OneCare Vermont

House Committee on Appropriations

April 13, 2023

OneCare Vermont

onecarevt.org

Healthcare is Complex.

- Many different health conditions
- Many different provider specialties
- Many different provider organizations

Healthcare is Expensive to Deliver.

- Rising labor costs
- Rising drug costs
- High capital investment needs

We need as much efficiency as possible.

- Coordinated care across providers
- Use data to identify areas of opportunity
- Focus on measurable outcomes
- Align incentives

Accountable Care Organizations (ACOs) are one tool to help…but what are they?

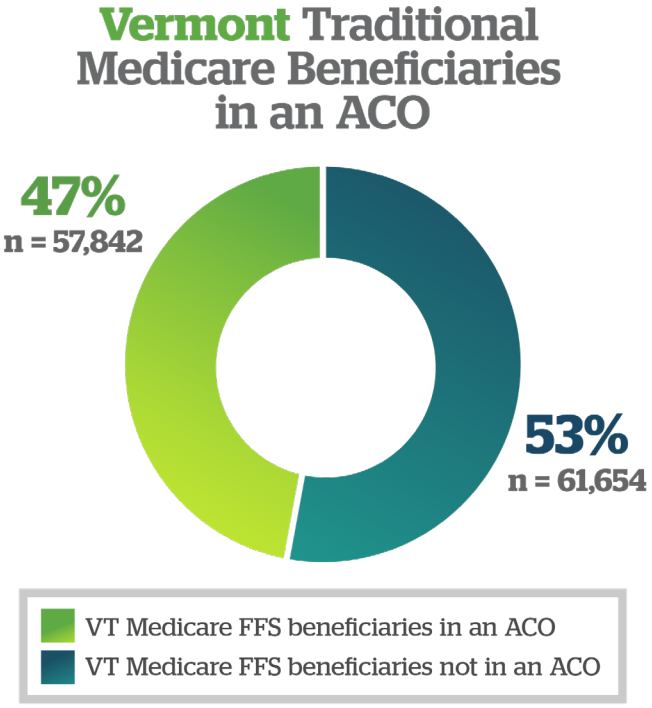
ACCORDING TO MEDICARE:

https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ACO

- ACOs are **groups of doctors, hospitals, and other health care providers**, who come together voluntarily to give **coordinated high-quality care** to their Medicare patients.
- The goal of coordinated care is to ensure that **patients get the right care at the right time**, while avoiding unnecessary duplication of services and preventing medical errors.
- When an ACO succeeds both in delivering high-quality care and spending health care dollars more wisely, the **ACO will share in the savings it achieves** for the Medicare program.

"CMS wants *every* Medicare Beneficiary to be in an accountable care relationship by 2030."

Progress as of 2020



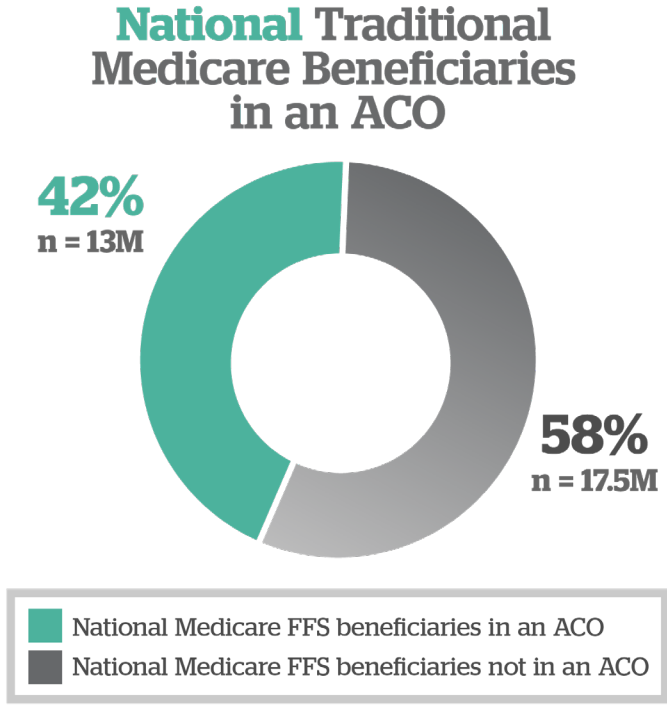


Chart source: *CMS White Paper on CMS Innovation Center's Strategy: Driving Health System Transformation - A Strategy for the CMS Innovation Center's Second Decade*; https://innovation.cms.gov/strategic-direction; published October 2021

