

FY2023 ACO Budget Guidance and Certification Form Review

June 15, 2022



Agenda for Today



- Background & Statutory Authority
- FY 2023 Certification Eligibility Form
- FY 2023 Budget Guidance
- Next Steps
- Questions

BACKGROUND AND STATUTORY AUTHORITY



ACO Guidance Process Overview

ACO Certification and Budget Review



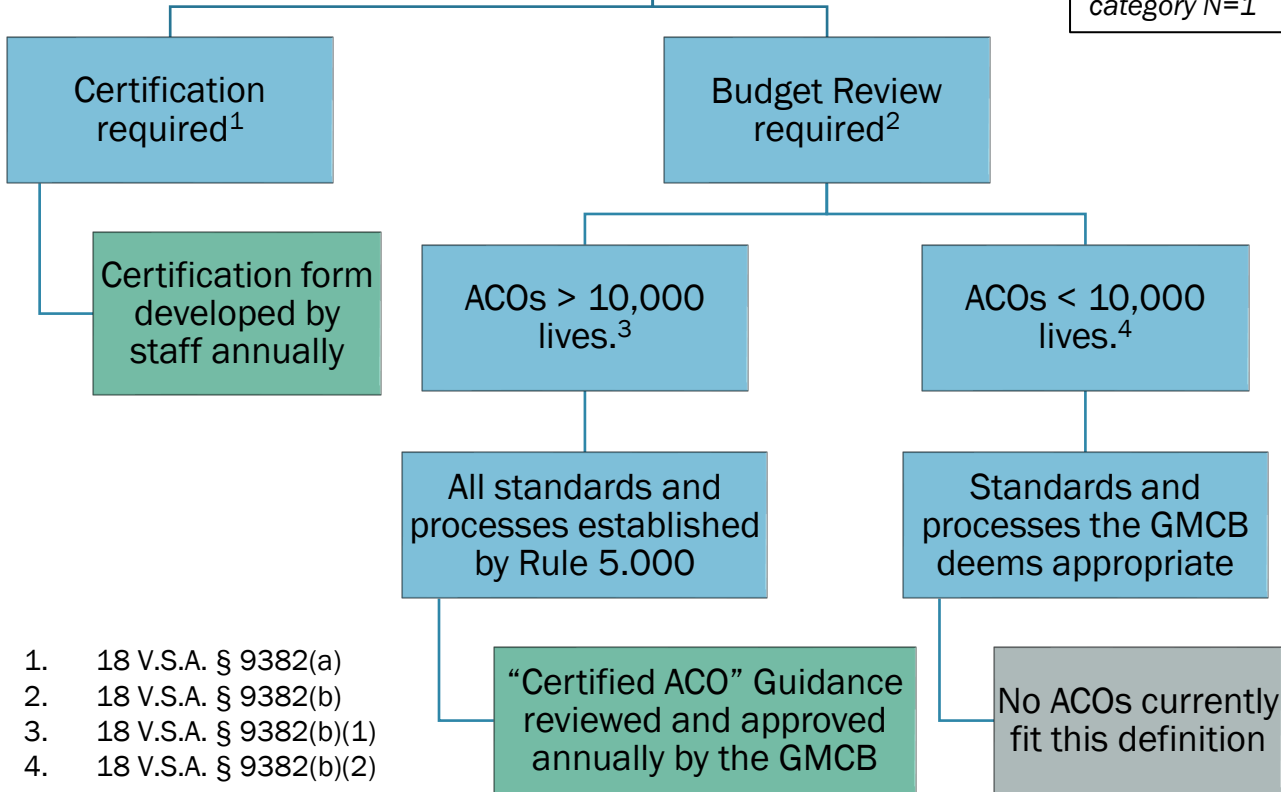
- ACO Budget Review
 - All ACOs operating in Vermont are subject to budget review
 - Threshold of 10,000 lives defines scope of review
 - *GMCB Guidance: Annual Budget Review Manual (“ACO Budget Guidance”)*
- ACO Certification
 - ACOs that want to accept payments from **Medicaid or Commercial** insurance must be **certified**
 - ACOs that plan to accept payments from **Medicare only** are not required to be certified
 - *GMCB Guidance: Annual Eligibility Verification (“Certification Form”)*
- Authority
 - [18 V.S.A. § 9382](#) and [GMCB Rule 5.000](#)

