

To: Fatema Salam, Center for Medicare and Medicaid Innovation (CMMI)
From: Pat Jones, Director of Health System Finances, Green Mountain Care Board (GMCB)
Michele Degree, Health Policy Advisor, GMCB
Re: **Revised** Quality Proposal for Vermont Medicare ACO Initiative
Date: November 16, 2018
cc: Susan Barrett and Mike Barber, GMCB

This is a revised version of the memo we sent you on November 2, correcting an error in the table on page 5. The table previously had a row that indicated that quality points are awarded for ACO performance on reporting measures, when in fact no such points are awarded. That row has been removed in this version.

I. Background

As outlined in the Vermont All-Payer ACO Model Agreement, CMS and the State of Vermont are expected to identify a quality strategy for the Vermont Medicare ACO Initiative for Performance Years 2-5, beginning in January 2019. The specific language in the Agreement states that:

- A Scale Target ACO Initiative is an ACO arrangement offered by . . . Medicare FFS (e.g., Vermont Medicare ACO Initiative, Next Generation ACO Model, Medicare Shared Savings Program) to a Vermont ACO that incorporates, at a minimum, the following:
 - iv. The ACO Benchmark, Shared Savings, Shared Losses, or a combination is tied to the quality of care the ACO delivers, the health of its aligned beneficiaries, or both.¹
- CMS, in collaboration with Vermont, shall design and launch the Vermont Medicare ACO Initiative to begin on January 1, 2019, and its performance period will align with Performance Years 2 through 5 of this Agreement. CMS shall require Vermont ACOs participating in the Initiative (VMA ACOs) to accept beneficiary alignment methodology, ACO quality measures, payment mechanisms, and risk arrangements for the overall quality and cost of medical care furnished to Medicare FFS beneficiaries aligned to the ACO. The GMCB may propose modifications to the Initiative to better align the Initiative with ACO programs operated by Vermont Medicaid, Vermont Commercial Plans, and participating Vermont Self-Insured Plans. CMS may accept such proposals at its sole discretion.²

In a memo dated July 26, 2018, the GMCB submitted quality measures to CMMI for approval and inclusion in the 2019 Vermont Medicare ACO Initiative. In this memo, we are proposing a mechanism to link ACO performance on these quality measures to payment. OneCare Vermont Accountable Care Organization, LLC (OneCare) and the Office of the Health Care Advocate (HCA), which represents consumers and consumer interests in Vermont, have engaged in extensive activities, both individually and in a process facilitated by the GMCB, to develop this proposal.

¹ Vermont All-Payer Accountable Care Organization Model Agreement, section 6.b.

² *Id.* at section 8.

II. Proposal

Based on discussions with HCA and OneCare, GMCB staff present the following consensus proposal for Medicare to participate in an aligned quality withhold program—the Value Based Incentive Fund (VBIF). The VBIF is already in place for the other three ACO programs operating in Vermont, namely the Vermont Medicaid Next Generation Program, the Blue Cross and Blue Shield of Vermont Commercial Next Generation Program, and the University of Vermont Medical Center Shared Savings Program; it consists of a percentage withhold from the all-inclusive population-based payment (AIPBP) or other PMPM payment transmitted to OneCare.³ OneCare holds funds for each payer in a quality withhold account, accumulating additional funds each month during the performance year. Based on its quality scores, OneCare may be able to distribute funds from the quality withhold account to its network pursuant to a policy approved by OneCare’s Board of Managers. This policy, along with any distribution of funds, is also reviewed by the GMCB.

Proposed Quality Withhold Percentages for Vermont Medicare ACO Scale Target Initiative

Performance Year	Payment Period	Quality Withhold Percentage
PY2: 1/1/19-12/31/19	Summer 2020	0.5%
PY3: 1/1/20-12/31/20	Summer 2021	1.0%
PY4: 1/1/21-12/31/21	Summer 2022	*
PY5: 1/1/22-12/31/22	Summer 2023	**

*To be set in PY2

** To be set in PY3

OneCare is in the process of trying to engage additional hospitals in ACO programs for 2019. The amount of quality withhold, combined with additional withholds for population health management and complex care coordination, creates a potential barrier to successful engagement. The preponderance of funds withheld from hospitals’ monthly AIPBP are directed toward reinvestments in primary care and community providers (e.g., home health and mental health providers). For health service areas where primary care takes place in independent practices and FQHCs, this does not provide hospitals with the opportunity to recapture these withheld funds through ACO clinical and quality programs. Thus, we are proposing an “on-ramp” that gradually increases the amount of the quality withhold over time, allowing all ACO Network Participants the opportunity to concentrate efforts to address quality gaps while also standing up new programs and requirements to support effective population health management. OneCare is exploring alternative methodologies to better serve health service areas where hospitals do not provide primary care.

