

ACO Oversight

What is an ACO?

An Accountable Care Organization (ACO) is a group of health care providers that agree to be accountable for the care and cost of a defined population of patients. The Affordable Care Act (ACA) included incentives for creating Medicare ACOs because the ACO model was identified as a promising way to reduce the ever-rising cost of health care nationwide.

Vermont's ACO

In Vermont, ACOs are used as the vehicle to implement the Vermont All-Payer Model, which aims to lower the cost of health care, increase access to health care and social services, with the ultimate goal of improved population health and health outcomes for Vermonters. There is currently one ACO in Vermont: OneCare Vermont (OneCare).

Who oversees Vermont ACOs?

Under Vermont law, the GMCB is given rulemaking and oversight authority over Vermont ACOs through two key processes 1) certification and 2) budget review and approval. The certification process ensures appropriate governance, policies, and procedures necessary to operate an ACO. Budget oversight includes the review and potential approval of an ACO's plan for the forthcoming year. Under this process, GMCB staff analyze projected revenues and expenses, payer and provider contracts, participant risk mitigation, population health programs, and other related data. Should an ACO's budget be approved, the board may specify contingencies of approval and to date have included requirements for quarterly reporting used as a basis for ongoing monitoring. In addition to this statutory authority, the GMCB, through its role as a signatory on the [Vermont All-Payer ACO Model Agreement](#), must also ensure that the ACO is acting in accordance with this federal agreement. The GMCB's responsibilities under the APM Agreement include setting the Medicare benchmark for the ACO and reporting to the Centers for Medicare and Medicaid Services (CMS). The Vermont Agency of Human Services is a partner in the APM Agreement and carries out its responsibilities through oversight of the Medicaid ACO program contract and public health planning.

What criteria and standards are ACOs held to in Vermont?

In addition to the goals and numerous performance metrics required under the APM agreement, there are numerous quality measures, performance standards, reporting requirements, etc. referenced in Rule 5.000 and Act 113 of 2016 that detail the standards to which Vermont ACOs are held. Examples of data and metrics the GMCB reviews under Rule 5.00 and Act 113 of 2016 include:

- ACO administrative expenses relative to total revenue, to ensure that the organization is responsibly sized
- Magnitude and relative size of Population Health Investments, to ensure that the ACO continues to support long-term interventions, not just investments with short-term gains
- Payment reform structure, to ensure that the design of payments and incentives are in line with APM objectives

In support of this work and to further improve public transparency, the GMCB mandated through the ACO's 2020 budget order, the development and implementation of an ACO performance dashboard.

History of Vermont ACO

2014-2017: -The State tested a shared-savings ACO program with three ACOs.

2016: -The GMCB was charged with oversight of ACOs through state legislation, Act 113: '*An act relating to implementing an all-payer model and oversight of accountable care organizations.*'

2017: -Two ACOs submitted budgets. One withdrew and one followed the process through to completion.

-The GMCB adopted Rule 5.000, which established standards and processes to certify ACOs and annually review, modify, and approve their budgets. The Rule dictates how the GMCB will monitor and oversee the activities of ACOs.

2018: -The GMCB certified the one ACO in Vermont, OneCare.

-Performance year **one** of the All-Payer ACO Model Agreement.

2019: -Performance year **two** of the All-Payer ACO Model Agreement.

