VERMONT ALL-PAYER
ACCOUNTABLE CARE ORGANIZATION MODEL

PUBLIC MEETING
OCTOBER 2016

Overview

Our Goal Today: Answer Your Key Questions

- A Few Key Facts
- All-Payer Model: What is It?
- What Problems are We Trying to Fix?
- How the Model Works
  - Financial Terms and Quality Framework
- How the Model Could Benefit Vermonters
- Input & Calendar of Events
- Open Q & A to Answer Your Questions

All-Payer Model: A Few Key Facts

- Fact: Medicare beneficiaries keep all their current benefits, covered services, and choice of providers.
  - Only Congress can reduce Medicare benefits
  - Medicaid beneficiaries and people with commercial insurance are protected as well.

- Fact: Vermont is not taking over the health care payment system. Medicare will still pay for Medicare beneficiaries, Medicaid will still pay for Medicaid beneficiaries, and commercial insurers will still pay on behalf of their beneficiaries. This is a framework for private sector led reform.

- Fact: Joining the All-Payer Model is voluntary for health care providers.
  - Providers will be part of the All-Payer Model only if they chose to voluntarily join an Accountable Care Organization.

All-Payer Model: What Is It?

- An All-payer model is an agreement between the State and the Center for Medicare and Medicaid Services (CMS) that allows Vermont to explore new ways of financing and delivering health care, with Medicare's participation.

- The All-payer model enables the three main payers of health care in Vermont – Medicaid, Medicare, and commercial insurance, to pay for health care differently than through fee-for-service reimbursement.

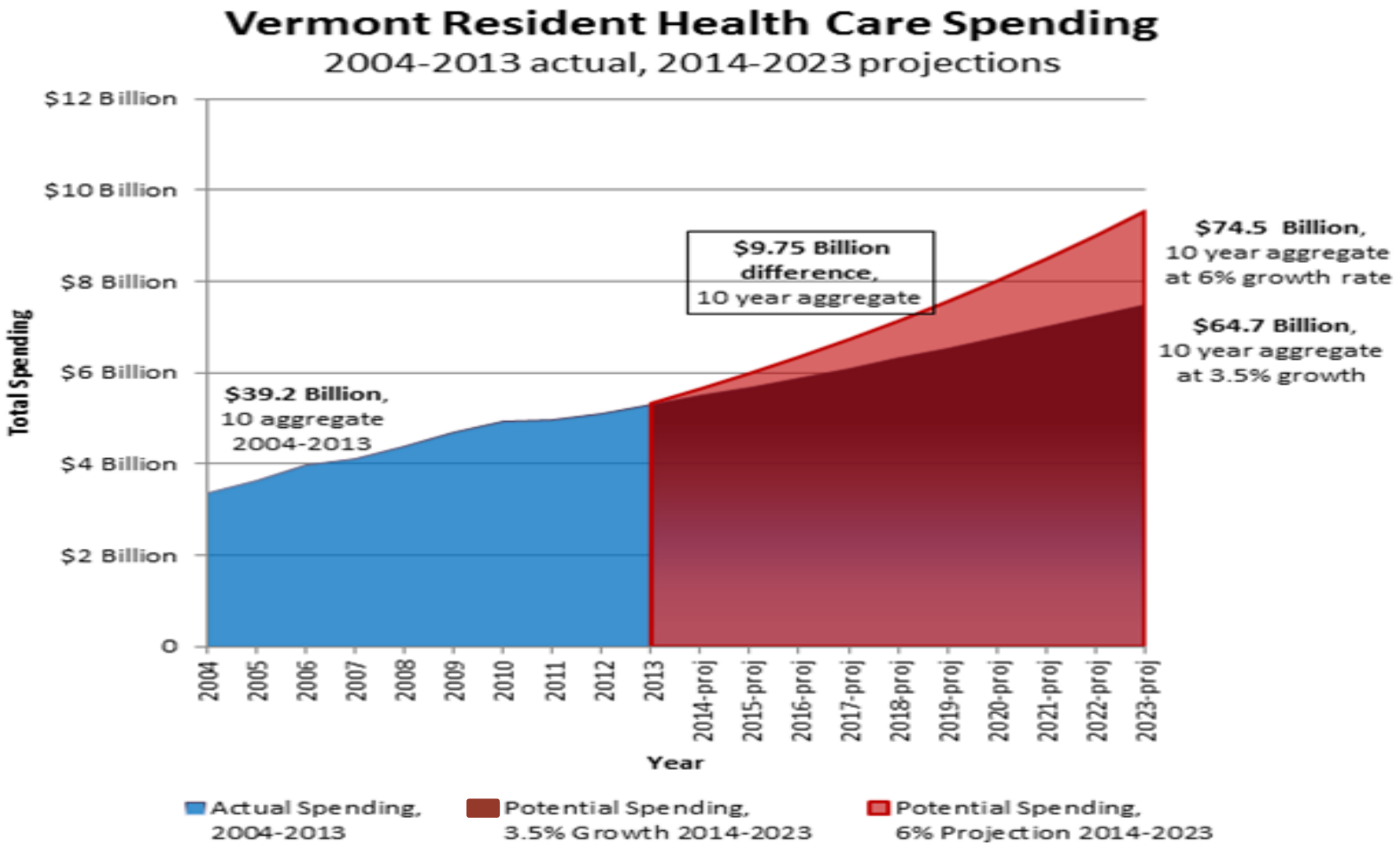
- Provides Vermont the opportunity to improve health care delivery to Vermonters, changing the emphasis from seeing you only when you are ill or injured to doing that and providing the incentives for keeping you well.

