GMCB Review of FY 2019 ACO
Budgets and Payer Programs

OneCare Vermont Hearing

October 24, 2018
Today’s Agenda

• 1:10-1:25 – Staff Introduction

• 1:25-2:25 – OneCare Vermont (OCV) Presentation

• 2:25-3:25 – Questions from Board and L&E

• 3:25-3:55 – Questions from Health Care Advocate

• 3:55-4:15 – Public Comment
# The Vermont All-Payer ACO Model: Tackling Unsustainable Cost, Improving Quality and Outcomes

## PROBLEM:
The cost of health care in Vermont is increasing at an unsustainable rate and there is room to improve the health of Vermonters and the quality of care they receive.

## STRATEGY:
- **Care Delivery**: Facilitate the integrated and coordinated delivery of care across the continuum; focus more on primary care and prevention, deliver care in lower-cost settings, reduce duplication of services.
- **Payment**: Move away from fee-for-service reimbursement, which rewards the delivery of more services, to population-based payments under which providers accept responsibility for the health of a group of patients in exchange for a set amount of money.

## INTERVENTION:
- Implement a statewide ACO model under which the majority of Vermont providers participate in aligned programs across Medicare, Medicaid, and commercial payers. Agreement signed in 2016, enabling Medicare’s participation.
The Vermont All-Payer Accountable Care Organization Model

Test Payment Changes
- Population-Based Payments Tied to Quality and Outcomes
- Increased Investment in Primary Care and Prevention

Transform Health Care Delivery
- Invest in Care Coordination
- Incorporation of Social Determinants of Health
- Improve Quality

Improve Outcomes
- Improved access to primary care
- Fewer deaths due to suicide and drug overdose
- Reduced prevalence and morbidity of chronic disease
**All-Payer ACO Model Agreement**

**What is Vermont responsible for?**

<table>
<thead>
<tr>
<th>Scale and Cost Growth</th>
<th>Population Health and Quality Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>• State is responsible limiting cost growth</td>
<td>• State is responsible for performance on <strong>20 quality measures</strong>, including three population health goals for Vermont</td>
</tr>
<tr>
<td>➢ All-Payer Growth Target: Compounded annualized growth rate &lt; 3.5%</td>
<td>➢ Improve access to primary care</td>
</tr>
<tr>
<td>➢ Medicare Growth Target: 0.1-0.2% below national projections</td>
<td>➢ Reduce deaths due to suicide and drug overdose</td>
</tr>
<tr>
<td>• Ensuring alignment across payers, which supports participation from providers and increases “scale”</td>
<td>➢ Reduce prevalence and morbidity of chronic disease</td>
</tr>
<tr>
<td>➢ All-Payer Scale Target – Year 5: 70% of Vermonters</td>
<td>• ACO/providers are responsible for meeting quality measures embedded in contracts with payers</td>
</tr>
<tr>
<td>➢ Medicare Scale Target – Year 5: 90% of Vermont Medicare Beneficiaries</td>
<td></td>
</tr>
</tbody>
</table>
### GMCB APM Regulatory Responsibilities

**Goal #1:** Vermont will reduce the rate of growth in health care expenditures

**Goal #2:** Vermont will ensure and improve quality of and access to care

<table>
<thead>
<tr>
<th>GMCB Regulatory Levers</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACO Budget Review</td>
</tr>
<tr>
<td>ACO Certification</td>
</tr>
<tr>
<td>Medicare ACO Program Design and Rate Setting</td>
</tr>
<tr>
<td>Hospital Budget Review</td>
</tr>
<tr>
<td>Health Insurance Rate Review</td>
</tr>
<tr>
<td>Certificate of Need</td>
</tr>
</tbody>
</table>
Budget Review Criteria – 18 V.S.A. § 9382(b)

- Character, competence, fiscal responsibility, and soundness of the ACO and its principals
- Efforts to prevent duplication of services and integration of efforts with Blueprint for Health and community collaboratives
- Allocation of resources within the system
- Administrative expenses
- Utilization and the effects of care models on utilization
- Systemic investments to:
  - Strengthen primary care
  - Address social determinants of health
  - Address impacts of adverse childhood experiences (ACEs)
- Risk
- Transparency
2018 ACO Budget Order Highlights

- Maximum risk (risk corridors and risk sharing)
- Reserves and risk mitigation strategy
- Administrative expenses
- Population health investments
  - SASH and Blueprint for Health payments
- Medicare rate of growth
- Total Cost of Care growth across participating payers
- Scale Target ACO Initiatives
Timeline for ACO Budget Approval

• October 1: ACO Budget Submission
• October 24: ACO Hearing
• November 14: GMCB Staff Recommendations
• November 20: ACO Public Comment Period Closes
• November 28: GMCB ACO Vote (Potential)
• December 3: GMCB recommends 2019 Medicare Rate (potential)