ACO Guidance Process Overview

Certified ACO vs Medicare-Only ACO

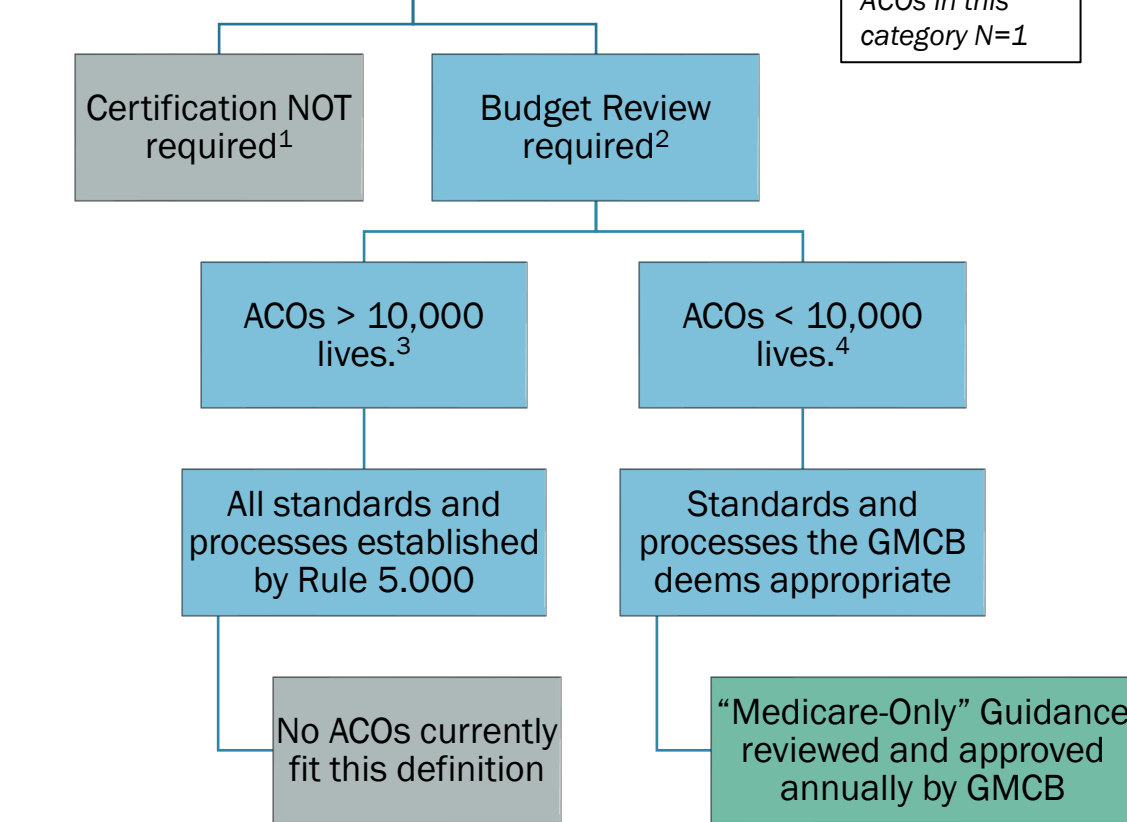
ACOs that plan to accept payments from Medicaid or Commercial insurance

ACOs in this category N=1



ACOs that plan to accept payments from Medicare only

ACOs in this category N=1



1. 18 V.S.A. § 9382(a)
2. 18 V.S.A. § 9382(b)
3. 18 V.S.A. § 9382(b)(1)
4. 18 V.S.A. § 9382(b)(2)

ACO Guidance Process Overview

Standards of Review



The standards and requirements by which we review the ACO submissions are set forth in:

1. 18 V.S.A., Chapter 220 (primarily 18 V.S.A. § 9382 “Oversight of Accountable Care Organizations”);
2. GMCB Rule 5.000; and
3. All-Payer ACO Model Agreement.

