VERMONT
GREEN MOUNTAIN CARE BOARD

ACO Oversight
FY 2022 Budget Review
Clover Health Partners

Final Staff Recommendations
- Potential Vote -

March 23, 2022

Public Comment

VERMONT
GREEN MOUNTAIN CARE BOARD

- GMCB received two comments from the public and comment from Clover Health Partners
- Comments are posted on the GMCB website here:
  - https://gmcboard.vermont.gov/aco-oversight/clover-health-partners

Overview and Review

VERMONT
GREEN MOUNTAIN CARE BOARD

- Board's authority
  - CHP is not subject to certification because they do not receive payments from Medicaid or commercial payers.
  - Under 18 V.S.A. § 9382(b)(2) and Rule 5.405, GMCB shall review and approve or modify an ACO's budget.
- Patient impact
- Medicare oversight and concerns regarding inappropriate coding ("upcoding") and stinting on care
- Recommendations for reporting / monitoring

How does the DC Model impact Medicare beneficiaries' costs and care?

VERMONT
GREEN MOUNTAIN CARE BOARD

- Beneficiaries aligned to DCEs are still in Traditional Medicare:
  - Access to the entire Traditional Medicare network
  - Alignment to DCE does not affect out-of-pocket costs and premiums
  - Does not affect use of supplemental insurance (Medigap)
- DCE Attributed Beneficiary Rights in DCE Participation Agreement:
  - Beneficiary Notifications (Section 5.05)
  - Beneficiary Freedom of Choice (Section 5.07)
  - Rights to Opt Out of Data Sharing (Section 6.04)
- Through DCE providers, beneficiaries may have access to additional benefits:
  - Coordinated care between DCE Participating Providers (Primary Care) and Preferred Providers (e.g. home health), option to go outside DCE network
  - Access to benefit enhancements

High-Level Overview – ACO REACH

VERMONT
GREEN MOUNTAIN CARE BOARD

New ACO Reach Requirements

- **ACO Governance:** change from 25% to 75% governing board voting rights held by participant providers; Beneficiary and consumer advocates must each hold voting rights.
- **Health Equity:** ACOs develop a Health Equity Plan and collect beneficiary-reported demographic and social needs data; Introduction of health equity benchmark adjustment and new benefit enhancements.
- **Changes to Benchmarking:** including changes to the "Risk Score Growth Cap" to further mitigate potential inappropriate risk score gains.
- **Additional Monitoring and Compliance:**
  - Assess annually whether beneficiaries are being shifted into or out of MA.
  - Examine ACO's risk score growth to identify inappropriate coding practices.
  - Increase use of data analytics to monitor use of services over time and compared to a reference population to assess changes in beneficiaries' access to care, including stinting on care.
  - Audit annually REACH ACO contracts with providers to learn more about their downstream arrangements and identify any concerns.

Comparison Chart: https://innovation.cms.gov/media/document/gpdc-aco-reach-comparison

High-Level Overview – ACO REACH

VERMONT
GREEN MOUNTAIN CARE BOARD

- **Risk Adjustment**
  - "*Coding Intensity Factor*" (CIF) limits risk score growth across the entire model. The CIF applies to all DCEs to limit risk score growth to the average prior to the start of the model.
  - "*Risk Score Growth Cap*" limits a DCE's risk score growth to +/- 3% over a 2-year period. The DCE-specific caps on over-coding ensure DCEs are coding appropriately and limit gaming.
    - REACH Model adopts a static reference year population for the remainder of the model performance year.
    - Cap the REACH ACO's risk score growth relative to the DCE's demographic risk score growth, so the +/- 3% cap is appropriately adjusted based on demographic changes in the underlying population over time.

Source: "Comparing GPDC to the ACO REACH Model" Comparison Chart, available at:
https://innovation.cms.gov/media/document/gpdc-aco-reach-comparison

Key Points

VERMONT
GREEN MOUNTAIN CARE BOARD

- Payer program arrangements are set by Medicare in the Participation Agreement
- Participation Agreement was reported to GMCB
- There are new requirements in the ACO REACH Model around governance, health equity, and additional monitoring and compliance
- CHP is required to regularly report on any material pending legal actions taken against the ACO or its affiliates, or against any members of the ACO's executive leadership team or Board of Directors related to their duties, and any such actions known to be contemplated by government authorities.

Final Recommendations (3/23):

VERMONT
GREEN MOUNTAIN CARE BOARD

- Approve Clover Health Partners FY22 budget as submitted subject to the following conditions:
  - Clover Health provides to GMCB its shared savings, segmented for VT by provider category (participant and preferred). Clover to provide preliminary shared savings results for 2021 in July 2022 and final results for 2021 and 2022 in July 2023, or in each case within 14 days after CMS publicly releases results.
  - Clover Health provides to GMCB its quality reporting, segmented for VT, if possible, with appropriate restrictions to protect patient confidentiality. Clover to provide preliminary quality results for 2021 in July 2022 and final results for 2021 and 2022 in July 2023, or in each case within 14 days after CMS publicly releases results.
  - Collect audited financials for Clover Health that include CHP's balance sheet and statement of operations contributions, and submit a standalone audit for CHP, in each case to the extent required by CMS or if filed or required to be filed with the Securities and Exchange Commission.
  - Clover Health provides to GMCB semi-annual updates on any material pending legal actions taken against the ACO or its affiliates, or against any members of the ACO's executive leadership team or Board of Directors related to their duties, and any such actions known to be contemplated by government authorities.

Next Steps

VERMONT
GREEN MOUNTAIN CARE BOARD

Today

- Board questions/discussion
- Public comment
- Potential Vote

After the vote

- FY22 Clover Budget Order
- Develop Medicare-Only ACO Guidance for FY 2023