

Recommendation #1 - Accelerating Vermont’s Shift to Value-based Payment and Delivery to Improve Hospital Financial Sustainability and Vermonters’ Equitable Access to High-Quality Affordable Care

| Workstream | Details & Timeline |
|---|---|
| <p>\$1.4 million – Design Hospital Global Payments²</p> | <p>What are Global Payments? Global payments are fixed, often prepaid amounts of funding for a certain period of time for a specified population, rather than fixed rates for individual services or cases.¹ There are many ways to operationalize global payments. In other states, global payments have either focused on curbing cost growth (Maryland) or ensuring access/solvency for rural hospitals (Pennsylvania) – in Vermont, we need to do both. This funding would allow us to design a payment model(s) that would meet Vermont’s unique needs.</p> <p>Step 1: Establish goals for Vermont hospital global payments (e.g. address hospital solvency concerns, support equitable access to high quality affordable care for all Vermonters, moderate total cost of care growth, recognize varying community need).</p> <p>Step 2: Design and propose options for operationalizing hospital global payments that work in Vermont. Hire consultants and actuarial support to design and evaluate options for the Board’s consideration based on the articulated goals of the global payment. The design work will inform whether statutory changes are necessary in the next legislative session and any additional resources would be required to implement a global payment model.</p> <p>Begin Summer/Fall 2022: Implementation to be defined in design work.</p> |
| <p>\$600,000 – Design and Development of Potential Subsequent Federal Agreement with CMMI</p> | <p>In collaboration with SOV partners, engage consulting and analytic support to include Medicare in Vermont’s hospital global payment and care delivery transformation initiatives. In the state’s request to CMMI for a one-year extension of the current APM Agreement, the state has asked CMMI to work with us to design an unreconciled fixed payment model this year; this is a step toward a global payment model for Medicare and should align with hospital global payment design work.</p> <p>Immediate through the end of 2023: Target implementation of Medicare unreconciled fixed payments January 1, 2023.</p> |
| <p>\$3 million – Community-Centered Care Delivery Transformation & Technical Assistance to Hospitals and Communities</p> | <p>Engage health systems optimization experts in a patient-focused, community-inclusive redesign of our health care system to reduce inefficiencies, lower costs, improve population health outcomes, and support delivery system transformation:</p> <ul style="list-style-type: none"> • <u>Data gathering & analysis</u>: Identify characteristics of high performing rural health systems and help hospitals and local communities understand what is possible (e.g., centers of excellence, hospital at home, etc.). • <u>Community engagement & design</u>: Facilitate development of local vision for hospital and hospital-owned service delivery based on community need, documenting additional opportunities to support delivery system transformation and accelerate health care reform that may require further action by legislature, AHS, or other parties (e.g., opportunities for evolving health care in schools, mental health, etc.). • <u>Technical assistance for transformation</u>: Facilitate local redesign and transformation initiatives with hospitals. <p>Summer/Fall 2022: Issue RFP; hire consultants. Late 2022-2023: Work with regions/communities (12-18 mo. engagement).</p> |

¹Definition adapted from the [Urban Institute](#).

²[Act 159 Section 5 Report](#) (Options for Regulating Provider Reimbursement) was a starting place for these estimates.