

# 2018 All-Payer Total Cost of Care Results & APM Technical Changes Update

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February 26, 2020

# 2018 All-Payer Total Cost of Care Results

# Conclusions

- This is the first year for Medicare and Commercial Payers and year two for Medicaid.
  - Though the Medicaid ACO program has two years of experience, the network changed substantially between performance years.
- Future analysis will include risk adjustments and other meaningful factors both in and out of the ACO, which will allow for more comparative analysis.
- In 2018, very little spending was under the control of the ACO, these results are only intended to reflect the State's performance.

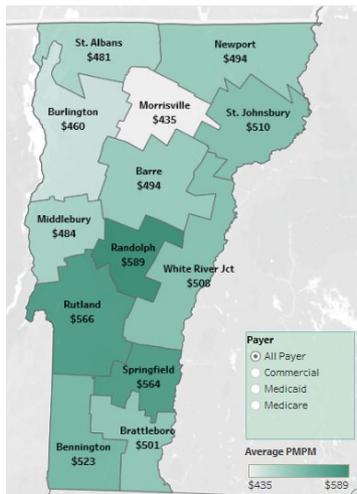
# Two Main Lenses for Analysis

## RESIDENT

Where people live

\$6.0 billion in 2017\*

E.g. All-Payer Total Cost of Care:



## PROVIDER

Where care was delivered

\$6.2 billion in 2017\*

E.g. Vermont Hospital Budgets:

### Fiscal Year 2018 Year-End Review

Medicare Designation	Contract with One Care VT*	Hospital	NPR/FPP Actual FY18	% of Total
PPS**	✓	Brattleboro Memorial Hospital	\$77,601,735	3.1%
PPS	✓	Central Vermont Medical Center	\$194,586,135	7.7%
CAH		Copley Hospital	\$66,226,448	2.6%
CAH		Gifford Medical Center	\$48,844,171	1.9%
CAH		Grace Cottage Hospital	\$18,193,737	0.7%
CAH	✓	Mount Ascutney Hospital & Health Center	\$50,808,643	2.0%
CAH	✓	North Country Hospital***	\$81,484,221	3.2%
CAH		Northeastern VT Regional Hospital	\$78,445,072	3.1%
PPS	✓	Northwestern Medical Center	\$103,317,768	4.1%
CAH	✓	Porter Medical Center	\$80,346,401	3.2%
PPS		Rutland Regional Medical Center	\$254,235,029	10.1%
PPS	✓	Southwestern VT Medical Center	\$161,115,765	6.4%
CAH	✓	Springfield Hospital	\$52,978,810	2.1%
PPS	✓	University of Vermont Medical Center	\$1,254,036,509	49.7%
SYSTEM			\$2,522,220,444	100%

\* Estimates from 2017 Expenditure Analysis, [https://gmcbboard.vermont.gov/sites/gmcb/files/2017\\_Expenditure\\_Analysis\\_with\\_projections\\_March\\_27\\_2019.pdf](https://gmcbboard.vermont.gov/sites/gmcb/files/2017_Expenditure_Analysis_with_projections_March_27_2019.pdf)

# Current Measure: APM TCOC Growth



The All-Payer ACO Model (APM) has two financial targets related to growth in the Total Cost of Care (TCOC). They measure how much the TCOC is changing on a per person basis for people who live in Vermont, reflecting a **resident-based analysis**.

1. **All-Payer TCOC:** Growth from 2017 to 2022 is targeted at 3.5%.
2. **Medicare TCOC:** Growth from 2017 to 2022 is targeted to be 0.2 percentage points less than expected national growth.

