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GREEN MOUNTAIN CARE BOARD

2022 Medicare Benchmark Recommendation

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December 15, 2021

Agenda

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- Background on Medicare Benchmarks
- Experience to date
- Recommendations for 2022 Benchmarks

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Background on Medicare Benchmarks

All-Payer Model Agreements

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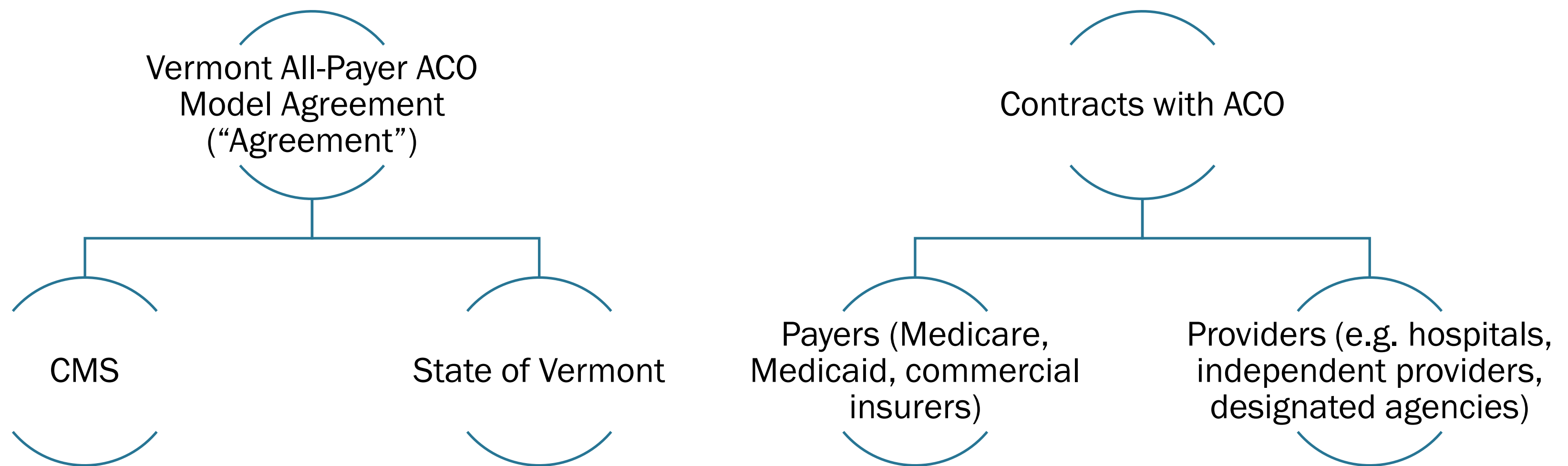

Agreement requires GMCB to set Benchmarks for ACO's Medicare program. Benchmarks must be approved by CMS prior to performance year.

Benchmarks and Medicare's All-Inclusive Population Based Payment (AIPBP)

- Medicare's AIPBP is calculated and reconciled independently from the Benchmarks.

- AIPBP provides predictable, level payments to providers, which is ultimately reconciled to the actual services delivered to attributed beneficiaries.

ACO Total Cost of Care = Fee-for-service (FFS) payments +
would-have-paid amounts (AIPBP claims)

