

2024 Medicare Benchmark Recommendation

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Agenda

- Staff Recommendations for 2024 Benchmark
- Background
 - All-Payer Model
 - Medicare Benchmark
- Experience to Date
 - Settlements over time
 - OCV results through 2022
 - Prior year Benchmarks and outcomes

Recommendations

- Staff recommends using the maximum allowable trend for OneCare Vermont's Medicare Benchmarks (per the Agreement, 0.2% below national):
 - 4.3% for Non-ESRD*
 - 6.7% for ESRD*
- Request advanced shared savings of \$9,956,390 to fund Blueprint for Health Programs and SASH.

Trade-Offs for Using Maximum Trend



PROS

- Vermont hospitals are financially fragile, a trend observed nationally.
- The maximum trend will increase the amount of federal dollars available through the current All-Payer Model, especially for Blueprint and SASH.



CONS

- The maximum trend may endanger the ability of the state to fulfill its financial targets from the APM Agreement.

Previous Trend Limits & GMCB Decisions

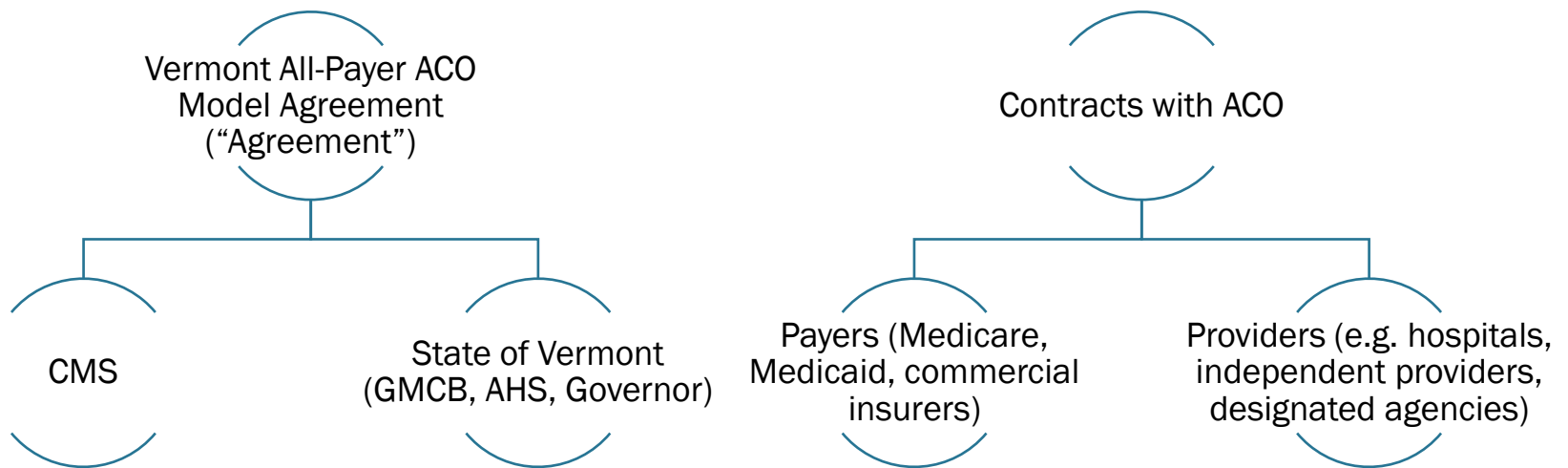


Performance Year	Federal Trend Limits to Date		GMCB Approved Benchmark Trend		Notes
	Non-ESRD	ESRD	Non-ESRD	ESRD	
2018	3.5%	3.5%	3.5%	3.5%	GMCB elected to use the floor provision of the Agreement (maximum allowable trend)
2019	3.8%	3.1%	3.8%	3.1%	Maximum allowable trends
2020	4.0%	2.9%	-7.7%	-2.2%	Retrospective trends due to COVID-19
2021	4.4%	2.3%	17.4%	17.3%	Retrospective trends due to COVID-19
2022	10.4%	7.6%	7.3%	7.3%	Base experience used imputed values for 2020, which increased the baseline experience value
2023	5.2%	3.9%	5.2%	3.9%	Maximum allowable trends

Background



All-Payer Model Agreements



Agreement requires GMCB to set Benchmarks for ACO's Medicare program.
Benchmarks must be approved by CMS prior to performance year.

