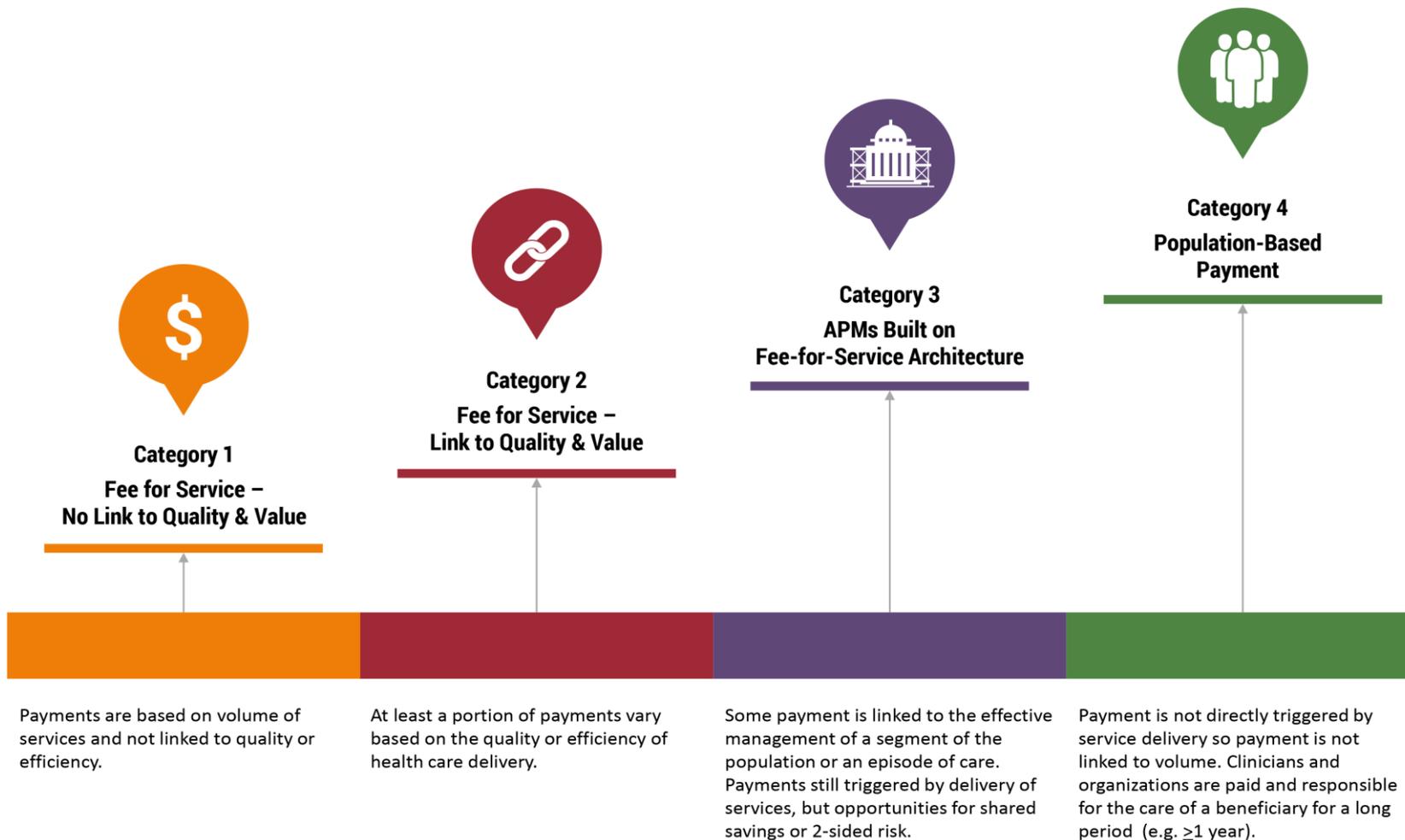
Robert Wood Johnson Foundation: Strengthening Integration of Health Services and Systems to Foster a Culture of Health



What is an Alternative Payment Model?