2021 AIPBP vs Incurred Expenses

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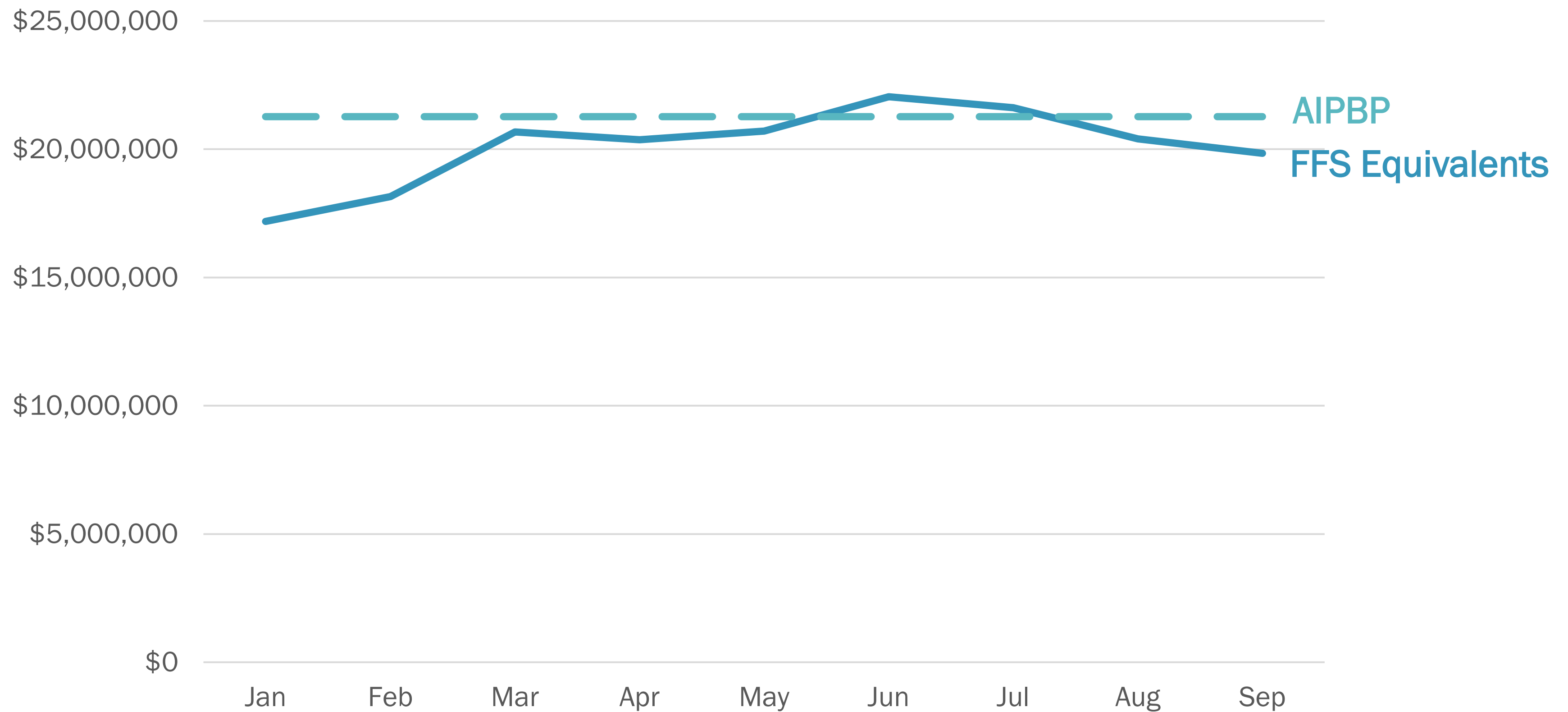
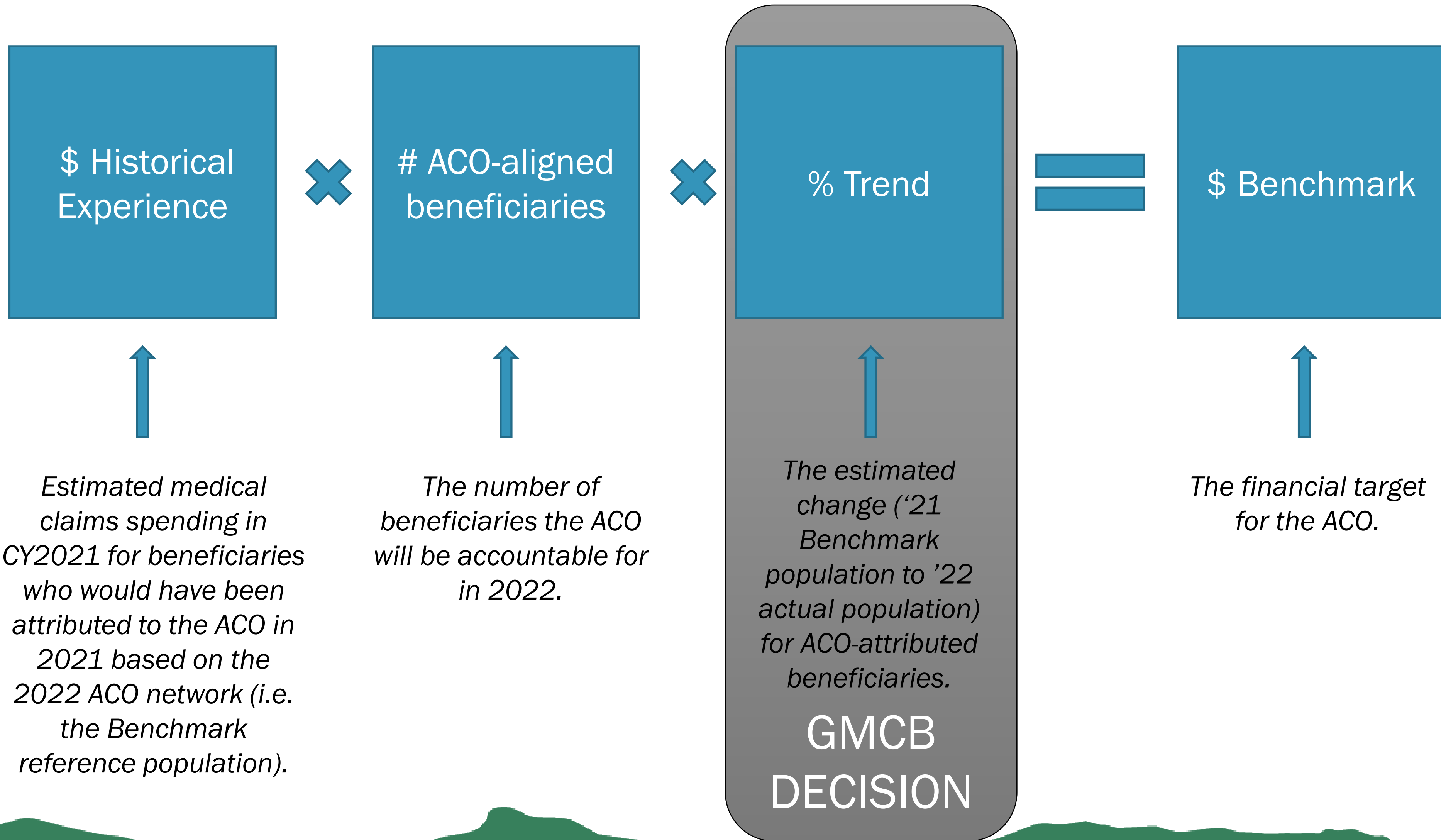


Paid through Dec 10, 2021

Benchmark Components



Two Benchmarks

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- The Medicare Benchmark is set separately for beneficiaries who are eligible due to End Stage Renal Disease (ESRD) and the remaining population (i.e. beneficiaries eligible due to age or disability).
- There are very few beneficiaries eligible due to ESRD, but their average costs are much greater than the remaining population.

Allowable Benchmark Trends

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- Per the Agreement, trends set by the GMCB must meet certain criteria. One of the criteria is that the trend set is at least 0.2% lower than the projected growth for Medicare fee-for-service nationally.
- These national projections are released annually.
- The projections are usually released in April preceding the performance year. For 2022, the projections were released in January of 2021, which may introduce more uncertainty than previous years.

