

Vermont's All-Payer ACO Model and Accountable Care Organization (ACO) Oversight

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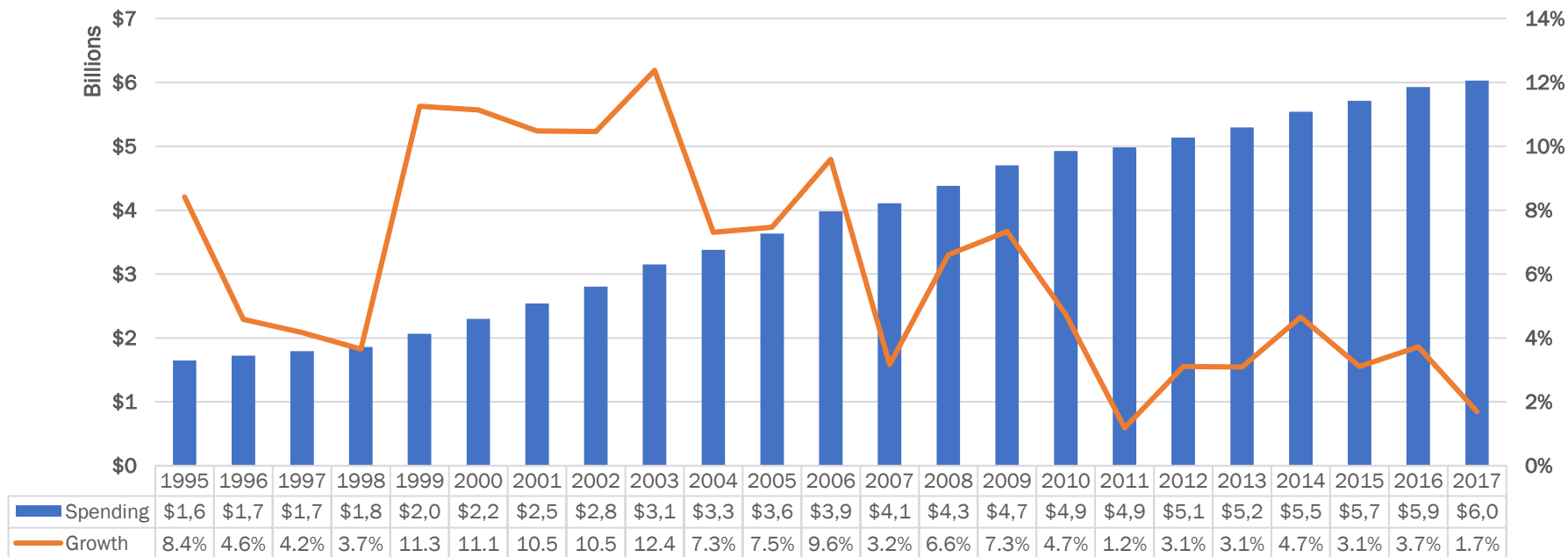
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GMCB General Advisory Committee

May 13, 2019

Problem: Health Care Costs are Growing at an Unsustainable Rate

In 2017, the most recent year of data available, health care spending in Vermont grew 1.7%.

