

The Vermont All-Payer Accountable Care Organization (ACO) Model

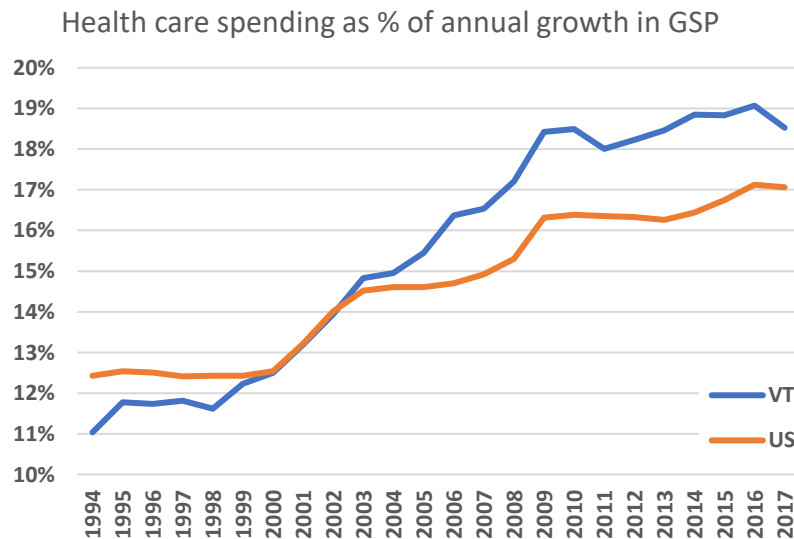
Rural Health Services Task Force

July 18, 2019

Problem: Cost Growth is Unsustainable, and Health Outcomes Must Improve

Cost Growth

- In 2017, the most recent year of data available, health care spending in Vermont grew 1.7%.
- Vermont's health care share of state gross product devoted to health care spending was 18.5% in 2017, vs. 11.8% in 1995.



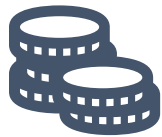
Source: 2017 Vermont Health Care Expenditure Analysis, available at <https://gmcboard.vermont.gov/data-and-analytics/analytics-rpts>.

Health Outcomes

- Chronic diseases are the most common cause of death in Vermont. In 2014, **78% of Vermont deaths** were caused by chronic diseases
 - High Blood Pressure: 25% of Vermonters diagnosed (2015)
 - Diabetes: 8% of Vermonters diagnosed (2015)
 - COPD: 6% of Vermonters diagnosed (2015)
 - Obesity: 28% of Vermont adults diagnosed (2016)
- Medical costs related to chronic disease were over **\$2 billion in 2015**, and are expected to rise to nearly \$3 billion by 2020
- Vermont's **death rates from suicide and drug overdose** are higher than the national average
 - Suicide (2016): 17.3 per 100,000 (VT) vs. 13.4 per 100,000 (US)
 - Drug Overdose (2016): 18.4 per 100,000 (VT) vs. 13.3 per 100,000 (US)

Sources: Vermont Department of Health, Kaiser Family Foundation

Vermont's Solution: The Vermont All-Payer Accountable Care Organization (ACO) Model



Test Payment Changes

Population-Based Payments Tied to Quality and Outcomes
Increased Investment in Primary Care and Prevention

Transform Care Delivery

Invest in Care Coordination
Incorporation of Social Determinants of Health
Improve Quality

Improve Outcomes

Improved access to primary care
Fewer deaths due to suicide and drug overdose
Reduced prevalence and morbidity of chronic disease

Vermont's Responsibilities under the All-Payer ACO Model Agreement

Cost Growth and Population Health/Quality

- Limit spending growth on certain services
 - Separate targets for Medicare and “all-payer” beneficiaries (most Vermonters)
- Meet targets for 20 quality measures, including three population health goals
 - Improving access to primary care
 - Reducing deaths due to suicide and drug overdose
 - Reducing the prevalence and morbidity of chronic disease

