AHEAD Model Update

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Act 167 Sections 1 and 2

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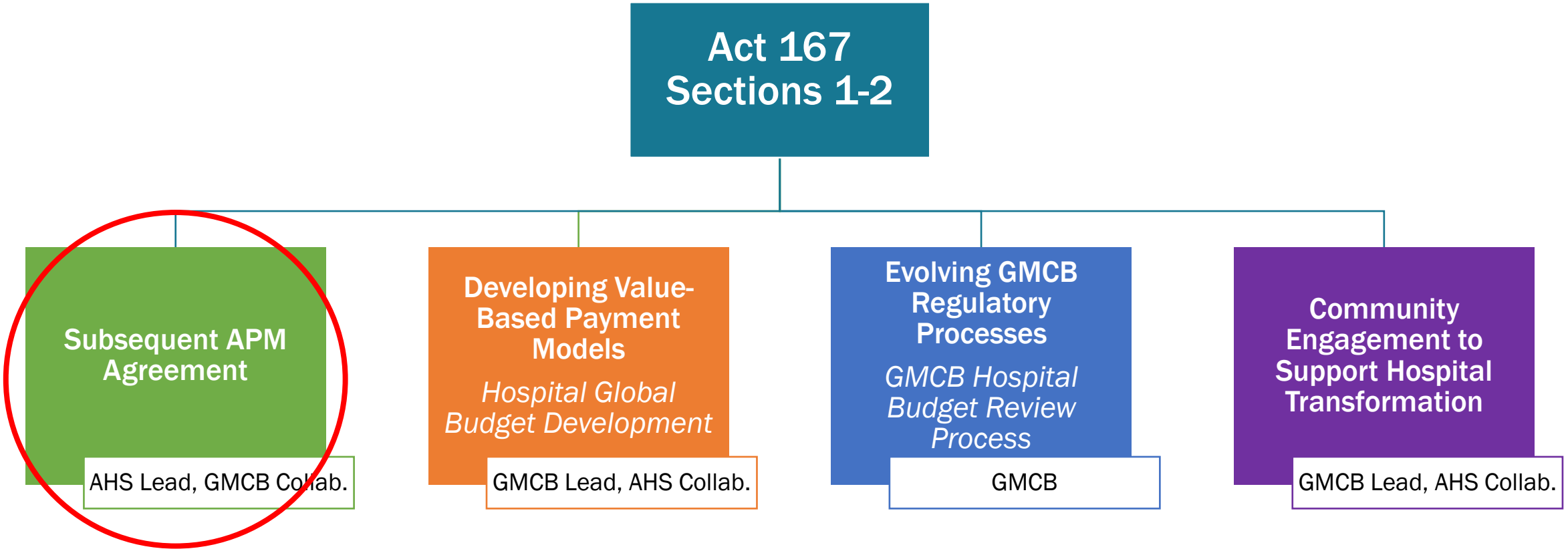

Current All-Payer Model Agreement

- 2018-2022: Original performance period (5 performance years)
  - Signatories = Governor, Secretary of Vermont Agency of Human Services (AHS), Green Mountain Care Board (GMCB) Chair; full GMCB vote required for Chair to sign
  - Implementation is a close AHS-GMCB collaboration

- 2023 is first year of a two-year extension period (2023-2024)
  - Extension: Suggested by CMMI; Board and other signatories approved in November 2022 to act as a bridge to a future federal-state model which was then expected for 2025
  - Currently set to end on 12/31/2024

- CMMI informed Vermont in Summer 2023 that new model would not start until 2026
  - As a result, CMMI and Vermont are negotiating what 2025 will look like, with the goal of providing a smooth transition to a new Medicare/multi-payer model in 2026.
  - At the same time, CMMI and Vermont are continuing to discuss a potential 2026 model.