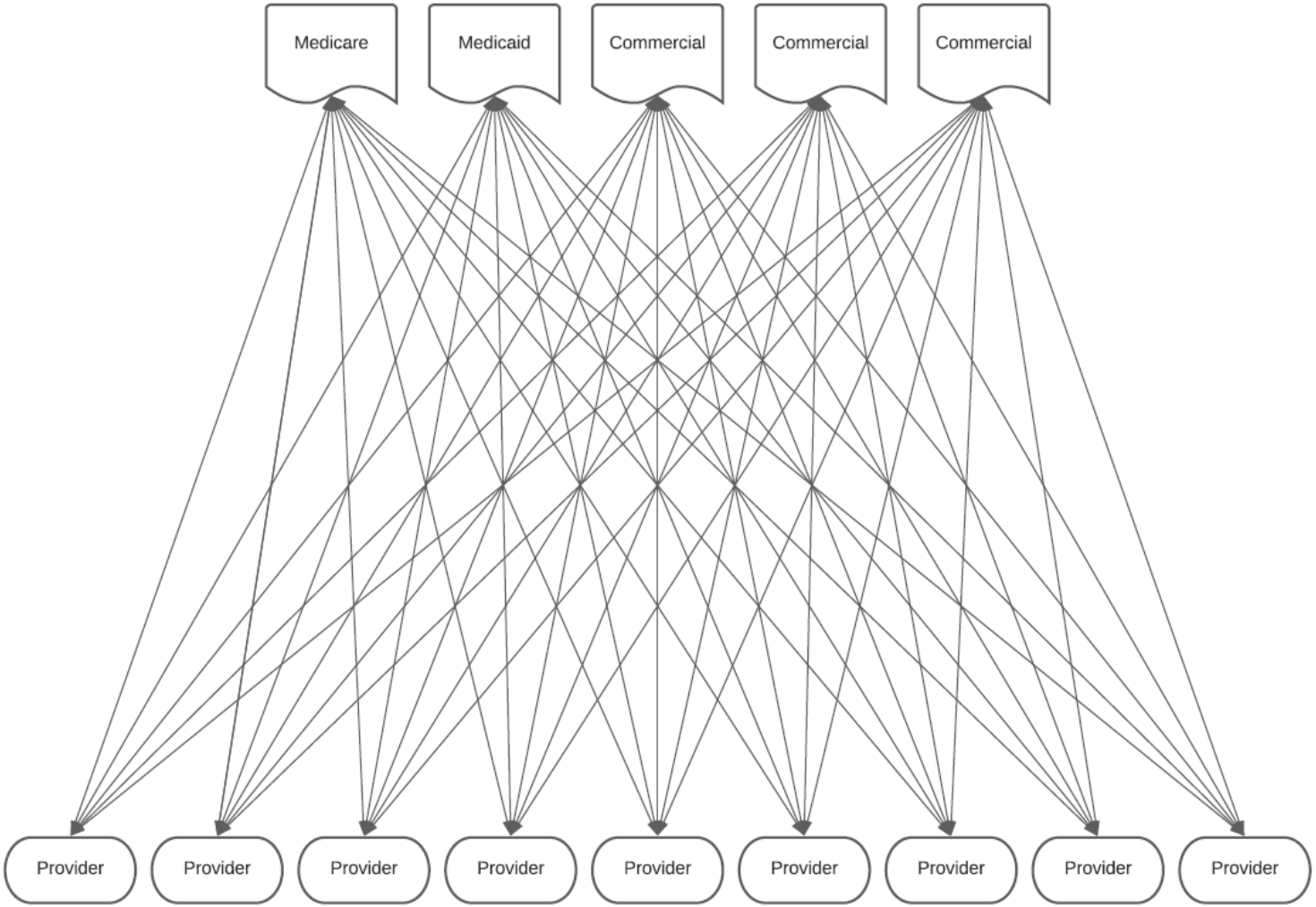
OneCare Vermont

- **Formed in 2012** by the University of Vermont Medical Center and Dartmouth Hitchcock Health