Any unearned quality withhold funds are proposed to be reinvested in performance improvement activities to address gaps in care. OneCare would report to the GMCB annually, through the ACO budget

³ Under the University of Vermont Medical Center Shared Savings ACO Program, OneCare withholds money from the PMPM payment it receives from the plan for infrastructure and ACO programs. Blue Cross and Blue Shield of Vermont was unable to make AIPBPs in 2018 as part of the Commercial Next Generation ACO Program and so OneCare is funding the VBIF under that program by assessing network hospitals – current plans do not indicate a change for 2019.

review process or other manner agreed to by the GMCB, on the amount of unearned dollars, the activities proposed to be supported through investments of these dollars, and the progress expected to be attained as a result of these efforts. The GMCB would then have the authority to approve and/or modify the reinvestment proposal, and to monitor the implementation and results of the investments, per its statutory duties outlined in 18 V.S.A. § 9382.

Aligning Quality Measures to Payment

Eight of the consensus claims- and clinically-based quality measures in the April 18 memo to CMMI are proposed to be tied to payment. Four newer measures for the Medicare population listed below are recommended for reporting only for PY 2 and 3 (i.e., 2019 and 2020) and evolve to payment measures for PY 4 and 5. This allows time for ACO-level baseline data to be collected and acted upon by OneCare’s provider network. All other claims- and clinically-based measures are proposed as payment measures for PY 2-5. Payment measures are measures for which ACO performance will impact the way the quality incentive pool funds may be distributed. Reporting measures are those that the ACO is required to report; however, ACO performance on Reporting measures will not impact the distribution of quality incentive pool funds.

Quality Measure	Performance Years 2-3	Performance Years 4-5
Tobacco use assessment and cessation intervention	Payment	Payment
Screening for clinical depression and follow-up plan	Payment	Payment
Diabetes HbA1c poor control	Payment	Payment
Hypertension: controlling high blood pressure	Payment	Payment
All-cause unplanned admissions for patients with multiple chronic conditions	Payment	Payment
30-day follow-up after discharge from ED for mental health	Reporting	Payment
30-day follow-up after discharge from ED for alcohol or other drug dependence	Reporting	Payment
Initiation of alcohol and other drug dependence treatment	Reporting	Payment
Engagement of alcohol and other drug dependence treatment	Reporting	Payment
Influenza immunization	Payment	Payment
Colorectal cancer screening	Payment	Payment
Risk-standardized, all-condition readmission	Payment	Payment
Patient Experience		
CAHPS: Getting Timely Care, Appointments and Information	Payment	Payment
CAHPS: How Well Your Providers Communicate	Payment	Payment
CAHPS: Patients Rating of Provider	Payment	Payment
CAHPS: Access to Specialists	Payment	Payment
CAHPS: Health Promotion and Education	Payment	Payment
CAHPS: Shared Decision Making	Payment	Payment
CAHPS: Health Status/Functional Status	Reporting	Reporting
CAHPS: Stewardship of Patient Resources	Reporting	TBD

Assessing Quality Performance and Impact on Payment

Quality measure performance shall be calculated based on care delivered during the calendar year. OneCare shall submit information to CMMI in the format and detail specified by CMMI with respect to each performance measure identified above. Any data received after the required submission date will not be eligible for an incentive payment. By the start of PY4, if payer-specific benchmarks have not been identified for those measures that are converting from Reporting to Payment status in PY4, the GMCB and CMMI will identify appropriate alternative benchmarks. If appropriate benchmarks cannot be identified, OneCare will be awarded full credit for the corresponding measures.