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Background: Evolving Federal Models

- Vermont has been in discussion with the Center for Medicare and Medicaid Innovation (CMMI) at the Centers for Medicare and Medicaid Services (CMS), regarding the development of a new multi-payer model to replace and build on the current Vermont All-Payer ACO Model (VTAPM).
- CMS intends that this model, called "AHEAD", will be an option for multiple states with a unified design.
- On September 5, CMS formally announced AHEAD. Full details will be available in late 2023 (end of November or early December) in a document called a "Notice of Funding Opportunity" (NOFO).
- States will have 90 days after the release of the NOFO to apply. CMS will select states from the applicants. The first cohort of states will go live in January 2026.

Vermont's Feedback to CMMI

Vermont and CMMI have met regularly in 2022 and 2023 to discuss state priorities for future models – themes included:

- Support for rural provider stability and sustainability (workforce and inflation are important concerns)
- Increase in predictability of payments
- Ensuring the right amount of revenue (recognition that Vermont is a low-cost state for Medicare)
- Support for investments in preventive and community care
- Making sure payment models and quality measures are aligned across payers as much as possible
- Allowing Vermont to keep moving forward on our important health care reform efforts (care for people with complex health and social needs, support for primary care through programs such as the Blueprint for Health and Comprehensive Payment Reform, support for community-based services)

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AHEAD Announcement & Website

- **September 5th:** Center for Medicare & Medicaid Innovation (CMMI) announced new model – "States Advancing All-Payer Health Equity Approaches and Development" (AHEAD)
- **Link to website:** https://www.cms.gov/priorities/innovation/innovation-models/ahead
- **Website includes:**
  - Overview
  - Highlights
  - Model Purpose
  - 3 Primary Components and 3 Eligible Categories of Participants
  - Model Governance Structure
  - Statewide Health Equity Plan
  - FAQ, Fact Sheet, Press Release, Model Comparison
- **September 18th National Webinar:** Slides and recording on website
- **September 26th Vermont Provider Webinar**

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AHEAD Application and Implementation Timeline

		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Model Year			MY1	MY2	MY3	MY4	MY5	MY6	MY7	MY8	MY9	MY10	MY11
1st NOFO Period	Cohort 1	NOFO	Pre- Implementation (18 mos)		PY1	PY2	PY3	PY4	PY5	PY6	PY7	PY8	PY9
	Cohort 2		Pre-Implementation (30 mos)			PY1	PY2	PY3	PY4	PY5	PY6	PY7	PY8
2nd NOFO Period	Cohort 3		NOFO	Pre-Implementation (24 mos)		PY1	PY2	PY3	PY4	PY5	PY6	PY7	PY8

Source: CMS AHEAD Model Website

Cohort 1 is for states that would participate in 18-month pre-implementation period, tentatively 7/2024 – 12/2025, with a 1/2026 first performance year.

There will be 9 performance years for Cohort 1 states; the model runs through 2034.

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Key Dates: If Vermont chooses to pursue participation in AHEAD…

September 2023: AHEAD Model Announcement ☑
Late November/early December 2023: CMS expected to release Notice of Funding Opportunity (NOFO) • AHS in collaboration with GMCB will initiate broader stakeholder engagement process
Late February/early March 2024: State applications due to CMMI outlining proposed models • Application would be assembled by AHS and GMCB staff • Public presentations to GMCB, public comment period(s), and vote before submission
Spring-Summer 2024: Selected states negotiate with CMMI (e.g., on issues like savings targets and Medicare payment model); GMCB public process prior to signature if Vermont applies and is selected • AHEAD Pre-Implementation Period could begin as early as July 2024.
Calendar Year 2025: Preparation for 2026 • Bridge between current APM and 2026 for providers: Vermont currently in discussions with CMMI • Prepare for AHEAD implementation if Vermont applies and is selected
January 2026: CMMI AHEAD model launch for first cohort of States

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AHEAD Model At-A-Glance

The States Advancing All-Payer Health Equity Approaches and Development, or the AHEAD Model, is a flexible framework designed to improve health outcomes across multiple states.