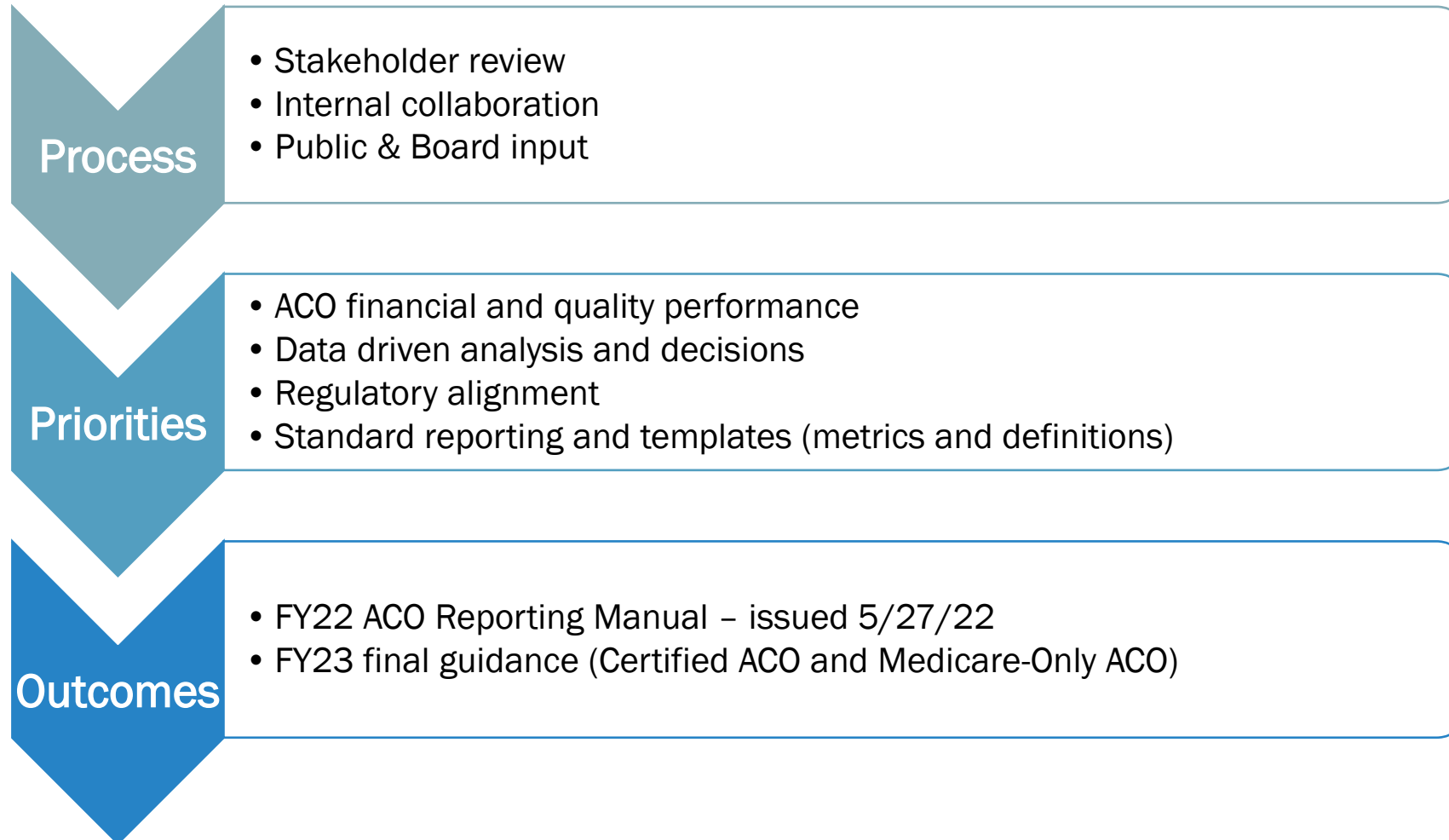
Specifically, under Rule 5.405:

1. any benchmarks established under section 5.402 of this Rule;
2. the criteria listed in 18 V.S.A. § 9382(b)(1);
3. the elements of the ACO’s Payer-specific programs and any applicable requirements of 18 V.S.A. § 9551 or the Vermont All-Payer Accountable Care Organization Model Agreement between the State of Vermont and CMS; and
4. any other issues at the discretion of the Board.

The ACO shall have the burden of justifying its budget to the Board.