# APM All-Payer TCOC vs. Hospital Budgets



	All Payer TCOC	Hospital Budgets
<b>Vermont Residents</b>		
\$ for care delivered in HSA	✓	✓
\$ for care delivered outside of HSA	✓	X
<b>Non-Vermont Residents</b>		
\$ for care delivered in HSA	X	✓
\$ for care delivered outside of HSA	X	X

# APM All-Payer TCOC vs. Hospital Budgets



## ALL-PAYER TCOC

- Actual expenditures for a fixed population
- A subset of medical expenditures:
  - Medical claims
  - Medicaid's All-Inclusive Population Based Payment
  - Blueprint and SASH payments
  - Shared savings and losses

## HOSPITAL BUDGETS

- Estimated, future spending for an unknown population
- A broad set of financial information related to the delivery of care in addition to the operation of medical facilities, e.g.:
  - Maintenance and equipment
  - Salaries and fringe
  - Bad debt and free care
  - Provider tax
  - Drugs and supplies

# APM All-Payer TCOC vs. Insurance Rate Review



	All Payer TCOC	Rate Review
<b>Vermont Residents</b>		
\$ for care delivered in HSA	✓	✓
\$ for care delivered outside of HSA	✓	✓
<b>Non-Vermont Residents</b>		
\$ for care delivered in HSA	x	✓
\$ for care delivered outside of HSA	x	✓

# APM All-Payer TCOC vs. Insurance Rate Review

## ALL-PAYER TCOC

- Actual expenditures for a fixed population
- A subset of medical expenditures:
  - Medical claims
  - Medicaid's All-Inclusive Population Based Payment
  - Blueprint and SASH payments
  - Shared savings and losses

## RATE REVIEW

- Estimated, future spending for an unknown population – based on actuals from two years prior
- Premiums cover the risk associated with medical and pharmaceutical claims, as well as:
  - Administrative costs
  - Contributions to reserves
  - Assessments and fees

# APM All-Payer TCOC vs. ACO Budgets



	All Payer TCOC	ACO Budgets
<b>Vermont Residents</b>		
\$ for care delivered in HSA	✓	✓
\$ for care delivered outside of HSA	✓	✓
<b>Non-Vermont Residents</b>		
\$ for care delivered in HSA	x	✓
\$ for care delivered outside of HSA	x	✓

# APM All-Payer TCOC vs. ACO Budgets



## ALL-PAYER TCOC

- Actual expenditures for a fixed population
- A subset of medical expenditures:
  - Medical claims
  - Medicaid's All-Inclusive Population Based Payment
  - Blueprint and SASH payments
  - Shared savings and losses

## ACO BUDGETS

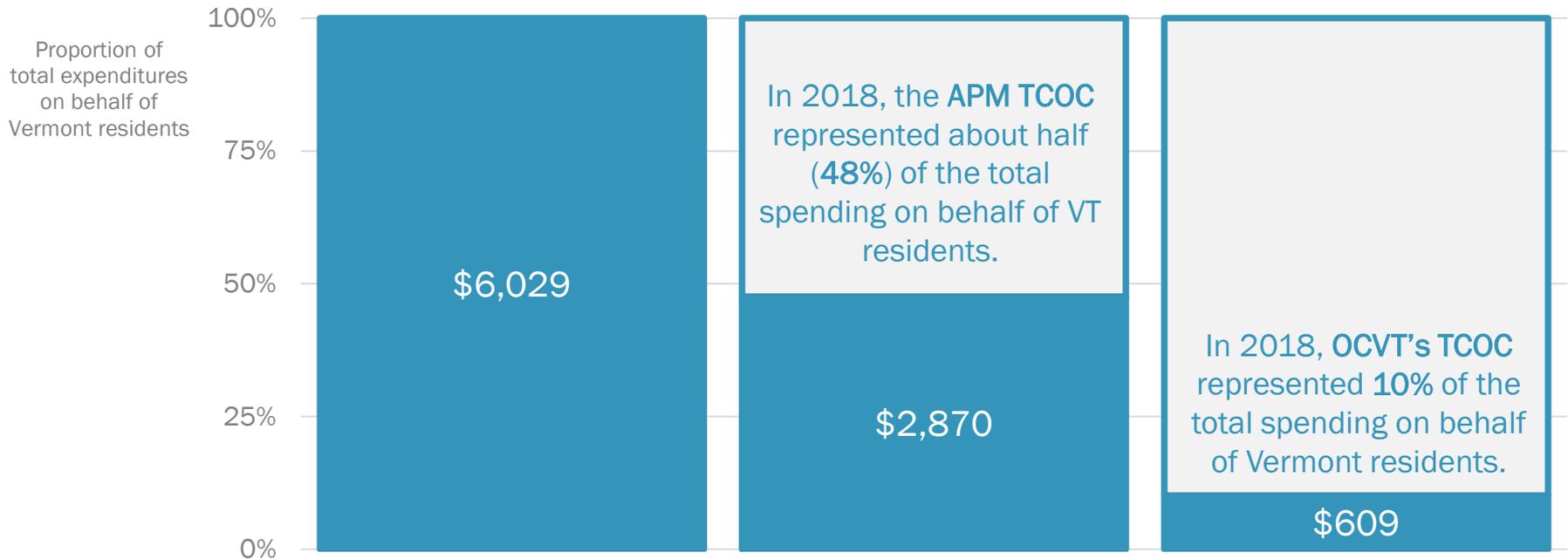
- Estimated, future spending for a fixed population
- ACO Budgets include TCOC targets, as defined by each participating payer, as well as operational expenses and investments in population health programs.