Statewide Accountability Targets

Total Cost of Care Growth (Medicare & All-Payer)
Primary Care Investment (Medicare & All-Payer)
Equity and Population Health Outcomes via State Agreements with CMS

Components

- Cooperative Agreement Funding
- Hospital Global Budgets (facility services)
- Primary Care AHEAD

Strategies

- Equity Integrated Across Model
- Behavioral Health Integration
- All-Payer Approach
- Medicaid Alignment
- Accelerating Existing State Innovations

In lieu of "Behavioral Health", VT uses the term "Mental Health and Substance Use Disorder Treatment"

Source: CMS Presentation from September 18 AHEAD Model Overview Webinar

High-Level Overview of AHEAD Model

Overarching Goals

To improve population health, advance health equity by reducing disparities in health outcomes, and curb health care cost growth.

Three Primary Components

- Hospital Global Budgets
- Primary Care AHEAD
- Cooperative Agreement Funding

Three Primary Categories of Participants

- States
- Hospitals *(including Critical Access Hospitals)*
- Primary Care Practices *(including Federally-Qualified Health Centers and Rural Health Clinics)*

Five Strategies

- Equity integrated across model
- Mental health/substance use disorder integration
- All-payer approach
- Medicaid alignment
- Accelerating existing state innovations

AHEAD's Primary Components

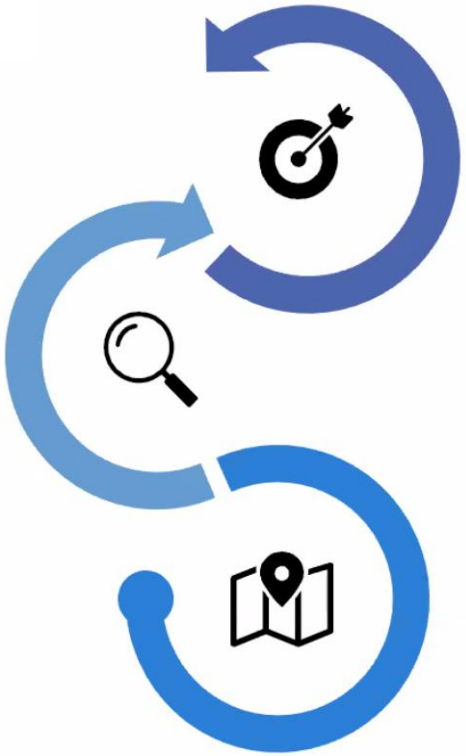
- **Hospital Global Budgets.** Hospitals that join the model in participating states will be paid via a global budget – a fixed amount of revenue – to provide inpatient and outpatient services to Medicare fee-for-service beneficiaries for the upcoming year.

- **Primary Care AHEAD.** Primary care practices in participating states will have the option to participate in a primary care model that includes Medicare per beneficiary per month payments with a quality component, and which could transition to a more prospective method for paying practices.

- **Cooperative Agreement Funding.** CMS will provide each participating state up to $12 million in cooperative agreement funding to support planning activities during the pre-implementation period and initial performance years of the model (CMMI has indicated that it could be used for up to 6 years).

Statewide Targets At-A-Glance

Participating states take on accountability for quality, costs, and outcomes for a defined sub-state region or statewide. These targets are memorialized in the State Agreement between the state and CMS.



Targets are measured for residents within the defined region.

Improve Population Health | **Advance Health Equity**

- Medicare FFS Primary Care Investment Target
- All-Payer Primary Care Investment Target
- Statewide Quality and Equity Targets (Medicare FFS and All-Payer)

Curb Health Care Cost Growth

- Medicare FFS Total Cost of Care Targets
- All-Payer Cost Growth Targets

Source: CMS Presentation from September 18 AHEAD Model Overview Webinar

Primary Care AHEAD: Value-Based Payment Model

Enhanced primary care payments for participating practices will average $17 per beneficiary per month (PBPM), with a floor of $15 and a maximum of $21 PBPM

