AHEAD Model Update

October 16, 2024

VERMONT
GREEN MOUNTAIN CARE BOARD

VERMONT
AGENCY OF HUMAN SERVICES

Introduction

- AHEAD Application
  - CMMI published a NOFO for AHEAD allowing for 3 cohorts
    - Cohort 1 starts January 2026
    - Cohort 2 & 3 start January 2027
  - Agency of Human Services submitted AHEAD Application per requirements of NOFO for a single state agency
    - GMCB collaboration on application and negotiations
    - Negotiation delegated to Members Lunge and Murman on July 10, 2024
  - Vermont & Maryland applied to and were selected for Cohort 1 (demonstration period begins January 1, 2026)
    - Both states received notice of Award on July 1, 2024
    - Demonstration period lasts for nine performance years (concludes December 31, 2034)

Introduction

- AHEAD has two main components:

1) Hospital Payment Model
   - Allows states to go with an "off-the shelf" Medicare Hospital Global Budget methodology or to submit a state-specific Medicare Hospital Global Budget methodology
     - Vermont submitted a state specific model on July 8, 2024
     - Allows for state flexibility on spending outside of FFS
     - AHEAD model does not specify a commercial or Medicaid global budget methodology
2) Primary Care Payment Model
   - Primary Care AHEAD allows for additional Medicare PMPM payments to primary care providers
   - CMMI developing a capitated primary care program to begin as soon as 2027

State-Specific Model Goals

- Provide more Medicare investments into Vermont
  - Focus on sustainability and affordability
- Flexibility to act on results from 167 Transformation work
- Improve alignment of payment methods
- Availability to combine with other federal models
- Improve healthcare quality and appropriate access
- Measurable performance improvements

Process/Timeline

- Term Sheet
  - May define major terms of a potential State Agreement
  - No signature required by any party; not a formal action of the Board
  - Could be amended, may require re-submission for OMB approval
  - Goal is to have Term Sheet completed by end of 2024

- State Agreement
  - Action of the Board; Requires board vote and signature
  - Public comment period
  - Can be amended, would require re-submission for OMB approval
  - Can still withdraw from AHEAD at later time
  - Signature required by July 1, 2025 for Cohort 1 participating states

CMMI Requirements

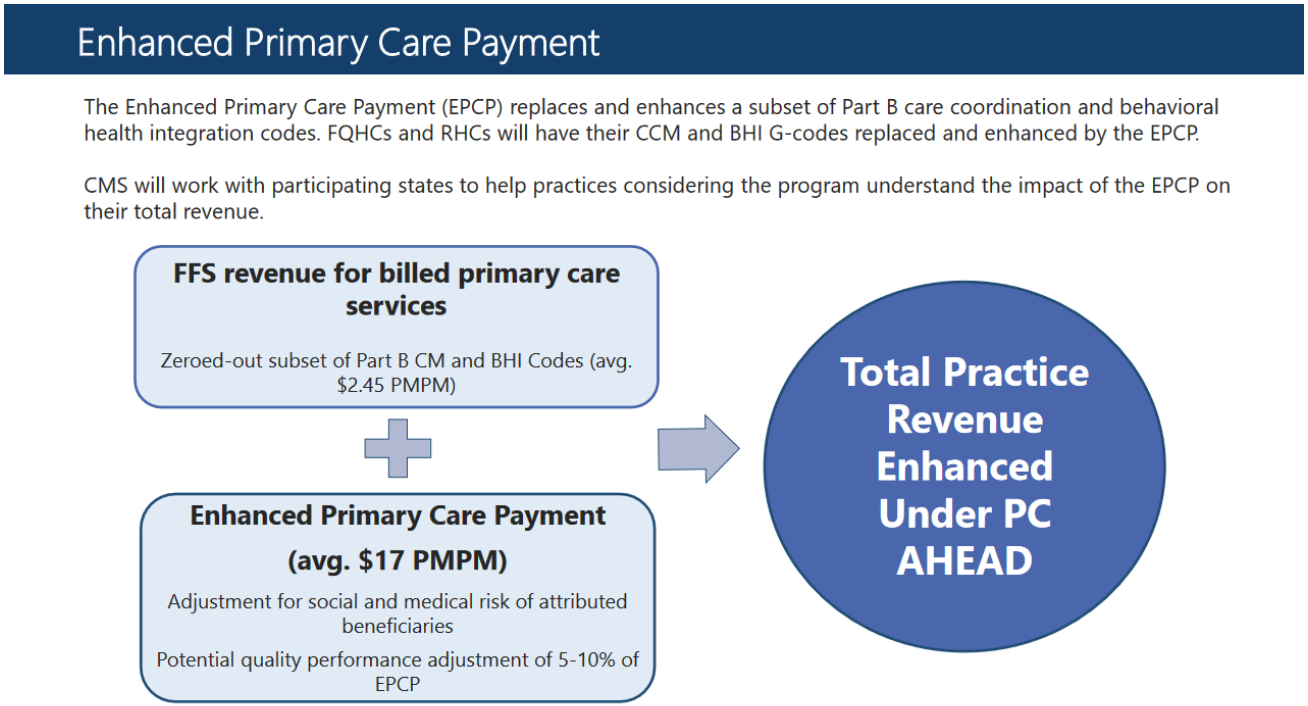
- Medicare FFS TCOC Target
  - Trend over time
  - Baseline
- Medicare Primary Care Spend Target
- Enhanced Primary Care Payment (EPCP)
- Medicare Hospital Global Budget
  - CMMI "off-the-shelf", State-designed, or hybrid
- Investments
  - Methodology for calculation/amount
  - Mechanism for distribution
- Participation
  - Target percentage of NPR by year
  - Multi-payer
- Quality and Equity Targets

