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

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Ena Backus

Director of Health Care Reform,

Agency of Human Services

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What kind of Health Reform is Vermont's All-Payer ACO Model?

1. Health Care Financing
2. Health Care Coverage
3. Payment Reform – Curb Health Care Cost Growth
4. Delivery System Reform – Improve Quality and Population Health

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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.

Health Care Payment & Learning Action Network Framework for Alternative Payment Models

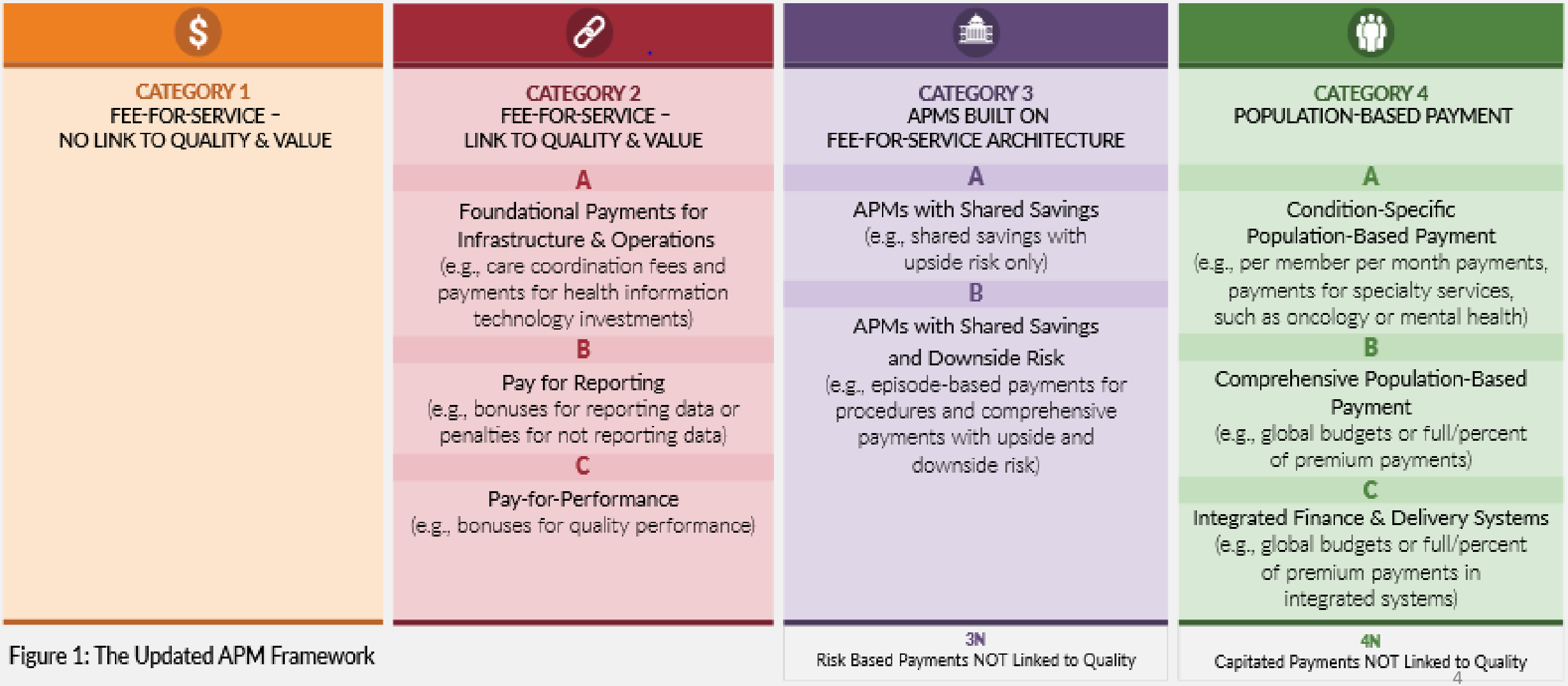

Figure 1: The Updated APM Framework

Medicare All-Payer Models

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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 Medicare's alternatives to fee-for-service payment (prospective payment, capitation, budget, full-risk)

- One ACO is operating in Vermont and certified by the Green Mountain Care Board: OneCare Vermont.

All-Payer ACO Model Agreement

What is Vermont responsible for?