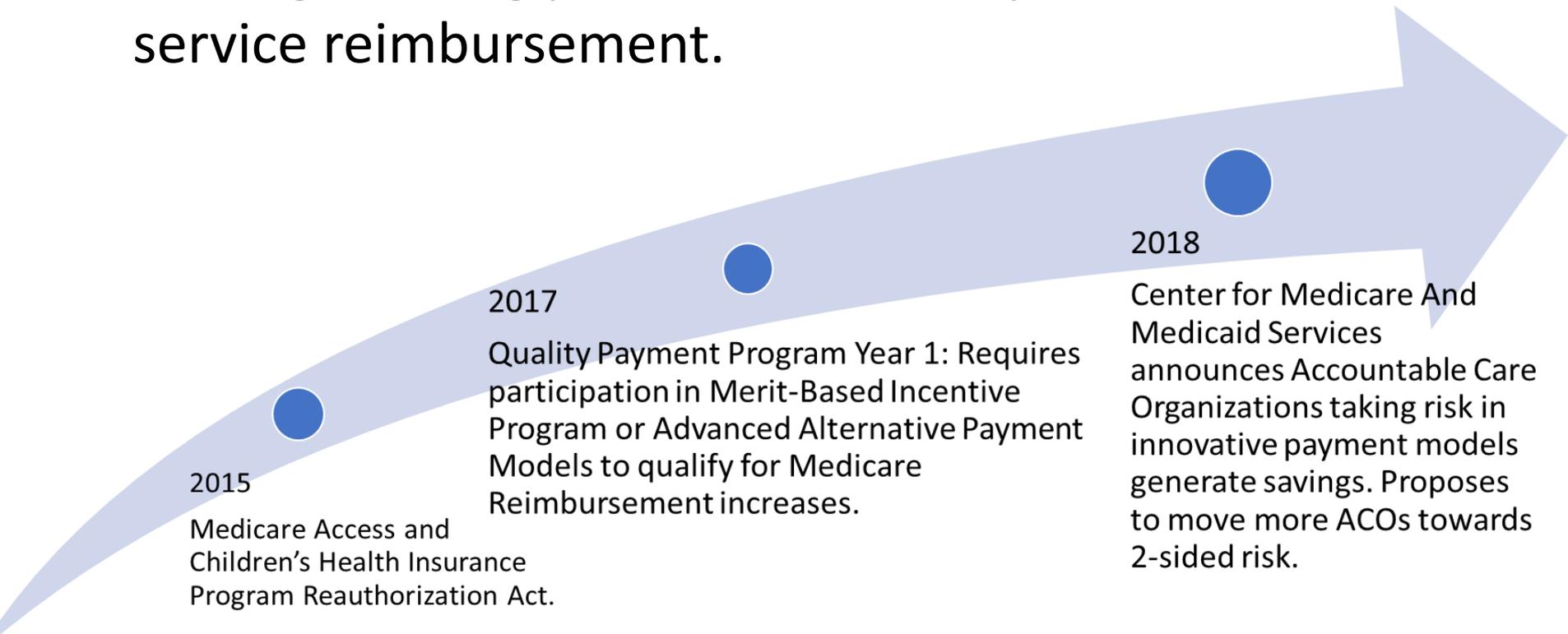
- Alternative Payment Models pay providers for quality care and improved health instead of reimbursing health care providers only after each individual service is performed.
- In the most advanced Alternative Payment Models service delivery does not trigger payment and payment is not linked to volume of services performed. Rather, providers are paid in advance and responsible for the care of a patient for a long period of time (a year).

CMS Payment Model Framework



Alternative Payment Models cont.

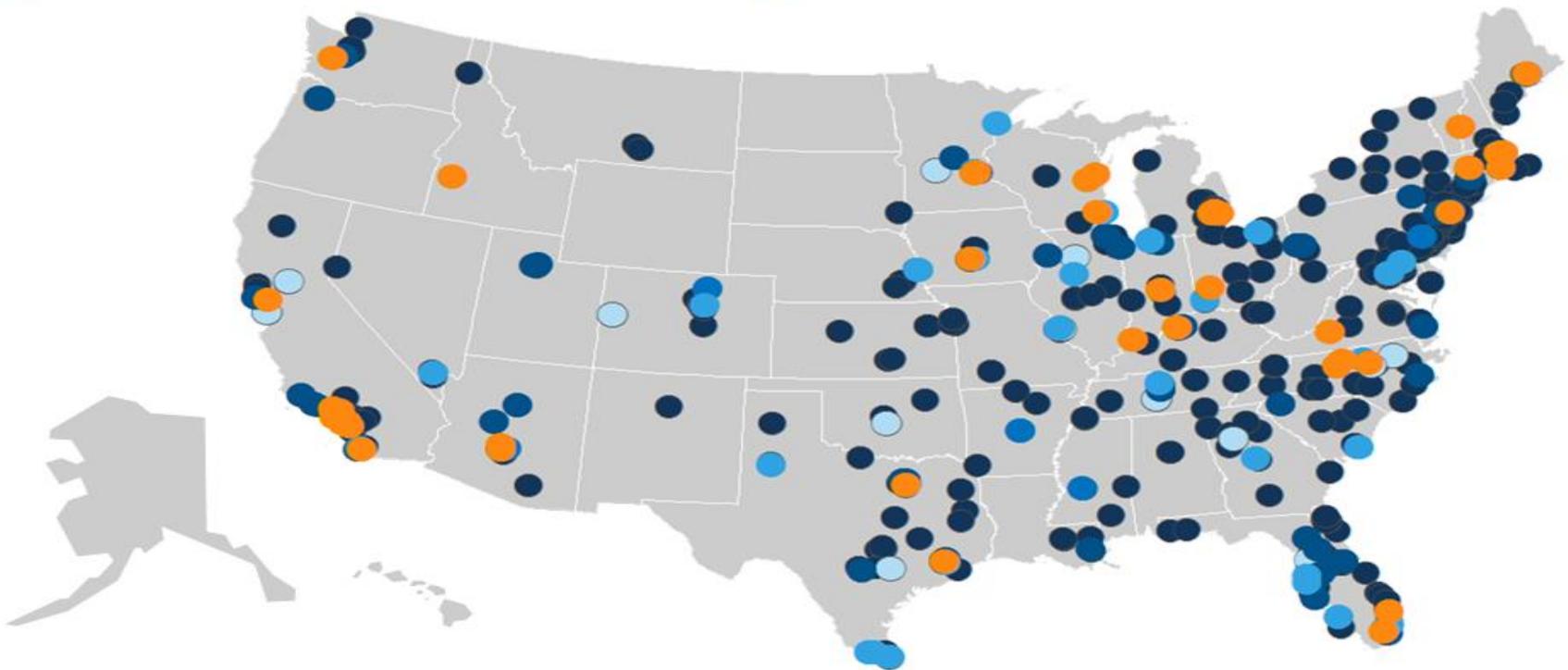
- The Center for Medicare and Medicaid Services is making a strong push to move away from fee-for-service reimbursement.