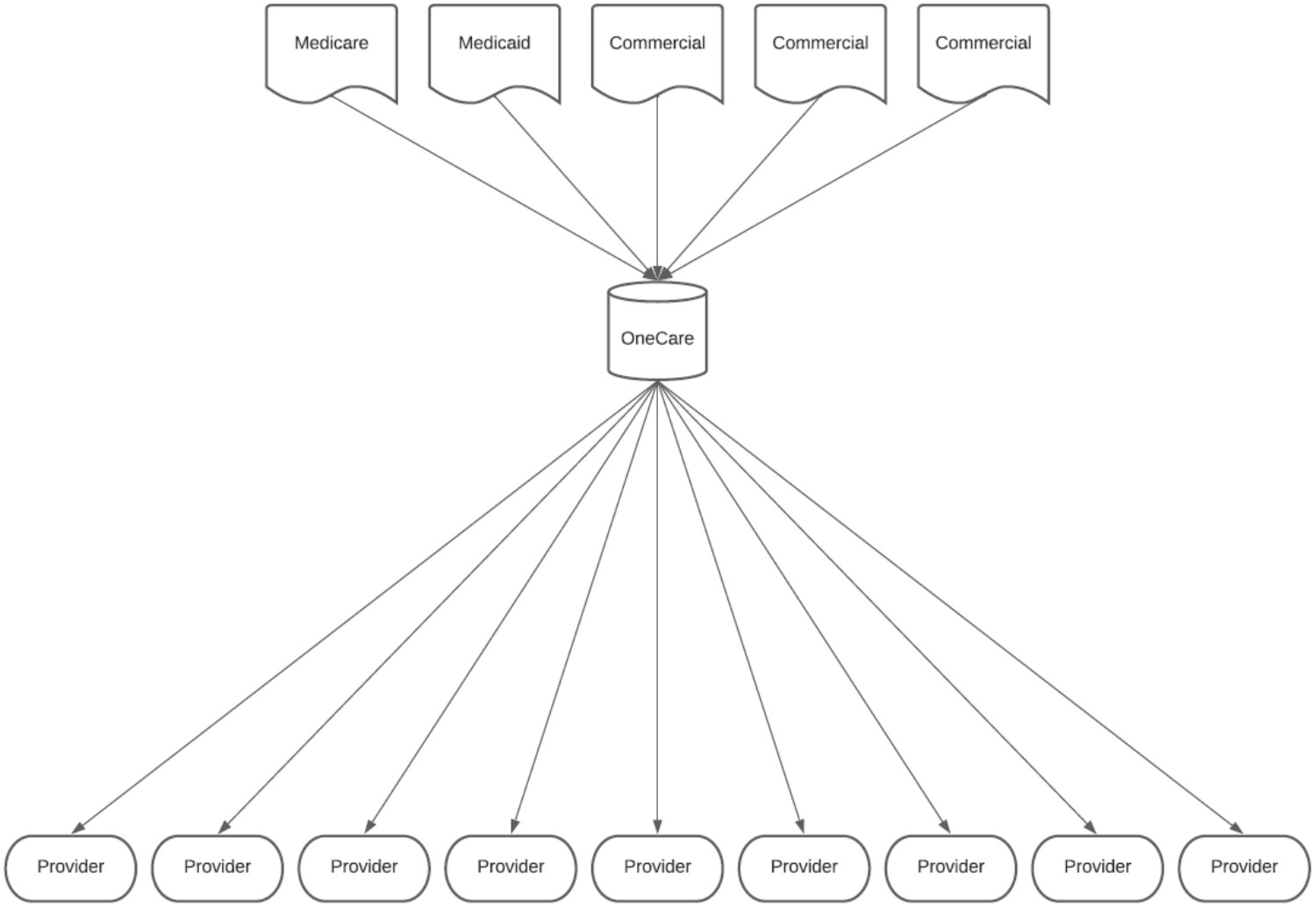
- Brings together a **statewide network of providers**
  - Primary Care Practices and Providers
  - Hospitals
  - Home Health Agencies
  - Designated Agencies
  - Skilled Nursing Facilities
  - Specialty Practices and Providers

- **Centrally manages ACO programs** and contracts with multiple payers
  - Medicare
  - Vermont Medicaid (DVHA)
  - Commercial Insurers

ACO Contracting without OneCare



ACO Contracting with OneCare



OneCare's Core Capabilities

Network Performance Management

Data and Analytics

Payment Reform

OneCare Core Capability: Network Performance Management

Care Model

- Population health committees restructured and revitalized to provide statewide voice
- Advancing Population Health Model further deepens engagement in care coordination and prevention efforts
- Population health payments simplified and aligned with individual and ACO accountabilities

Network Contracting

- 5,128 providers- 100% retention for 2023
  - 14 hospitals | 82% of primary care | Growth in Medicare and CPR participation
- ~297,000 people attributed and ACO accountabilities

Outcomes

- Low-cost Medicare ACO when compared to national cohort of ACOs
- In 2021, OneCare earned $5.5M in network-wide shared savings, $2.5M being distributed to primary care providers through accountability pool matching
- In 2021, exceeded most clinical measurement expectations on priority areas

OneCare's Core Business Area:
Data Analytics

We measure cost, quality, and utilization across the whole health care system to help providers identify which Vermonters need outreach and which areas of care delivery to improve. Providers can see data about their practice, their region, and the state.