State Action on Financial Trends	State/Provider Action on Quality Measures
• 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 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

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Scale

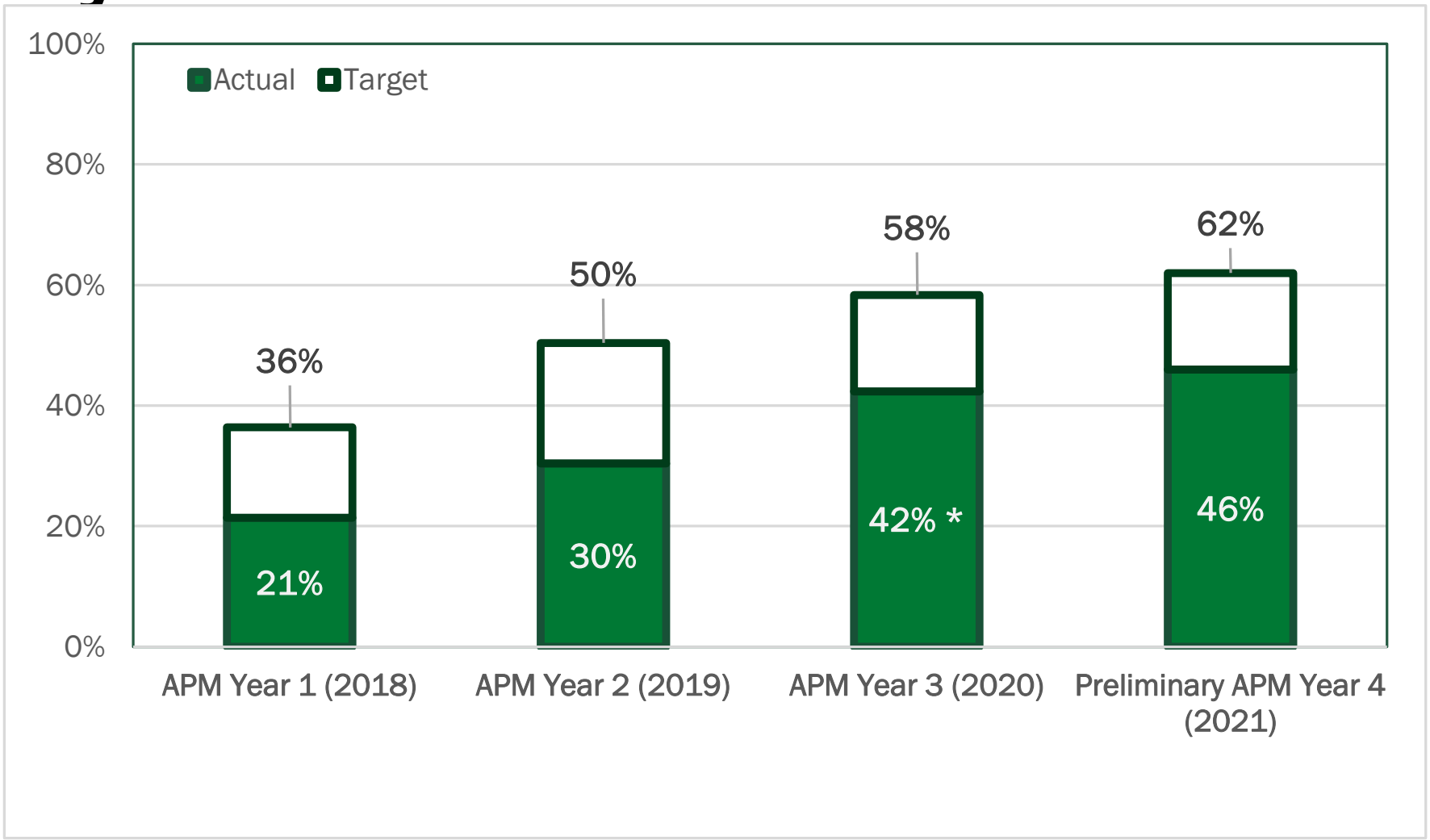
- Performance on the All-Payer Model Scale Targets is a function of:

1. Payer participation with an ACO
2. Provider participation in an ACO

- Participation is largely voluntary

- Providers who participate may benefit from:
  - The option to be paid in a different way
  - Access to data and analytics to support decision-making and quality performance
  - Access to tools and resources to support care delivery
  - Funding to support more coordinated care
  - Shared learnings from a statewide network of providers