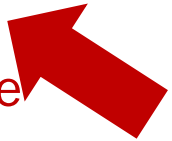
How We Measure the APM



- The APM has three (3) areas of performance that we (GMCB) monitor and report on for our federal partners.
 - TCOC is the financial yard stick by which we measure performance.
 - Scale, or the proportion of the population aligned to an ACO, is a second yard stick.
 - Quality is the third yard stick, measuring the state's trajectory toward improving patients' and providers' outcomes.

How We Measure the APM

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 - TCOC is the financial yard stick by which we measure performance.
 - The Medicare ACO-aligned population is the State's entry point to regulating healthcare for Medicare beneficiaries.
 - Also, Medicare Benchmark is how we fund the Medicare piece of Blueprint for Health and Support Services at Home (SASH).
 - Scale, or the proportion of the population aligned to an ACO, is a second yard stick.
 - Quality is the third yard stick, measuring the state's trajectory toward improving patients' and providers' outcomes.



APM Financial Targets

All-Payer TCOC Per Capita Growth
(3.5 to 4.3% average from 2017
to end of Agreement)

Medicare TCOC Per Capita Growth
(Average from 2017 to end of Agreement
from -0.2 to +0.1 percentage points of
national projections)

ACO Medicare
Benchmarks
(Annual Growth targets
for Medicare
beneficiaries attributed to
the ACO)

