All-Payer Model Term Sheet

State of Vermont Proposes Term Sheet to Centers for Medicare and Medicaid Services (CMS)
• The Legislature directed the GMCB and AOA to explore an all-payer model with the Centers for Medicare and Medicaid Services (CMS), resulting in a term sheet proposed by Vermont.
• The proposed term sheet describes the basic policy framework that would allow Vermont’s health care providers, payers, and the government to operate an all-payer model.
• The proposed term sheet does not bind the state or federal governments.

Another Step Towards Value and Away from an Expensive and Fragmented System
• The proposal is for all payers to approach health care payment in a common way that rewards the health care system for providing high value care.
• Aligned payment creates powerful incentives for new partnerships across the care continuum that make health care more affordable and improve the health of Vermonters.
• The state agrees to coordinate Medicaid and commercial insurers, and commits to financial targets and quality goals, and in return the federal government allows Medicare to participate in Vermont’s system.

Medicare Beneficiaries Will Receive All the Benefits for Which They Paid
• Medicare beneficiaries will keep the benefits, care, covered services, and choice of providers under the all-payer model. The State is seeking to expand benefits for seniors.

Statewide Financial Targets Will Make Health Care More Affordable
• The proposal aims to make health care more affordable by bringing health care spending closer to economic growth. The term sheet sets a 3.5% spending target and 4.3% spending cap, with a commitment that Medicare will grow more slowly in Vermont than nationally.

Covered Services Build on Vermont’s Health Care Reform Progress to Date
• Financial targets are based on health care services in Vermont’s Medicare, commercial, and Medicaid shared savings programs today, mostly hospital and physician services.

Proposal Focuses on Quality, Seeking to Create a Healthier Vermont
• The State is proposing three ambitious population health goals: increasing access to primary care, reducing the prevalence of chronic diseases, and addressing the substance abuse crisis.
• The GMCB will continue to hold ACOs financially accountable for a set of quality measures.

Seeking Additional Investments in Vermont’s Health Infrastructure
• The State proposes to expand the Services and Supports at Home (SASH) program, which has a track record of saving money while keeping seniors in their home and out of hospitals.
• The State proposes that Medicare participate in the Hub and Spoke opiate addiction treatment program.
• The State proposes to continue Medicare participation in the Blueprint for Health, Vermont’s nationally-recognized initiative transforming primary care.

Committed to Creating an Integrated Health System
• The State will continue to work with existing mental health, substance abuse, and long term services and support providers to determine the best path forward to create an integrated health care system.