Alignment and Scale

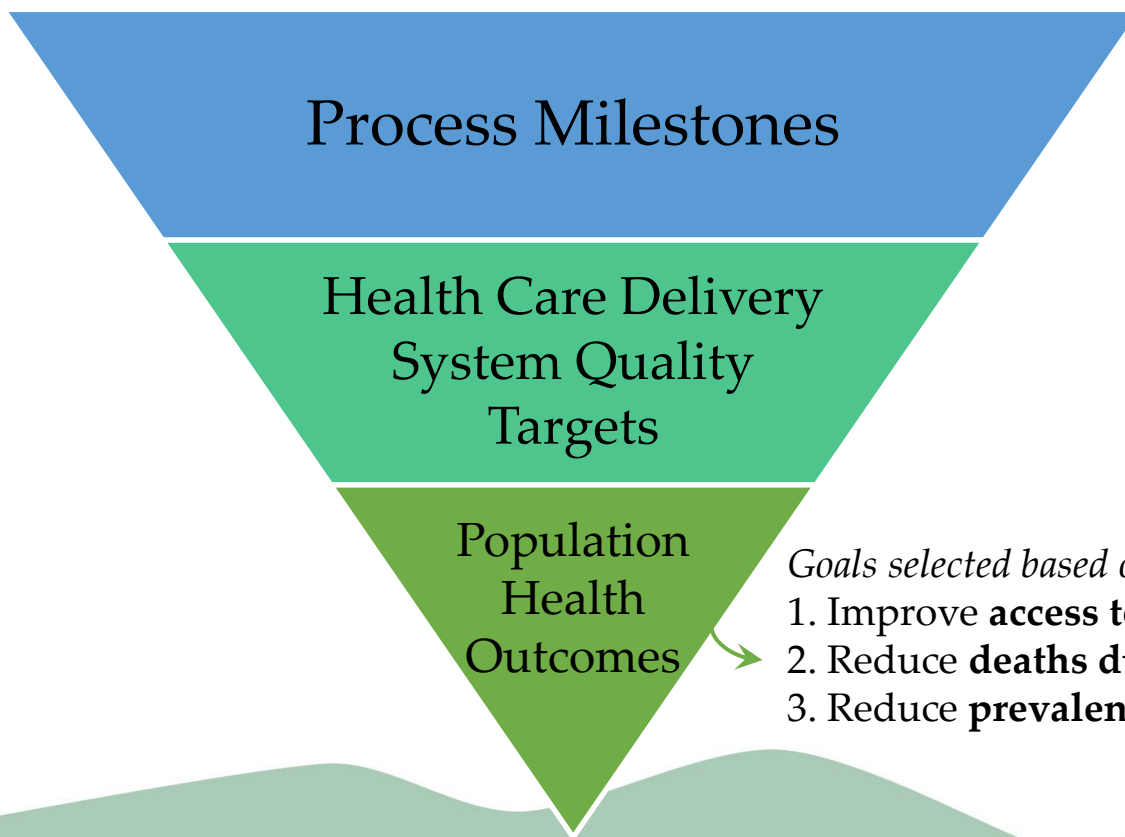
- Ensure payer-ACO programs align in key areas, including
 - attribution methodologies
 - services
 - quality measures
 - payment mechanisms
 - risk arrangements
- Steadily increase scale (the number of people in the model) over the five years of the Agreement

Improving the Health of Vermonters

How will we measure success?

- Vermont is responsible for meeting targets on **20 measures** under the Model

Process Milestones and **Health Care Delivery System Quality Targets** support achievement of ambitious **Population Health Goals**



Goals selected based on Vermont's priorities:

1. Improve **access to primary care**
2. Reduce **deaths due to suicide and drug overdose**
3. Reduce **prevalence and morbidity of chronic disease**

Vermont All-Payer ACO Model Partners

Center for Medicare and Medicaid Innovation (CMMI)

- **Model design, operations, and monitoring** to support Agreement implementation
- **Implement Vermont Medicare ACO Initiative** (payer), a Vermont-tailored Medicare ACO model

Green Mountain Care Board (GMCB)

- **Health system regulation** to support Model goals (ACO oversight, Medicare ACO program design and rate setting, hospital budgets, and more)
- **Monitoring and reporting to CMMI** on cost, scale and alignment, quality, and more

Governor, Vermont Agency of Human Services (AHS) *Including Medicaid*

- **Vermont Medicaid Next Generation ACO Program** (payer)
- **Reporting to CMMI**, including plans for integrating public health and mental health, substance use disorder, and long-term care spending into financial targets

ACO (OneCare Vermont) and Vermont Providers

- **Contract with payers** to accept non-FFS payments and increase Model scale
- **Work with provider network** to implement delivery system changes intended to control cost growth and improve quality and access

Private Insurers and Vermont Businesses

- **Contract with ACO** to pay non-FFS payments on behalf of covered lives in alignment with the Model
- **Work with self-insured employers** as a TPA/ASO to demonstrate Model progress and bring new self-insured lives under the Model

All-Payer Model Agreement Signatories

APM Progress Update

Regions participating in ACO through one or more payer contracts

Performance Year 0 (2017)



Performance Year 1 (2018)



Performance Year 2 (2019)



Participating
 Not Participating

In 2019, participating providers include...

- Federally qualified health centers (6 regions)
- Independent primary care providers (8 regions)
- Designated mental health agencies (all regions)

Hospitals (in all 12 participating regions)

Independent specialists (7 regions)

Home health (all regions)

Skilled nursing facilities (10 regions)