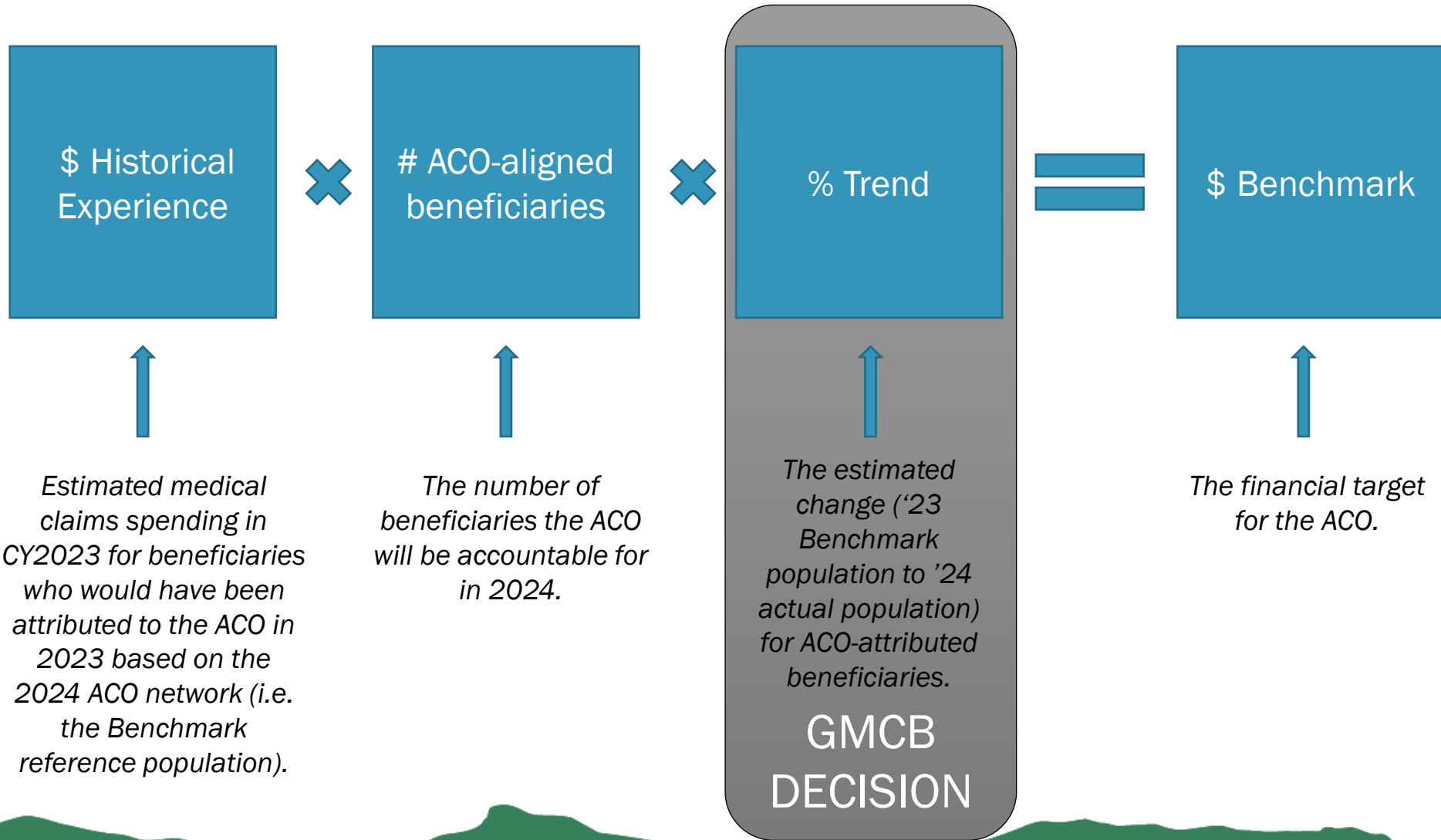
State of VT
Accountability

GMCB
Duty

ACO Financial Targets

- Medicaid and commercial payers negotiate annual financial targets with the ACO
 - The GMCB uses its ACO oversight to monitor how these targets relate to the APM financial yard sticks.
- Medicare relies on GMCB to propose annual financial targets for the ACO on its behalf
 - The Agreement includes certain criteria the proposals must meet.
 - CMMI approves or may request modification of the proposal.

Benchmark Components



Allowable Benchmark Trends

- Per the Agreement, trends set by the GMCB must meet certain criteria:
 - One of the criteria is that the trend set is at least 0.2% lower than the projected growth for Medicare fee-for-service (FFS) nationally.
- National projections are from the Medicare Advantage Call Letter, released annually around April preceding the performance year.
