
MEDICAID AND THE VERMONT
ALL-PAYER

ACCOUNTABLE CARE
ORGANIZATION MODEL

SEPTEMBER 29, 2016

Overview

- Medicaid Context
- Status of Medicaid Negotiations
- Medicaid in the All-Payer Model
 - Resources for Reform
- Questions

Medicaid Context: Section 1115 Demonstration Waivers

- Under Section 1115 of the Social Security Act, the federal government can “waive” many, but not all, of the laws governing Medicaid, including eligible people and services.
- 1115 demonstration waivers are intended to encourage state innovation in the Medicaid program.
- Often, states identify ways to save Medicaid funds and are permitted to use the savings to expand coverage.
- The Federal government approves Section 1115 Demonstrations for five-year terms, and existing Demonstrations can be extended for 3-5 year terms.

Demonstration dates:

- October 1, 2005- December 31, 2010
- Currently extended through December 31, 2016
- **PROPOSED WAIVER EXTENSION: January 1, 2017 - December 31, 2021**

Medicaid Context: Request for Extension

Vermont submitted a no change extension in order to:

- Maintain important flexibilities of the current model
- Put the Demonstration on a fast track for approval
- Align with anticipated timeframe of All Payer Model negotiations

CMS agreed to an extension with technical changes in order to:

- Focus on alignment with CMS policies
- Align with other state Demonstration expectations
- Align with changes to federal Medicaid Managed Care regulations

Status of Negotiations

- Global Commitment Medicaid Waiver
 - AHS and CMCS have reached overall agreement on waiver policies, but the complete, detailed, written terms and conditions are still in federal clearance at this time.

Big Goal:

Integrated health system able to achieve the triple aim

- ✓ Improve patient experience of care
- ✓ Improve the health of populations
- ✓ Reduce per capita cost growth

All-Payer Model Agreement

- Vermont's potential contract with the federal government for how the All-Payer Model will be administered
- Provides framework to align payers
- Sets targets for quality and total cost of care expenditures

Global Commitment to Health 1115 Waiver

- Vermont's contract with the federal government for how Medicaid will be administered
- Provides framework to align Medicaid with other payers
- Financial and program flexibility to drive innovation

The Medicaid Waiver and the All Payer Model

- Allows Vermont Medicaid to design an ACO payment model that aligns with Next Generation.
- Gives Vermont flexibility to design alternative payment models for services that will be integrated into the model over time.
- Provides opportunity for Vermont to draw down federal funding to support the transformation of Vermont's the health care system.
- Positions Vermont to take a “one model” approach across federal payers.
- CMCS and Vermont are aligned conceptually; however, negotiations are not yet complete.

Vermont Proposed Medicaid Capacity for System Transformation

	2017	2018	2019	2020	2021	NEW WAIVER 2022	TOTAL
Advance Consumer Health Engagement	\$ 1,000,000	\$ 5,000,000	\$ 4,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 19,000,000
Advanced Community Care/Case Management	\$3,000,000	\$ 5,000,000	\$5,000,000	\$ 4,000,000	\$ 3,000,000	\$2,000,000	\$22,000,000
Community Primary and Secondary Prevention	\$ 2,000,000	\$ 7,000,000	\$7,000,000	\$ 5,000,000	\$ 3,000,000	\$ 3,000,000	\$27,000,000
Information Infrastructure	\$15,000,000	\$ 9,000,000	\$6,000,000	\$ 4,000,000	\$ 4,000,000	\$4,000,000	\$42,000,000
Community based services-Medicaid Pathway	\$15,000,000	\$ 12,000,000	\$ 10,000,000	\$ 8,000,000	\$ 6,000,000	\$ 4,000,000	\$55,000,000
Quality and PHM Measurement and Improvement	\$ 3,000,000	\$ 8,000,000	\$ 6,000,000	\$ 4,000,000	\$ 2,000,000	\$ 0	\$23,000,000
Socio-Economic Risk and Mitigation	\$2,000,000	\$ 5,000,000	\$5,000,000	\$ 4,000,000	\$ 3,000,000	\$2,000,000	\$21,000,000
Total	\$41,000,000	\$51,000,000	\$43,000,000	\$ 32,000,000	\$ 24,000,000	\$18,000,000	\$209,000,000

- These represent potential, proposed expenditures in Medicaid Programs, Administration and Technology that are under negotiation. All require some level of state dollars in order to draw down federal match.
- Spending would focus on building AHS, GMCB, community service provider, and ACO capacity for reform.

Questions?