Trend Limits to Date

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	2018	2019	2020	2021	2022
Non-ESRD	3.5% (floor provision of Agreement)	3.8%	4.0%	4.4%	10.4%
ESRD		3.1%	2.9%	2.3%	7.6%

These trends are combined to set a target for the entirety of the Agreement (i.e. growth from 2017 to 2022):

Non-ESRD = 5.2% compounded annual growth
ESRD = 3.9% compounded annual growth

Previous GMCB Decisions

Performance Year	Approved Benchmark Trend	Notes
2018	3.5%	GMCB elected to use the floor provision of the Agreement
2019	3.8% Non-ESRD 3.1% ESRD	Maximum allowable trends
2020	-7.7% Non-ESRD -2.2% ESRD	Retrospective trends due to COVID-19
2021	TBD	Retrospective trends due to COVID-19

ESRD = End Stage Renal Disease

What do you do with a problem like 2020?

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- The claims generated in 2020 do not represent meaningful experience for generating financial targets.
- Some programs are using 2019 claims for base experience. While this adds an extra year to any estimates, it also represents a more meaningful starting place.
- CMS preferred to *impute* 2020 experience based on historical trends.

2020 Comparison

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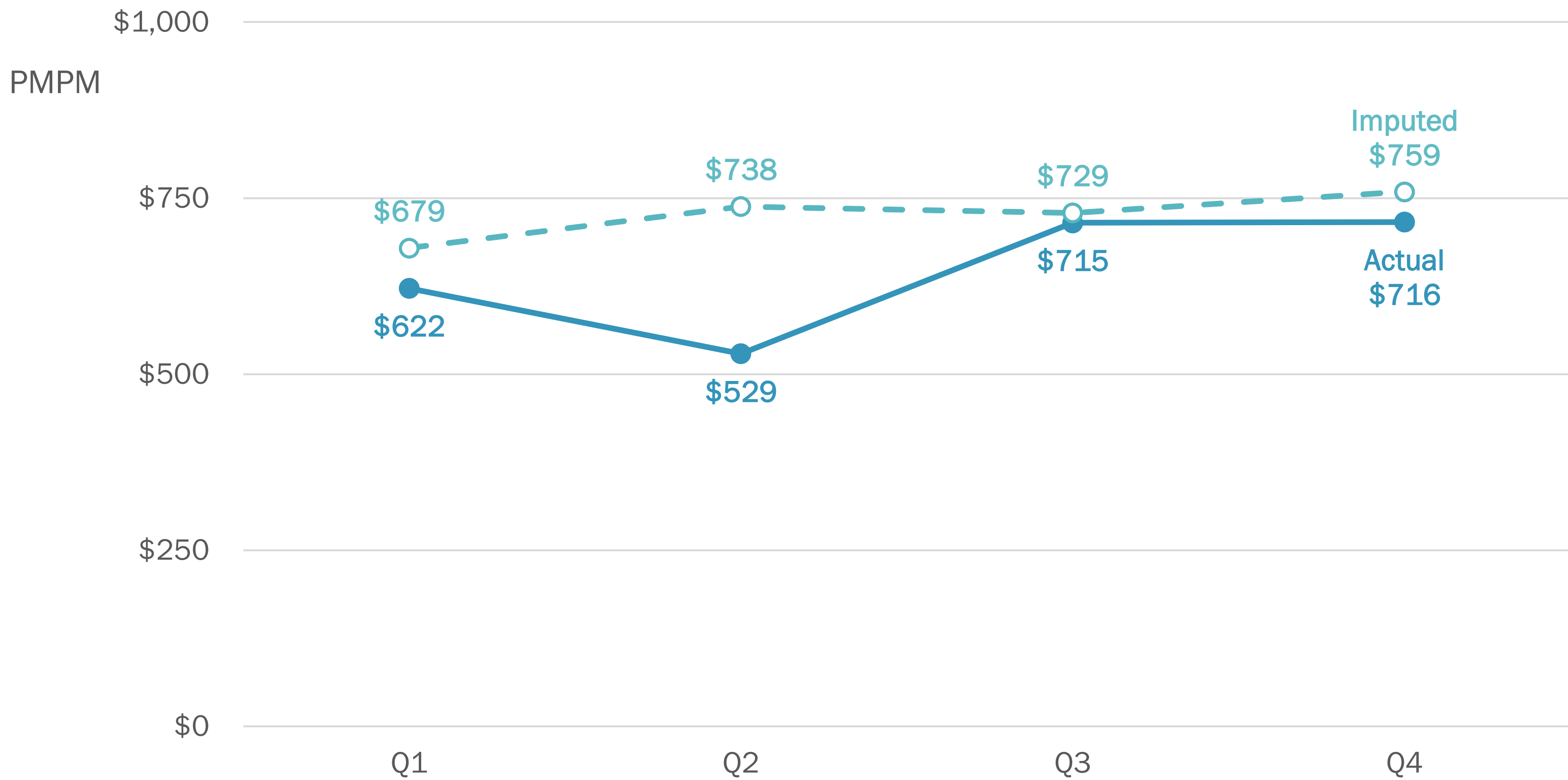

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Experience to Date

All-Payer Model (APM) Total Cost of Care (TCOC) Per Member Per Month (PMPM)

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Medicare PMPM Comparisons

Year	US Actual	US Projection (2022 Announcement)	VT Actual
2010	$835	$767	$665
2011	$851	$776	$678
2012	$851	$769	$695
2013	$840	$780	$693
2014	$849	$795	$690
2015	$865	$819	$719
2016	$873	$828	$731
2017	$893	$845	$745
2018	$921	$877	$755
2019	$959	$908	$786
2020	$944	$856	$728
2021		$955	
2022		$1,055	
2023		$1,084	
2024		$1,136	