Medicare FFS Primary Care Investment Target

- Measured by CMMI annually
- Goal is maintenance of existing investment with an expected increase by PY9. Interim and Final Targets are currently being negotiated
- Vermont has requested that Blueprint (practice + Community Health Team) and Support and Services at Home funding currently included in the VTAPM be added to the Medicare measurement as a non-claims-based payment
- Vermont has requested that these funds be updated with an inflationary factor similar to the VTAPM benchmarking process

Enhanced Primary Care Payment (EPCP)

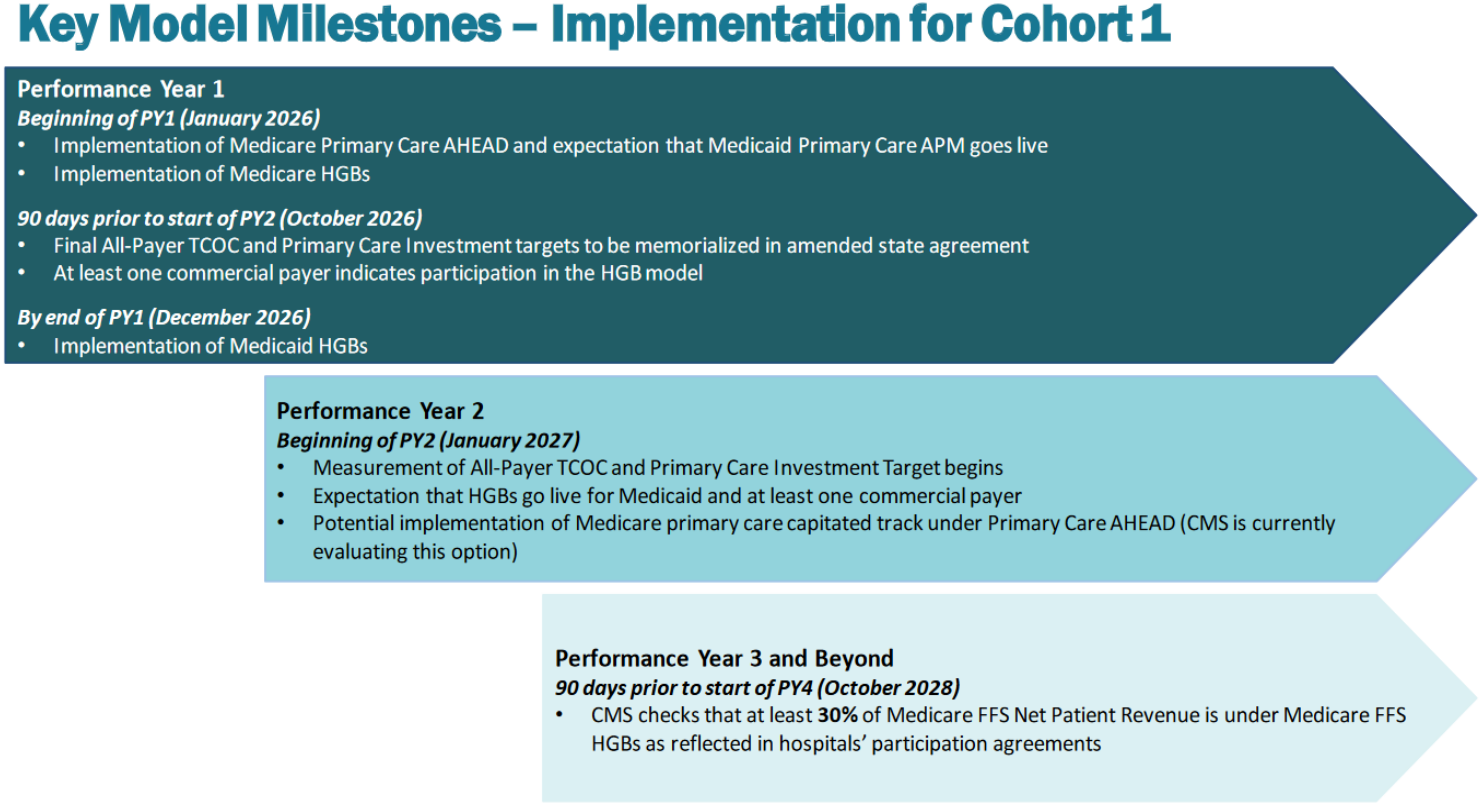
- Per the NOFO, an average of $17PMPM with a minimum of $15 and a maximum of $21