- Looking at data provided by OneCare, Brattleboro Memorial Hospital discovered that their colorectal cancer screening rates were low compared to other areas in the state, and began targeted outreach to patients who had been missing this screening, resulting in improved screening rates.

OneCare's Core Business Area:
Payment Reform

As a strategy to shift provider focus from volume-based reimbursement (i.e. fee-for-service), OneCare facilitates a conversion of provider payments to monthly lump sums:

- *These lump sums are based on the historical baselines to enable a smooth transition.*

Initial focus has been placed on reforming hospital reimbursement:

- *If successful, population health initiatives will result in reduced hospital-level care.*
- *This monthly payment model aims to stabilize hospital revenues during this transitional period.*

OneCare also offers a monthly lump sum model to independent primary care through its Comprehensive Payment Reform (CPR) program.

Providers from across Vermont have told OneCare these payments have been a game-changer and a life-saver for their organizations.

OneCare Core Capability: Payment Reform, *continued*

Comprehensive Primary Care (CPR)

- Continuous year over year growth in program participation
  - Six sites in 2018 to **19 sites** in 2023
- Greatest satisfaction with fixed stable payments
- Predictable per member per month (PMPM) payments plus enhanced incentives for advanced primary care services
  - In 2022, earned on average 23% more compared to fee for service
  - Direct engagement with practices to further inform and evolve program design

Outcomes

Providers in OneCare are delivering higher quality care and health care savings.

Lower Costs

OneCare has helped Vermont reduce high-cost services such as inpatient and emergency room visits as well as overall Medicaid cost growth. OneCare achieved Medicare gross spending reductions in all years it was evaluated by the federal government.

Stakeholder Support

OneCare provides an important, unifying forum for providers, payers, and the state to engage in meaningful discussions about healthcare reform and set goals. The model is also strengthening relationships among a variety of providers, which has proven to be critical during the pandemic.

High Quality

Vermont health care providers have consistently scored above average on ACO required metrics. For example, in 2021 OneCare providers scored in the 90th percentile nationally for diabetes management.

Savings

Savings for Medicare and Medicaid of over $60 million since 2018.

Stabilized Access to Primary Care

Due to the predictable monthly funding from OneCare, Vermonters have maintained access to primary care, the heart of a better model for care delivery.

How providers become "accountable"

- Under an ACO arrangement providers are accountable for the **total** healthcare costs of their patients, not just the costs of the care they deliver
  - **This is an important paradigm shift**

- Starts off with a "budget" of what healthcare is expected to cost

- Ends with an evaluation relative to that "budget"
  - Coming in "under budget" results in bonus payments to providers (shared savings)
  - Coming in "over budget" results in refund payments back to payers (shared losses)

- OneCare ACO programs incorporate a quality component that will affect the amount shared savings/losses

OneCare Business Model

- OneCare is **fully funded by participating hospitals**
- Independent Board of Managers comprised of statewide participants and stakeholders
- $15M annual operating budget
  - 46.7 FTEs
  - Core teams:
    - Care Coordination
    - Quality Improvement
    - Contracting
    - Finance
    - Public Affairs
    - Compliance
  - Software platform to securely manage data
- Programmatic results flow through to the providers
  - Shared savings and losses paid to/by provider participants to establish accountability for outcomes and results

Questions/Comments/Thoughts

Thank you!