PMPM

Medicare Growth Comparisons

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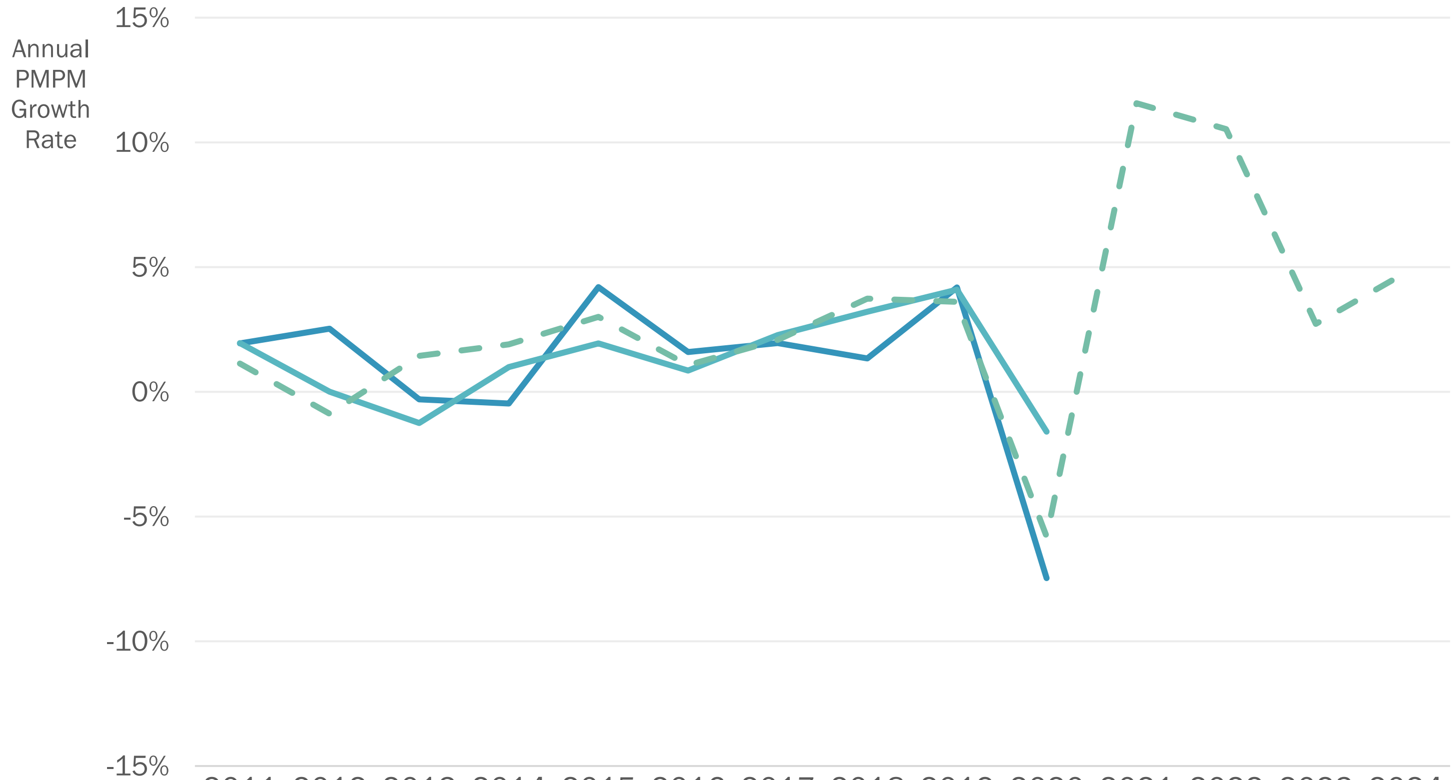
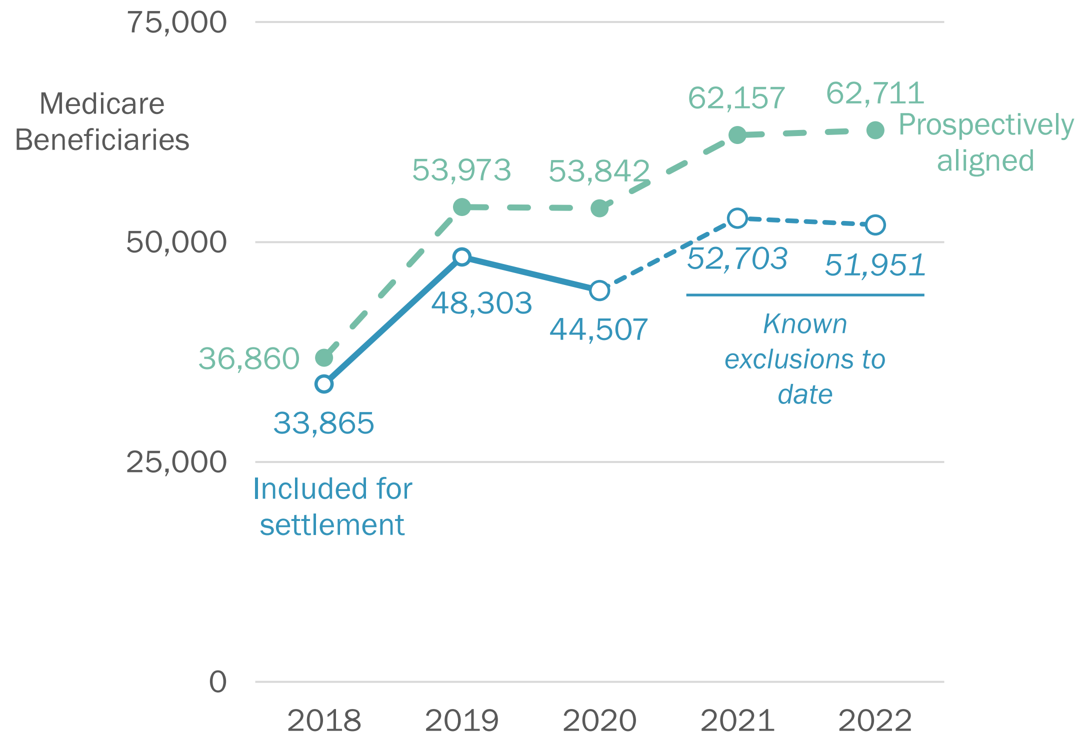


