

All-Payer Accountable Care Organization Model Implementation and Timeline

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All-Payer ACO Model: What Is It?

- The All-Payer ACO Model enables the three main payers of health care in Vermont – Medicaid, Medicare, and commercial insurance – to pay an Accountable Care Organization (ACO) differently than through fee-for-service reimbursement.
 - Facilitated by state law and an agreement between the State and the Centers for Medicare and Medicaid Services (CMS) that allows Medicare’s participation
- Provides the opportunity to improve health care delivery to Vermonters, changing the emphasis from seeing patients more routinely for episodic illness to providing longitudinal and preventive care. A more predictable revenue stream supports providers in initiating additional delivery system reforms that improve quality and reduce costs.

Implementation is a Journey



What Does All-Payer ACO Model Implementation Look Like?

- ACOs and Payers (including Medicaid) are responsible for ACO Development and Implementation:
 - Establishing ACO Initiatives through ACO/Payer agreements (including financial incentives and linkage to ACO quality)
 - Developing analytic and reporting capacity
 - Implementing payment mechanisms
- ACOs and Providers are responsible for Delivery System Implementation:
 - Establishing ACO/provider agreements
 - Developing programs to improve care coordination and quality of care
 - Meeting scale targets

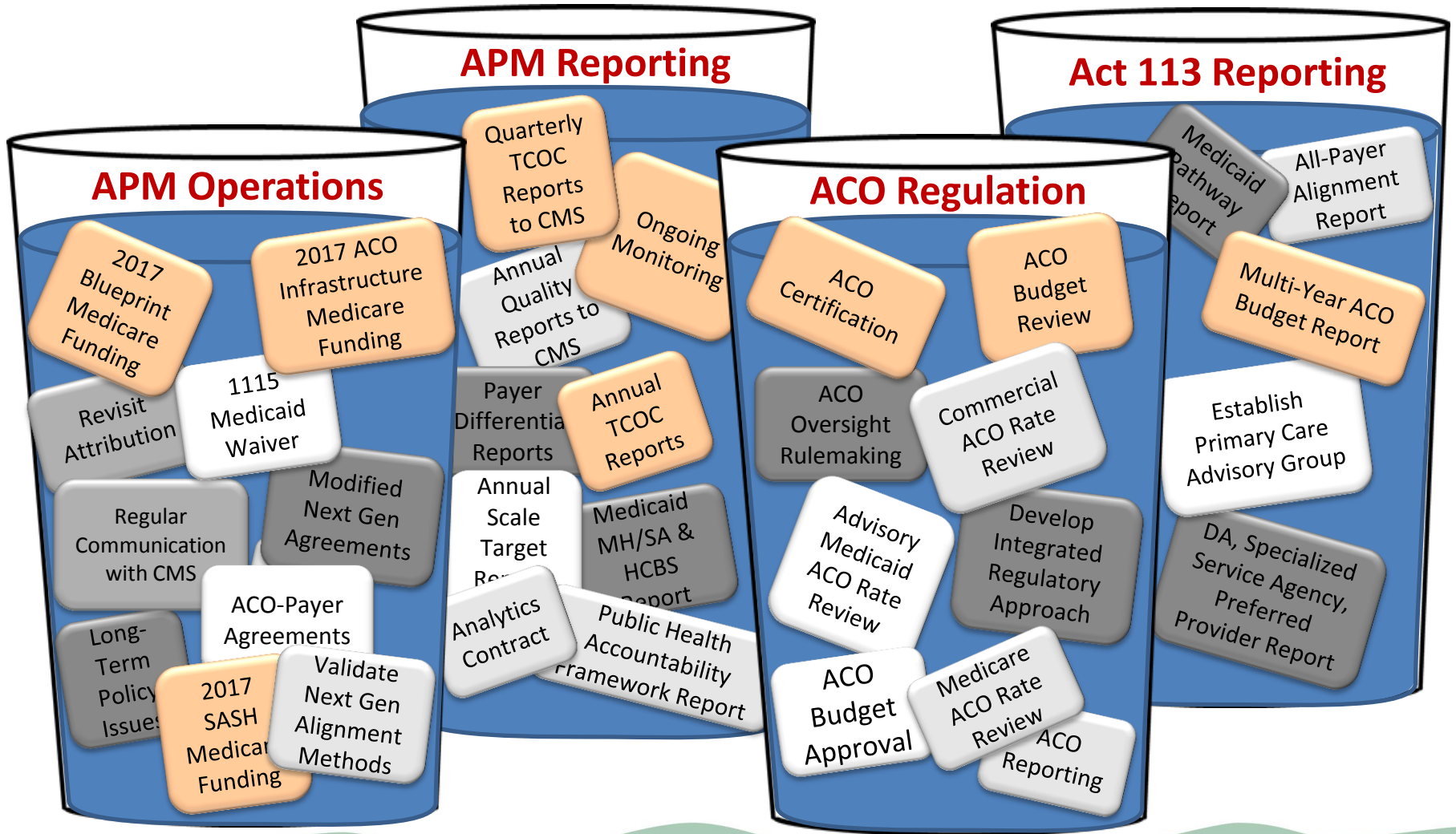
All-Payer ACO Model Implementation (cont'd)

