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.

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

<table>
<thead>
<tr>
<th>Test Payment Changes</th>
<th>Transform Care Delivery</th>
<th>Improve Outcomes</th>
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<tbody>
<tr>
<td>Population-Based Payments Tied to Quality and Outcomes</td>
<td>Invest in Care Coordination</td>
<td>Improved access to primary care</td>
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<tr>
<td>Increased Investment in Primary Care and Prevention</td>
<td>Incorporation of Social Determinants of Health</td>
<td>Fewer deaths due to suicide and drug overdose</td>
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<td>Improve Quality</td>
<td>Reduced prevalence and morbidity of chronic disease</td>
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Vermont’s Responsibilities under the All-Payer ACO Model Agreement

<table>
<thead>
<tr>
<th>Cost Growth and Population Health/Quality</th>
<th>Alignment and Scale</th>
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<tbody>
<tr>
<td>• Limit spending growth on certain services</td>
<td>• Ensure payer-ACO programs align in key areas, including</td>
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<td>➢ Separate targets for Medicare and “all-payer” beneficiaries (most Vermonters)</td>
<td>➢ attribution methodologies</td>
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<tr>
<td>• Meet targets for 20 quality measures, including three population health goals</td>
<td>➢ services</td>
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<tr>
<td>➢ Improving access to primary care</td>
<td>➢ quality measures</td>
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<tr>
<td>➢ Reducing deaths due to suicide and drug overdose</td>
<td>➢ payment mechanisms</td>
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<tr>
<td>➢ Reducing the prevalence and morbidity of chronic disease</td>
<td>➢ risk arrangements</td>
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<td>• Steadily increase scale (the number of people in the model) over the five years of the Agreement</td>
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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

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**All-Payer Model Agreement Signatories**
In 2019, participating providers include...

- Hospitals (in all 12 participating regions)
- Independent specialists (7 regions)
- Home health (all regions)
- Skilled nursing facilities (10 regions)