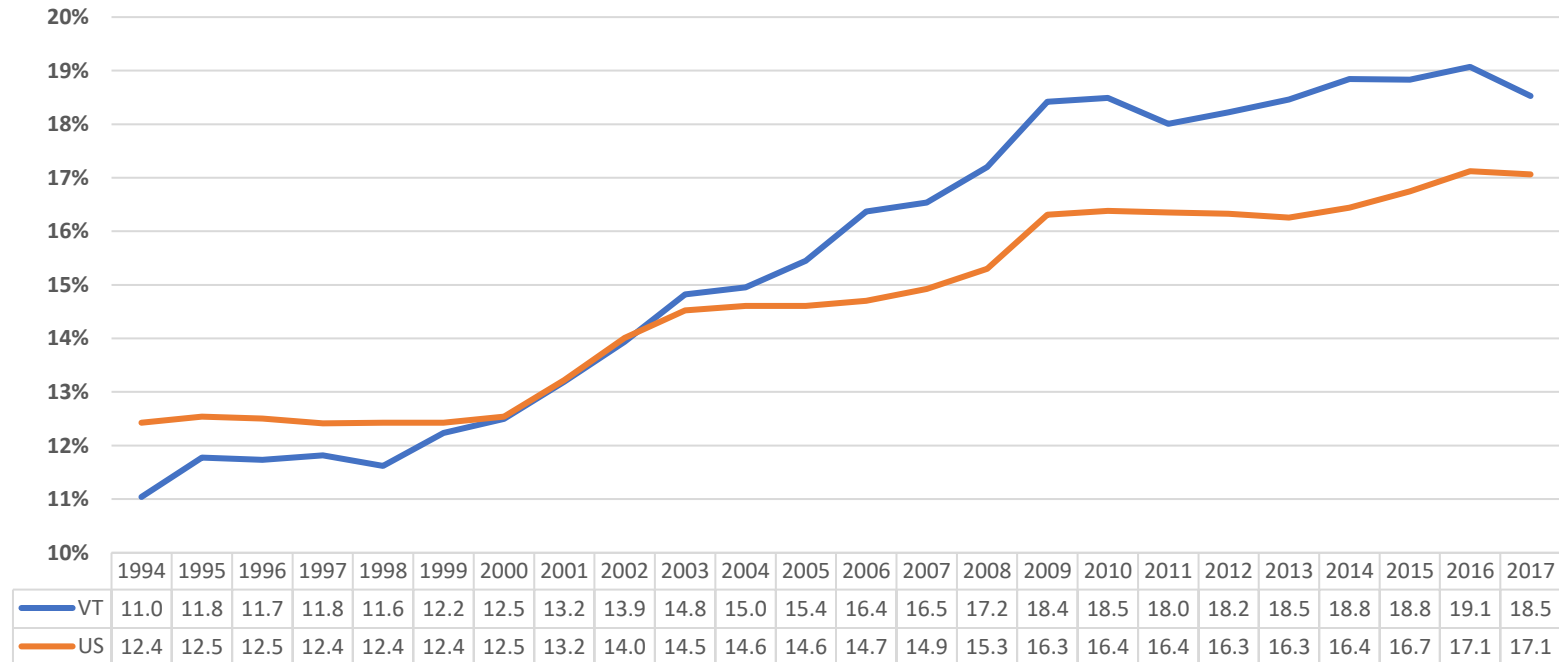


Source: 2017 Vermont Health Care Expenditure Analysis, available at <https://gmcbboard.vermont.gov/data-and-analytics/analytcs-rpts>.

Problem: Health Care Costs are Growing at an Unsustainable Rate

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 care spending as % of annual growth in GSP



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

Problem: Health Outcomes Must Improve

Health outcomes must improve

- Chronic diseases are the most common cause of death in Vermont. In 2014, **78% of Vermont deaths were caused by chronic diseases**

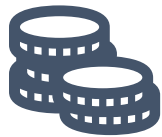
- High Blood Pressure: 25% of Vermonters diagnosed (2015)
- Diabetes: 8% of Vermonters diagnosed (2015)
- COPD: 6% of Vermonters diagnosed (2015)
- Obesity: 28% of Vermont adults diagnosed (2016)

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

All-Payer ACO Model: What Is It?

An ACO is a group of doctors, hospitals, and other health care providers who come together voluntarily to give coordinated, high-quality care to patients

- The All-Payer Model enables the three main payers of health care in Vermont – Medicaid, Medicare, and commercial insurance – to pay an Accountable Care Organization (ACO) differently than through fee-for-service reimbursement
 - Facilitated by state law and an agreement between the State and the Centers for Medicare and Medicaid Services (CMS) that allows Medicare's participation
- Provides the opportunity to improve health care delivery to Vermonters, changing the emphasis from seeing patients more routinely for episodic illness to providing longitudinal and preventive care. A more predictable revenue stream supports providers in initiating additional delivery system reforms that improve quality and reduce costs