All-Payer Scale



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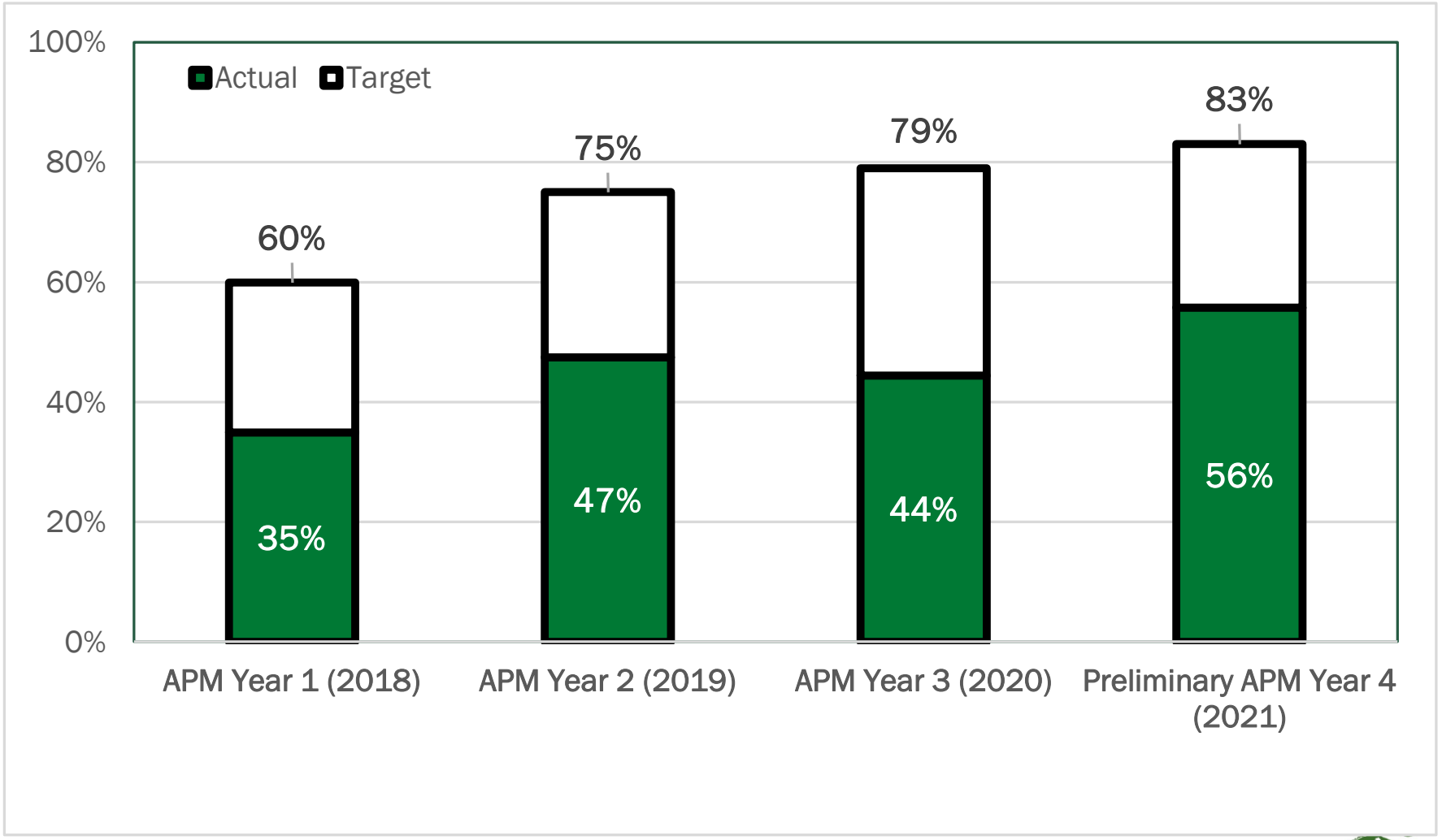
Medicare scale



