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DEPARTMENT OF VERMONT HEALTH ACCESS

Vermont Medicaid Next Generation ACO Pilot Program

Department of Vermont Health Access

November 19, 2018

Agenda

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- 2017 Program Performance
- 2018 Program Update
- 2019 Program Planning

VMNG ACO Contract Term

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- The original contract was a one-year agreement (2017) with four optional one-year extensions.
- DVHA and OneCare triggered the first one-year extension for 2018 and are in the process of negotiating a second one-year extension for 2019. The parties will have the option of two additional one-year extensions thereafter.
- Rates are renegotiated annually and reconciliation may occur more frequently.

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2017 PROGRAM PERFORMANCE

2017 Results Report

Result 1: DVHA and One Care launched the program successfully

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- DVHA conducted a readiness review prior to the launch of the 2017 program year. OneCare Vermont satisfied the majority of requirements before January 1, 2017 and completed all outstanding Readiness Review items prior to the end of the first quarter of 2017.
- DVHA worked with DXC Technologies to change Medicaid payment systems to make fixed prospective payments to OneCare Vermont.
- Processes for ongoing data exchange between DVHA and OneCare have been implemented and are regularly evaluated for potential improvements.
- DVHA and OneCare prepare and maintain an operational timeline to ensure contractually required data sharing and reporting occurs in a timely manner.
- OneCare and DVHA have established a forum for convening operational teams on a weekly basis, and for convening subject matter experts monthly. These forums have allowed the teams to identify, discuss, and resolve multiple operational challenges, and have resulted in several process improvements to date.
- DVHA and OneCare have worked together to monitor and report on program performance on a quarterly basis.

Result 2: The program is growing

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- Additional providers and communities have joined the ACO network to participate in the program for the 2018 performance year, and more are expected to do so for the 2019 performance year.

	2017 Performance Year	2018 Performance Year	2019 Performance Year
Hospital Service Areas	4	10	13
Provider Entities	Hospitals, FQHCs, Independent Practices, Home Health Providers, SNFs, DAs, SSAs		
Unique Medicaid Providers	~2,000	~3,400	~4,300
Attributed Medicaid Members	~29,000	~42,000	~79,000

Result 3: The ACO program spent less than expected on health care in 2017

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- DVHA and the ACO agreed on the price of health care upfront, and the ACO spent approximately $2.4 million less than the expected price. Financial performance was within the ±3% risk corridor, which means that OneCare Vermont and its members are entitled to save those dollars.

Result 4: The ACO met most of its quality targets

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- The ACO's quality score was 85% on 10 pre-selected measures.
- OneCare's performance exceeded the national 75th percentile on measures relating to diabetes control and engagement with alcohol and drug dependence treatment.
- Examining quality trends over time will be important in order to understand the impact of changing provider payment on quality of care.

Overview of VMNG Quality Performance, 2017

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Measure Description	Numerator	Denominator	Rate	Quality Compass 2017 Benchmarks (CY 2016) National Medicaid Percentiles				Points awarded
				25th	50th	75th	90th	
Payment Measures								
30 Day Follow-Up after Discharge from the ED for Alcohol and Other Drug Dependence^	49	162	30.25%	N/A	N/A	N/A	N/A	**2**
30 Day Follow-Up after Discharge from the ED for Mental Health^	157	194	80.93%	N/A	N/A	N/A	N/A	**2**
Adolescent Well Care Visits	3335	5800	57.50%	43.06	50.12	59.72	68.06	**1.5**
All Cause Unplanned Admissions for Patients with Multiple Chronic Conditions*	13	880	1.48%	N/A	N/A	N/A	N/A	**2**
Developmental Screening in the First 3 Years of Life‡	1205	2017	59.74%	15.70	36.00	50.50	N/A	**2**
Diabetes Mellitus: Hemoglobin A1c Poor Control (>9%)*	116	368	31.52%	48.57	41.12	35.52	29.07	**2**
Hypertension: Controlling High Blood Pressure	230	356	64.61%	47.69	56.93	64.79	71.69	**1.5**
Initiation of Alcohol and Other Drug Dependence Treatment	287	811	35.39%	35.79	40.72	45.13	50.00	**0**
Engagement of Alcohol and Other Drug Dependence Treatment	143	811	17.63%	7.98	12.36	16.25	21.31	**2**
Screening for Clinical Depression and Follow-Up Plan	117	247	47.37%	N/A	N/A	N/A	N/A	**2**
						Total Points Earned		**17**

