

# Revised 2020 Medicare Benchmark Proposal

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# Objective

- The prospective financial targets approved by the Centers for Medicare and Medicaid Services (CMS) for Performance Year 2020 (PY2020) can no longer be considered appropriate due to effects of the Public Health Emergency (PHE).
- Given the continuing uncertainty, it seems most appropriate to revise the GMCB's proposed benchmark using a *retrospective trend factor*.
- Without revision, CMS would use its authority to recalculate the financial targets independently.

# Financial Targets

## All-Payer Model (APM) Agreement (*State of Vermont and CMS*)

- Sets a statewide target to limit per person average growth to 3.5 to 4.3% between 2017 and 2022.

## Medicare Participation Agreement (*CMS and OneCare Vermont*)

- Sets annual, prospective targets (“Benchmarks”) for the spending for Medicare beneficiaries attributed to OneCare Vermont.

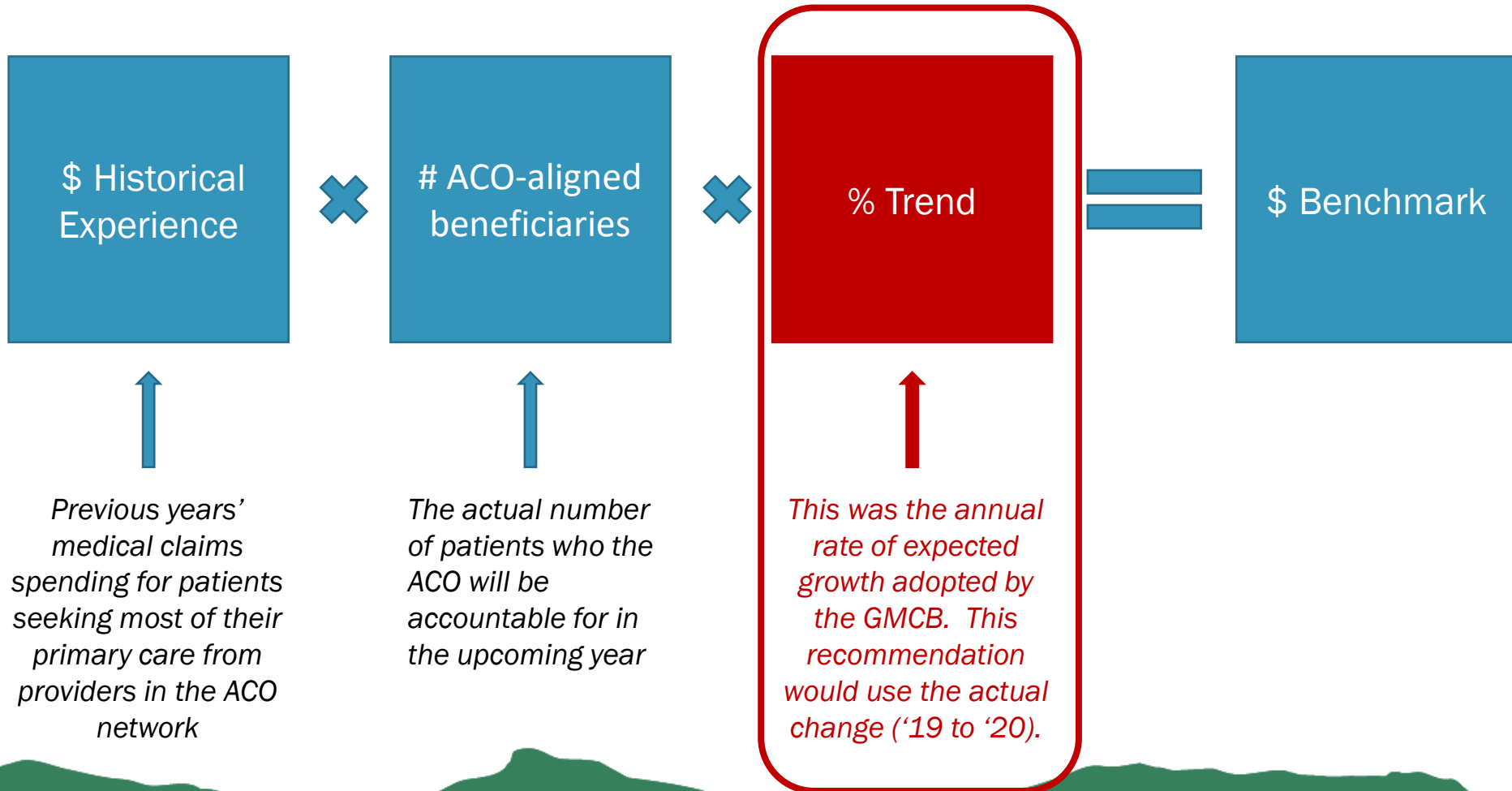
# Medicare COVID-19 Financial Flexibilities



- Expenditures associated with COVID-19 episodes are *excluded* from the ACO's Total Cost of Care (~\$1.3 million for ACO and \$2.5 million statewide to date).
- Any shared losses are mitigated during the PHE.
- Use *retrospective regional trend* for financial targets.