	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
VT Actual	2%	3%	0%	0%	4%	2%	2%	1%	4%	-7%				
US Actual	2%	0%	-1%	1%	2%	1%	2%	3%	4%	-2%				
US Projection (2022 Announcement)	1%	-1%	1%	2%	3%	1%	2%	4%	4%	-6%	12%	11%	3%	5%

OneCare Vermont Medicare Participation

- The Vermont Medicare ACO program limits which beneficiaries are included in the financial settlement.
- Beneficiaries must:
  - Maintain eligibility for the entire performance year (or until they pass away)
  - Receive 50% or more of their primary care services in the ACO's service area
- As more people opt for Medicare Advantage plans, substantially more beneficiaries are losing eligibility.



OneCare Results to Date

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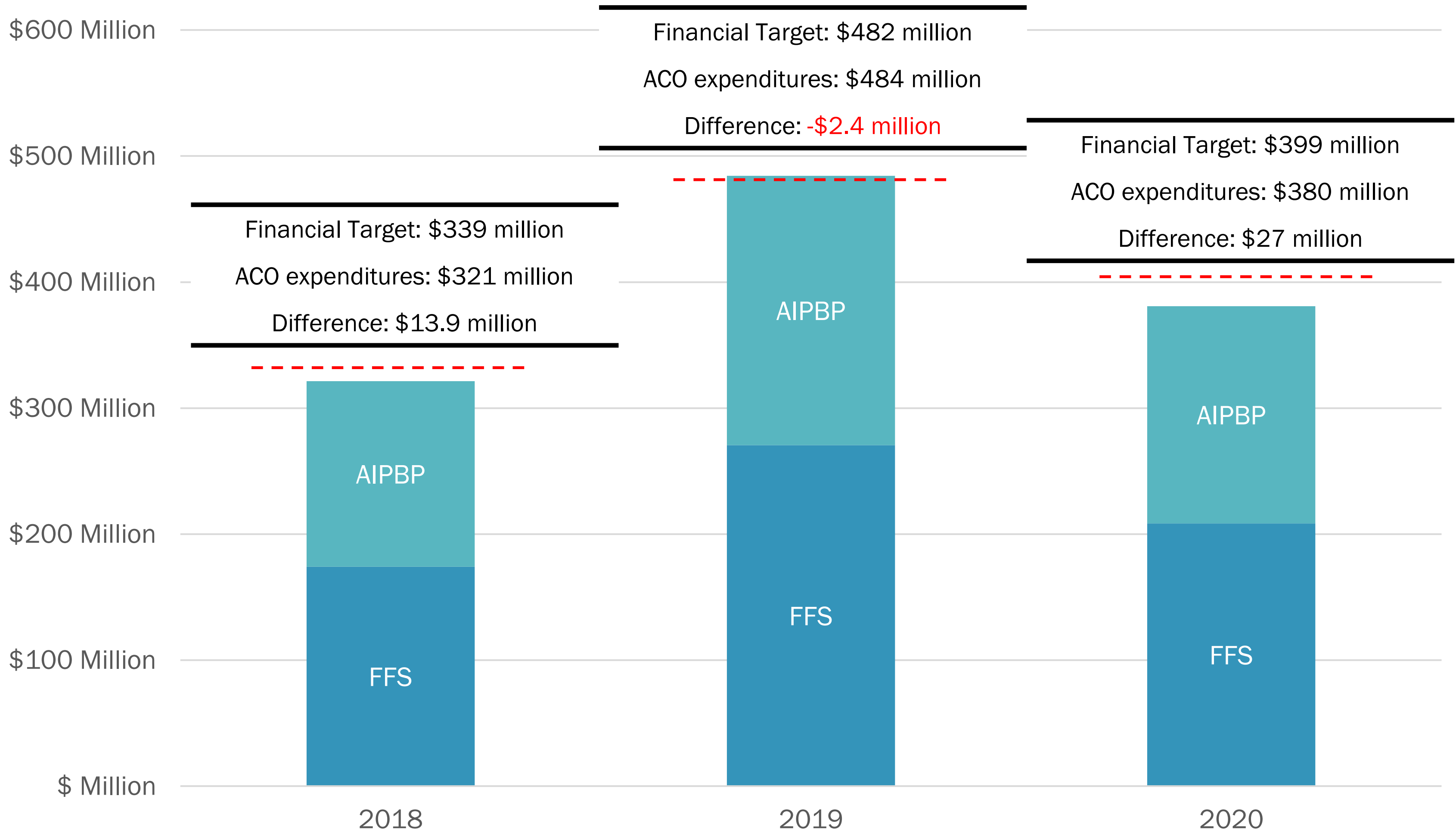