# Comparing Expenditure Measures (in millions)

Total VT Resident  
Spend  
(2017 EA)

APM TCOC  
(2018)

OCVT TCOC  
(2018 Actual)



# TODAY'S RESULTS: All-Payer TCOC Growth, Model Year 1



How did the per person TCOC change from 2017 to 2018 for Vermont residents?

$$\frac{\textit{Per person TCOC in 2018}}{\textit{Per person TCOC in 2017}} = \frac{\$521.25}{\$500.88} = 4.1\%$$

While the growth in PY1 exceeded the target of 3.5% the State is considered “on track” if average growth over the 5 performance years is 4.3% or less.

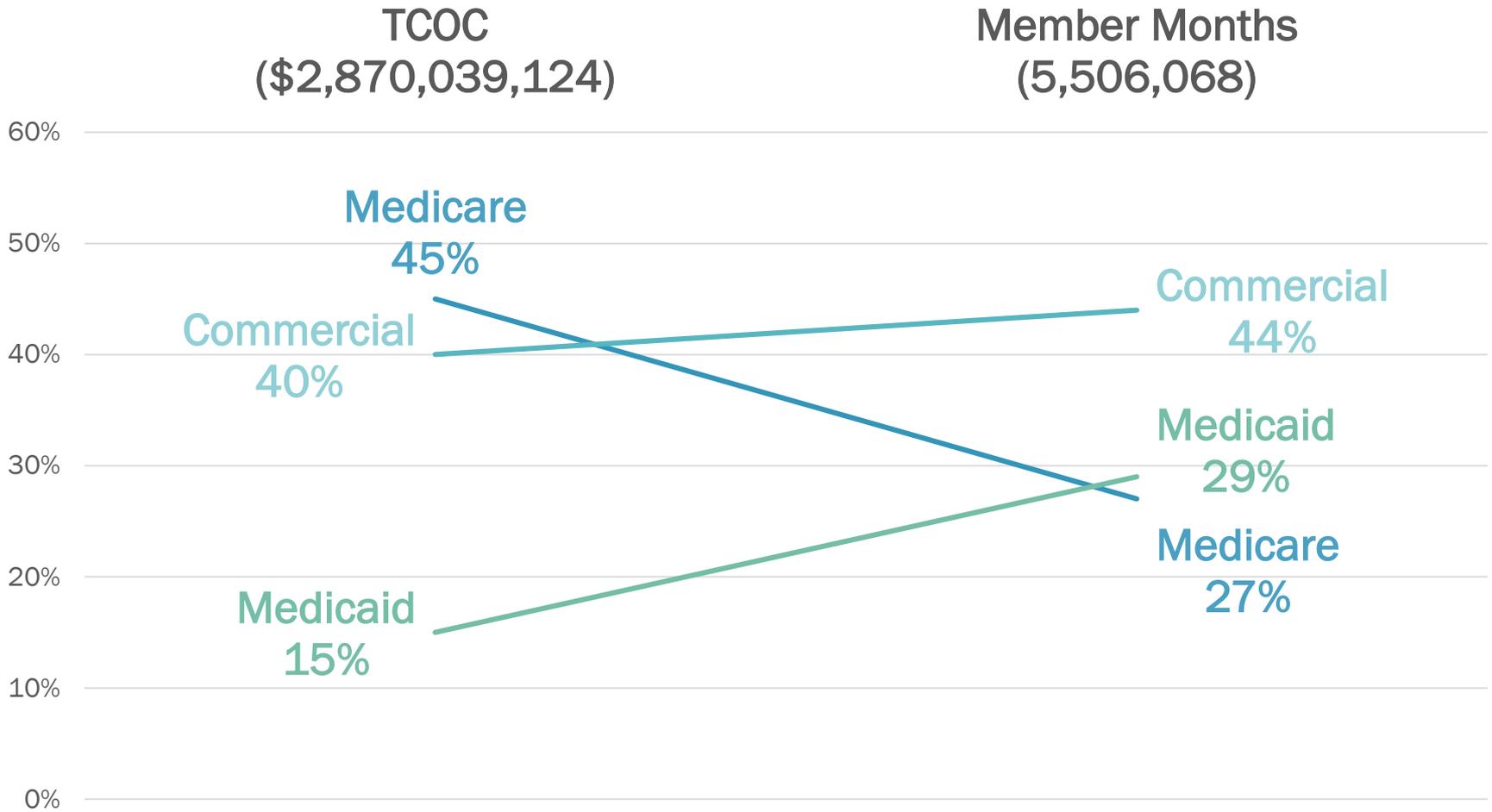
# All-Payer TCOC by Payer Type



Payer Type	2017	2018	Growth
All-Payer	\$500.88	\$521.25	4.1%
Medicare	\$841.32	\$878.05	4.4%
Commercial	\$461.99	\$468.97	1.5%
Medicaid*	\$258.96	\$275.79	6.5%
<i>Non-ACO Medicaid*</i>	\$252.23	\$275.00	9.0%
<i>ACO Medicaid*</i>	\$288.50	\$280.52	-2.8%

\*Excludes permissible price increases

# Share of TCOC vs Population by Payer Type (2018)



TCOC  
(\$2,870,039,124)

Member Months  
(5,506,068)

Medicare  
45%

Commercial  
40%

Commercial  
44%

Medicaid  
29%

Medicaid  
15%

Medicare  
27%