^ denotes first-year HEDIS measures for which benchmarks are not yet available

** denotes measures for which a lower rate indicates higher performance*

‡ denotes measure with multi-state benchmarks: 26 states reporting (FFY 2016)

Key: Performance Compared to National Benchmarks
Equal to and below 25th percentile (0 points)
Above 25th percentile (1 point)
Above 50th percentile (1.5 points)
Above 75th percentile (2 points)
Above 90th percentile (2 points)

Result 5: DVHA is seeing more use of primary care among ACO-attributed Medicaid members

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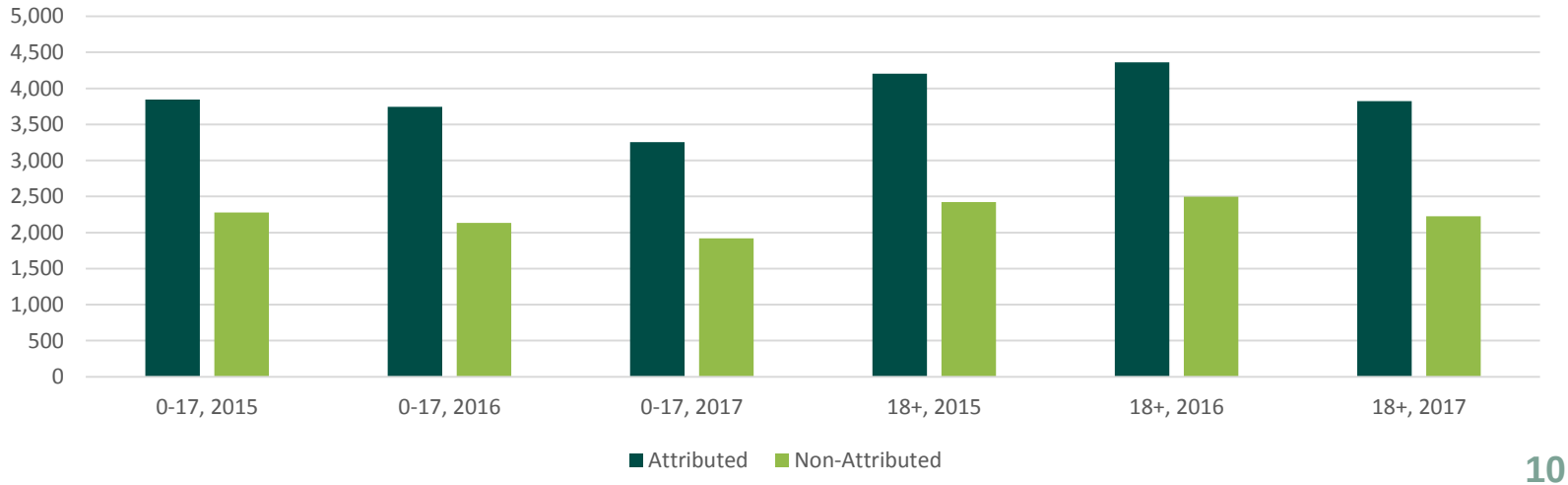
- Based on preliminary analyses of utilization, the cohort of attributed members has had higher utilization of primary care office-visits than the cohort of members who are eligible for attribution but not attributed.
- As further information about utilization becomes available, DVHA will conduct more robust analyses to determine whether differences between cohorts are statistically significant, and to understand the impact of the program on utilization patterns over time.