What Problems are We Trying to Fix?

Income Vs. Health Care Costs

	2015	2025
Income	$60,000	$73,140
Hourly Pay	$30	$36.57
Plan Cost/Hour	$11.52	$19.83
Plan Cost/Hour with Subsidy	$5.92	$8.81
Plan Cost per Year	$23,957	$41,253
Cost/Income	38%	56%

What Problems are We Trying to Fix?



VERMONT
HEALTH CARE REFORM

Key Terms & Acronyms

Accountable Care Organization or ACO: An entity, formed by certain health care providers and suppliers that accepts financial accountability for the overall quality and cost of medical care furnished to, and health of, beneficiaries attributed to the entity.

Medicare Part A (Hospital Insurance): Part A covers inpatient hospital stays, care in a skilled nursing facility, hospice care, and some home health care.

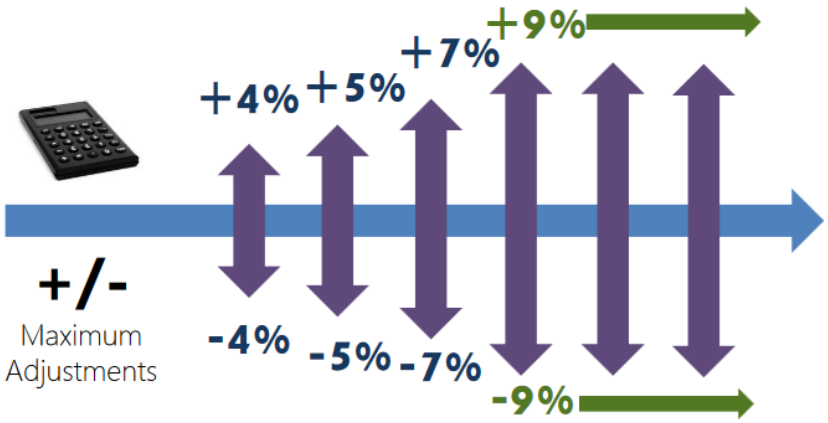
Medicare Part B (Medical Insurance): Part B covers certain doctors' services, outpatient care, medical supplies, and preventive services.

All-payer Total Cost of Care: The total expenditures associated with All-payer Financial Target Services (roughly equivalent to Medicare Parts A and B).

Medicare Access and Children Health Insurance Program Reauthorization Act (MACRA) : a new federal law in 2015, which creates two payment reform programs for Medicare. These are: the Merit-Based Incentive Payment System (MIPS) and the Advanced Alternative Payment Models (AAPMs). MIPS and AAPM provides financial incentives for physician's office who participate in payment reform or quality programs. There are financial disincentives for physicians who do not participate.

How much can MIPS adjust payments?

Based on a MIPS Composite Performance Score , clinicians will receive **+/- or neutral** adjustments **up to** the percentages below.