- A. OneCare's quality withhold will be assessed off the base total cost of care trended forward annually; any shared savings or losses will be excluded from this calculation for the purpose of establishing the quality withhold amount.
- B. Each Payment measure will carry equal weight in the scoring methodology; Reporting measures will not be scored.
- C. OneCare's quality performance each calendar year will be compared to national Medicare percentile benchmarks when available, and each measure will be scored individually.
- D. If CMMI or the GMCB determine that a measure no longer meets best clinical practice due to a change in clinical evidence or guidelines, or identification of potential harm to patients, the measure will revert to pay for reporting for the current performance period and will be modified or removed from future performance years as mutually determined by OneCare, CMMI, and GMCB.
- E. OneCare may earn up to two (2.0) points per measure for attainment relative to national benchmarks. Beginning in the PY3, OneCare may earn points for improvement over the prior year's performance. Quality improvement (QI) points will be awarded as follows:
 - a. Statistically significant improvement is obtained between the current performance year and the prior performance year as determined by a significance test defined by a p-value of 0.1.
 - b. QI points are determined by OneCare's net improvement in measure performance. The total number of significantly improved measures less the total number of significantly declined measures equals the net number of measures awarded QI bonus points. The net number will be multiplied by one point to determine the total number of QI bonus points awarded to OneCare.
 - c. If OneCare's quality measure performance remains above the 90th percentile, even if a statistically significant decline is noted, no QI bonus points will be deducted from the total possible number of QI bonus points.
- F. The total possible points will be calculated as the number of payment measures multiplied by a maximum of two points per Payment measure; OneCare may not earn more than the total possible points for attainment and improvement combined.

	PY 2	PY3	PY 4 & 5
% of base AIPBP Allocated to Quality Incentive Pool	0.5%	1.0%	TBD
Total Possible Points	28	28	36 or 38
Improvement Points Available	No	Yes	Yes

ACO Performance Compared to National Benchmark	Points Awarded in Performance Years 2-3	Points Awarded in Performance Years 4-5
90 th +	2.0	2.0
80 th +	1.75	1.75
70 th +	1.5	1.5
60 th +	1.25	1.25
50 th +	1.0	1.0
40 th +	0.75	0.5
30 th +	0.5	0
20 th +	0	0
10 th +	0	0

G. OneCare shall distribute quality incentive pool funds to Network providers using a methodology of their choosing, with oversight from the GMCB through the ACO certification process.

Any portion of quality funds not distributed to Network providers based on quality performance shall be reinvested in ongoing quality improvement initiatives to address gaps in care. OneCare will report to the GMCB annually, through the ACO budget review process or other manner as agreed to by the GMCB, on the amount of unearned dollars, the activities proposed to be supported through investments of these dollars, and the progress expected to be attained as a result of these efforts. The GMCB would have the authority to approve and/or modify the reinvestment proposal, and monitor the implementation and results of the investments, per its statutory duties outlined in 18 V.S.A. § 9382.

H. The proportion of the quality incentive pool withhold that is available for allocation to Network providers shall be determined by the ACO’s overall quality score; the remainder shall be reinvested in quality improvement initiatives as noted above. In PY2 and 3, GMCB will facilitate discussions with CMMI, OneCare, and the Health Care Advocate to establish the quality withhold and corresponding distribution tables for PY4 and PY5, respectively. Distribution methodologies for PY 2 and 3 are detailed in the tables below:

Performance Year 2		
Earned Points (Max 28)	Quality Payment Withhold Available for Distribution to Network Providers	Quality Payment Withhold Available for Reinvestment in QI Initiatives
0	0.000000%	0.500000%
0.25	0.004465%	0.495535%
0.5	0.0089300%	0.491070%
0.75	0.0133950%	0.486605%
1	0.0178600%	0.482140%
1.25	0.0223250%	0.477675%
1.5	0.0267900%	0.473210%
1.75	0.0312550%	0.468745%
2	0.0357200%	0.464280%
2.25	0.0401850%	0.459815%
2.5	0.0446500%	0.455350%
2.75	0.0491150%	0.450885%
3	0.0535800%	0.446420%
3.25	0.0580450%	0.441955%
3.5	0.0625100%	0.437490%
3.75	0.0669750%	0.433025%
4	0.0714400%	0.428560%
4.25	0.0759050%	0.424095%
4.5	0.0803700%	0.419630%
4.75	0.0848350%	0.415165%
5	0.0893000%	0.410700%
5.25	0.0937650%	0.406235%
5.5	0.0982300%	0.401770%
5.75	0.1026950%	0.397305%
6	0.1071600%	0.392840%
6.25	0.1116250%	0.388375%
6.5	0.1160900%	0.383910%
6.75	0.1205550%	0.379445%
7	0.1250200%	0.374980%
7.25	0.1294850%	0.370515%
7.5	0.1339500%	0.366050%
7.75	0.1384150%	0.361585%