ACOs in the National Landscape

Accountable Care Organization (ACO) Models (2018)

- Medicare Shared Savings Program (MSSP) Track 1
- MSSP Track 1+
- MSSP Track 2
- MSSP Track 3
- ACO Investment Model (MSSP)
- Next Generation ACOs



Source: Map data downloaded January 11, 2018 from CMS, "Where Innovation is Happening," and "Performance Year 2018 Medicare Shared Savings Program Accountable Care Organizations – Map."

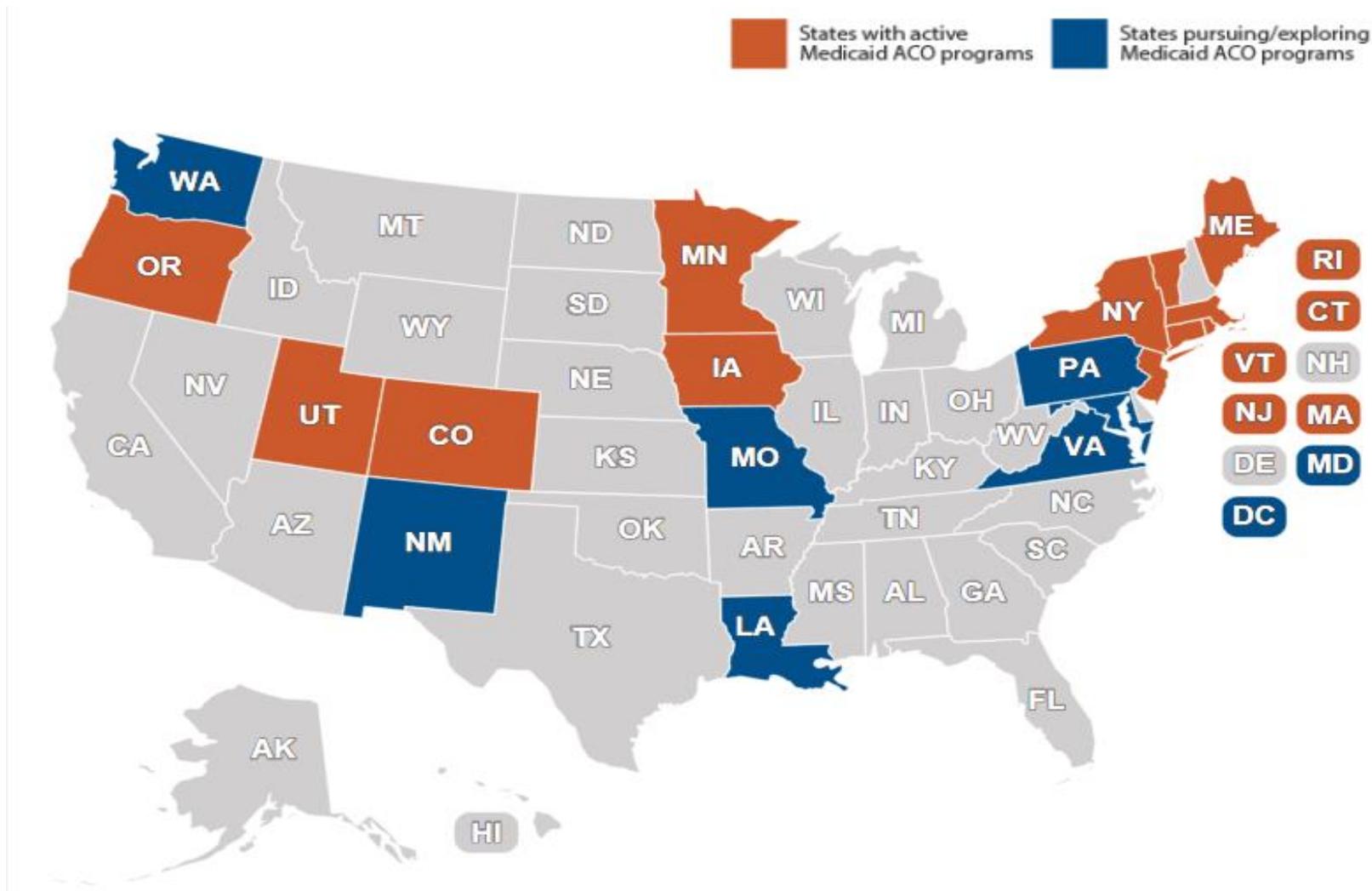


ACOs in the National Landscape: Do ACOs Slow Health Care Spending?

- While all of the models generated lower gross spending on Medicare services, only the models that required ACOs to be at risk for shared losses achieved net Medicare savings.
- In contrast, no-risk (“bonus only”) models generated net Medicare costs.
- In its first year (2016), the Next Generation ACO program, designed to follow the Pioneer ACO program, also achieved net Medicare savings (\$63 million) relative to benchmark levels.

Source: Kaiser Family Foundation: 8 FAQs Medicare ACO Model

Center for Health Care Strategies: Medicaid ACO Map



ACOs and Alternative Payment Models in Vermont

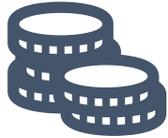
ACO Name	2013	2014	2015	2016	2017	2018	2019
Community Health Accountable Care (CHAC)		Commercial SSP Medicaid SSP Medicare SSP	Commercial SSP Medicaid SSP Medicare SSP	Commercial SSP Medicaid SSP Medicare SSP	Commercial SSP Medicare SSP		
OneCare Vermont (OneCare)		Commercial SSP Medicaid SSP Medicare SSP	Commercial SSP Medicaid SSP Medicare SSP	Commercial SSP Medicaid SSP Medicare SSP	Commercial SSP DVHA NextGen Medicare VT NextGen	DVHA NextGen Medicare VT NextGen Commercial 2-sided Risk	DVHA NextGen Medicare VT ACO Initiative Commercial 2-sided Risk
Vermont Collaborative Physicians/Healthfirst (VCP)/Accountable Care of the Green Mountains (ACGM)	Medicare SSP	Commercial SSP Medicare SSP	Commercial SSP	Commercial SSP			

