

Scale Target Warning Letter Response

Alena Berube, Director of Health Systems Policy
Sarah Kinsler, Director of Strategy and Operations

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Background: Scale Targets were a known challenge from Day 1



- Scale targets are ambitious
 - Provider Participation: ACO participation is voluntary for providers
 - Payer Participation: ACO participation is also voluntary for payers
 - State has limited influence on payer participation (and no influence for Medicare Advantage plans, self-insured employers, federal employees, TRICARE)
 - Care Patterns: Even for Vermonters insured by participating payers, many receive majority of care out-of-state and cannot be ACO-attributed or count toward scale

Background: Scale Target Performance & Estimates

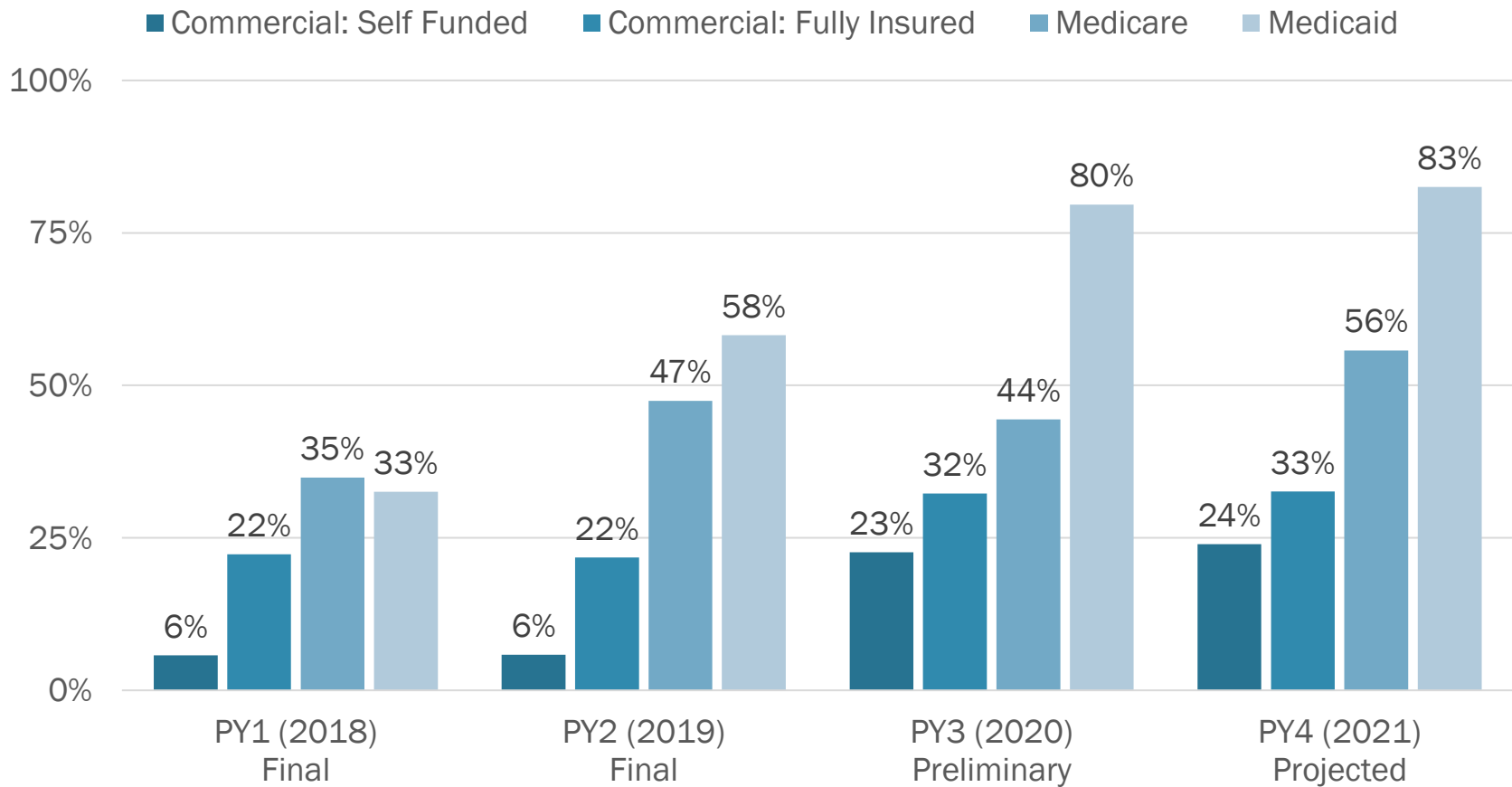


		PY1 (2018) Final	PY2 (2019) Final	PY3 (2020) Preliminary	PY4 (2021) Projected	PY5 (2022)
Vermont All-Payer Scale Targets	Target	36%	50%	58%	62%	70%
	Actual	22%	30%	42%*	46%*	
	(Difference)	(-14%)	(-20%)	(-16%)	(-16%)	
Vermont Medicare Scale Targets	Target	60%	75%	79%	83%	90%
	Actual	33%	47%	44%*	56%*	
	(Difference)	(-27%)	(-28%)	(-35%)	(-27%)	