- Example: for 2024 the trend for Non-ESRD FFS Medicare expenditures was 4.5%. Vermont's maximum trend, per the Agreement, is 4.3%.

End Stage Renal Disease vs. Non

- The Medicare Benchmark is set separately for beneficiaries who are eligible due to End Stage Renal Disease (ESRD) and the remaining population (i.e. beneficiaries eligible due to age and/or disability).
- There are very few beneficiaries eligible due to ESRD, but their average expenditures are much greater than the remaining population.

Benchmarks & The AIPBP



A Common Point of Confusion

- Medicare offers prospective payments called All-Inclusive Population Based Payment (AIPBP).
- These payments are designed as a cash flow mechanism to provide more stability to providers during the year.
- Ultimately AIPBP is reconciled to the *what would-have been paid* on behalf of attributed beneficiaries.

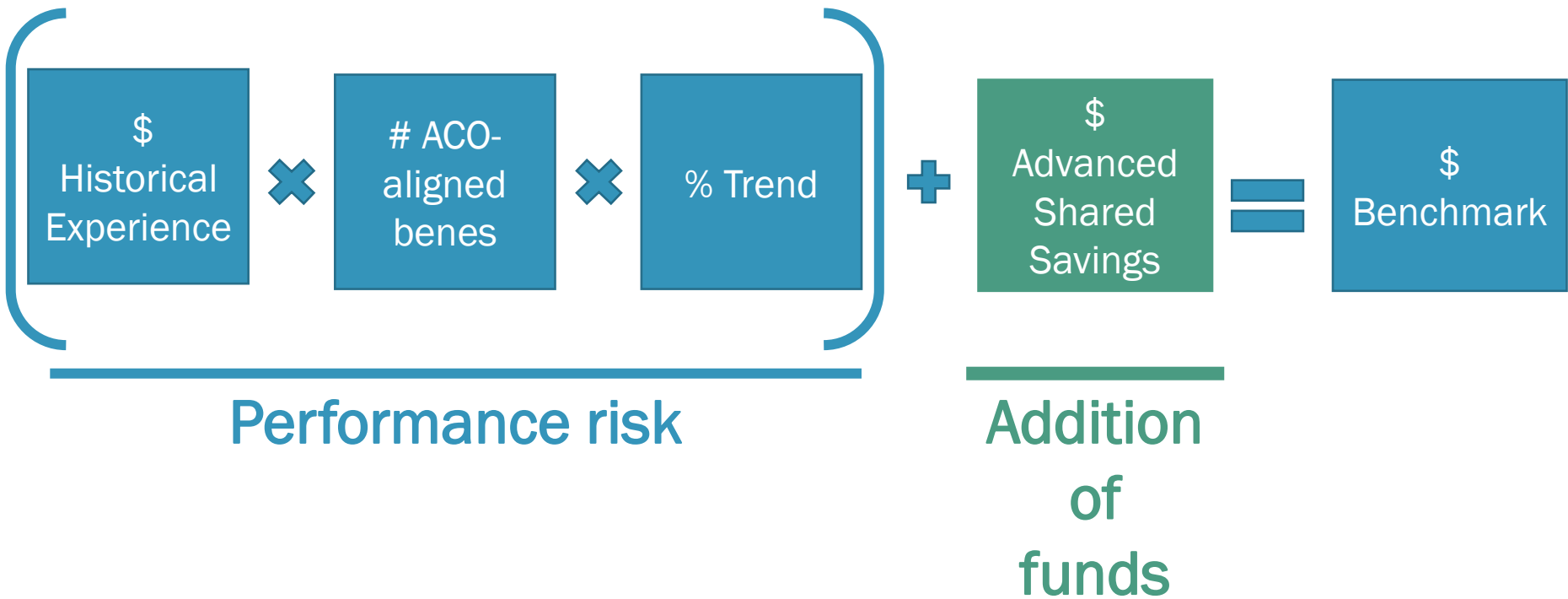
Medicare ACO TCOC = FFS payments + AIPBP claims