Adjusted Medicare Part B **payment** to clinician

The potential maximum adjustment % will increase each year from 2019 to 2022

2019 2020 2021 2022 onward

Merit-Based Incentive Payment System **(MIPS)**

VERMONT HEALTH CARE REFORM

VT All-Payer ACO Model Draft Agreement: Framework for Transformation

- State action on financial trends & quality measures
  - Moves from volume-driven fee-for-service payment to a value-based, pre-paid model for Accountable Care Organizations (ACOs).
    - Sets All-Payer Growth Target: 3.5%
    - Medicare Growth Target: 0.1-0.2% below national
  - Requires alignment across Medicare, Medicaid, and participating Commercial payers.

- Goals for improving the health of Vermonters
  - Improve access to primary care.
  - Reduce deaths due to suicide and drug overdose.
  - Reduce prevalence and morbidity of chronic disease.

All-Payer ACO Model Quality Framework: Focus on Collaborative Health Improvement

- Framework includes 20 carefully selected measures to support improvement on important population health goals
- Builds on measurement and health care initiatives already underway in Vermont
- Results come from consumer surveys, medical records, claims, hospital discharge data and health department information
- Measurement occurs at statewide or ACO level, not at practice or provider level
- No financial penalty for not meeting targets
- ACO will develop related quality program with provider input
- Encourages health, public health, and community service providers to work together to improve quality and integration of care

Overarching Population Health Goals

3 important goals to improve the health of Vermonters:

#1: Improving access to primary care

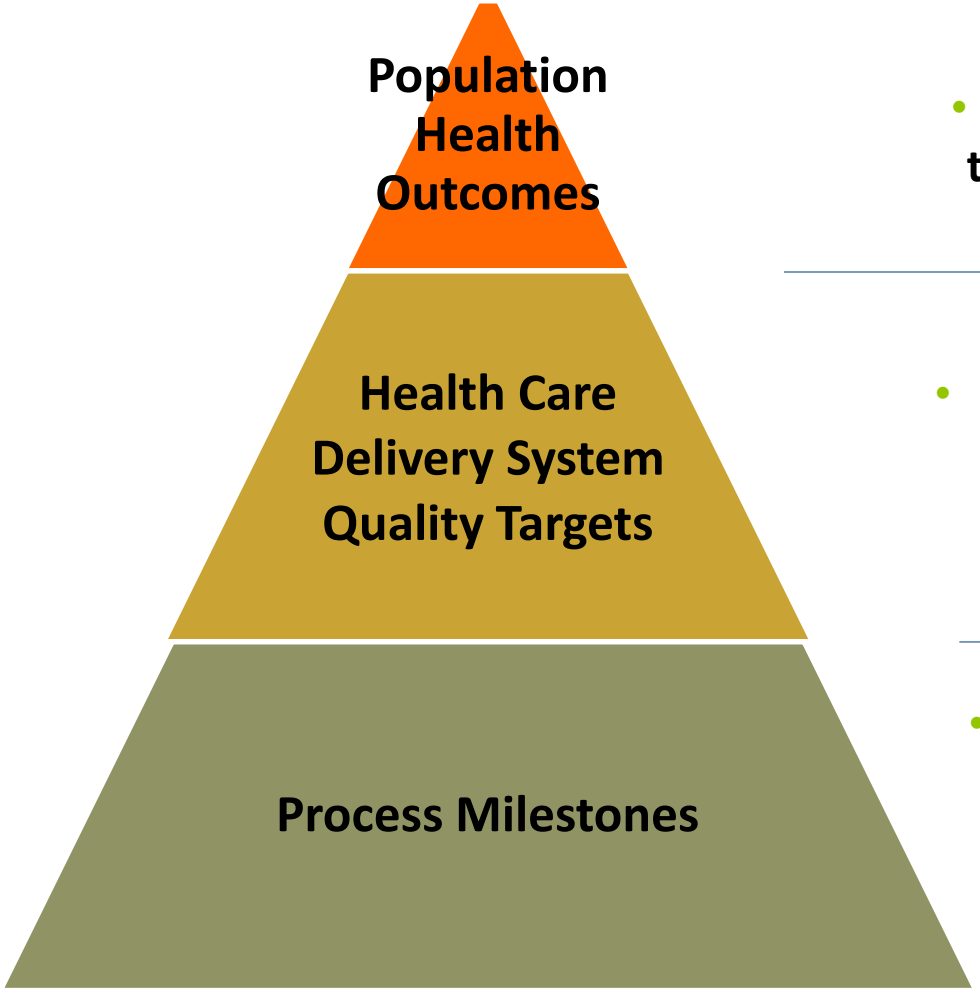
#2: Reducing deaths from suicide and drug overdose

