

## All-Payer Model (APM)

**Problem:** The current rate of growth in health care spending is not sustainable and is a direct contributor to the affordability crisis of Vermonters, who struggle to access preventive and primary care services. While the GMCB has been successful in beginning to curb the health care cost growth (i.e. the GMCB reduced the system-wide increase in net patient revenue from 4.6% to 4.3%, totaling \$7.3 million in one year) there is still much work to do. Further, rates of suicide, substance misuse, and chronic disease are increasing in Vermont relative to national standards.

**Solution:** The All-Payer ACO Model is a care model that pays differently for health care by rewarding improved provider communication and patient outcomes over volume of services to improve the lives of Vermonters.

- A voluntary network of health and social service providers work together with the Accountable Care Organization (ACO) to improve the health of Vermonters by providing the right care, at the right place, and at the right time
- Shifting from fee-for-service to value-based payments provides an opportunity to change the emphasis from seeing patients more routinely for episodic illness to providing preventive care over a lifespan
- Participating health care payers include Medicare, Medicaid, and commercial
- Facilitated by a five-year agreement with the Centers for Medicare and Medicaid Services (CMS), from 2018 to 2022 and includes the following signatories: CMS, the GMCB, Vermont's Agency of Human Services, and the Governor
  - Vermont Medicaid Next Generation started in 2017—Medicaid was an early adopter

### When will we see results:

- In order for the APM to be fully implemented, we first need to achieve scale.<sup>1</sup> Any evaluation of model success prior to scale may be premature. This does not preclude monitoring of progress made by the ACO or the state more broadly.
- Given the time it takes to change the system and the behavior of providers and patients necessary to achieve the goals of the APM, federal partners<sup>2</sup> will monitor Vermont on an annual basis but will not formally evaluate the impact of the program until the conclusion of the agreement.
- The GMCB has an obligation to report annually to the federal government on cost and quality and progress made towards the APM goals. 2018 was the first year of the model and final APM results for performance year one are available January 2020.
- Final data for program year 2018 were available in the fall of 2019 for the ACOs contractual obligations with payers.
- GMCB has been monitoring for signals that system change is happening, and progress is being made toward APM goals.
  - Hospitals and independent providers are increasing investments in primary prevention and the social determinants of health
  - New ways to coordinate care and reduce duplication of services across the care continuum (The ACO reported that in the first quarter of 2019, 7% of high-risk patients attributed to the ACO were receiving care coordination with a goal to engage 15% by the end of 2019. Final results will be known spring 2020.)
  - Advances in data analytics help to reduce unnecessary spending and identify high-risk patients who benefit most from early intervention and complex care coordination (157,865 patients in Care Navigator and 2,446 patients actively care managed)
  - Increased access to telehealth for Medicare recipients (562 video visits in 2018)
  - 3-day SNF waiver (Q2 in 2019 saw 130 patients using the waiver; OCV was 4<sup>th</sup> in the nation for usage)
  - decrease in the rates of hospital admissions and emergency department utilization (2018 saw a 33% and 13% reduction in ED utilization among care managed Medicare and Medicaid patients, respectively)
  - Because this model is voluntary, the fact that providers and payers are joining and staying in the model is a sign of success. Furthermore, GMCB received 11 [letters of support](#) from statewide healthcare and social service provider organizations during the ACO budget process.

<sup>1</sup> Scale: percentage of Vermonters whose care is under a value-based model. Providers are more likely to alter investments and change behavior when most of their investments are driven by value, not volume.

<sup>2</sup> NORC: <https://www.norc.org/Research/Projects/Pages/vermont-all-payer-aco-model-evaluation.aspx>

# How will the APM control Vermont's TCOC growth?