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

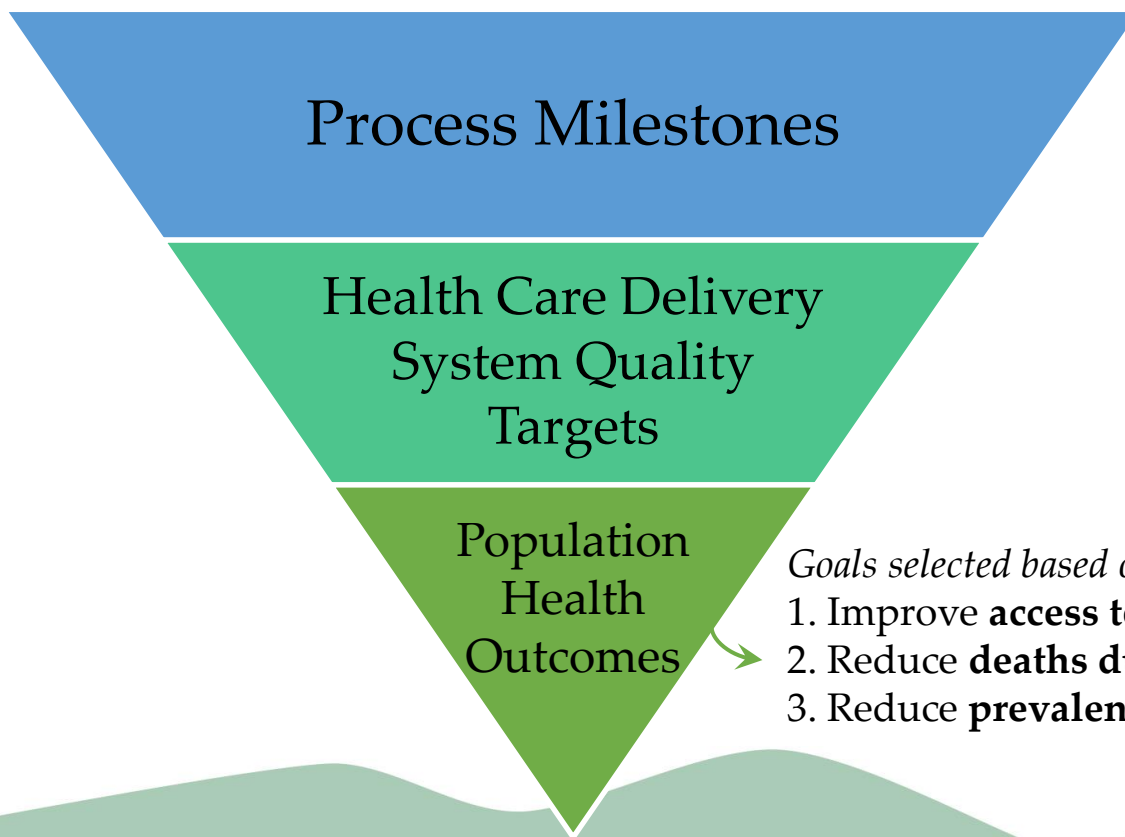
- Ensure payer-ACO programs align in key areas, including
 - attribution methodologies
 - services
 - quality measures
 - payment mechanisms
 - risk arrangements
- Steadily increase scale (the number of people in the model) over the five years of the Agreement

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**

GMCB Responsibilities Under the APM

All-Payer ACO Model Design and ACO Regulation

Goal #1: Vermont will reduce the rate of growth in health care expenditures

Goal #2: Vermont will ensure and improve quality of and access to care

GMCB Regulatory Levers

ACO Certification (Act 113 of 2016)

ACO Budget Review (Act 113 of 2016)

Medicare ACO Program Design and Rate Setting (APM Agreement)

Hospital Budget Review

Health Insurance Rate Review

Certificate of Need

ACO Certification

Act 113 of 2016

Certification (Annual Review of ACO Policies)

- Composition of Governing Body
- Leadership and Management
- Solvency and Financial Stability
- Provider Network
- Population Health Management and Care Coordination
- Performance Evaluation and Improvement
- Patient Protections and Support
- Provider Payment
- Health Information Technology

- **An ACO must be certified by GMCB to be eligible to receive payments from Medicaid or a commercial insurer through a payment reform initiative such as the APM.**
- Following an extensive review, the GMCB certified OneCare Vermont (OneCare) in March 2018. Reviewing continued eligibility for certification in January 2019.

ACO Budget Review

Act 113 of 2016

- The GMCCB reviewed OneCare's 2019 budget in late 2018. After careful analysis and an extended public comment period, the Board voted to approve OneCare's 2019 budget with conditions in December 2018.
- The approved budget is approximately \$900 million with a vast majority of dollars flowing to providers, either through fixed payments from OneCare or fee-for-service payments from payers. This total reflects the inclusion of an estimated 196,000 Vermonters in ACO programs (up from 113,000 in 2018).

Budget Review (Annual Review of ACO Plan)

- ACO Provider Network
- Payer Programs
- Budget and Financial Plan
- Risk Mitigation Plan
- ACO Quality, Model of Care and Community Integration Initiatives
- Compliance with All-Payer Model
- Measurement of Primary Care Spending