#3: Reducing prevalence and morbidity of chronic disease (COPD, Diabetes, Hypertension)

Vermont's priorities helped inform these goals

(e.g., State Health Improvement Plan)

Population Health Goal #1
Improving Access to Primary Care



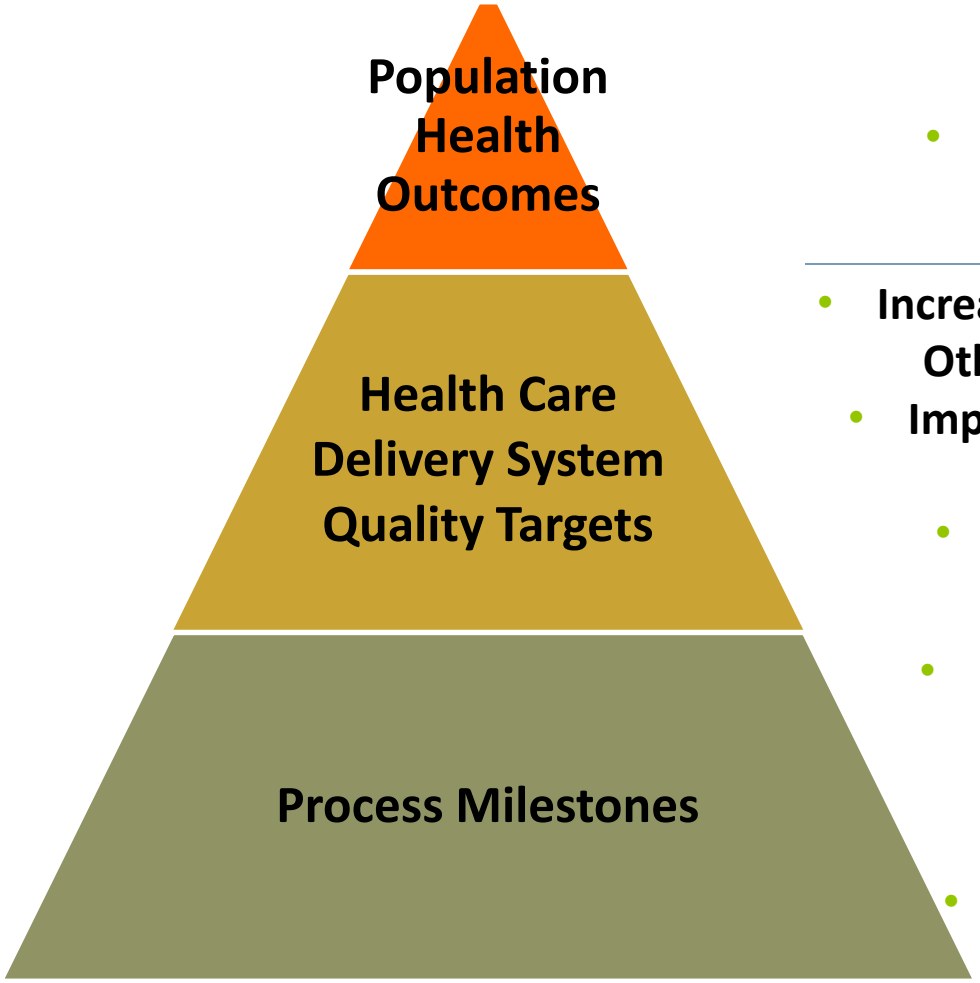
- Increase % of VT Adults Reporting that they have a Personal Doctor or Health Care Provider

- Increase % of VT Medicare Beneficiaries Reporting Getting Timely Care, Appointments and Information

- Increase % of VT Medicaid Adolescents with Well-Care Visits
- Increase % of VT Medicaid Beneficiaries Aligned with a VT ACO

