VERMONT

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All-Payer Total Cost of Care (TCOC):

The All-Payer TCOC is calculated for most Vermont residents with claims available in VHCURES, the state's All Payer Claims Database. Since some people have more than one type of coverage (e.g. both Medicare and Medicaid), each person is assigned a primary payer type for the month. Any claims incurred for the month (based on first service date) are included for the month's spending, whether that care was in Vermont or outside of Vermont. The TCOC is based on *allowed amounts*, which includes both what the insurer paid and the member's responsibility (i.e. copayments, coinsurance, and deductibles). It is also limited to claims paid as primary.

In addition to claims, nonclaims spending is included for services designed to support primary care (e.g. the Blueprint for Health payments, prospective capitation payments, and shared savings/losses).

The TCOC is limited to covered services similar to those provided through Parts A and B of Medicare, excluding spending such as retail pharmacy and approximately half of Medicaid spending.

Hospital Service Areas (HSAs) come from the definition used by the Vermont Department of Health. Members are assigned to an HSA based on the mailing zip code provided by the primary payer. In some cases, the zip code is invalid or unavailable. Therefore, some totals will not match when summing HSA-level results, as statewide values include these individuals.

Note that the commercial population in VHCURES changed substantially in March of 2016 in response to a US Supreme Court decision, which ruled that states could not compel many self-insured companies to submit data. The effect in Vermont is estimated to be approximately half of the self-funded market (~70,000 covered lives).

A detailed specification is available upon request: gmcb.data@vermont.gov.

Please note that a more comprehensive breakdown of total spend is available through the Expenditure Analysis and the Expenditure Analysis data visualization.

Background:

The Vermont All-Payer Accountable Care Organization Model ("All-Payer Model" or "Model") is an agreement ("the Agreement") between the State and the Centers for Medicare and Medicaid Services (CMS) that allows Vermont to explore new ways of financing health care with Medicare's participation, through an Accountable Care Organization (ACO) delivery model.

The Model includes financial targets for Vermont's All-Payer TCOC per Beneficiary Growth. Vermont will be considered successful if the average growth from 2017 to 2022 is 3.5% or less.

More detail about the Model and calculations are available online: https://gmcboard.vermont.gov/payment-reform/APM