Settlements

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	2018	2019	2020
Gross Savings / (Losses)	$17,845,450	$11,285,496	$27,002,622
Cap on Savings / Losses	$20,634,180	$24,790,486	$20,391,839
Capped Savings / (Losses)	$17,845,450	$11,285,496	$20,391,839
Quality Adjustment	$0	-$196,758	$0
ACO Risk Arrangement	80%	100%	80%
Adjusted capped savings / (losses)	$13,990,833[1]	$11,285,496	$16,313,471
Advanced Shared Savings	$7,776,760	$6,342,236	$8,401,660
Net Settlement Adjusted for Advanced Shared Savings	**$6,214,073**	**$4,943,260**	**$7,911,811**

[1] Includes deduction for sequestration

2021 Experience to Date

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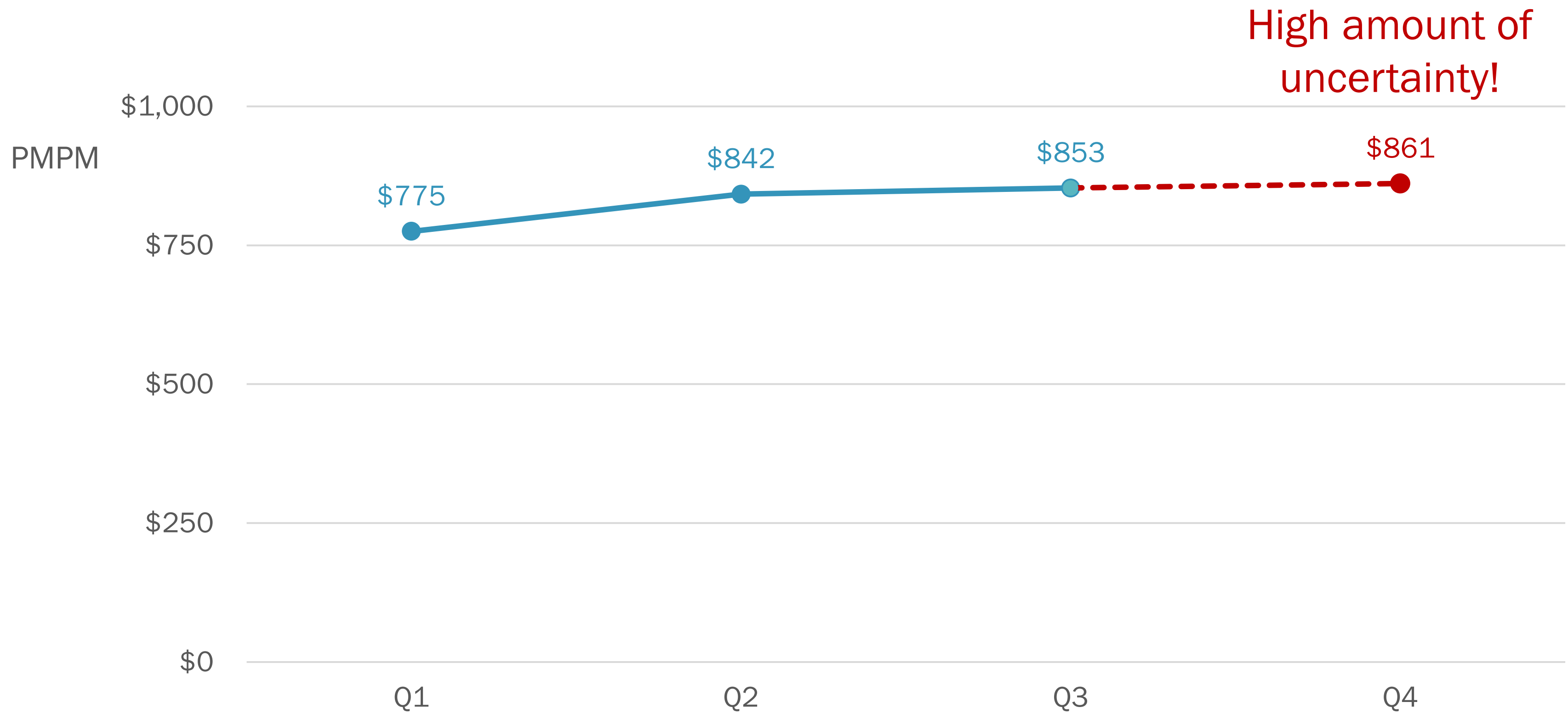
- Estimates for 2021 PMPM range from $815 to $860 (5.5% difference).



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Recommendations for 2022 Benchmarks

2022: Known Unknowns

Unknown	Risk	Recommendation
Experience for 2021	Base used for Benchmarks may be inaccurate.	Review after actual expenditures are available for 2021 (~ April 2022) and update if inaccurate.
Federal Public Health Emergency	Flexibilities include risk mitigation for COVID-19 episodes.	Adjust Benchmarks to account for changes to ACO risk.

2022: Known Unknowns

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Unknown	Risk	Recommendation
Medicare Advantage	As more people enroll, the average expenditures of the traditional Medicare population may change.	Monitor 2022 closely and, if necessary, revise proposed trend with mutual agreement with CMS
Care patterns	With substantial capacity constraints, it may be necessary to refer more care out-of-state, which introduces potential for additional, unavoidable expense.	
Deferred care	The number of services and intensity of care needed to address the deferral of preventative care may increase.	
COVID-19	The ongoing effects are very difficult to predict.	