ACO Guidance Process Overview

FY23 ACO Oversight Approach



Certified ACO Guidance Preview

FY23 Staff Goals



Continued FY22 Goals and Considerations (current year)

- Streamline information requests across regulated entities (ACO & hospitals)
- Break out information requests across processes categorically to ensure Rule 5.000 regulatory requirements
- Emphasis on data over narrative where appropriate
- Reconsider timing of information requests (e.g., Budget cycle vs. on-going monitoring)
- Impact of Covid-19
- 2022 is final year of current APM Agreement
- Consider how to operationalize core-competencies into review (see 5/12/21 Bailit presentation)

New FY23 Goals and Considerations (budget year)

- Crosswalk to Rule 5.000
- Remove areas of identified duplication and streamline questions
- Incorporate performance benchmarks and prescriptive guidance as allowed in § 5.402
- 2023 is extension year of APM Agreement

FY 2023 CERTIFICATION ELIGIBILITY FORM REVIEW



FY23 Certification Eligibility Materials

Verification



Once certified, an ACO must annually submit a form to the GMCB (1) verifying that the ACO continues to meet the requirements of 18 V.S.A. §9382 and Rule 5.000; and (2) describing in detail any material changes to the ACO's policies, procedures, programs, organizational structures, provider network, health information infrastructure, or other matters addressed in the certification sections of Rule 5.000.

- 5.201 -Legal Entity
- 5.202 -Governing Body
- 5.203 -Leadership and Management
- 5.204 -Solvency and Financial Stability
- 5.205 -Provider Network
- 5.206 -Population Health Management and Care Coordination
- 5.207 -Performance Evaluation and Improvement
- 5.208 -Patient Protections and Support
- 5.209 -Provider Payment
- 5.210 -Health Information Technology

FY23 Certification Eligibility Materials

Goals and Key Changes



Goal for FY2023: Update process to improve clarity and breadth of questions, and to reduce administrative burden.

Material changes:

- **The addition of word limits to each narrative question**
- **Updated questions to improve clarity and to focus on FY23 updates and changes from the prior year**
- **Creation of a single workbook to collect ACO policies and procedures**
- **Four new questions to address certification requirements 5.206 (g), (i), (k), and 5.207(b)**

Changes: bolded blue

FY23 Certification Eligibility Materials

Timeline



- Materials to be posted on the GMCB website under “2023 ACO Budget and Certification” and issued to OneCare by **July 1st, 2022.**
- Materials to be completed and returned on or before **September 1, 2022.**

