



GMCB Review of FY 2019 ACO Budgets and Payer Programs

OneCare Vermont Hearing

October 24, 2018

Today's Agenda

- 1:10-1:25 – Staff Introduction
- 1:25-2:25 – OneCare Vermont (OCV) Presentation
- 2:25-3:25 – Questions from Board and L&E
- 3:25-3:55 – Questions from Health Care Advocate
- 3:55-4:15 – Public Comment

The Vermont All-Payer ACO Model: Tackling Unsustainable Cost, Improving Quality and Outcomes

PROBLEM: The cost of health care in Vermont is increasing at an unsustainable rate and there is room to improve the health of Vermonters and the quality of care they receive.

STRATEGY:

- *Care Delivery:* Facilitate the integrated and coordinated delivery care across the continuum; focus more on primary care and prevention, deliver care lower cost settings, reduce duplication of services.
- *Payment:* Move away from fee-for-service reimbursement, which rewards the delivery of more services, to population-based payments under which providers accept responsibility for the health of a group of patients in exchange for a set amount of money.

INTERVENTION:

- Implement a statewide ACO model under which the majority of Vermont providers participate in aligned programs across Medicare, Medicaid, and commercial payers. Agreement signed in 2016, enabling Medicare's participation.

The Vermont All-Payer Accountable Care Organization Model



Test Payment Changes

Population-Based Payments
Tied to Quality and
Outcomes

Increased Investment in
Primary Care and
Prevention



Transform Health Care Delivery

Invest in Care Coordination

Incorporation of Social
Determinants of Health

Improve Quality



Improve Outcomes

Improved access to primary
care

Fewer deaths due to suicide
and drug overdose

Reduced prevalence and
morbidity of chronic disease

All-Payer ACO Model Agreement

What is Vermont responsible for?

Scale and Cost Growth

- State is responsible limiting cost growth
 - All-Payer Growth Target: Compounded annualized growth rate < 3.5%
 - Medicare Growth Target: 0.1-0.2% below national projections
- Ensuring alignment across payers, which supports participation from providers and increases “scale”
 - All-Payer Scale Target – Year 5: 70% of Vermonters
 - Medicare Scale Target – Year 5: 90% of Vermont Medicare Beneficiaries

Population Health and Quality Measures

- State is responsible for performance on **20 quality measures**, including three population health goals for Vermont
 - Improve access to primary care
 - Reduce deaths due to suicide and drug overdose
 - Reduce prevalence and morbidity of chronic disease
- ACO/providers are responsible for meeting quality measures embedded in contracts with payers

GMCB APM Regulatory Responsibilities

Goal #1: Vermont will reduce the rate of growth in health care expenditures

Goal #2: Vermont will ensure and improve quality of and access to care

GMCB Regulatory Levers

ACO Budget Review

ACO Certification

Medicare ACO Program Design and Rate Setting

Hospital Budget Review

Health Insurance Rate Review

Certificate of Need

Budget Review Criteria – 18 V.S.A. § 9382(b)

- Character, competence, fiscal responsibility, and soundness of the ACO and its principals
- Efforts to prevent duplication of services and integration of efforts with Blueprint for Health and community collaboratives
- Allocation of resources within the system
- Administrative expenses
- Utilization and the effects of care models on utilization
- Systemic investments to:
 - Strengthen primary care
 - Address social determinants of health
 - Address impacts of adverse childhood experiences (ACEs)
- Risk
- Transparency

2018 ACO Budget Order Highlights

- Maximum risk (risk corridors and risk sharing)
- Reserves and risk mitigation strategy
- Administrative expenses
- Population health investments
 - SASH and Blueprint for Health payments
- Medicare rate of growth
- Total Cost of Care growth across participating payers
- Scale Target ACO Initiatives

Timeline for ACO Budget Approval

- October 1: ACO Budget Submission
- **October 24: ACO Hearing**
- November 14: GMCB Staff Recommendations
- November 20: ACO Public Comment Period Closes
- November 28: GMCB ACO Vote (Potential)
- December 3: GMCB recommends 2019 Medicare Rate (potential)