Figure 3. Primary Care Visits Per 1,000 Member Years by Age and Year



2018 PROGRAM UPDATE

2018 VMNG Update

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- 2018 performance year underway
  - Because of the claims-lag, it is not yet possible to fully evaluate 2018 financial and quality performance
- June 15 and September 15 VMNG legislative reports contain more detailed information

2017-2018 VMNG Attribution

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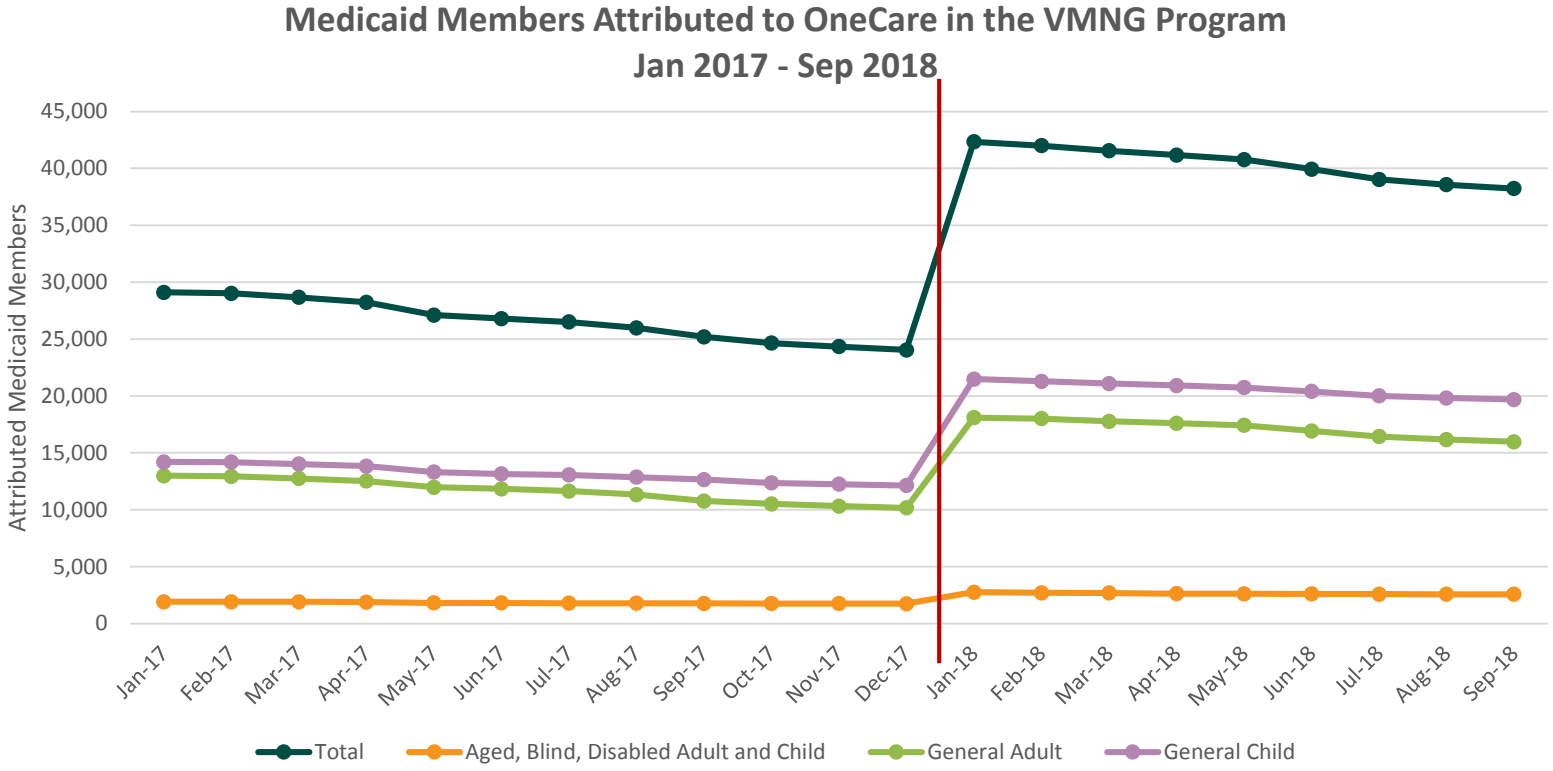