VERMONT HEALTH CARE REFORM

Population Health Goal #2
Reducing Deaths from Suicide and Drug Overdose



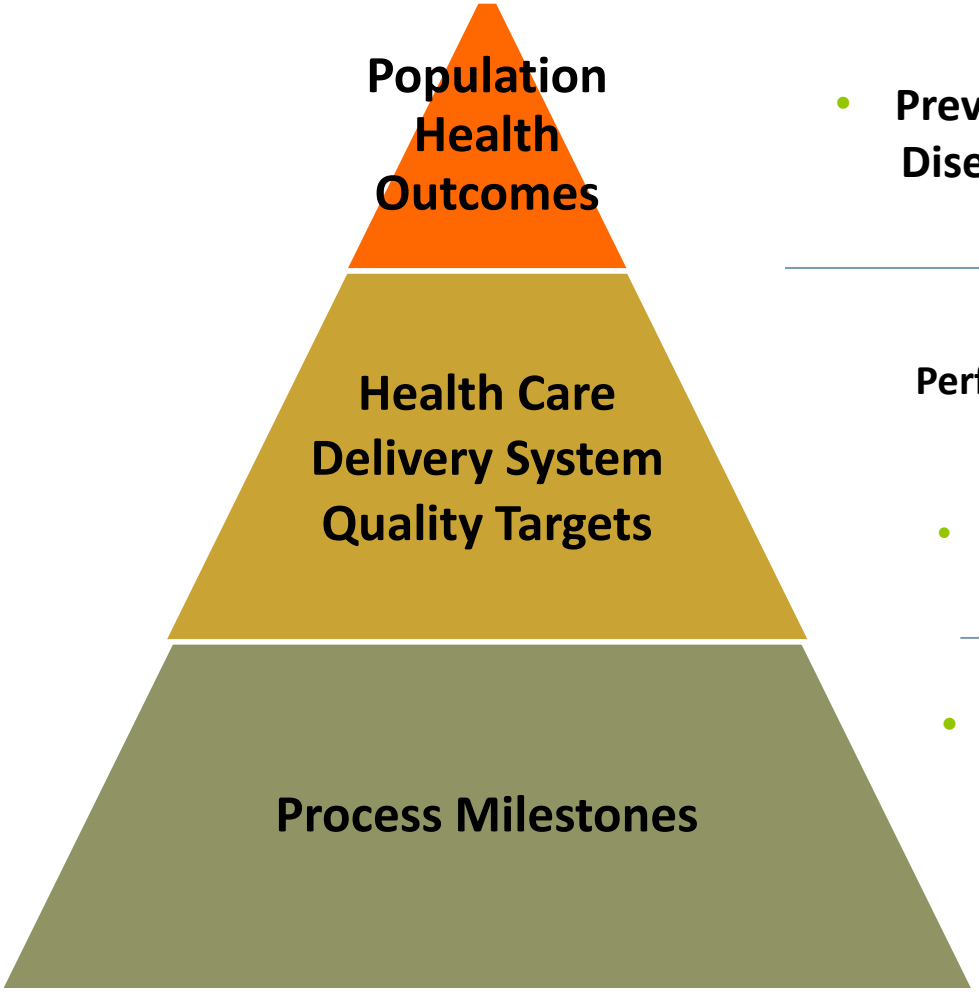
- **Reduce Deaths from Drug Overdose**
- **Reduce Deaths from Suicide**

- **Increase Initiation and Engagement of Alcohol and Other Drug Dependence Treatment** *(2 measures)*
- **Improve Follow-Up After Discharge from ED for MH and SA Treatment** *(2 measures)*
- **Reduce Rate of Growth of ED Visits for MH/SA Conditions**

- **Increase Use of VT's Rx Monitoring Program**
- **Increase # of VT Residents Receiving Medication-Assisted Treatment for Opioid Dependence**
- **Increase Screening for Clinical Depression and Follow-Up Plan**

VERMONT HEALTH CARE REFORM

Population Health Goal #3
Reducing Prevalence and Morbidity of Chronic Disease



- **Prevalence of Chronic Obstructive Pulmonary Disease, Diabetes and Hypertension Will Not Increase by More Than 1%** *(3 measures)*

For VT Medicare Beneficiaries, Improve Performance on Composite Measure that Includes:

- **Diabetes Hemoglobin A1c Poor Control**
- **Controlling High Blood Pressure**
- **All-Cause Unplanned Admissions for Patients with Multiple Chronic Conditions**

- **Improve Rate of Tobacco Use Assessment and Cessation Intervention**
- **Improve Rate of Medication Management for People with Asthma**

VERMONT HEALTH CARE REFORM

Cumulative Improvement Approach

- Recognition that quality improvement interventions can take time to design and implement.