* PY3 (2020) preliminary estimates are based on revised attribution as of 6/19/2020 and utilize 2019 population estimates. PY4 (2021) projections are based on Medicare preliminary attribution estimates (provided 11/9/2020) and OneCare Vermont 2021 budget submission to the Green Mountain Care Board and utilize 2019 population estimates.

Background: Scale Target Performance & Estimates

Attribution by Payer Type



State Scale Strategies to Date



- Notified Federal partners of challenges with scale denominator in 2018
- [Scale Target Survey](#): State surveyed Hospitals and FQHCs to understand barriers to and opportunities for increasing participation
- ACO Scale Strategy: OneCare Vermont is asked to provide details on their scale strategy annually through GMCB ACO oversight processes

State Receives Scale Target Warning Letter

- Through its letter dated September 14, 2020, CMMI notifies Vermont of a “triggering event” per the APM Agreement: Vermont has not met scale targets for the first two years of the Agreement
- This is not surprising, as the triggering event was based on GMCB data provided to CMMI annually
- The State’s response is due back to CMMI within 90 days of receipt (by December 13, 2020)


Staff Work to Date on Warning Response

- On October 12, 2020, GMCB's Executive Director sent a letter acknowledging receipt of the warning and indicated that the APM signatories would work together on a response, intending to submit within the 90-day timeline
- GMCB staff have been working with APM signatories since September to formulate a response

Content of State's Scale Warning Response Draft

- Denominator
 - Propose to align measurement with state's reasonable sphere of influence; exclude populations over which Vermont has limited control.
- Numerator
 - Medicare Scale
 - All Payer Scale
 - Commercial Strategies
 - All Payer Strategies

Draft Strategies: Increasing Medicare Scale

Medicare Strategy	Complete
<p>1. Reduce the ACO a risk corridor to support increased rural hospital participation, with reductions in the risk tied to scale, beginning in 2021. <i>This change allowed Rutland to join the model in 2021.</i></p>	
<p>2. Propose a benchmark for the 2021 Vermont Medicare ACO Initiative for CMS approval that provides as much stability and predictability as possible to produce financial targets that are adequate and achievable despite the ongoing uncertainty associated with the pandemic.</p>	
<p>3. Request that CMS offer written guidance or best practices for cost reporting by CAHs receiving Medicare prospective payments.</p>	
<p>4. APM signatories should work with CMS to establish a path for the Medicare payment and attribution model to evolve to mirror VMNG ACO program's prospective payments.</p>	


Draft Strategies: Increasing All-Payer Scale



Commercial Strategy	Complete
1. Include State Employee Health Plan members for attribution to OneCare Vermont in 2021 (PY4).	✓
2. Educate non-participating self-funded groups, including teachers, about the benefits of participation in a value-based payment and delivery system transformation model.	
3. Target outreach to self-funded hospitals that are not participating on behalf of their employees.	
4. Communicate to the business community about the advantages of paying for health care differently.	

**These strategies will be led by AHS/AOA*

Draft Strategies: Increasing All-Payer Scale

All-Payer Strategy	Complete
<p>1. ACO to continue reporting on scale strategy, including an update to activities identified in the 2019 Scale Survey, and a submission of a workplan to achieve goals associated with each activity.</p>	
<p>2. Issue Health Care Provider Stabilization Grants to providers that maintain participation in value-based payment models.</p>	
<p>Pending ACO 2021 Budget Review:</p> <p>3. ACO could intensify its “All-Payer” approach to provider participation.</p> <p>4. ACO could refine risk model with the goal of statewide participation.</p>	

Next Steps

1. Request that the Board delegate to Chair (with staff) to continue working with APM signatories to finalize the response to CMS

Suggested language: Move to delegate to the Chair authority to finalize and sign the letter on behalf of the Board, in consultation with Board staff and in partnership with other APM signatories

2. Route for signature by all APM signatories
3. Submit response to CMS by December 13 (90 days from September 14, 2020)