S. 120:

We support the bill and look forward to insights that may inform the evolution of our regulatory work. We also want to offer any assistance to the S.120 committee with research and data that we have on evaluation and regulation of health care in Vermont.

General Overview on the Bill S.132:

We support the move to value-based care and are committed to an all-payer approach to delivery system and payment reform. We have experienced significant data disruption in the model due to the pandemic and it will be unlikely that we will be able to "test" the true value of this model as anticipated. That said, there are still some clear lessons learned. Vermont must continue to move away from volume-based payment models such as fee for service and toward value-based payment and delivery system reform, allowing Vermont providers to focus on keeping people healthy and addressing the cause of chronic illness rather than simply treating the symptoms. We must continue to increase fixed payments if we want to tackle challenges related to provider sustainability. However, while we saw the value of fixed payments in this model during the pandemic, we also realized the scale of provider participation needs to increase, significantly. The current model is a voluntary, provider-led model.

While we see advantages in increasing equity in reimbursements many areas of this bill require the GMCB to create a system that shifts from provider led and voluntary participation to one that is state led. This is a big lift, and we will want to make sure any changes are studied and done carefully to ensure we are attracting providers to value based care programs, and that these programs continue to work for providers and most importantly Vermont patients.

Further, the current ACO Oversight statute is already difficult to document due to its qualitative nature. While many of the requests in this bill reflect work that is already being done, the additional statutory requirements associated with this bill would add to the administrative burden of documenting compliance with respect to the statute and add barriers to entry for other ACO's contemplating their participation in the Vermont market.

We are looking at financial sustainability which considers access, affordability, how are hospitals emerging from Covid, health equity, and of course a focus on how hospitals will be sustainable in a value based payment world.

Section by Section Review:

Section 1: HEALTH CARE SYSTEM REFORM; IMPROVING AND AFFORDABILITY

Neutral

Section 2: ALL-PAYER ACCOUNTABLE CARE ORGANIZATION AGENCY OF HUMAN SERVICES; OVERSIGHT AND IMPLEMENTATION

Neutral

Section 3: 9382. OVERSIGHT OF ACCOUNTABLE CARE ORGANIZATIONS

(a) (1) This section would mean that all participating primary care providers' salaries would need to be collected by the ACO and shared with the Board. The statutory language should clarify whether salary information would be private or public and how salaries would be defined (e.g. 990s, or some other definition) Depending on the definition, salaries may look quite different based on variations in compensation practices, particularly between hospital or FQHCs and independent practices.

(2) Coordination with Blueprint: The GMCB would have no way of measuring coordination except by recorded attestation or in testimony from the ACO.

(3) Multi-Year Contract: GMCB is neutral since this is voluntary

(7) Quality data: We already do this

(b) (1) Making ACO Salaries Public: The Board collects this data already and when we set up the data collection, we mirrored it to the 990 submissions we collect for Vermont hospitals. The Board did not find it necessary for this level of information to inform the Board's ACO budget decisions.

Link to salary data on GMCB website:

https://gmcboard.vermont.gov/sites/gmcb/files/documents/payment-reform/OneCare%20Memo%20to%20GMCB%20on%202019%20Compensation%2006122020.pdf

(Q) Extent to which quality measures met by ACO: We already do this; we have the payers and providers come in once a year and present their results to the Board.

Section 4: 18 V.S.A. § 9384 is added to read:

§ 9384. ACCOUNTABLE CARE ORGANIZATIONS; VALUE-BASED PAYMENTS; DISTRIBUTION OF SHARED SAVINGS

(extension of rate setting authority)

Need funding for this section.

This section essentially shifts the current provider led model into a state directed model. We believe this needs to be done carefully and we should study this option before entering into it.

If we were to set the shared savings methodology, then there needs to be more process up front. In the study we could flesh out section 1(b) from the Act 159 Section 5 Reimbursement report.

Section 5: 18 V.S.A. § 9574 is added to read:

§ 9574. DATA COLLECTION AND ANALYSIS

If we do a study instead of language in section 4 they can take (b) out of this section.

Section 6: 18 V.S.A. § 9575 is added to read:

§ 9575. ACCESS TO RECORDS

No comment

Section 7: 18 V.S.A. § 9375 is amended to read:

§ 9375. DUTIES

Conforming Change see above in section 4 request to change to a study

Section 8: 18 V.S.A. § 9384 is added to read:

§ 9384. REVIEW OF HEALTH CARE CONTRACTS AND FEE SCHEDULES

This would require the Board to create a new unit to do this work. Currently DFR has four people doing forms review. There are still many unknowns such as the number of contracts to review.

We recommend deleting this section and use section 10 to study the potential process and needs of the Board to do this work.

Section 9: 18 V.S.A. § 9418c is amended to read:

§ 9418c. FAIR CONTRACT STANDARDS

(B) We support this language as added transparency. The federal law on transparency requires some of this information to be published on hospital websites, so there may be conflict.

Concerned on 120 days request and how it could impact the Board's hospital budget regulation timing. This is one more variable that could impact any budget decisions broadly. We would want to investigate this issue and how it would impact regulatory alignment.

Section 10: GREEN MOUNTAIN CARE BOARD; HEALTH CARE CONTRACTS; FEE SCHEDULES; REPORT

Would need 150 K to do the study.

Section 16: GREEN MOUNTAIN CARE BOARD; HEALTH INSURANCE;

ADMINISTRATIVE EXPENSES; REPORT

Yes, support this section.

Section 19: PRIMARY CARE VISITS; COST-SHARING; REPORTS

Will need actuarial support.