

# The Vermont All-Payer Accountable Care Organization (ACO) Model

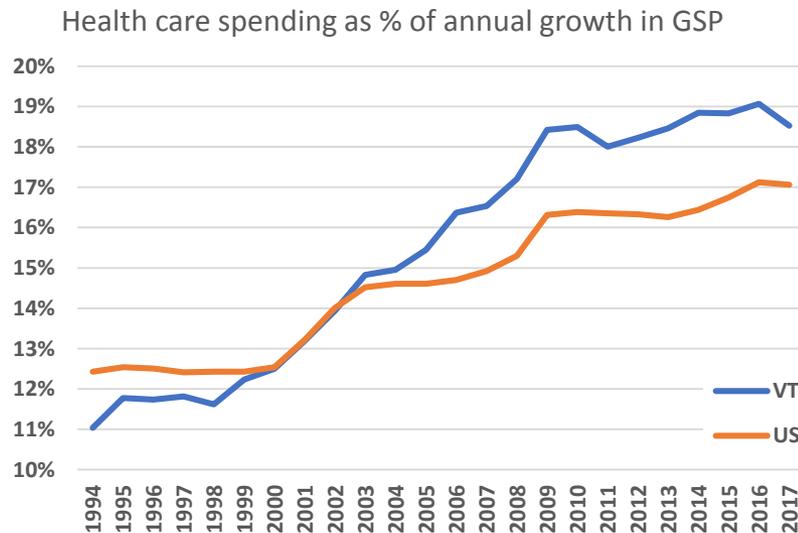
Rural Health Services Task Force

July 18, 2019

# Problem: Cost Growth is Unsustainable, and Health Outcomes Must Improve

## Cost Growth

- In 2017, the most recent year of data available, health care spending in Vermont grew 1.7%.
- Vermont's health care share of state gross product devoted to health care spending was 18.5% in 2017, vs. 11.8% in 1995.



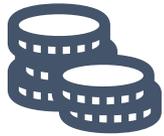
Source: 2017 Vermont Health Care Expenditure Analysis, available at <https://gmcbboard.vermont.gov/data-and-analytics/analytics-rpts>.

## Health Outcomes

- Chronic diseases are the most common cause of death in Vermont. In 2014, **78% of Vermont deaths** were caused by chronic diseases
  - High Blood Pressure: 25% of Vermonters diagnosed (2015)
  - Diabetes: 8% of Vermonters diagnosed (2015)
  - COPD: 6% of Vermonters diagnosed (2015)
  - Obesity: 28% of Vermont adults diagnosed (2016)
- Medical costs related to chronic disease were over **\$2 billion in 2015**, and are expected to rise to nearly \$3 billion by 2020
- Vermont's **death rates from suicide and drug overdose** are higher than the national average
  - Suicide (2016): 17.3 per 100,000 (VT) vs. 13.4 per 100,000 (US)
  - Drug Overdose (2016): 18.4 per 100,000 (VT) vs. 13.3 per 100,000 (US)

Sources: Vermont Department of Health, Kaiser Family Foundation

# Vermont's Solution: The Vermont All-Payer Accountable Care Organization (ACO) Model



## Test Payment Changes

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

## Transform 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

# Vermont's Responsibilities under the All-Payer ACO Model Agreement

## Cost Growth and Population Health/Quality

- Limit spending growth on certain services
  - Separate targets for Medicare and “all-payer” beneficiaries (most Vermonters)
- Meet targets for 20 quality measures, including three population health goals
  - Improving access to primary care
  - Reducing deaths due to suicide and drug overdose
  - Reducing the prevalence and morbidity of chronic disease

## Alignment and Scale

- Ensure payer-ACO programs align in key areas, including
  - attribution methodologies
  - services
  - quality measures
  - payment mechanisms
  - risk arrangements
- Steadily increase scale (the number of people in the model) over the five years of the Agreement

# Improving the Health of Vermonters

## How will we measure success?

- Vermont is responsible for meeting targets on **20 measures** under the Model

**Process Milestones** and **Health Care Delivery System Quality Targets** support achievement of ambitious **Population Health Goals**

Process Milestones

Health Care Delivery  
System Quality  
Targets

Population  
Health  
Outcomes

*Goals selected based on Vermont's priorities:*

1. Improve **access to primary care**
2. Reduce **deaths due to suicide and drug overdose**
3. Reduce **prevalence and morbidity of chronic disease**

# Vermont All-Payer ACO Model Partners

## Center for Medicare and Medicaid Innovation (CMMI)

- **Model design, operations, and monitoring** to support Agreement implementation
- **Implement Vermont Medicare ACO Initiative** (payer), a Vermont-tailored Medicare ACO model

## Green Mountain Care Board (GMCB)

- **Health system regulation** to support Model goals (ACO oversight, Medicare ACO program design and rate setting, hospital budgets, and more)
- **Monitoring and reporting to CMMI** on cost, scale and alignment, quality, and more

## Governor, Vermont Agency of Human Services (AHS) *Including Medicaid*

- **Vermont Medicaid Next Generation ACO Program** (payer)
- **Reporting to CMMI**, including plans for integrating public health and mental health, substance use disorder, and long-term care spending into financial targets

## ACO (OneCare Vermont) and Vermont Providers

- **Contract with payers** to accept non-FFS payments and increase Model scale
- **Work with provider network** to implement delivery system changes intended to control cost growth and improve quality and access

## Private Insurers and Vermont Businesses

- **Contract with ACO** to pay non-FFS payments on behalf of covered lives in alignment with the Model
- **Work with self-insured employers** as a TPA/ASO to demonstrate Model progress and bring new self-insured lives under the Model

*All-Payer Model Agreement Signatories*

# APM Progress Update

## Regions participating in ACO through one or more payer contracts

Performance Year 0 (2017)



Performance Year 1 (2018)



Performance Year 2 (2019)



Participating  
 Not Participating

### In 2019, participating providers include...

- Federally qualified health centers (6 regions)
- Independent primary care providers (8 regions)
- Designated mental health agencies (all regions)

Hospitals (in all 12 participating regions)

Independent specialists (7 regions)

Home health (all regions)

Skilled nursing facilities (10 regions)