

## Vermont's Health Care Reform Effort

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### **Vermont is currently operating under an All-Payer ACO Model (APM).**

**Why?** The rate of growth in health care spending is not sustainable and is a direct contributor to the affordability crisis of Vermonters, who struggle to access preventive and primary care services. While the GMCB has been successful in beginning to curb health care cost growth (i.e. the GMCB reduced the system-wide increase in net patient revenue from 4.6% to 4.3%, totaling \$7.3 million in one year) there is still much work to do. The APM, an agreement between the federal government and the State of Vermont, is an attempt to further this work and seeks to evolve the way we deliver care by incentivizing cost and quality of care in Vermont with the goals of:

1. Increasing access to primary care
2. Reducing deaths due to suicide and drug overdose
3. Reducing the burden of chronic disease

**What does the ACO have to do with the APM?** The state and the federal government agreed to implement the APM agreement with an ACO model, which is a model already being used across the US. The APM, and the ACO as its vehicle, allows the state of Vermont to change the way it pays for care and move from a fee-for-service to a population-based payment through agreements with payers and providers. The ACO is a voluntary network of health and social services providers that come together to be accountable for the health of a population and work toward the goals of the APM. ACO network providers work together to improve health for Vermonters by providing the right care, at the right place, at the right time.

**Why can't we have the APM without the ACO?** The APM uses the ACO as the vehicle to create a coordinated shift to prevention, to create financial accountability and flexibility through new payment methods across payers, and to increase collaboration between Vermont providers. Without the APM, there would be no mechanism for state-tailored payment reform efforts with Medicare, representing almost half of the state's total cost of care. Without the ACO, Vermont could still pursue value-based programs payer by payer, but they would not be provider led and would be limited in scope, as it would not be possible to coordinate health care reform efforts across the entire Vermont population. Further, through the APM, the ACO has assumed much of the responsibility of state and federal reporting on behalf of our providers and performs other administrative functions that would otherwise be duplicated in our practices across the state.

**How will Vermont curb cost growth and improve quality?** Hospitals and surrounding communities are shifting resources toward investments known to improve overall health such as primary care, lifestyle medicine, health education and prevention, mental health counseling, and nutrition. The APM benefits Vermonters by providing incentives to increase access to primary care and social services, improve access to services not always covered by insurance, and promote efficiency across the system. Vermont's primary strategy for controlling growth in health care costs and improving the quality of care and health outcomes of Vermonters is to shift to prevention. OneCare Vermont supports prevention by changing the way providers are paid. Instead of a fee-for-service approach where providers are paid for each service they provide, OneCare is instead offering population-based payments, which incentivizes keeping Vermonters healthy so they can avoid chronic illness and associated costly services down the line. Through the ACO, Providers are using Care Navigator, an online care coordination program, to coordinate care, align processes, track progress, and work as teams to address the needs of patients. This way patients can focus on getting better while providers work together to ensure timely, appropriate care, at the right place and right time. A successful shift to prevention means healthier Vermonters and in theory, a slower or lower overall growth in health care costs.

**The goal of this model is to improve the health of Vermonters while allowing health care costs to grow no more than the rate of the economy.**