Reminder: the Board does not need to vote on the Certification Form updates

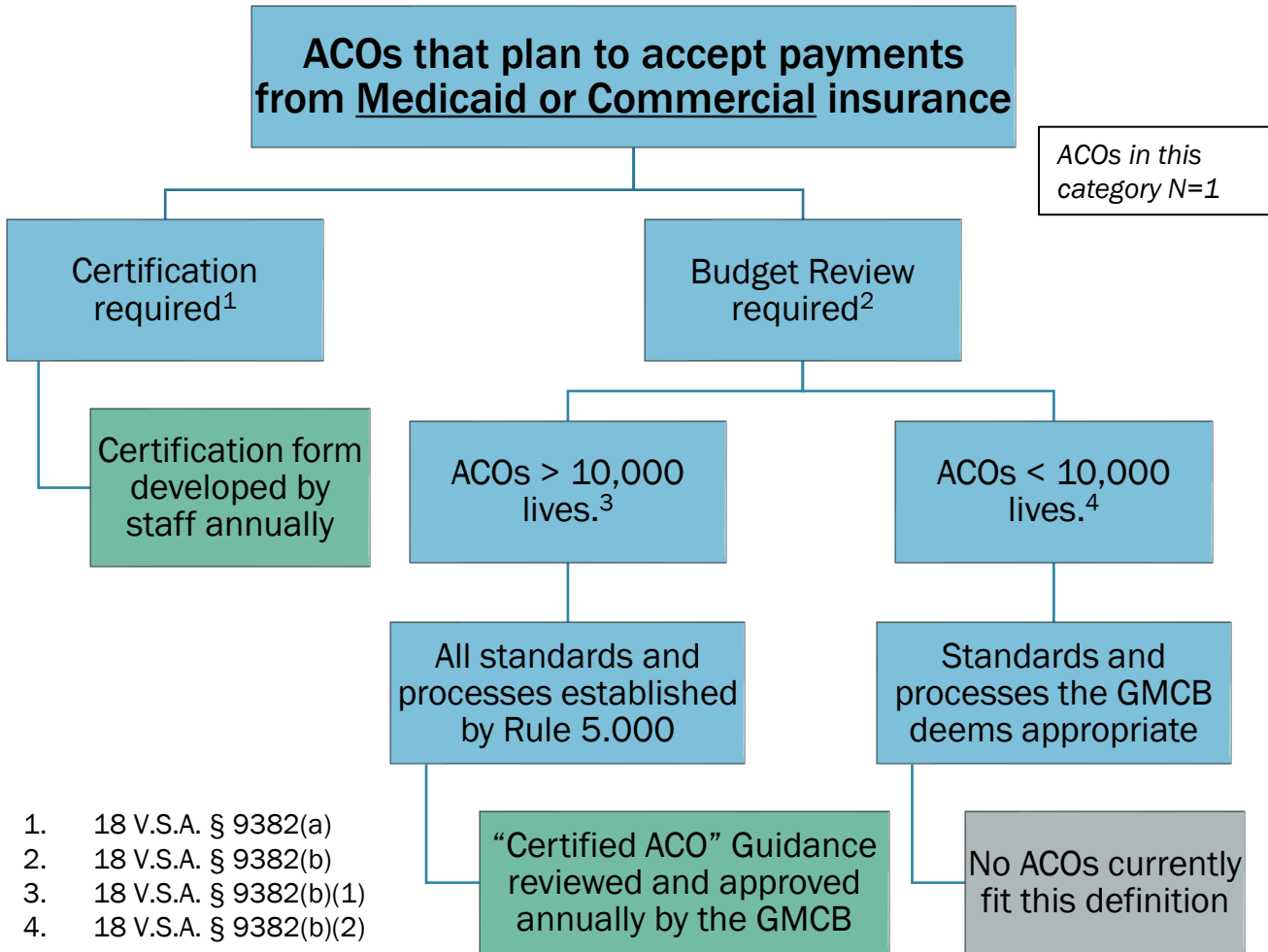


FY 2023 CERTIFIED ACO BUDGET GUIDANCE REVIEW



FY23 Certified ACO Budget Guidance

Certified ACO vs Medicare-Only ACO



1. 18 V.S.A. § 9382(a)
2. 18 V.S.A. § 9382(b)
3. 18 V.S.A. § 9382(b)(1)
4. 18 V.S.A. § 9382(b)(2)

- Today’s focus is on the Certified ACO Budget Guidance
- Unlike the certification form, the Board does need to vote to approve updates to this guidance
- OneCare Vermont is currently the only Certified ACO in Vermont

FY23 Certified ACO Budget Guidance

Themes for FY23 Updates



- Each section was reviewed for:
 - Objective
 - Data and source documents
 - Key narrative
- Highlight of updates:
 - Submission instructions added
 - Updated Covid-19 language
 - More targeted questions based on internal review and stakeholder feedback; removed areas of duplication
 - Improved data collection templates
 - Transition to Adaptive Database for financial reporting
 - Introduction of Budget and Performance targets

Throughout this presentation, text in bolded blue indicates changes from last year's guidance.

FY23 Certified ACO Budget Guidance

Reporting Requirements Sections



1. ACO Budget Executive Summary (name change)
2. ACO Provider Contracts (name change)
3. ACO Payer Contracts (name change)
4. Total Cost of Care
5. **ACO Network Program and Risk Arrangement Policies**
6. ACO Budget
7. ACO Quality, Population Health, Model of Care, and Community Integration
8. **Evaluation and Performance Benchmarking**
9. Other Vermont All-Payer ACO Model Questions

FY23 Certified ACO Budget Guidance

Section 1: ACO Budget Executive Summary



- **Section objective:** Provide brief narratives to summarize the components of the budget submission; describe the ACO's vision for the coming budget year including:
 - a) Strategic Plan 2021-2023 update
 - b) Provider network
 - c) Payer Programs
 - d) Attribution estimates
 - e) Full Accountability and Entity-Level budget summaries
 - f) Network programs and population health/care model changes for 2023
 - g) Evaluation – lessons learned and plans for 2023, including a summary of ACO performance benchmarking results to date
- **Data/Source:** N/A