Vermont ACO Performance: Medicaid Shared Savings Program State Innovation Model Round 1 States

Table ES-1. Summary of outcomes for payment and delivery models reaching Medicaid beneficiaries during the SIM Initiative

	Model name (in order of greatest to fewest positive outcomes)	Years of post-period data used for analysis	Utilization measures	Expenditure measures	Quality measures
	Vermont SSP (ACO model)	3	+	+	+
	Maine Accountable Communities (ACO model)	2	+	NS	NS
	IHPs (Minnesota-specific Medicaid ACO model)	3 (expenditures) 4 (utilization)	+ and -	NS	+ and -
	Arkansas Upper Respiratory Infection Episodes of Care	2	-	[No data]	+
	Arkansas Perinatal Episodes of Care	2	+ and -	[No data]	Most +
	Oregon PCPCH (PCMH model) ^{a, b}	>2 for majority of practices	NS	NS	Few +
	Massachusetts PCPRI (PCMH model) ^{a, c}	2	-	-	NS

The Vermont All-Payer Accountable Care Organization Model (APM)



Test Payment Changes

Population-Based Payments Tied to Quality and Outcomes
Increased Investment in Primary Care and Prevention

Transform Care Delivery

Invest in Care Coordination
Incorporation of Social Determinants of Health
Improve Quality

Improve Outcomes

Improved access to primary care
Fewer deaths due to suicide and drug overdose
Reduced prevalence and morbidity of chronic disease

Source: GMCB

What is the State responsible for under the Agreement?

Cost Growth and Population Health/Quality

- Limit spending growth on certain 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
 - 90% of Vermont Medicare Beneficiaries

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

Questions?

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Agency of Human Services

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