# All-Payer TCOC: Medicare



	Beneficiary Group	2017	2018	Growth
All Vermont Medicare	End Stage Renal Disease (ESRD)	\$5,751.07	\$5,752.53	0.0%
	Non-ESRD	\$837.41	\$875.02	4.5%
	<b>TOTAL</b>	<b>\$841.32</b>	<b>\$878.05</b>	<b>4.4%</b>
ACO Only	End Stage Renal Disease (ESRD)		\$5,465.22	
	Non-ESRD		\$957.81	
	<b>TOTAL</b>		<b>\$961.07</b>	

# All-Payer TCOC: Commercial\*

	Beneficiary Group	2017	2018	Growth
All Vermont Commercial	Fully Insured	\$452.23	\$451.48	-0.2%
	Self-Insured	\$454.93	\$470.44	3.4%
	Medicare Advantage	\$619.39	\$571.59	-7.7%
	<b>TOTAL</b>	<b>\$461.99</b>	<b>\$468.97</b>	<b>1.5%</b>
ACO Only	Fully Insured		\$517.27	
	Self-Insured		\$405.91	
	Medicare Advantage			
	<b>TOTAL</b>		<b>\$485.37</b>	

\*Analysis limited to insurer data available in VHCURES

# All-Payer TCOC: Medicaid



	Beneficiary Group	2017	2018	Growth
Unadjusted	ACO	\$288.50	\$283.95	-1.5%
	Non-ACO	\$252.23	\$281.11	11.5%
	<b>TOTAL</b>	<b>\$258.96</b>	<b>\$281.93</b>	<b>8.9%</b>
“Hold Harmless” Adjusted for Permissible Price Increases	ACO	\$288.50	\$280.52	-2.8%
	Non-ACO	\$252.23	\$275.00	9.0%
	<b>TOTAL</b>	<b>\$258.96</b>	<b>\$275.79</b>	<b>6.5%</b>