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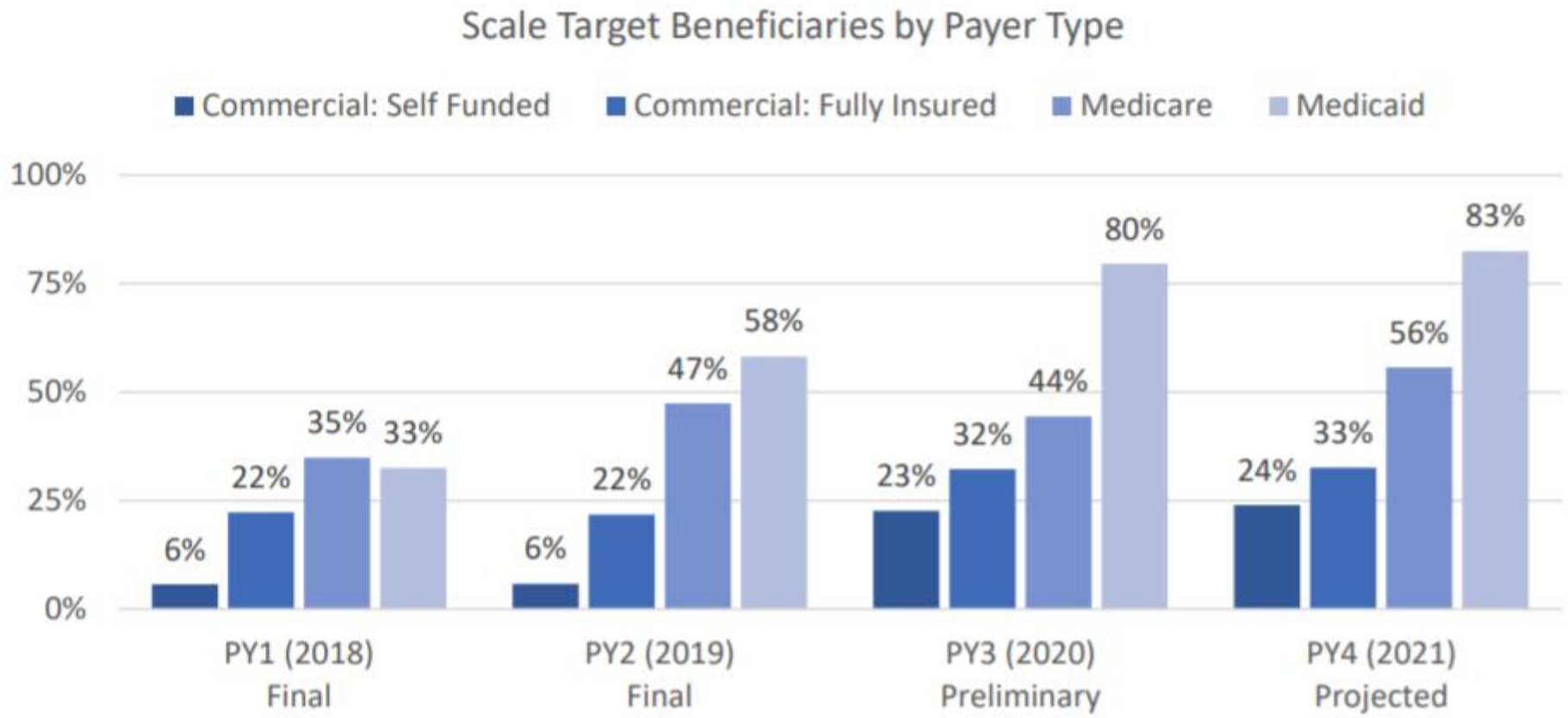
All-Payer Scale x Payer Type



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There are three years of VMNG program results to date

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- In 2019, DVHA and OneCare agreed on the price of health care upfront, and actual spending was more than expected. Because OneCare shares financial risk with Medicaid, OneCare has to pay for a portion of this spending over the agreed upon price.
  - OneCare Vermont paid approximately $6.7 million to DVHA.
  - If DVHA and OneCare did not have this risk-sharing arrangement, the Vermont Medicaid program would pay the entirety of the amount in excess of the expected price.

- For the third year in a row, ACO-participating providers who were paid prospectively (instead of fee-for-service) spent *less than* expected on the services within their control. For two years in a row, providers who were paid fee-for-service (both within and outside of OneCare's network) spent *more than* expected.
  - This highlights how two different changing financial incentives might impact the delivery and cost of health care.

Medicaid can benefit from this arrangement

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- The VMNG program has given the Vermont Medicaid program **more certainty in budgeting** than it would have had absent this arrangement.
- The risk corridor ensures there are both incentives to control costs and protections (for providers and the Medicaid program) for when actual spending is different than expected. **Payment predictability and risk-sharing work together to build system stability over time**.
- Prospective and FFS spending patterns in the first three years, while not conclusive, signal **the potential of changing financial incentives** in this model.
- Throughout VMNG implementation there have been **incremental improvements in quality performance** and changes in the delivery and coordination of care.
- **Opportunity to continue testing** this model, and to continue improving to the rate setting methodology to allow for additional year-over-year predictability in future.

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

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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

Thank you!

Ena.Backus@vermont.gov

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