- Medicare's AIPBP is calculated separately and reconciled independently from the Benchmark.

Advanced Shared Savings

- Medicare's investments in the Blueprint for Health Programs ended in 2016, i.e.
 - Patient-Centered Medical Home (PCMH)
 - Community Health Team (CHT)
 - Support and Services at Home (SASH)
- The Agreement included provisions to allow for their continued funding by Medicare.
- The funding is attached to the Medicare Benchmark but does not represent *performance risk*.
- The advance is reconciled at settlement.

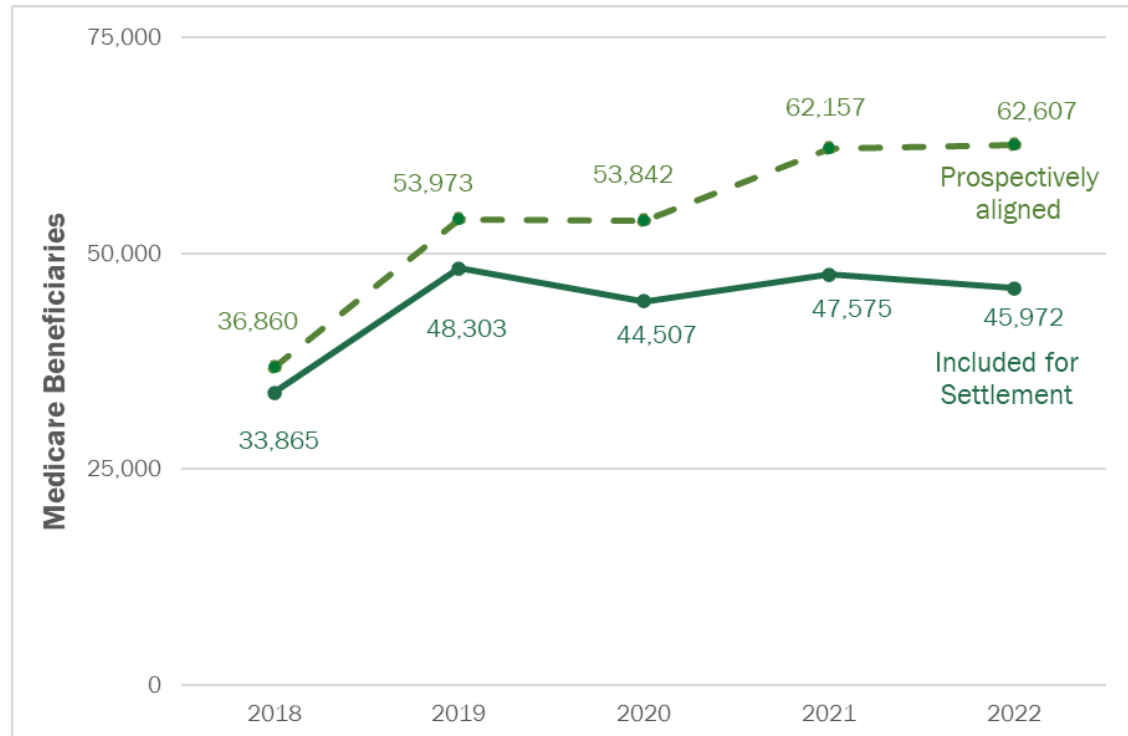
Advanced Shared Savings in the Medicare Benchmark



Experience to Date

OneCare Vermont Medicare Participation

- The Vermont Medicare ACO program limits which beneficiaries are included in the financial settlement.
- Beneficiaries must:
 - Maintain eligibility for the entire performance year (or until they pass away)
 - Receive 50% or more of their primary care services in the ACO's service area
- As more people opt for Medicare Advantage plans, substantially more beneficiaries are losing eligibility.



