

# Health Care Reform in Vermont: All-Payer Accountable Care Organization Model and Improvement Plan

January 28, 2021

Ena Backus

Director of Health Care Reform,  
Agency of Human Services

# 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's All Payer ACO Model Agreement (APM)

An agreement between the state of Vermont (AHS, GMCB, Governor) and the Centers for Medicare and Medicaid (CMS) that...

1. Allows Medicare to join other Vermont payers in Vermont's health care reform efforts—specifically to pay ACOs differently than fee-for-service.
2. Holds the state of Vermont accountable to curbing health care cost growth and improving quality of care and population health outcomes. Vermont is also accountable for increasing participation in the model over the life of the agreement (scale).

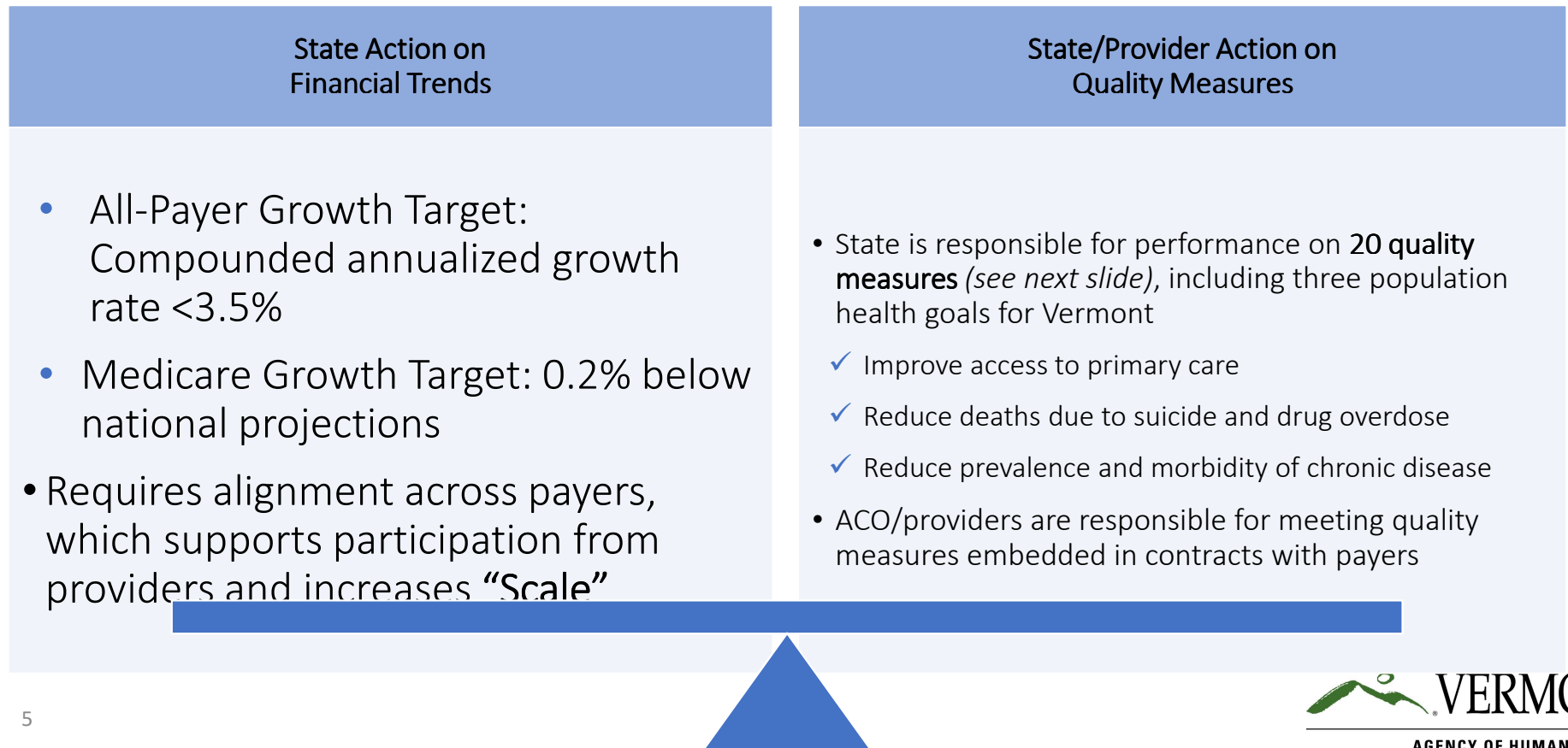
# Provider-Driven Reform

## What are Accountable Care Organizations?

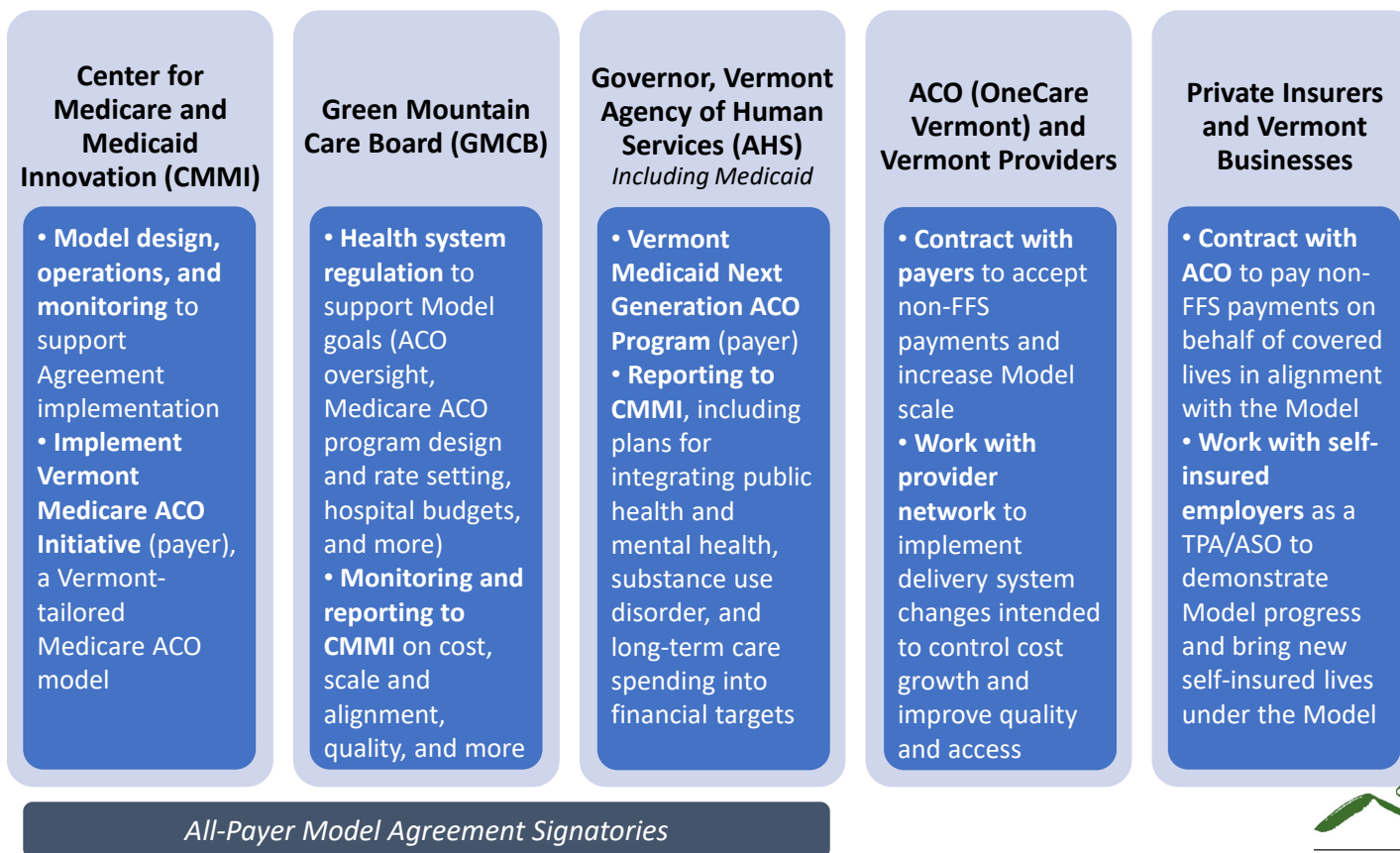
- **Accountable Care Organizations (ACOs)** are composed of and led by health care providers who have agreed to be accountable for the cost and quality of care for a defined population. These providers share governance and work together to provide coordinated, comprehensive care for their patients.
- 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?



# Vermont All-Payer ACO Model Partners



# All-Payer ACO Model Implementation Improvement Plan

The Agency of Human Services issued a plan in November 2020 for improving performance in the All-Payer Agreement.