Medicare Projections

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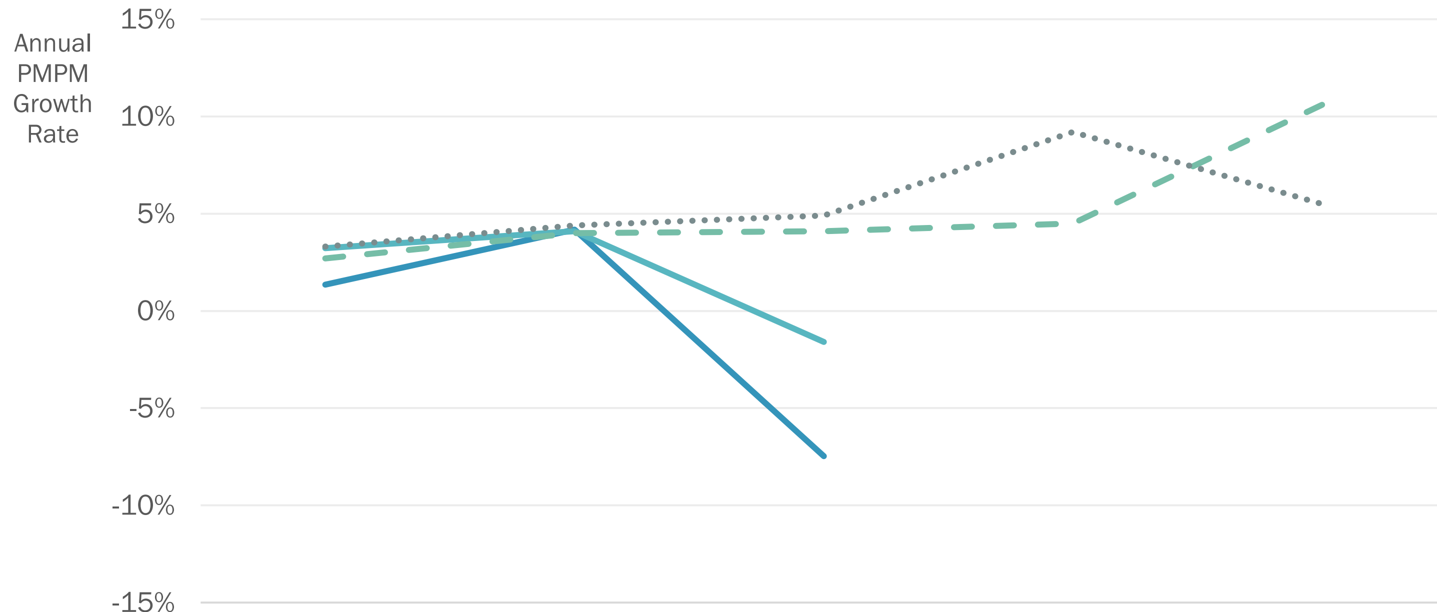

	2018	2019	2020	2021	2022
VT Actual	1.3%	4.2%	-7.5%		
US Actual	3.2%	4.1%	-1.6%		
USPCC FFS	2.7%	4.0%	4.1%	4.5%	10.6%
Medicare Premium	3.3%	4.4%	4.9%	9.2%	5.5%

USPCC FFS = United States Per Capita Cost for Fee-for-Service, from Medicare Advantage Call Letters (2017 to 2022)

2022 Trend Rates

2021 Experience Estimates	3.5% Trend (APM All-Payer Growth Target)	5.5% Trend (Medicare Premium)	10.4% Trend (USPCC FFS)
Low ($815)	$844 PMPM ±$10.7 million risk*	$860 ±$10.9	$900 ±$11.4
Mid ($840)	$870 ±$11.1	$887 ±$11.3	$927 ±$11.8
High ($860)	$890 ±$11.3	$901 ±$11.5	$950 ±$12.1
Current ($827)	$856 ±$10.9	$873 ±$11.1	$913 ±$11.9

* Assumes 2% risk corridor

Staff recommendation: 2022 Trend Rates

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- Staff recommends a trend rate of 5.5% for Non-ESRD and ESRD.

- Due to the incredible amount of uncertainty, the proposal should include guardrails to:
  - Assess the 2021 estimated experience with actuals and adjust, if necessary.
  - Monitor 2022 closely to determine if trend requires revision.
  - Ensure that baseline and performance year have same inclusions and exclusions in the TCOC.

Advanced Shared Savings

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- Medicare’s investments in the Blueprint for Health Programs ended in 2016, i.e.
  - Primary Care Medical Home (PCMH)
  - Community Health Team (CHT)
  - Support and Services at Home (SASH)
- The Agreement included provisions to allow for their continued funding by Medicare.
- The funding is attached to the Medicare Benchmark but does not represent *performance risk*.
- The advance is reconciled at settlement.