8	0.1428800%	0.357120%
8.25	0.1473450%	0.352655%
8.5	0.1518100%	0.348190%
8.75	0.1562750%	0.343725%
9	0.1607400%	0.339260%
9.25	0.1652050%	0.334795%
9.5	0.1696700%	0.330330%
9.75	0.1741350%	0.325865%
10	0.1786000%	0.321400%
10.25	0.1830650%	0.316935%
10.5	0.1875300%	0.312470%
10.75	0.1919950%	0.308005%
11	0.1964600%	0.303540%
11.25	0.2009250%	0.299075%
11.5	0.2053900%	0.294610%
11.75	0.2098550%	0.290145%
12	0.2143200%	0.285680%
12.25	0.2187850%	0.281215%
12.5	0.2232500%	0.276750%
12.75	0.2277150%	0.272285%
13	0.2321800%	0.267820%
13.25	0.2366450%	0.263355%
13.5	0.2411100%	0.258890%
13.75	0.2455750%	0.254425%
14	0.2500400%	0.249960%
14.25	0.2545050%	0.245495%
14.5	0.2589700%	0.241030%
14.75	0.2634350%	0.236565%
15	0.2679000%	0.232100%
15.25	0.2723650%	0.227635%
15.5	0.2768300%	0.223170%
15.75	0.2812950%	0.218705%
16	0.2857600%	0.214240%
16.25	0.2902250%	0.209775%
16.5	0.2946900%	0.205310%
16.75	0.2991550%	0.200845%
17	0.3036200%	0.196380%
17.25	0.3080850%	0.191915%

17.5	0.3125500%	0.187450%
17.75	0.3170150%	0.182985%
18	0.3214800%	0.178520%
18.25	0.3259450%	0.174055%
18.5	0.3304100%	0.169590%
18.75	0.3348750%	0.165125%
19	0.3393400%	0.160660%
19.25	0.3438050%	0.156195%
19.5	0.3482700%	0.151730%
19.75	0.3527350%	0.147265%
20	0.3572000%	0.142800%
20.25	0.3616650%	0.138335%
20.5	0.3661300%	0.133870%
20.75	0.3705950%	0.129405%
21	0.3750600%	0.124940%
21.25	0.3795250%	0.120475%
21.5	0.3839900%	0.116010%
21.75	0.3884550%	0.111545%
22	0.3929200%	0.107080%
22.25	0.3973850%	0.102615%
22.5	0.4018500%	0.098150%
22.75	0.4063150%	0.093685%
23	0.4107800%	0.089220%
23.25	0.4152450%	0.084755%
23.5	0.4197100%	0.080290%
23.75	0.4241750%	0.075825%
24	0.4286400%	0.071360%
24.25	0.4331050%	0.066895%
24.5	0.4375700%	0.062430%
24.75	0.4420350%	0.057965%
25	0.4465000%	0.053500%
25.25	0.4509650%	0.049035%
25.5	0.4554300%	0.044570%
25.75	0.4598950%	0.040105%
26	0.4643600%	0.035640%
26.25	0.4688250%	0.031175%
26.5	0.4732900%	0.026710%
26.75	0.4777550%	0.022245%

27	0.4822200%	0.017780%
27.25	0.4866850%	0.013315%
27.5	0.4911500%	0.008850%
27.75	0.4956150%	0.004385%
28	0.500%	0.000000%

Performance Year 3		
Earned Points (Max 28)	Quality Payment Withhold Available for Distribution to Network Providers	Quality Payment Withhold Available for Reinvestment in QI Initiatives
0	0.000000%	1.00%
0.25	0.008930%	0.9910700%
0.5	0.0178600%	0.9821400%
0.75	0.0267900%	0.9732100%
1	0.0357200%	0.9642800%
1.25	0.0446500%	0.9553500%
1.5	0.0535800%	0.9464200%
1.75	0.0625100%	0.9374900%
2	0.0714400%	0.9285600%
2.25	0.0803700%	0.9196300%
2.5	0.0893000%	0.9107000%
2.75	0.0982300%	0.9017700%
3	0.1071600%	0.8928400%
3.25	0.1160900%	0.8839100%
3.5	0.1250200%	0.8749800%
3.75	0.1339500%	0.8660500%
4	0.1428800%	0.8571200%
4.25	0.1518100%	0.8481900%
4.5	0.1607400%	0.8392600%
4.75	0.1696700%	0.8303300%
5	0.1786000%	0.8214000%
5.25	0.1875300%	0.8124700%
5.5	0.1964600%	0.8035400%
5.75	0.2053900%	0.7946100%
6	0.2143200%	0.7856800%

