

MEDICARE FINANCIAL TERMS: SEPTEMBER AGREEMENT

	2016	2017	2018	2019	2020	2021	2022	TOTALS 2018-2022
Medicare lives	129,617	132,326	135,106	135,106	140,891	143,900	146,989	
ACO scale %		50%	60%	75%	79%	83%	90%	78%
ACO attributed lives		66,163	81,064	101,330	111,304	119,437	132,290	
VT ACO Trend		3.3%	3.19%	4.50%	4.05%	3.55%	3.05%	
VT ACO Benchmark	\$ 8,165	\$ 8,434	\$ 8,704	\$ 9,095	\$ 9,464	\$ 9,799	\$ 10,098	3.67%
VT ACO Total Medicare Dollars		\$ 558,046,304	\$ 705,538,613	\$ 921,609,813	\$ 1,053,327,900	\$ 1,170,418,020	\$ 1,335,910,387	
FFS lives		66,163	54,042	33,777	29,587	24,463	14,699	
VT FFS Trend		3.30%	3.79%	5.24%	4.65%	4.15%	3.65%	
VT FFS Benchmark	\$ 8,165	\$ 8,434	\$ 8,754	\$ 9,213	\$ 9,641	\$ 10,041	\$ 10,408	4.29%
VT FFS Total Medicare Dollars		\$ 558,046,304	\$ 473,093,986	\$ 311,177,569	\$ 285,256,394	\$ 245,640,853	\$ 152,983,607	
Vt Total Spend in Model		\$ 1,116,092,609	\$ 1,178,632,599	\$ 1,232,787,382	\$ 1,338,584,294	\$ 1,416,058,873	\$ 1,488,893,993	
National Projected Trend			3.39%	4.84%	4.25%	3.75%	3.25%	
National Benchmark	\$ 8,165	\$ 8,434	\$ 8,720	\$ 9,142	\$ 9,531	\$ 9,888	\$ 10,210	3.89%
September Agreement Illustration								
Savings Benchmark Growth			3.50%	4.64%	4.05%	3.55%	3.05%	
Savings Benchmark	\$	8,434	\$ 8,730	\$ 9,135	\$ 9,505	\$ 9,842	\$ 10,142	3.76%
Savings Target				\$	1,339,123,632	\$ 1,416,273,357	\$ 1,490,798,664	
Vermont Total Spend against Savings Target				\$	(539,338)	\$ (214,484)	\$ (1,904,671)	
VT ACO Spend at Savings Benchmark			\$ 707,658,169	\$ 925,616,885	\$ 1,057,907,670			
VT ACO Spend against Savings Target			\$ (2,119,556)	\$ (4,007,072)	\$ (4,579,769)			
PERFORMANCE: FFS excluded PY1-2;								
65% trigger PY3			\$ (2,119,556)	\$ (4,007,072)	\$ (539,338)	\$ (214,484)	\$ (1,904,671)	\$ (8,785,121)
Performance Trend			3.19%	4.50%	4.12%	3.58%	2.93%	3.66%

APM Assumptions	
All Payer Growth Benchmark	3.50%
VT Medicare Policy Cap	4.50%
VT FFS Relative to National	0.4%
Savings Requirement w/ Floor	0.2%
Savings Requirement w/o Floor	0.1%
FFS Trigger PY3	65%

MEDICARE FINANCIAL TERMS: SEPTEMBER AGREEMENT

	2016	2017	2018	2019	2020	2021	2022	TOTALS 2018-2022
Medicare lives	129,617	132,326	135,106	135,106	140,891	143,900	146,989	
ACO scale %		50%	60%	75%	79%	83%	90%	78%
ACO attributed lives		66,163	81,064	101,330	111,304	119,437	132,290	
VT ACO Trend		3.3%	3.19%	4.00%	4.00%	3.55%	3.05%	
VT ACO Benchmark	\$ 8,165	\$ 8,434	\$ 8,704	\$ 9,052	\$ 9,414	\$ 9,748	\$ 10,045	3.56%
VT ACO Total Medicare Dollars	\$	\$ 558,046,304	\$ 705,538,613	\$ 917,200,197	\$ 1,047,784,311	\$ 1,164,258,194	\$ 1,328,879,586	
FFS lives		66,163	54,042	33,777	29,587	24,463	14,699	
VT FFS Trend		3.30%	4.19%	5.64%	5.05%	4.55%	4.05%	
VT FFS Benchmark	\$ 8,165	\$ 8,434	\$ 8,788	\$ 9,283	\$ 9,752	\$ 10,196	\$ 10,609	4.69%
VT FFS Total Medicare Dollars	\$	\$ 558,046,304	\$ 474,917,260	\$ 313,564,121	\$ 288,542,833	\$ 249,425,162	\$ 155,939,932	
Vt Total Spend in Model	\$	\$ 1,116,092,609	\$ 1,180,455,873	\$ 1,230,764,317	\$ 1,336,327,144	\$ 1,413,683,356	\$ 1,484,819,518	
National Projected Trend			3.39%	4.84%	4.25%	3.75%	3.25%	
National Benchmark	\$ 8,165	\$ 8,434	\$ 8,720	\$ 9,142	\$ 9,531	\$ 9,888	\$ 10,210	3.89%
September Agreement Illustration								
Savings Benchmark Growth			3.50%	4.64%	4.05%	3.55%	3.05%	
Savings Benchmark	\$	\$ 8,434	\$ 8,730	\$ 9,135	\$ 9,505	\$ 9,842	\$ 10,142	3.76%
Savings Target				\$	\$ 1,339,123,632	\$ 1,416,273,357	\$ 1,490,798,664	
Vermont Total Spend against Savings Target					\$ (2,796,488)	\$ (2,590,001)	\$ (5,979,146)	
VT ACO Spend at Savings Benchmark		\$	\$ 707,658,169	\$ 925,616,885	\$ 1,057,907,670			
VT ACO Spend against Savings Target		\$	\$ (2,119,556)	\$ (8,416,688)	\$ (10,123,358)			
PERFORMANCE: FFS excluded PY1-2; 65% trigger PY3		\$	\$ (2,119,556)	\$ (8,416,688)	\$ (2,796,488)	\$ (2,590,001)	\$ (5,979,146)	\$ (21,901,879)
Performance Trend			3.19%	4.00%	4.12%	3.58%	2.82%	3.54%
APM Assumptions								
All Payer Growth Benchmark		3.50%						
VT Medicare Policy Cap		4.00%						
VT FFS Relative to National		0.8%						
Savings Requirement w/ Floor		0.2%						
Savings Requirement w/o Floor		0.1%						
FFS Trigger PY3		65%						