FY23 Certified ACO Budget Guidance

Section 1: ACO Budget Executive Summary



- **Main change:** Section revised to more clearly identify topics of focus for the executive summary.
- Section Title
 - **Changed from “Information and Background” to “Executive Summary” to clarify the purpose of this section.**
- Q1: Brief narrative summaries
 - **Sub-bullets updated to more clearly reflect the areas of focus for the executive summary.**

FY23 Certified ACO Budget Guidance

Section 2: ACO Provider Contracts



- **Section objective:** Describe the ACO network development strategy and any changes to provider agreements and addenda for the budget year.
- **Data/Source:**
 - Network provider lists (Appendices 2.1-2.2)
 - Provider Agreements and Addenda for 2023

FY23 Certified ACO Budget Guidance

Section 2: ACO Provider Contracts



- **Main Change:** Section narrowed to focus on provider contracts. Questions about ACO programs moved to Section 5 (new).
- Q1: ACO Provider Network Template and Provider Lists (Appendix 2.1 and 2.2)
 - **Summary table added to appendix (2.2.1, 2.2.2, 2.2.3) and deadline updated to reflect federal report timing.**
- Q4 and Q5: Provider Network Changes
 - **Summary table added in narrative and 2.2.3, originally from OneCare's submission.**
- Q6: Changes in Provider Agreement
 - **Question added to focus specifically on updates to the provider agreement and variation among provider types, if applicable.**

FY23 Certified ACO Budget Guidance

Section 3: ACO Payer Contracts



- **Section objective:** Describe the ACO's expected or assumed payer arrangements used to construct the budget, assess payer arrangements for qualifying as Scale Target Initiatives.
- **Data/Source:**
 - ACO Scale Target Initiatives and Program Alignment Forms (Appendix 3.1)
 - Submit FY23 Payer Program Contractual Agreements, once executed

FY23 Certified ACO Budget Guidance

Section 3: ACO Payer Contracts



- **Main Change:** Section narrowed to focus on payer contracts. Questions about ACO programs moved to Section 5 (new).
- Q2: Payer Program Changes
 - **Summary table added with follow up questions for programs with changes. Language about scale added to align with FY22 Budget Order #4.**
- Q3: Fixed Prospective Payment (FPP) Arrangements
 - **Question rewritten to align with new FPP reporting manual template.**
- Q4: Scale Target Qualifying Programs with Medicare Advantage
 - **Question added to assess status of FY22 Budget Order #6.**

FY23 Certified ACO Budget Guidance

Section 4: Total Cost of Care



- **Section objective:** Describe the assumptions used to set Trend Rates and Total Cost of Care Targets by payer program and the drivers affecting settlement results of the prior year.
- **Data/Source:**
 - TCOC performance by payer, total ACO wide 2018-2023 (Appendix 4.1)
 - Projected and Budgeted Trend Rates, by Payer program 2022-2023 (Appendix 4.2)

FY23 Certified ACO Budget Guidance

Section 4: Total Cost of Care



- **Main Change:** Settlement by HSA template was incorporated into new Section 5 templates and consolidated.
- Q1: TCOC Performance by Payer, Total ACO-Wide (Appendix 4.1)
 - **Question updated to clarify instructions.**
- FY22 Q2: Settlement by Payer, by HSA
 - **Question and Appendix 4.2 removed because settlement by hospital is reported through financial performance presentation in November.**
- Q3: Projected and Budgeted Trend Rates, by Payer Program
 - **Question clarified to be consistent with benchmark trend rates for the ACO-attributed population and the GMCB approved rate filings.**
 - **Question updated to reflect how TCOC targets are distributed Appendix is now number 4.2 due to above changes.**

FY23 Certified ACO Budget Guidance

Section 5: ACO Network Program & Risk Arrangement Policies



- **Section objective:** Describe ACO program policies for provider payments and risk arrangements. Describe the ACO risk model by payer and by risk-bearing entity, any ACO-held risk, and third-party risk protection.
- **Data/Source:**
 - Risk by Payer and Risk Bearing Entity (RBE) (Appendix 5.1)
 - Shared Savings/Loss by Payer, HSA, Primary Care/RBE (Appendix 5.2)