- AHS is responsible for developing, offering, and implementing a Medicaid ACO Program (Vermont Medicaid Next Gen contract signed on February 1, 2017)
- GMCB is responsible for Regulatory Implementation:
 - Certifying ACOs (includes rulemaking)
 - Reviewing ACO budgets
 - Reviewing and advising on Medicaid ACO rates
 - Setting Commercial and Medicare rates for ACOs
 - Reporting on progress to CMS
 - Tracking financial benchmarks, scale targets and quality targets
 - Implementing changes to other GMCB processes to create an integrated regulatory approach (e.g., hospital budgets; health insurance premium rate review)

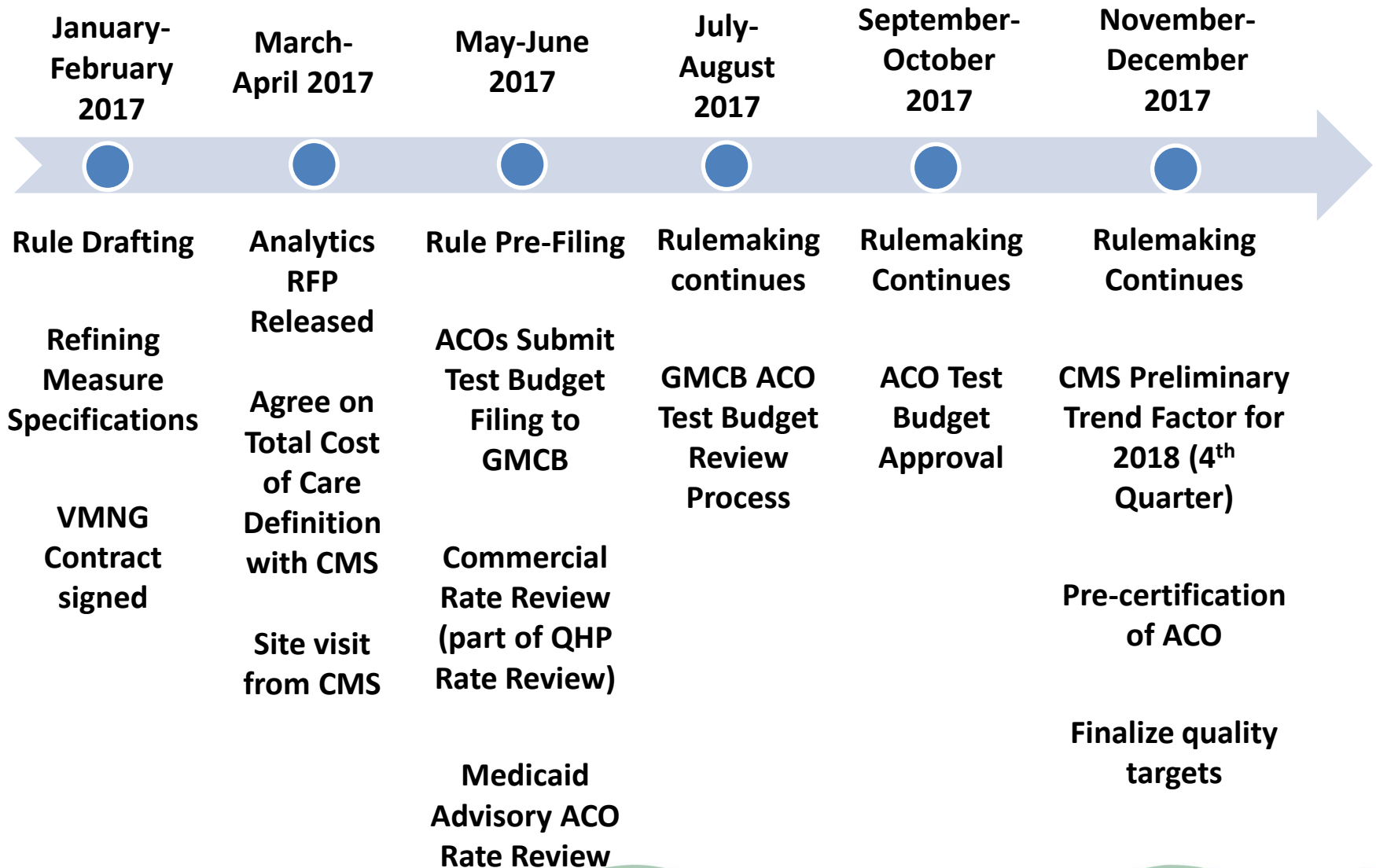
Four Major Areas of Work

- All-Payer ACO Model Operations
- All-Payer ACO Model Reporting
- ACO Regulatory Activities
- Act 113 Reporting and Outreach