The plan has four key categories of recommendations:

1. State/Federal work to maximize Agreement framework
2. Reorganization and prioritization of health reform activities within the Agency of Human Services
3. Evolving the regulatory framework for value-based payments
4. Strengthening ACO Leadership Strategy

Report Rec. Number	Activity: Federal/state Partnership	Timing*	Lead (s)	Agreement Domain Impact
1.	Negotiate with CMS to revise scale targets to reflect realistic capacity for participation.	Short-Term	AHS, GMCB	Scale, Financial, Quality
2.	Reduce Medicare risk corridor thresholds and decrease the financial burden of participation for hospitals.	Short-Term	AHS, GMCB	Scale, Financial, Quality
3.	Request that CMS establish written guidance or best practices in cost reporting for CAHs. GMCB should disseminate any guidance.	Short-Term	GMCB, AHS	Scale, Financial, Quality
4.	Establish a path for the Medicare payment model to mirror Vermont Medicaid Next Generation fixed prospective payments.	Short/Medium-Term	GMCB, AHS	Scale, Financial, Quality
5.	Ensure Medicare 2021 benchmark provides as much stability and predictability as possible despite the ongoing uncertainty associated with the pandemic.	Short-Term	AHS, GMCB	Scale, Financial, Quality
6.	Collaborate with CMMI to encourage Health Resources and Services Administration to prioritize Value-Based Payment for Federally Qualified Health Centers	Longer Term	AHS, GMCB	Scale, Financial, Quality

\*Short Term= 2020, 2021; Medium Term = 2022; Longer Term = 2022 and Beyond



Report Rec. #	Activity: AHS Prioritization and Reorganization	Timing	Lead (s)	Agreement Domain Impact
7.	AHS and the Agency of Administration will conduct education and outreach to non-participating self-funded groups about the benefits of participating in value-based payment models and Include State Employee Health Plan members for attribution to OneCare Vermont in 2021 (PY4).	Short/ Medium-Term	AHS	Scale Financial Quality
11.	Prioritize the integration of claims and clinical data in the HIE and organize and align the HIE with the Office of Health Care Reform within the AHS Secretary's office. Coordinate with the HIE Steering Committee.	Short/ Medium-Term	AHS	Quality Financial Scale
12.	Partner with OneCare Vermont and delivery system users to evaluate efficacy of Care Navigator platform.	Short/Medium-Term	AHS	Quality Financial
14.	Taking a phased approach, AHS will condition provider participation in the Blueprint for Health PCMH payments on participation in value-based payment arrangement with an ACO.	Longer Term	AHS	Financial Scale
15.	AHS, OneCare Vermont, and community providers should improve collaboration to strengthen integrated primary, specialty, and community-based care models for people with complex medical needs and medical and social needs. Organize VCCI and Blueprint for Health in Office of Health Reform in Secretary's Office.	Short-Longer Term	AHS	Quality Financial
16.	AHS, OneCare Vermont, and community provider partners should identify a timeline and milestones for incorporating social determinants of health screening into the standard of care in health and human services settings.	Short-Term	AHS	Quality Financial Scale
17.	AHS, through the Blueprint for Health, will jointly explore with OneCare Vermont and stakeholders the best available tools for capturing real-time patient feedback and to pilot such a methodology with willing primary care practices.	Longer Term	AHS	Quality
18.	AHS and the GMCB will prioritize regular stakeholder engagement opportunities.	Short-Term	AHS	Quality Financial Scale

Report Rec. Number	Activity: Regulation	Timing	Lead (s)	Agreement Domain Impact
8.	The GMCB and AHS will request that BCBSVT, MVP, and OneCare Vermont identify clear milestones for including fixed prospective payments in contract model design.	Short/ Medium-Term	GMCB AHS	Financial
9.	Under authorities over both ACO and Hospital budgets, the GMCB should explore how ACO participants can move incrementally towards value-based incentives with the providers they employ.	Longer Term	GMCB	Financial Quality
10.	Annually, in its budget presentation to the Green Mountain Care Board, OneCare Vermont should identify cost growth drivers across its network and detail its approaches to curb spending growth and improve quality.	Short-Term	GMCB	Quality Financial Scale

Report Rec. #	Activity: Strengthening ACO Leadership Strategy	Timing	Lead (s)	Agreement Domain Impact
13.	OneCare Vermont should elevate data as value-added product for its network participants and support providers in leveraging the information for change.	Short/ Medium-Term	OneCare Vermont	Quality Financial Scale
Section II	Focus on entrepreneurship; how can an ACO ease providers' transition to value-based payment and delivery system redesign?	Short-Term	OneCare Vermont	Scale, Financial, Quality
Section II	Identify and perfect core business	Short-Term	OneCare Vermont	Scale, Financial, Quality
Section II	Provide useful, actionable information and tools to participating providers. OneCare should improve how it packages data for providers.	Short/ Medium Term	OneCare Vermont	Scale, Financial, Quality
Section II	Foster a culture of continuous improvement, innovation, and learning through focus on data, systems for improvement, and tracking of results.	Short-Term	OneCare Vermont	Scale, Financial, Quality
Section II	Improve transparency and responsiveness to partner requests for information.	Short-Term	OneCare Vermont	Scale Financial Quality