- Each measure has a target. General approach is that:
  - ✓ Cumulatively across Year 1-Year 2, the State experiences improvement
  - ✓ There is improvement relative to target of at least 30 percent by the end of Year 3; 65 percent by the end of Year 4; 100 percent by the end of Year 5

Resources for Reform

- Federal government is willing to make a substantial financial investment in Vermont.
    - CMS is willing to provide Vermont more than $50 million in Medicare funding to support Blueprint for Health, Vermont's nationally recognized initiative for transforming primary care and the Support and Services at Home (SASH) program, which has a track record of saving money while keeping seniors in their homes and out of hospitals.
- Federal government is willing to provide over $200 million in Medicaid funding capacity to support investments in the ACO and in community-based providers.

VT All-Payer ACO Model Draft Agreement in Context

- Draft Agreement is the first of 3 steps in creating an All-Payer Model:
  - **Step 1:** Agreement between CMS and VT provides an opportunity for private-sector, provider-led reform in VT
  - **Step 2:** ACOs and payers (Medicaid, Medicare, Commercial) work together to develop ACO-level agreements
  - **Step 3:** ACOs and providers that want to participate work together to develop provider-level agreements

Why is this Good for Providers?

- Participation is by choice.
- Removes barriers to practicing in an integrated, coordinated care delivery system.
- Rewards providers for delivering high quality care.
- Rewards providers for improving health outcomes.
- Potential to provide more meaningful time with patients.
- Payment change across all payers may lead to administrative efficiencies.
- Maintains Medicare participation in proven programs to support providers in delivering comprehensive wrap-around care: Blueprint for Health, SASH.
- Creates path to maximize quality performance and reimbursement under new Medicare payment models (MACRA/MIPS).
- Offers participation in a unified, statewide system of care with shared cost moderation and quality improvement goals.

Why is this Good for Patients?

- Preserves all current beneficiary protections consistent with Medicare, Medicaid, or a Vermonter's commercial coverage plan.
- Medicare offers the opportunity, through an ACO, to receive benefit enhancements:
  - Post-discharge home visit
  - Easier access to Skilled Nursing Care
  - Telemedicine Services
- Encourages health care providers to better coordinate patient care and services.
- May lead to more meaningful time spent with your doctor.
- Unifies health care delivery system, public health, and community health programs around a common set of health improvement goals.
- Creates a coordinated public/private approach to improving access to primary care, mental health, and substance abuse services.

Getting Input on the Model

- All-Payer Model discussion has continued over the past two years
  - Legislature passed two laws related to the All-Payer Model, Act 54 of 2015 and Act 113 of 2016, after multiple hearings and extensive testimony.
  - GMCB staff convened a stakeholder group of health care providers and payers weekly for nearly a year and a half.
  - Broad stakeholder workgroups kept up-to-date via the Vermont Healthcare Innovation Project, a.k.a the SIM grant.
  - A term sheet that strongly resembles the concepts in the final ***draft*** agreement was announced and published January 25, 2016.

Calendar of Events

Discussion of Vermont All-Payer Accountable Care Organization Model ***draft***

GMCB Meetings – 89 Main Street, City Center, 2nd floor:

- Thursday, September 29th 1:00 pm
  - Special Public Comment period opened: September 29th- 12:00 pm on October 13th
- Wednesday, Oct 5th 9:00 am
- Thursday, Oct 13th 11:00 am, Traveling Board Meeting, Newport Inn & Suites
- Tuesday, Oct 18th 9:00 am

Public Forums:

- **Norwich on October 3rd 5:30 pm - 7:30 pm**
- **Burlington on October 6th 4:00 pm – 6:00 pm**
- **Rutland on October 11th 4:00 pm – 6:00 pm**
  - CVPS/Leahy Community Health Education Center, Rutland Regional Medical Center, 160 Allen Street, Rutland, VT
- **Brattleboro on October 12th 9:30 am - 11:30 am**
  - Brattleboro Retreat Conference Center, 16 Anna March Ln, Brattleboro

All-Payer Model Agreement: What Next?

- All-Payer Model Draft Agreement
  - Vermont's potential contract with the federal government for how the All-Payer Model will be administered

- Who Needs to Sign It?
  - The Governor of Vermont
  - The Secretary of the Agency of Human Services, the state agency that seeks to improve the well-being of Vermonters
  - The Chair of the Green Mountain Care Board, Vermont's independent agency in charge of ensuring that the State of Vermont maintains a high quality, accessible health care system while reducing cost growth
    - The Board is independent of the Governor and will only sign the agreement if the Board votes to approve the agreement after public hearings

Questions?

More Information @:
gmcboard.vermont.gov and
hcr.vermont.gov