FY23 Certified ACO Budget Guidance

Section 5: ACO Network Program & Risk Arrangement Policies



- **New Section:** Questions pulled from provider and payer contract sections to create new section about overall ACO programs.
- Q1: Provider Payment Strategies
 - Questions moved from Section 2 and adapted to focus specifically on provider payment strategies.
- Q2: ACO Program Goals, Strategies, Opportunities, and Limitations
 - New question combining elements of past questions on risk management (FY22 Section 5, Q1) and provider network development (FY22 Section 2, Q3).
- Q3: ACO Risk Model (Appendix 5.1)
 - Updated data submission template. Question about ACO risk model is the same as FY22.

FY23 Certified ACO Budget Guidance

Section 5: ACO Network Program & Risk Arrangement Policies (cont.)



- Q4: Management of financial liability
 - **Same as FY22**
- Q5: ACO Risk Model (Appendix 5.2)
 - **Updated data submission template**
- Q6: TCOC Accountability Strategy at the HSA Level
 - **FY22 question moved to this section**
- Q7: Asks for any additional documentation on ACO's management of financial risk

FY23 Certified ACO Budget Guidance

Section 6: ACO Budget



- **Section objective:**
 - Submit the ACO financial plan prepared according to the Full Accountability (Non-GAAP) and Entity-Level (GAAP) financial sheets.
 - Submit additional financial data as specified, e.g., sources/uses, PHM expense breakout, hospital specific, and leadership/management salaries.
 - Describe the major variances in the financial plan from the prior year. Adaptive database planned for 2023 budget submission.
- **Data/Source:** same as above.

FY23 Certified ACO Budget Guidance

Section 6: ACO Budget



- **Main Change:** Financial sheets previously submitted in Excel will now be submitted through the GMCB's Adaptive Database.
 - Adaptive A1 Income Statement
 - Adaptive A2 Balance Sheet
 - Adaptive A3 Cash Flow
- **Information collected:**
 - Full Accountability Budget (Non-GAAP)
 - Entity-Level Budget (GAAP)
 - Variance Analysis Report
 - ACO Management Compensation and IRS Form 990
 - Financial Audit

FY23 Certified ACO Budget Guidance

Section 6: ACO Budget



- **Other GMCB templates:**
 - 6.4 Source and Uses (no change)
 - 6.5 Hospital Participation
 - Consolidated into single template for all hospitals
 - Revised categories by payer to more accurately reflect the payment structures
 - Risk elements removed because already reported in Section 5 templates
 - 6.6 IRS Form 990
 - When available (2021)
 - 6.7 ACO Management Compensation
 - Current year projected (2022)
 - 6.8 Population Health Management Expense Breakout
 - Identify bonus payments where the ACO will budget the dollar amount, but not the actual distribution across provider types.
 - Identify blank cells where provider types are ineligible for payments.

FY23 Certified ACO Budget Guidance

Section 7: Population Health



- **Section objective:** Collect data and information on the ACO-wide approach to population health management and care delivery.
- **Data/Source:**
 - ACO Clinical Focus Areas (Appendix 7.1)
 - High-Cost Conditions (Appendix 7.2)
 - Population Health and Payment Reform (Appendix 7.3)
 - Care Coordination and Care Coordination Payments (Appendix 7.4-7.5)

FY23 Certified ACO Budget Guidance

Section 7: Population Health



- **Main Change:** Updates to reflect new Care Coordination Model; questions involving evaluations moved to Section 8.
- Question 1: Model of Care
 - **Narrowed the focus to implementation progress, goals, and changes rather than overview**
 - **Added questions about health equity, and race and ethnicity data**
 - **Added question about general variations across HSAs**
- Question 2: Clinical Focus Areas
 - **Narrowed the focus to how criteria are selected and methods of evaluation**

FY23 Certified ACO Budget Guidance

Section 7: Population Health (cont.)