MEDICARE FINANCIAL TERMS: SEPTEMBER AGREEMENT

	2016	2017	2018	2019	2020	2021	2022	TOTALS 2018-2022
Medicare lives	129,617	132,326	135,106	135,106	140,891	143,900	146,989	
ACO scale %		50%	60%	75%	79%	83%	90%	78%
ACO attributed lives		66,163	81,064	101,330	111,304	119,437	132,290	
VT ACO Trend		3.3%	3.19%	3.50%	3.50%	3.50%	3.05%	
VT ACO Benchmark	\$ 8,165	\$ 8,434	\$ 8,704	\$ 9,008	\$ 9,323	\$ 9,650	\$ 9,944	3.35%
VT ACO Total Medicare Dollars		\$ 558,046,304	\$ 705,538,613	\$ 912,790,580	\$ 1,037,733,681	\$ 1,152,533,535	\$ 1,315,497,108	
FFS lives		66,163	54,042	33,777	29,587	24,463	14,699	
VT FFS Trend		3.30%	4.59%	6.04%	5.45%	4.95%	4.45%	
VT FFS Benchmark	\$ 8,165	\$ 8,434	\$ 8,822	\$ 9,354	\$ 9,864	\$ 10,353	\$ 10,813	5.09%
VT FFS Total Medicare Dollars		\$ 558,046,304	\$ 476,740,534	\$ 315,959,789	\$ 291,854,417	\$ 253,253,028	\$ 158,941,784	
Vt Total Spend in Model		\$ 1,116,092,609	\$ 1,182,279,146	\$ 1,228,750,369	\$ 1,329,588,097	\$ 1,405,786,563	\$ 1,474,438,892	
National Projected Trend			3.39%	4.84%	4.25%	3.75%	3.25%	
National Benchmark	\$ 8,165	\$ 8,434	\$ 8,720	\$ 9,142	\$ 9,531	\$ 9,888	\$ 10,210	3.89%
September Agreement Illustration								
Savings Benchmark Growth			3.50%	4.64%	4.05%	3.55%	3.05%	
Savings Benchmark	\$	8,434	\$ 8,730	\$ 9,135	\$ 9,505	\$ 9,842	\$ 10,142	3.76%
Savings Target				\$	1,339,123,632	\$ 1,416,273,357	\$ 1,490,798,664	
Vermont Total Spend against Savings Target				\$	(9,535,535)	\$ (10,486,793)	\$ (16,359,772)	
VT ACO Spend at Savings Benchmark			\$ 707,658,169	\$ 925,616,885	\$ 1,057,907,670			
VT ACO Spend against Savings Target			\$ (2,119,556)	\$ (12,826,304)	\$ (20,173,989)			
PERFORMANCE: FFS excluded PY1-2;								
65% trigger PY3			\$ (2,119,556)	\$ (12,826,304)	\$ (9,535,535)	\$ (10,486,793)	\$ (16,359,772)	\$ (51,327,961)
Performance Trend			3.19%	3.50%	3.76%	3.52%	2.68%	3.33%

APM Assumptions	
All Payer Growth Benchmark	3.50%
VT Medicare Policy Cap	3.50%
VT FFS Relative to National	1.2%
Savings Requirement w/ Floor	0.2%
Savings Requirement w/o Floor	0.1%
FFS Trigger PY3	65%

Description: Medicare projected growth based on MA USPCC FFS Non-ESRD projections

Source: 2017 announcement published on 4/4/2016

Notes: for 2020-2022 growth, since not supplied, used the same growth as projected for Medicare overall per capita

CY	Parts A&B F/y/y growth	
2010	744.81	
2011	758.28	1.81%
2012	751.64	-0.88%
2013	761.57	1.32%
2014	774.74	1.73%
2015	794.53	2.55%
2016	801.41	0.87%
2017	825.2	2.97%
2018	853.21	3.39%
2019	894.5	4.84%
2020		4.10%
2021		4.10%
2022		4.10%