Many Activities Within Each Area of Work

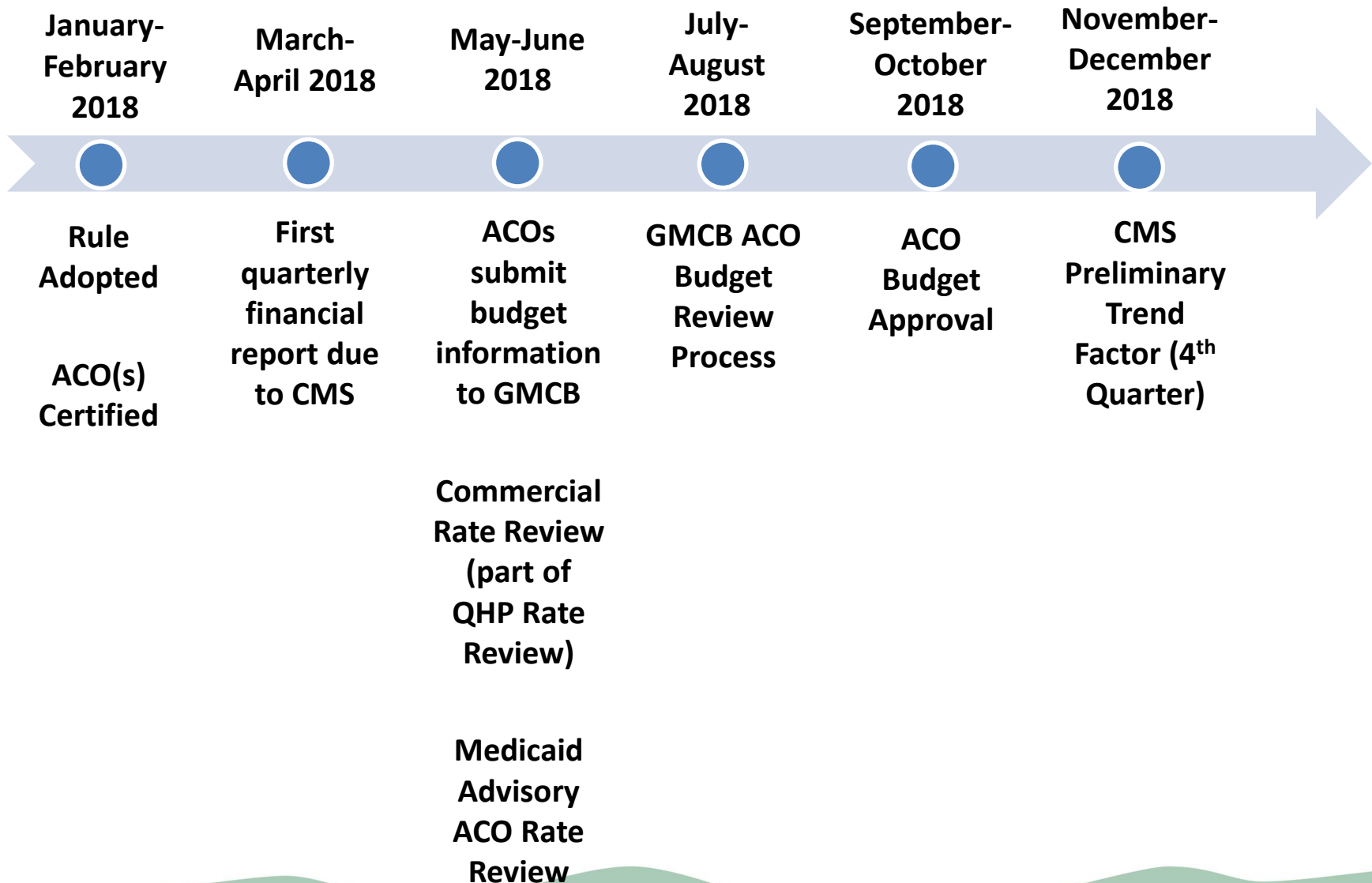


Year 0 (2017) All-Payer ACO Model Timeline*



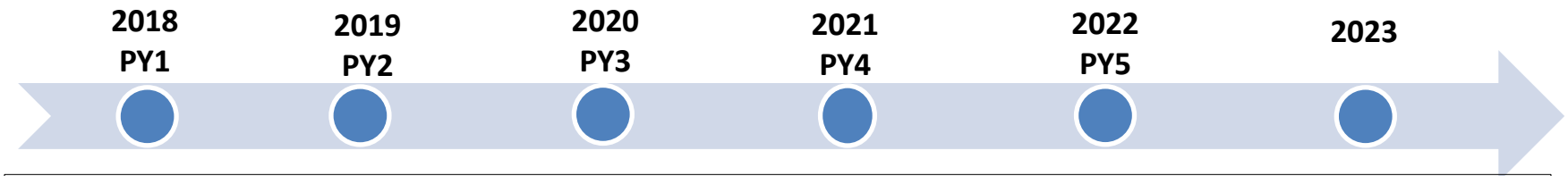
*Dates and activities based on current information; subject to change.

Year 1 (2018) All-Payer ACO Model Timeline*



*Dates and activities based on current information; subject to change.

VT All-Payer ACO Model Agreement Reporting Timeline



Quarterly, starting in April 2018:

VT reports performance on All-Payer Total Cost of Care per Beneficiary Growth Target (TCOC) to CMS

June 30– Annual TCOC Report

Annual ACO Scale Targets & Alignment Report

Sept. 30– Annual Quality Report

Dec. 31– Assessment of Payer Differential

June 30– Annual TCOC Report

Annual ACO Scale Targets & Alignment Report

Public Health Accountability Framework

Sept. 30– Annual Quality Report

Dec. 31– Financing & delivery of Medicaid MH/SA and HCBS

Options to narrow Payer Differential

June 30– Annual TCOC Report

Annual ACO Scale Targets & Alignment Report

Sept. 30– Annual Quality Report

Dec. 31– Optional proposal for subsequent 5-year Model (2023-2027)

June 30– Annual TCOC Report

Annual ACO Scale Targets & Alignment Report

Sept. 30– Annual Quality Report

June 30– Annual TCOC Report

Annual ACO Scale Targets & Alignment Report

Sept. 30– Annual Quality Report

Annual Reports are for prior year

Burgundy font = One-time report