- Attribution of Medicaid members to the ACO occurs prospectively, at the start of the program year.
- No members can be added during the course of a program year, but prospectively attributed members *may* become ineligible for attribution during the course of the program year.
- Between January and September 2018, approximately 87% of prospectively attributed members remained continuously eligible for ACO attribution.

VMNG 2018 Financial Performance: January - July

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- Exercise caution when interpreting early financial results. The data is preliminary and subject to change because there is not yet sufficient claims run out to meaningfully assess the program.
- In combination, the claims lag and fixed prospective payment will both understate the cost of care, and tend to make the ACO appear better-off financially than it is until the final reconciliation.
  - Disproportionate impact of the claims lag on the most recent months of performance.
- DVHA will continue to analyze the financial, clinical, and quality performance of the program to determine its efficacy and to determine whether the ACO program generally, and the fixed prospective payments to hospitals specifically, are contributing to an overall moderation in DVHA health care spending.

VMNG 2018 Financial Performance: January - July

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	Q1	Q2	Year-to-Date
DVHA Payment to ACO*	$ 19,071,547	$ 18,423,243	$ 43,380,522
Total Expected Shadow FFS	$ 17,938,519	$ 17,326,377	$ 40,799,331
Total Actual Shadow FFS	$ 16,028,631	$ 15,265,699	$ 35,224,150
Shadow FFS Over (Under) Spend	$ (1,909,888)	$ (2,060,679)	$ (5,575,180)
Total Expected FFS	$ 13,271,724	$ 12,823,362	$ 30,201,879
Actual FFS - In Network	$ 7,044,220	$ 6,429,076	$ 15,091,750
Actual FFS - Out of Network	$ 6,970,030	$ 6,779,688	$ 15,520,686
Total Actual FFS	$ 14,014,250	$ 13,208,764	$ 30,612,435
FFS Over (Under) Spend	$ 742,525	$ 385,402	$ 410,556
Expected Total Cost of Care	$ 31,210,244	$ 30,149,739	$ 71,001,210
Actual Total Cost of Care	$ 31,952,769	$ 30,535,141	$ 71,411,765
Total Cost of Care Over (Under) Spend	$ 742,525	$ 385,402	$ 410,555

*Includes funds for cost of care, administrative fees, care coordination support, and Primary Care Case Management (PCCM) fees.
Note: DVHA and DXC have worked together to identify a series of systems changes that will improve DVHA's ability to report on the program's financial performance. One such change will improve DVHA's ability to report on the ACO's Out-of-Network expenditure. The monthly Out of Network totals in this report are subject to ongoing validation with DVHA, DXC, and OneCare to ensure all of the appropriate exclusions have been applied.

2019 PROGRAM PLANNING

Goals for VMNG in 2019

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- DVHA and OneCare are negotiating a contract for the 2019 performance year
- Mutual goals for 2019:
  - Minimize programmatic changes from 2018 to 2019
  - Increase the number of providers and communities voluntarily participating in the program
  - Increase the number of Medicaid beneficiaries attributed to the ACO
  - Ensure programmatic alignment between the VMNG, Medicare, and commercial payer programs in 2018

2019 VMNG Programmatic Changes

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- Several modest programmatic adjustments are being made for the 2019 performance year:
  - Adjusting the attribution methodology to include a longer look-back period to identify Medicaid members' primary care relationships.
  - Clarifying roles and responsibilities with respect to patient care and safety as related to the waiver of prior authorizations.