Source: [AHEAD Primary Care Model Webinar]

Hospital Global Budget

- Participation requirements
  - CMS sets targets for the percent of NPR that are under hospital global budgets
  - CMS sets commercial payer expectation



Source: GB TAG Slides

Advanced Alternative Payment Model Status

- Advanced alternative payment models (AAPM) qualify for a MIPS exemption
- Medicare "off-the-shelf" does not appear to be AAPM qualifying on its own
- CMS will need to evaluate Vermont's state-specific hospital global budget methodology or a hybrid methodology to determine if it meets criteria to receive AAPM status, and thus would qualify for an exemption from MIPS

Areas of State Responsibility

- Participation requirements of insurers and providers
  - Mandatory vs. Voluntary
- Commercial & Medicaid Global Budget
  - Develop methodology
  - Oversight
- Model Governance Structure
- All-Payer target setting
  - TCOC growth
  - Primary Care Investment

Analysis of State Resources Needed to Implement the AHEAD Model

- Hospital/Provider-related implementation costs
- Impact of AHEAD and HGB on access, quality, and hospital sustainability
- Developing strategies to mitigate predictable and unpredictable changes in access to care
- Continued Global Budget development and implementation
- Savings reinvestment and distribution process

Executive Session

Grounds for Holding an Executive Session

- The GMCB may hold an executive session to consider "contracts" after making a specific finding that premature general public knowledge would clearly place the GMCB or a person involved at a substantial disadvantage. *See* 1 V.S.A. § 313(a)(1).

Motion/Scope

- A motion to go into executive session must be made during the open part of the meeting and must indicate the nature of the business of the executive session. No other matter may be considered in the executive session except the matter included in the motion. 1 V.S.A. § 313(a).
- No formal or binding action shall be taken in an executive session (except relating to securing real estate options). 1 V.S.A. § 313(a).

Vote

- An affirmative vote of 2/3 of members present is required to go into executive session. 1 V.S.A. § 313(a).

Attendance

- Attendance in an executive session shall be limited to members of the public body, and in the discretion of the body, its staff, clerical assistants and legal counsel, and persons who are subjects of the discussion or whose information is needed. 1 V.S.A. § 313(b).

Motion for Executive Session

- Motion #1: *I move we find that premature general public knowledge regarding negotiation of State Agreement proposals would clearly place the Board at a substantial disadvantage in future negotiations of contracts with CMS that includes those items.*

- Motion #2: *I move that we enter into executive session to consider negotiation of State Agreement proposals under the provisions of 1 V.S.A. § 313(a)(1)(A) of the Vermont Statutes. Attendance at the executive session will be the Board members, Board staff working on the agreement with CMS, the State's Director of Health Care Reform and other staff and contractors from the Agency of Human Services working on the agreement.*