

## ACO Oversight

### OneCare Vermont Budget Hearing FY2020

October 30, 2019

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# Today's Agenda

1:05-1:15 - Staff introduction

1:15-2:45 - OneCare Vermont (OCV) presentation

2:45-3:30 - Questions from Board

3:30-3:50 - Questions from Health Care Advocate

3:50-4:05 - 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.

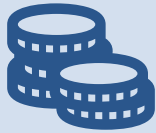
## **STRATEGY:**

- *Care Delivery:*
  - Integrated and coordinated delivery care across the continuum
  - Primary care and prevention
  - Delivery of care in lower cost settings
  - Reduce duplication of services
- *Payment:*
  - Replace fee-for-service reimbursement with population-based payments
  - Instead of rewarding volume, providers accept responsibility for the health of a group of patients in exchange for a fixed amount of money

## **INTERVENTION:**

- Statewide ACO model
- 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 (State) responsible for?

### Scale and Cost Growth

- Limit cost growth
  - All-Payer Growth Target: Compounded annualized growth rate < 3.5%
  - Medicare Growth Target: 0.1-0.2% below national projections
- Ensure alignment across payers, which supports participation from providers and increases “scale”
  - All-Payer Scale Target – Year 5: 70% of Vermonters
  - Medicare Scale Target – Year 5: 90% of Vermont Medicare Beneficiaries

### Population Health and Quality Measures

- Performance on **20 quality measures**, including three population health goals for Vermont
  - Improve access to primary care
  - Reduce deaths due to suicide and drug overdose
  - Reduce prevalence and morbidity of chronic disease

*\*ACO responsible for meeting quality measures embedded within payer contracts*

# 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

## *GMCB Regulatory Levers*

ACO Budget Review

ACO Certification

Medicare ACO Program Design and Rate Setting

Hospital Budget Review

Health Insurance Rate Review

Certificate of Need

# ACO Oversight

- Oversight of Accountable Care Organizations ([18 V.S.A. § 9382](#) and [Rule 5.000](#))
  - **Certification:** occurs one-time following application for certification then eligibility verifications done annually
    - *OneCare submitted materials for eligibility verification on September 3, 2019 – under review*
  - **Budget:** review of ACO budget occurs annually
    - *OneCare's presentation today: FY 2020 Budget*

# FY19 ACO Budget Order Highlights

- Scale Target ACO Initiatives
- All-Payer ACO Model Agreement data reporting
- Payer contracts
- Regulatory alignment
- Maximum risk
- Reserves
- Administrative expense ratio and allocation
- Financial statements
- Population Health Management and payment reform programs/initiatives
- Comprehensive Payment Reform (CPR) Program reporting
- VBIF distribution methodology
- Specialist payment pilot and community innovation fund reporting
- Certification monitoring and reporting (updated policies and procedures)

[2019 Budget Order](#)



# ACO Oversight Timeline FY2020