6.25	0.2232500%	0.7767500%
6.5	0.2321800%	0.7678200%
6.75	0.2411100%	0.7588900%
7	0.2500400%	0.7499600%
7.25	0.2589700%	0.7410300%
7.5	0.2679000%	0.7321000%
7.75	0.2768300%	0.7231700%
8	0.2857600%	0.7142400%
8.25	0.2946900%	0.7053100%
8.5	0.3036200%	0.6963800%
8.75	0.3125500%	0.6874500%
9	0.3214800%	0.6785200%
9.25	0.3304100%	0.6695900%
9.5	0.3393400%	0.6606600%
9.75	0.3482700%	0.6517300%
10	0.3572000%	0.6428000%
10.25	0.3661300%	0.6338700%
10.5	0.3750600%	0.6249400%
10.75	0.3839900%	0.6160100%
11	0.3929200%	0.6070800%
11.25	0.4018500%	0.5981500%
11.5	0.4107800%	0.5892200%
11.75	0.4197100%	0.5802900%
12	0.4286400%	0.5713600%
12.25	0.4375700%	0.5624300%
12.5	0.4465000%	0.5535000%
12.75	0.4554300%	0.5445700%
13	0.4643600%	0.5356400%
13.25	0.4732900%	0.5267100%
13.5	0.4822200%	0.5177800%
13.75	0.4911500%	0.5088500%
14	0.5000800%	0.4999200%
14.25	0.5090100%	0.4909900%
14.5	0.5179400%	0.4820600%
14.75	0.5268700%	0.4731300%
15	0.5358000%	0.4642000%
15.25	0.5447300%	0.4552700%
15.5	0.5536600%	0.4463400%

15.75	0.5625900%	0.4374100%
16	0.5715200%	0.4284800%
16.25	0.5804500%	0.4195500%
16.5	0.5893800%	0.4106200%
16.75	0.5983100%	0.4016900%
17	0.6072400%	0.3927600%
17.25	0.6161700%	0.3838300%
17.5	0.6251000%	0.3749000%
17.75	0.6340300%	0.3659700%
18	0.6429600%	0.3570400%
18.25	0.6518900%	0.3481100%
18.5	0.6608200%	0.3391800%
18.75	0.6697500%	0.3302500%
19	0.6786800%	0.3213200%
19.25	0.6876100%	0.3123900%
19.5	0.6965400%	0.3034600%
19.75	0.7054700%	0.2945300%
20	0.7144000%	0.2856000%
20.25	0.7233300%	0.2766700%
20.5	0.7322600%	0.2677400%
20.75	0.7411900%	0.2588100%
21	0.7501200%	0.2498800%
21.25	0.7590500%	0.2409500%
21.5	0.7679800%	0.2320200%
21.75	0.7769100%	0.2230900%
22	0.7858400%	0.2141600%
22.25	0.7947700%	0.2052300%
22.5	0.8037000%	0.1963000%
22.75	0.8126300%	0.1873700%
23	0.8215600%	0.1784400%
23.25	0.8304900%	0.1695100%
23.5	0.8394200%	0.1605800%
23.75	0.8483500%	0.1516500%
24	0.8572800%	0.1427200%
24.25	0.8662100%	0.1337900%
24.5	0.8751400%	0.1248600%
24.75	0.8840700%	0.1159300%
25	0.8930000%	0.1070000%

25.25	0.9019300%	0.0980700%
25.5	0.9108600%	0.0891400%
25.75	0.9197900%	0.0802100%
26	0.9287200%	0.0712800%
26.25	0.9376500%	0.0623500%
26.5	0.9465800%	0.0534200%
26.75	0.9555100%	0.0444900%
27	0.9644400%	0.0355600%
27.25	0.9733700%	0.0266300%
27.5	0.9823000%	0.0177000%
27.75	0.9912300%	0.0087700%
28	1.00%	0.0000000%