Medicare ACO Program Design and Rate Setting

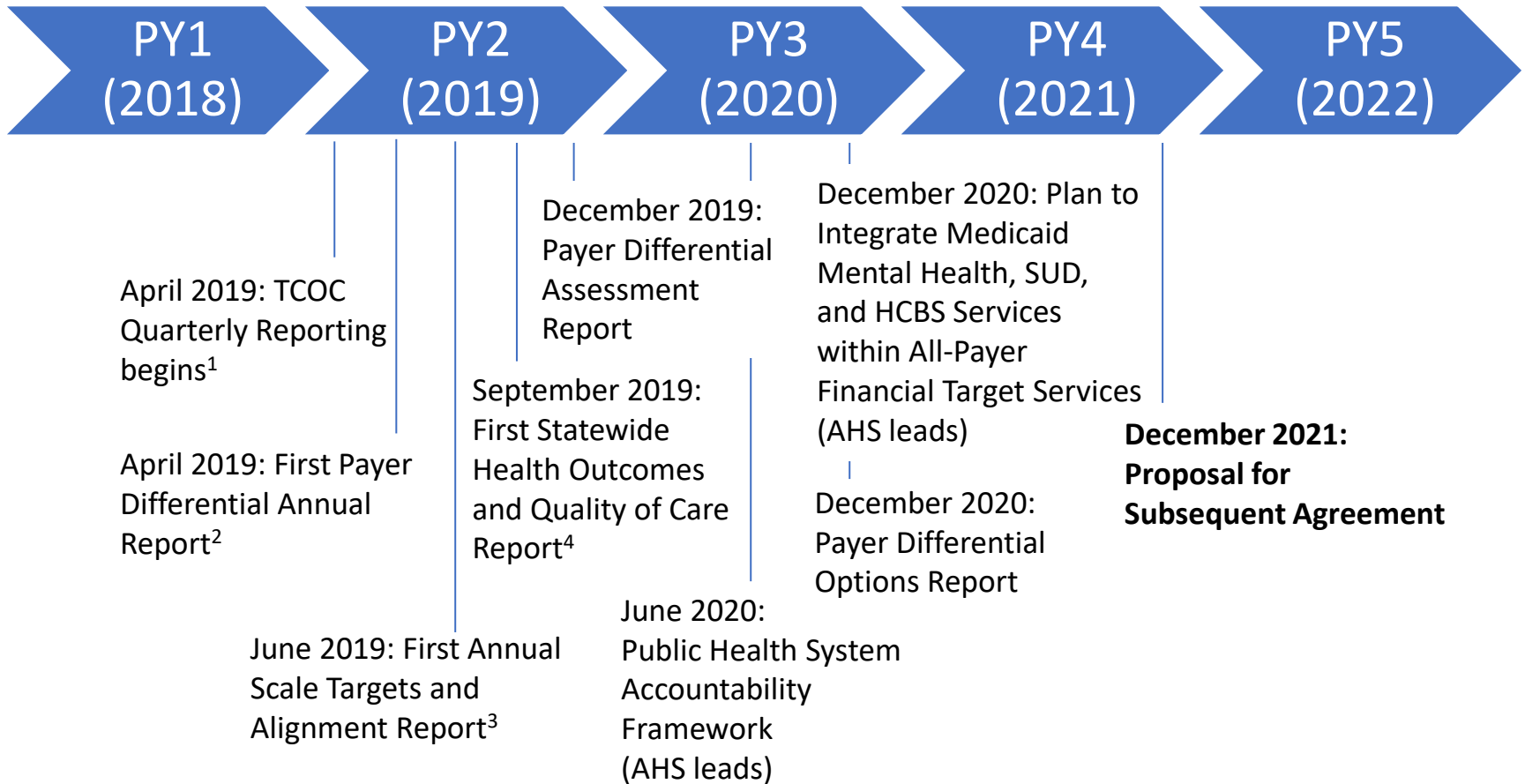
Medicare participates in the APM through modified versions of the national Medicare Next Generation ACO Program.*

Under the APM Agreement, GMCB...

- Prospectively develops benchmarks (financial targets) for Vermont Medicare ACO initiatives
- Proposes operational changes to support alignment across ACO payer programs

* Vermont Modified Next Generation Program in Year 1; Vermont Medicare ACO Initiative in Years 2-5.

APM Reporting and Analytics



¹ Submitted quarterly (reports produced 9 months following final date of service); annual reports completed in September of following year. Q12018 report delayed due to data availability. ² Submitted annually on 4/1; April 2019 report delayed due to data. ³ Submitted annually on 6/30. ⁴ Submitted annually on 9/30.

APM Progress Update

APM Progress Update

The All-Payer ACO Model is growing significantly in 2019 (Year 2), with new regions participating and possible new payer programs

- One ACO operating in Vermont: OneCare Vermont
- Expected OneCare payer programs in 2019 (data to be finalized in Q2):
 - Medicare (Vermont Medicare ACO Initiative)
 - Medicaid (Vermont Medicaid Next Generation ACO Program)
 - BCBSVT (QHP Next Generation Program)
 - UVMHC (self-funded ACO program)
- 12 of Vermont's 14 hospitals participate in at least one payer program

Total participation: ~168,000-214,000 Vermonters, up from 113,000 in 2018

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)