A new GMCB Public Comment has been received.

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Topic: AHEAD Model

Comment: The Agency of Human Services and the GMCB seem poised to move forward in applying to CMS to participate in the AHEAD model. This model is just one more iteration of the “Value Based Care” fad that has seemingly swept many policy makers off their feet for the last decade or more. However, it shows little evidence of making health care more accessible or affordable. The AHEAD model, which would be supplemental to the ACO experiment, on which we have already expended much time and financial resources, promises to move us away from fee-for-service (like the ACO model), and to implement such things as global budgets for hospitals. All these failed initiatives diagnose the main problem with our health care system as “fee-for -service,” because they contend that fee-for-service incentivizes providers to overtreat and order too many services, thus adding to costs. There is no evidence to support this. Unlike the United States, most other wealthy nations have some kind of national health plan. If you look at their various forms of provider payments, they are mixed. Some rely on risk-adjusted capitated payments and some use fee-for-service or salaries. But ALL of them have two things the United State does NOT have – universal access and lower per capita costs! So, if the problem we face is fee-for-service, why is that not the case for other countries with universal access and lower per capita costs? Perhaps it is because fee-for-service is not the critical problem it has been made out to be and has nothing to do with lack of accessibility or high costs. Rather, the excessive administrative costs of our multi-payer system (not to mention the additional administrative costs of experiments such as the ACO model) add total health care costs. And, because health care is not a guaranteed public good in this country, unlike all other wealthy countries, we have many people who cannot gain access. They may, for instance, have private insurance, but their out-of-pocket costs are so high they do not seek care. Finally, the AHEAD model also anticipates moving forward with a global budget approach to hospitals. While global budgets certainly make sense in single payer systems, where a single payer has some real negotiating power, it is unclear how global budgets could be administered in a simple way in a multi-payer system, and it is likely that to try to create such a global budget in the current system will create yet more byzantine involutions that do not simplify administration and certainly do not help contain costs. Indeed, the failure of all these value-based care models to contain costs was recently documented in an official Congressional Budget Office Study, which found that value based care experiments have cost billions rather than saved money. (https://www.cbo.gov/system/files/2023-09/59274-CMMI.pdf). Our legislature and the Green Mountain Care Board, instead of moving forward with a new layer of administrative complexity (the AHEAD model) on top of our current administratively cumbersome ACO, should get back to finding a path to implement Act 48, Vermont’s landmark health care legislation which set out a roadmap to a universal publicly financed health care system. Indeed, the GMCB was created by Act 48, and part of its intended purpose was implementation of this vision. We need to get back to this roadmap –because it has a much better chance of making health care more accessible and affordable in this state.

Post Comment: Yes