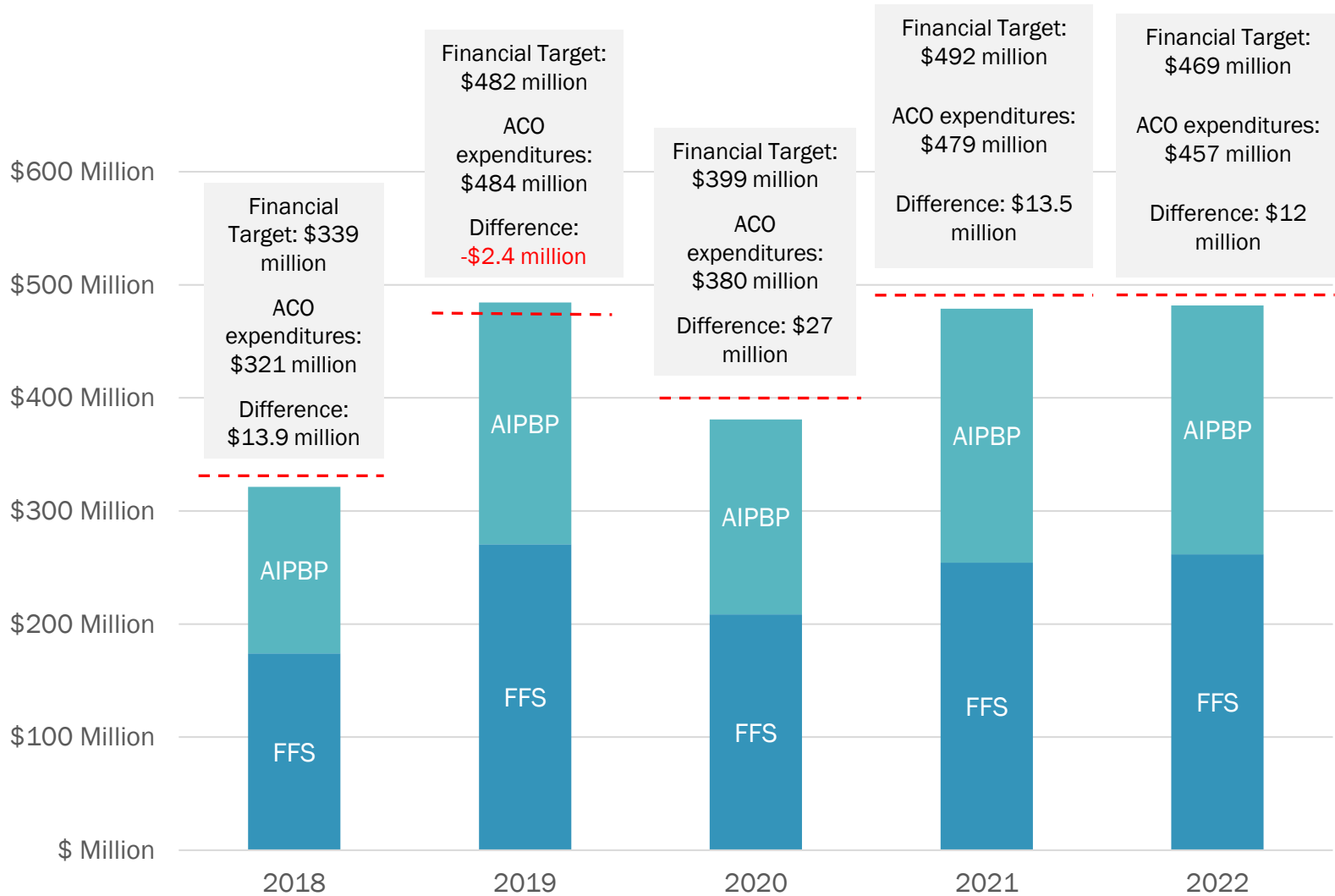
Settlements



	2018	2019	2020	2021	2022
Gross Savings / (Losses)	\$ 17,845,450	\$ 11,285,496	\$ 27,002,622	\$ 22,318,060	\$20,378,944
Cap on Savings / (Losses)	\$ 20,634,180	\$ 24,790,486	\$ 20,391,839	\$ 10,026,241	\$ 9,574,335
Capped Savings / (Losses)	\$ 17,845,450	\$ 11,285,496	\$ 20,391,839	\$ 10,026,241	\$ 9,574,335
Quality Adjustment	\$ -	\$ (196,758)	\$ -	\$ -	\$ (786,302)
ACO Risk Arrangement	80%	100%	80%	100%	100%
Adjusted capped savings / (Losses)	\$13,990,833*	\$11,285,496*	\$ 16,313,471	\$10,024,813*	\$9,564,328*
Advanced Shared Savings	\$ 7,776,760	\$ 6,342,236	\$ 8,401,660	\$ 8,767,133	\$ 9,073,982
Net Settlement Adjusted for Advanced Shared Savings	\$ 6,214,073	\$ 4,943,260	\$ 7,911,811	\$ 1,233,926	\$ 490,346

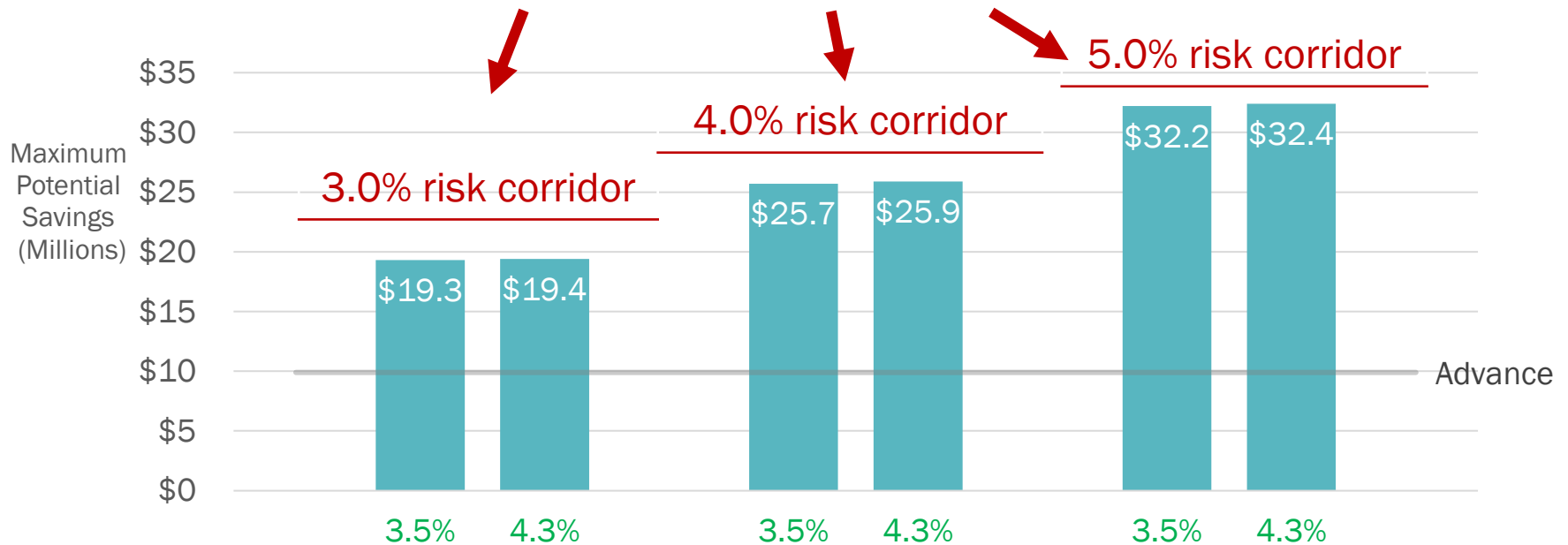
* Includes deduction for sequestration

OneCare Risk Results



Risk Corridor and Advanced Shared Savings

The risk corridor is an ACO DECISION.



The trend rate is a GMCB decision.

2024 Benchmark Trend Rate
(using current experience estimate)

Staff Recommendation

- Use the maximum allowable trend for OneCare Vermont's Medicare Benchmarks:
 - 4.3% for Non-ESRD
 - 6.7% for ESRD
- Request advanced shared savings of \$9,956,390 to fund Blueprint for Health Programs and SASH.
 - Blueprint: \$5,253,820
 - SASH: \$4,702,570