# All-Payer Model Agreement Updates

# Process

GMCB, AHS, and CMMI have been working to update three key areas in the quality framework of the Agreement:

1. HEDIS Measures
2. MSSP Measures
3. Timelines

Of note, these changes remain technical in nature, *none* of these are changes to the measures themselves

# Suggested Technical Changes

**1. HEDIS Measures:** *Removes percentile references. Model after multi-payer, ACO-aligned 30-day follow-up after discharge from the ED (2 measures) and set a PY5 target for those measures listed.*

- Access to Care Milestone – Medicaid adolescents with well-care visits (all VT Medicaid)
  - Proposal: 53%
- Suicide and Substance Use Disorder Target – initiation of alcohol or other drug dependence treatment (ACO-aligned)
  - Proposal: 40.8%
- Suicide and Substance Use Disorder Target – engagement of alcohol or other drug dependence treatment (ACO-aligned)
  - Proposal: 14.6%
- Chronic Conditions Milestone – medication management for people with asthma (all VT residents)
  - Proposal: 65%, codify use of 50% compliance rate

# Suggested Technical Changes

## 2. MSSP Measures: *Update benchmarks to appropriate decile range (70<sup>th</sup> – 80<sup>th</sup>).*

- Access to Care Target – Getting timely care, appointments and information: ACO CAHPS (Medicare ACO-aligned)
- Chronic Conditions Target – composite of diabetes, hypertension and multiple chronic conditions (Medicare ACO-aligned)
  - Proposal: disaggregate in line with MSSP, produce three rates (this change brings the total number of measures to 22).
- Chronic Conditions Milestone – tobacco use assessment and cessation intervention (ACO-aligned)
  - Proposal: update language to correctly identify rate is aggregated by participating payer programs.
- Suicide Milestone – screening for clinical depression and follow-up plan (ACO-aligned)
  - Proposal: update language to correctly identify rate is aggregated by participating payer programs.

# Suggested Technical Change

## Quality Reporting



### 3. Timeline

The September 30<sup>th</sup> deadline does not provide for adequate time to collect and report on the four Behavioral Risk Factor Surveillance System (BRFSS) measures, as they become available in late September or early October of the year following the survey implementation. In addition, allowing for adequate runout provides more accurate performance calculations for claims-based measures.

***Proposal:*** *Extend the deadline for annual reporting of the Statewide Health Outcomes and Quality of Care Targets from September 30<sup>th</sup> of the year following the reported performance year to December 31<sup>st</sup> for the duration of the Agreement.*

# Suggested Technical Change

## TCOC Reporting



### 3. Timeline

Current September 30<sup>th</sup> deadline does not provide for adequate claims runout.

***Proposal:** Extend the deadline for annual reporting of the All-Payer Total Cost of Care per Beneficiary Growth Target from September 30<sup>th</sup> of the following year, for each performance year, to December 31<sup>st</sup>. Vermont proposes to produce a final, annual report with six months of runout in addition to the current quarterly reports required in the Agreement (five total reports per performance year).*

# 2020 Timeline

2020

(Performance Year 3)

February

↓  
2018 Annual  
TCOC Report

March

↓  
2018 Statewide  
Health  
Outcomes and  
Quality of Care  
Report

June

→  
Payer  
Differential  
Assessment  
Report

→  
Public Health  
System  
Accountability  
Framework  
(AHS leads)

→  
2019 Scale Targets  
and Alignment Report

December

→  
2019 Statewide  
Health Outcomes  
and Quality of  
Care Report

→  
Plan to Integrate  
Medicaid Mental  
Health, SUD, and HCBS  
Services within All-  
Payer Financial Target  
Services (AHS leads)

→  
Payer Differential  
Options Report

# Public Comment



- These technical changes are open for public comment through 3/11/2020.
- Potential Board vote 3/18/2020.