- Question 3: Quality Improvement
 - **Eliminated HSA-level reporting for quality measures**
 - **Removed COVID-19-specific question**
- Question 5: Care Coordination
 - **Updated appendices to focus on shift in models from 2021 to 2022, and to capture payment amounts by provider type over time**
- Question 6: Integration of Social Services
 - **Added question regarding evaluation of social service integration**

FY23 Certified ACO Budget Guidance

Section 8: Evaluation and Performance Benchmarking



- **Section objective:** Discuss evaluation of provider satisfaction with ACO participation and ACO network programs (e.g., PHM programs, financial incentives, and data and analytics), and evaluation of the ACO Quality Improvement Program; discuss use of Key Performance Indicators and implementation of an ACO performance benchmarking system.
- **Data/Source:** Any relevant documents identified by the ACO

FY23 Certified ACO Budget Guidance

Section 8: Evaluation and Performance Benchmarking



- **New Section:** Questions pulled from across guidance to concentrate evaluation questions in one section.
- Q1-5: Evaluation Questions about Provider Satisfaction; Risk Management; PHM Programs; Quality Improvement Program; and KPIs.
 - **Pulled from other sections of the guidance and FY22 follow-up questions.**
- Q6: Update on Benchmarking Tool Implementation
 - **Question added to assess status of FY22 Budget Order #1-2.**
 - **Board may introduce performance targets**

FY23 Certified ACO Budget Guidance

Section 8: Evaluation and Performance Benchmarking



- Q6: Performance Targets Linked to National Benchmarks
- FY22 Budget Order #2b requires the FY23 Budget Guidance to *“introduce performance targets linked to national benchmarks, along with enforcement mechanisms where OneCare Vermont does not perform at the levels outlined in the guidance.”*
- **Provide progress to date on implementing the benchmarking tool and available data to establish baselines**
 - NOTE: Any performance targets for FY23 or future years will be determined by GMCB, taking into consideration the implementation status of the benchmarking system, and may include, e.g.:
 - Performance targets (e.g., at or above 50th percentile)
 - Enforcement (e.g., range for requiring a Performance Improvement Plan (PIP))
 - Performance Improvement Plan requirements (e.g., PIPs should include best practices used by ACOs in 90th percentile)

FY23 Certified ACO Budget Guidance

Section 9: Other Vermont All-Payer ACO Model Questions



- **Section objective:** Describe strategies for assisting the state to achieve the goals of the Vermont All-Payer Model Agreement; describe the ACO's role in achieving the goals; and identify opportunities for stakeholder collaboration to achieve the goals.
- **Data/Source:** APM Quality Measures (Appendix 8.1)
- **Main Change:** No major changes, evaluation question moved to Section 8.

FY23 Certified ACO Budget Guidance

Part II: ACO Budget Targets



- **Objective:** The Board may establish targets or benchmarks to guide the development or implementation of the ACOs Budget.
- **Data/Source:** Medicare United States Per Capita Fee-For-Service Projections
 - Reference for Trend Rate and Total Cost of Care target setting (Section 4, no change)

FY23 Certified ACO Budget Guidance

Part II: ACO Budget Targets



- Other Targets/Benchmarks
 - *“The Board may add other targets or benchmarks to guide the development or implementation of the ACOs Budget. Such benchmarks set in the past have included an administrative expense ratio and a population health investment ratio, among others. Please see prior year Budget Orders for examples.”*
- **Proposed Budget Targets for FY23 (NEW):**
 1. Fund the VBIF or other pre-funded clinical quality incentive programs at a minimum of the FY22 revised budget amount.
 2. The FY23 commercial benchmark trend rates must be consistent with the ACO-attributed population and the GMCB approved rate filings.

FY23 Certified ACO Budget Guidance

Part III: Revised Budget



- Revised Budget Deliverables due Spring 2023, or TBD upon execution of payer contracts
- Updated to align with FY22 revised budget process

FY23 Certified ACO Budget Guidance

Part IV: Monitoring



- FY22 ACO Reporting Manual published in the GMCB website 5/27/22
 - <https://gmcboard.vermont.gov/document/fy22-onecare-vermont-reporting-manual>
- Updated to align with FY22 reporting manual

ACO Guidance Process Overview

2022 Development Timeline for FY23



- May: GMCB staff worked with stakeholders (ACOs and HCA)
- June 8: Medicare-Only ACO Guidance
- June 15: Certification Form and Certified ACO Budget Guidance
- June 22: Potential Vote

Special public comment period: June 8 - June 20

QUESTIONS