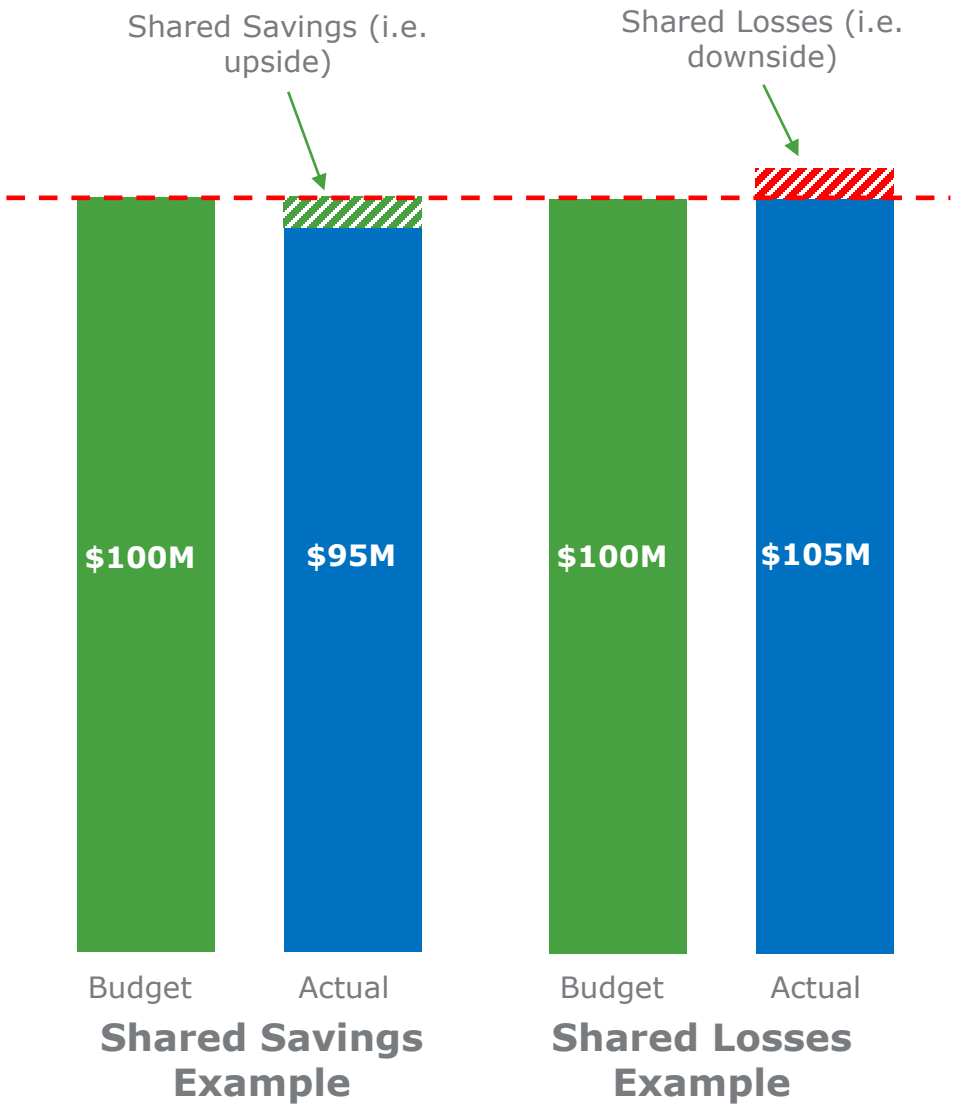
Appendix

What is Value-Based Care?

A health care delivery model under which health care providers are paid based on **health outcomes** and **quality of care** rather than for individual services.

Shared Savings/Losses

- At the end of the performance year, actual costs are compared to the "budget"
  - If costs are lower than expected shared savings are earned
  - If costs are higher than expected shared losses are owed



Second NORC Report Recognizes Vermont's Continuing Progress

In December 2022, Centers for Medicare and Medicaid Services (CMS) released a second **positive evaluation** and **summary findings** of the Vermont All-Payer Model's performance years 2018 through 2020, conducted by NORC at the University of Chicago. This *second fully informed, research-based analysis of OneCare's work* summarizes that OneCare's work is on track - continuing to transform the way health care is paid for and delivered.

2022 Second Evaluation Report: https://innovation.cms.gov/data-and-reports/2023/vtapm-2nd-eval-full-report
2022 Technical Appendices: https://innovation.cms.gov/data-and-reports/2022/vtapm-2nd-eval-report-app

Key Evaluation Findings

In performance years 1, 2, and 3, ***the All-Payer Model achieved Medicare spending reductions at the accountable care organization level***

[Continued] progress toward 2022 performance targets at the state and the accountable care organization for the majority of the model's population health and quality outcomes

Utilization and spending continued to decrease in performance year 3 relative to the comparison group

Hospital and community providers credited ***the VT All-Payer Model as a catalyst for increasing collaboration*** between hospitals and community organizations and suggested that ***the model has increased involvement of different types of providers in care coordination***, which was especially valuable during the pandemic