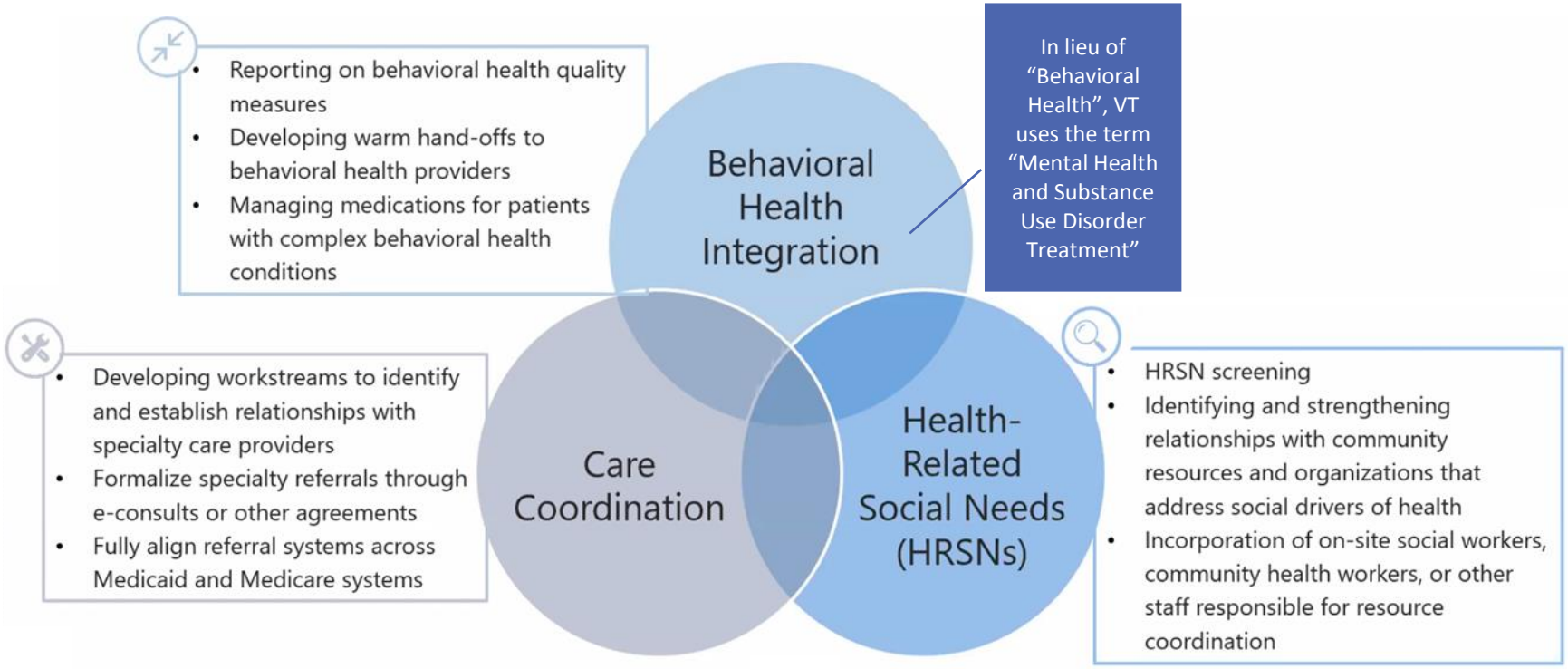
Payments adjusted for social risk; small amount at risk for quality performance (~5% to start)

Payments can be used for infrastructure and staffing (e.g., care coordinators, community health workers, mental health and SUD staff) to support advanced primary care

Requirement to participate in Medicaid transformation efforts (e.g., Patient-Centered Medical Homes)

Primary Care AHEAD: Care Transformation Requirements

Primary Care AHEAD will include care transformation requirements for person-centered care. They are intended to align with the state's existing Medicaid care transformation efforts.



Source: CMS Presentation from September 18 AHEAD Model Overview Webinar

Hospital Global Budgets in AHEAD: Key Elements

Hospital global budgets will be prospective, predetermined amounts for inpatient and outpatient hospital services, based on historical spend with annual updates for population changes and inflation.

Payments will be adjusted for social risk and quality, with bonus for health equity improvement. Transformation Incentive Adjustment in first two performance years to support investments in enhanced care coordination.

