

2018 Total Cost of Care Results & APM Technical Changes Update

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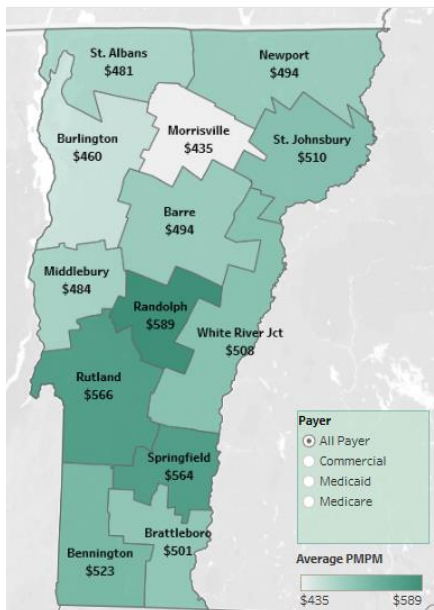
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2018 Total Cost of Care Results

Two Main Lenses for Analysis

RESIDENT

- Based on where people live
- \$6.0 billion in 2017*



PROVIDER

- Based on where the care was delivered
- \$6.2 billion in 2017*



Current Measure: APM TCOC Growth



- The All-Payer ACO Model (APM) has two financial targets related to growth in the Total Cost of Care (TCOC), which are **resident-based** analyses. They measure how much the TCOC is changing on a per person basis for people who live in Vermont.

1. All-Payer TCOC Growth

Target: Growth from 2017 to 2022 should not be more than 3.5%.

2. Medicare TCOC Growth

Target: Growth from 2017 to 2022 should be 0.2 percentage points less than expected national growth.

APM All-Payer TCOC ≠ Hospital Budgets

All-Payer TCOC



Medical claims and related expenditures for Vermont residents are included, WHEREVER the care is delivered.



Hospital Budgets



Vermont hospital budgets measure a broad set of financial information for a hospital, WHEREVER the patients live.



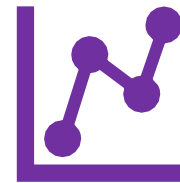
APM All-Payer TCOC ≠ Insurance Rate Review

All-Payer TCOC



Medical claims and related expenditures for Vermont residents are included, WHEREVER the care is delivered.

Insurance Rate Review



Insurers develop a premium for expected covered lives (Vermont and non-Vermont residents) to cover estimated future costs and risks for benefits included in insurance products.

APM All-Payer TCOC ≠ ACO Budgets

All-Payer TCOC



Medical claims and related expenditures for Vermont residents are included, WHEREVER the care is delivered.

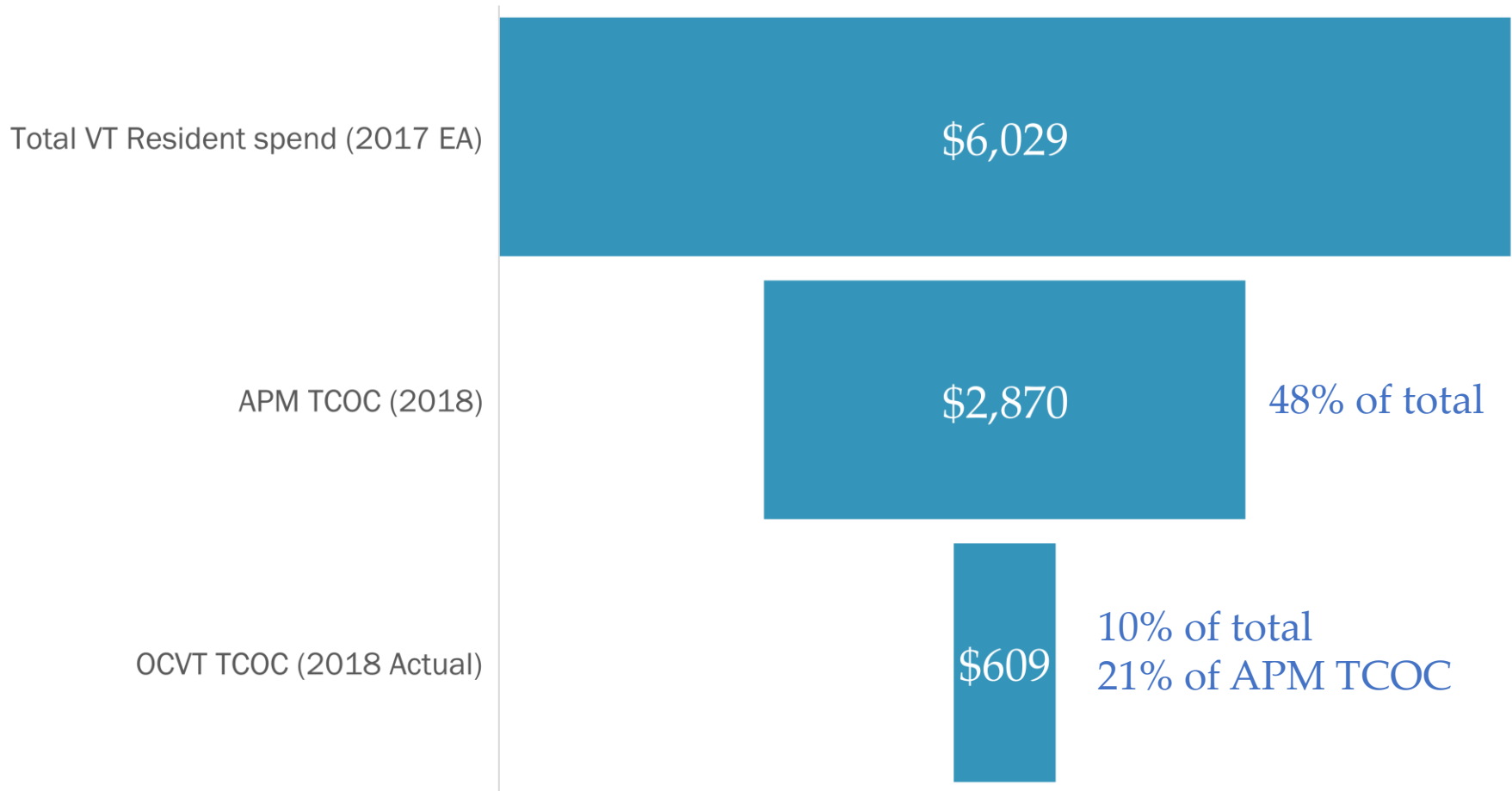


ACO Budgets



An ACO budget includes a variety of financial information, including the accountable care arrangements (i.e. ACO TCOC) with each participating payer for those attributed to the ACO.

Comparing Expenditure Measures (in millions)



TODAY'S RESULTS: All-Payer TCOC Growth, Model Year 1



- How did the per person TCOC change from 2017 to 2018 for all Vermont residents?

$$\frac{\textit{Per person TCOC in 2018}}{\textit{Per person TCOC in 2017}}$$

All-Payer Model Agreement Updates