



**All-Payer Model Implementation
and Accountable Organization Oversight:**

**Accountable Care Organization (ACO) Budget Review
and Medicare ACO Benchmark Rate Setting**

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Presentation Overview

1. Review of ACO Oversight Responsibility and Budget Review Requirements
 1. Work to Date
 2. Initial Lessons Learned
 3. Timeline for Completion
2. Developing Vermont Medicare ACO Initiative Benchmark Growth Rates
 1. Review Responsibility per VT All-Payer ACO Agreement
 2. Benchmark Floor Provisions and Parameters for Growth
 3. Timeline for Completion

ACO Oversight and Budget Review

Act 113 of 2016

- *(b)(1) The Green Mountain Care Board shall adopt rules pursuant to 3 V.S.A. chapter 25 to establish standards and processes for reviewing, modifying, and approving the budgets of ACOs with 10,000 or more attributed lives in Vermont. To the extent permitted under federal law, the Board shall ensure the rules anticipate and accommodate a range of ACO models and sizes, balancing oversight with support for innovation.*
- *On or before January 1, 2018, the Green Mountain Care Board shall adopt rules governing the oversight of accountable care organizations pursuant to 18 V.S.A. § 9382.*

2018 ACO Budget Review: Work to Date

- Initial submissions: June 23, 2017
- ACO Presentations to Board on Care Model: July 13, 2017
- Questions from Board and Office of the Health Care Advocate: August 4, 2017

Initial Lessons Learned

Observation:

ACO budget submissions will be incomplete unless participating provider lists are final for each payer at time of submission

Recommendation:

Consider requiring final provider participation lists at an earlier, and certain date

Timeline for Completion

- OneCare Vermont second budget submission: October 13, 2017
- CHAC second budget submission: October 20, 2017
- ACO budget presentations: November 2, 2017, to include:
 - CHAC presentation
 - OCV presentation
 - Staff analysis
- Public comment period: November 3-15, 2017
- Board vote on ACO budgets, including rate(s): by November 30, 2017

Developing Vermont Medicare ACO Initiative Benchmark Growth Rates

The Vermont All-Payer Accountable Care Organization Model Agreement requires the Green Mountain Care Board to:

Prospectively develop the Vermont Medicare ACO Initiative Benchmarks for both Vermont Modified Next Generation ACOs and VMA ACOs for Performance Years 1 through 5 in accordance with the terms of this Agreement and subject to CMS approval.

Medicare ACO Benchmark Rate Setting

Population/Services

- All Medicare Next Generation ACO-attributed lives
- EXCLUDES non-ACO lives and spending

Timeline and Status

- GMCB will set Medicare benchmark growth, subject to CMS approval
- GMCB will address the Medicare ACO benchmark process alongside ACO Budget Review
- GMCB will work with CMS to get data to inform this process

Observations

- Overall Medicare spending and the Medicare ACO benchmark are subject to a separate, Medicare-specific financial target

Medicare Growth Target: The Benchmark Floor Provisions

Projected growth in 2018 affects both PY1 growth benchmarks and requirements over the remaining 4 years.

	Medicare Projections 2017	Benchmark Growth 2018 (PY1)	Benchmark Growth 2019-22 (PY2-5)
No Floor	Above 3.7%	0.1% below projected	0.1% below projected
Floor	2.7 – 3.7%	3.5%	0.2% below projected
Soft Floor	Below 2.7%	1% above projected	0.2% below projected

High Medicare growth leads to lower savings requirement over the 5 years.

Preliminary Medicare growth projections for 2018: 2.76%

Vermont Medicare ACO Initiative Benchmark Growth Rate: Timeline for Completion

Medicare Advantage United States Per Capita Costs Fee-for-Service Projection (MA USPCC) of 2.76% released: April 3, 2017

CMMI's Next Generation ACO program performs 2018 beneficiary attribution:
October

CMMI provides preliminary 2017 data to GMCB on OCV's attributed lives: October

GMCB determines benchmark and benchmark growth rate: November

CMMI validates and approves ACO PY2018 benchmark: December