Adjustments for total cost of care (for traditional Medicare members in the hospital service area) and for effectiveness (related to avoidable utilization).

"Participating states with statewide rate setting or hospital global budget authority and experience in value-based care can develop their own hospital global budget methodology. CMS will provide alignment expectations for state-designed methodologies…and will need to review and approve…"

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Hospital Global Budget Value Proposition

The AHEAD Model aims to rebalance health care spending across the system, shifting utilization from acute care settings to primary care and community-based settings.

WHAT IS A HOSPITAL GLOBAL BUDGET?

When hospitals receive a pre-determined, fixed annual budget. These budgets are for a specific patient population or program, such as Medicare FFS beneficiaries. As it is used by the CMS Innovation Center, global budgets are calculated based on a review of Medicare and Medicaid payments in previous years, with adjustments to account for inflation and changes in populations served and services provided.
(CMMI Total Cost of Care and Hospital Global Budgets, 2023)

Incentives for Hospital Participation

- Initial investment to support transformation in early years of the model
- Increased financial stability and predictability
- Ability to share in savings from reduced potentially avoidable utilization and more efficient care delivery
- Opportunity to earn upside dollars for improving health equity and quality while contributing to population health in their community
- Potential use of waivers to support care delivery transformation
- Opportunity to participate in system learning opportunities when moving to a population-based payment

Source: CMS Presentation from September 18 AHEAD Model Overview Webinar

Advancing Health Equity in AHEAD

"**CMS defines health equity as:** The attainment of the highest level of health **for all people**, where everyone has a **fair and just opportunity** to **attain their optimal health** regardless of race, ethnicity, disability, sexual orientation, gender identity, socioeconomic status, geography, preferred language, or other factors that affect access to care and health outcomes."

Health Equity Strategy

The AHEAD Model aims to advance health equity in alignment with the CMS Framework for Health Equity. The AHEAD Model Health Equity Strategy is inclusive of the following elements:

- **Develop State Health Equity Plan & Quality Targets** for participating states, which will inform statewide equity strategies and support quality improvement.
- **Enhance Partnerships between State, Providers, and the Community** to meet model goals.
- **Increase Safety Net Provider Recruitment** among hospitals and primary care providers in the AHEAD Model to reach vulnerable populations.
- **Use Social Risk Adjustment** of provider payments to increase resources available to care for vulnerable populations.
- **Utilize Health Related Social Needs Screening Among Hospitals and Primary Care Providers** to identify unmet needs and connect patients to community resources.

Source: CMS Presentation from September 18 AHEAD Model Overview Webinar

Model Governance Structure

Each participating state will establish a multi-sector model governance structure. This body must have a **formal role** in model implementation, which could be advisory. States can build on pre-existing workgroups or boards to meet this requirement.

Governance Representation

Required:

- Patients and/or advocacy organizations
- Community-based organizations
- Payers (including commercial, Medicaid managed care, and Medicare Advantage)
- Provider organizations, including hospitals, primary care, FQHCs, and behavioral health
- Local tribal communities (where applicable)
- State Medicaid Agencies
- State and Territorial Public Health Agencies

Optional: State cost commissions, divisions of insurance, other relevant state agencies, and additional partners

Governance Role

Required:

- Develop Statewide Health Equity Plan and provide input on State Quality and Equity Targets
- Review and support of hospital health equity plans
- Input on Cooperative Agreement investment

Optional:

- Review state-designed Medicare FFS HGB methodology
- Review of Medicaid and commercial HGB methodologies
- Support activities to achieve other statewide targets

Source: CMS Presentation from September 18 AHEAD Model Overview Webinar

Near-Term Questions (now – June 2024)

Questions related to 2025 and NOFO for 2026 and beyond
Will CMS and Vermont extend the current model through CY2025?
Will Vermont apply for the AHEAD model?
Will Vermont propose its own hospital global budget methodology (within CMMI guidelines)?
If Vermont is accepted to participate in the AHEAD model, will an agreement be negotiated that can be signed by the State and CMS?
What will be the composition of the Model Governance Structure group?

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