# Components of Medicare Benchmark

- The Medicare benchmark is calculated based on three factors:



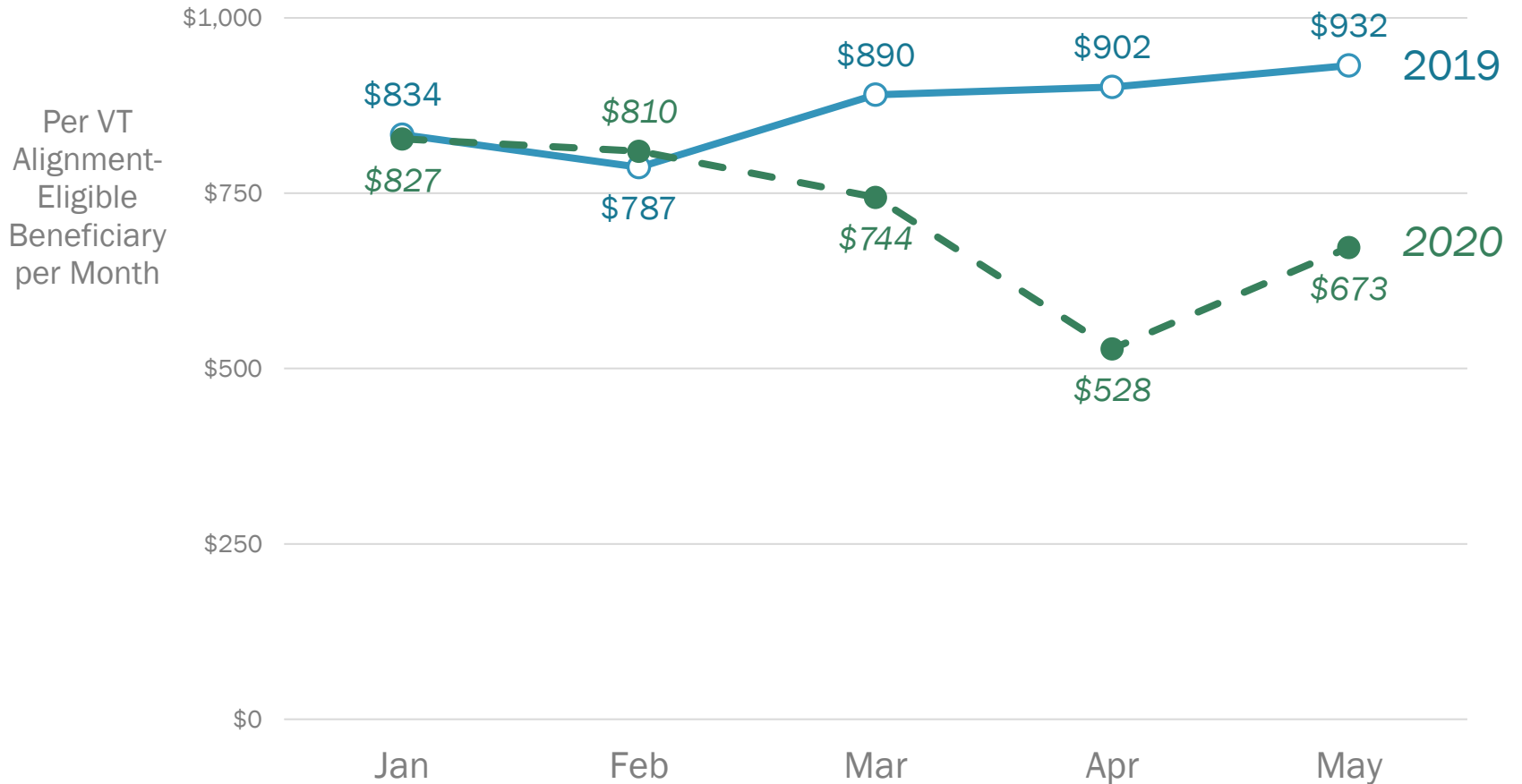
# Total Vermont Medicare Expenditures



- The unexpected, dramatic decrease in spending renders the prospective growth target inappropriate.

Source: CMS

# Per Person Vermont Medicare Expenditures



Source: CMS

# Revised Proposal

- Once three months of paid claims run out is available for calendar year 2020, calculate the observed change in expenditures between 2019 and 2020 (~ April 2021).
- Recalculate the 2020 Benchmark using observed trend rate.
- Assess that recalculated Benchmark continues to fulfill the GMCB's duties as outlined in the APM Agreement with emphasis on Section 8.b.ii.1.a:

*The Vermont Medicare ACO Initiative Benchmarks should incentivize high-quality care, promote efficient care, and support improvement in the health of aligned beneficiaries.*



# Advanced Shared Savings



- The revised Benchmark should continue to reflect \$8.4 million in advanced shared savings. These funds were invested by OneCare Vermont to support the Blueprint for Health and SASH, as ordered by the GMCB.
- These programs further the goals of the All-Payer Model and have demonstrated cost savings to the state and CMS.