Advanced Shared Savings in the Medicare Benchmark

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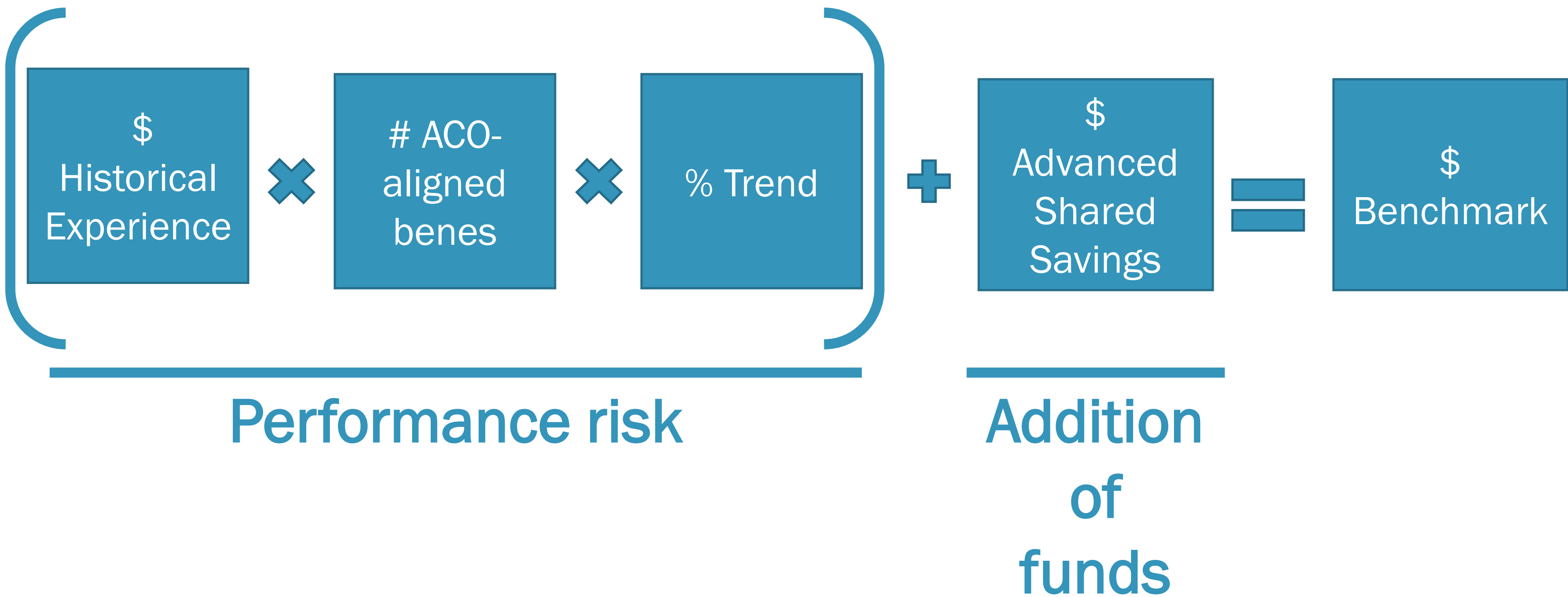

Risk Corridor and Advanced Shared Savings

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- A 2% risk corridor constrains the total amount of shared savings possible.
- The expected membership at the time of settlement may make it impossible for the ACO to earn the entire advance. In this scenario, the ACO would be responsible for repaying the advance even if it were to achieve maximum savings.
- The State of Vermont and CMS are pursuing alternative mechanisms for funding these programs in the future.

Risk Corridor and Advanced Shared Savings

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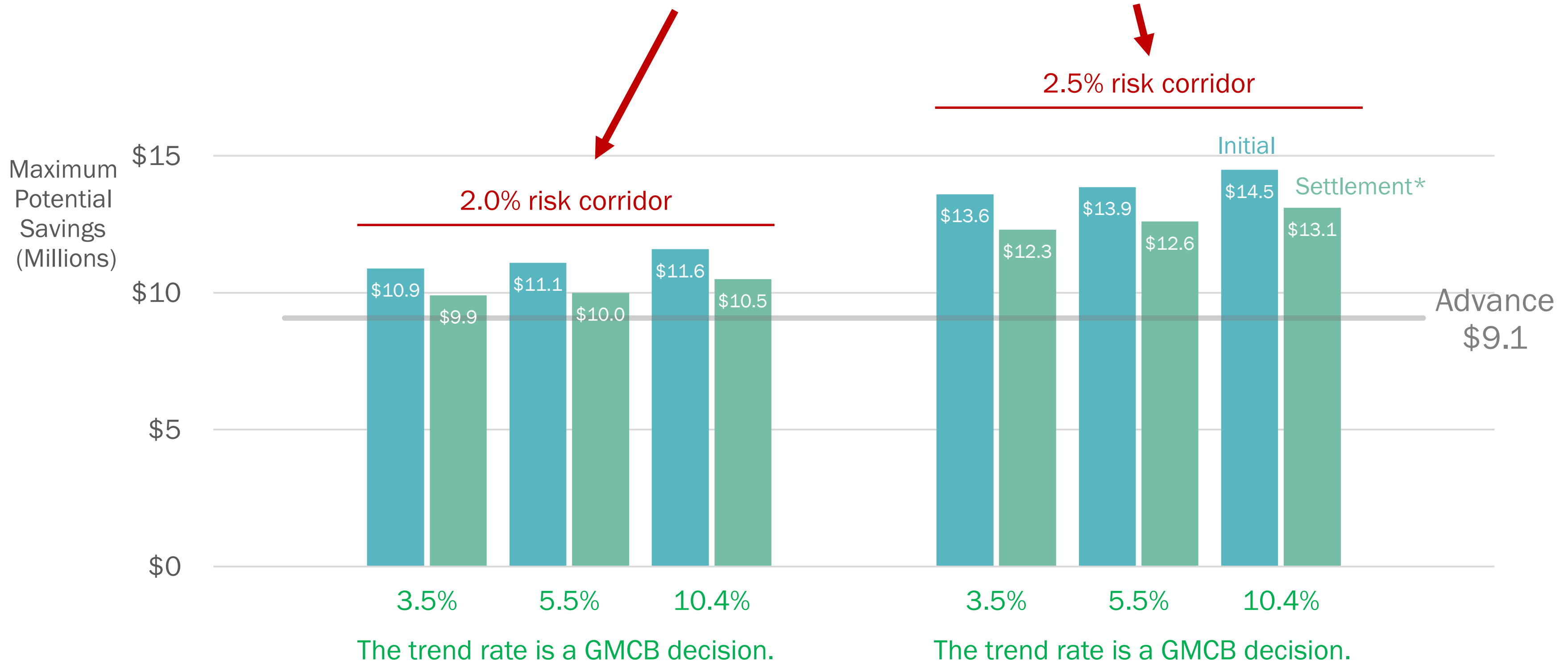

* Settlement estimates based on attrition in 2020 Benchmark population, which may vary from attrition in 2022.

Staff recommendation: BP Investments

- Include $9,073,982 in advanced shared savings in the Medicare Benchmark.
- Continue using advanced savings to support PCMH, CHT, and SASH payments.