



# Vermont's Statewide All-Payer Accountable Care Organization Model and APCD: How it all fits together

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Kathryn O'Neill, Director of Data Management Analysis & Data, The Green Mountain Care Board

Sule Gerovich, PhD, Director of State Health, Mathematica Policy Research

# Acknowledgment

## The Green Mountain Care Board

**Sarah Lindberg,  
Health Services Researcher**

**Kate O'Neill,  
Director of Data Management  
Analysis & Data Integrity**

**Michele Degree, Health Policy  
Advisor**

## Mathematica Policy Research

**Sule Gerovich, Senior Researcher**

**Tom Bell, Principal Program Analyst**

**Keri-Ann Wells, Health Research  
Analyst**

## Onpoint Health Data

**Karl Finison, Director of  
Analytic Development**

**Adam Bakopolus, Senior  
Health Data Analyst**

**Carolyn Conrad, Project  
Manager**

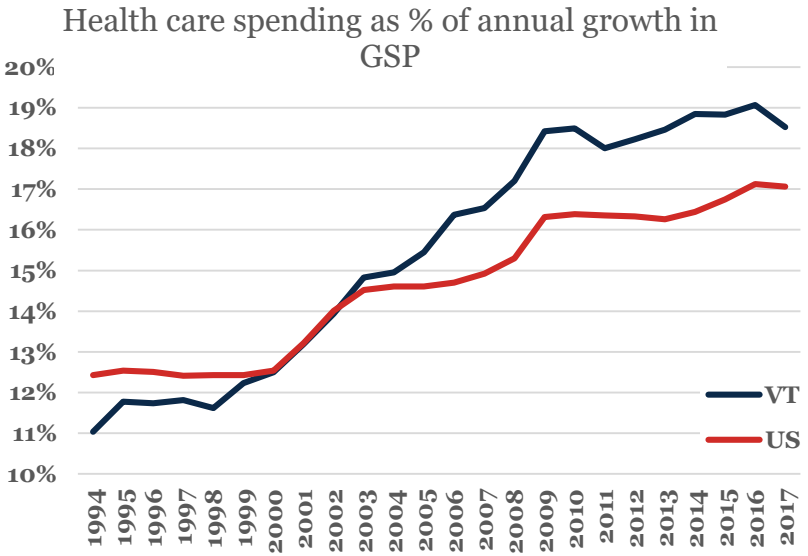


# Vermont's Policy Context

# Cost Growth is Unsustainable and Health Outcomes Must Improve

## Cost Growth

In 2017, health care spending in Vermont grew 1.7%.



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

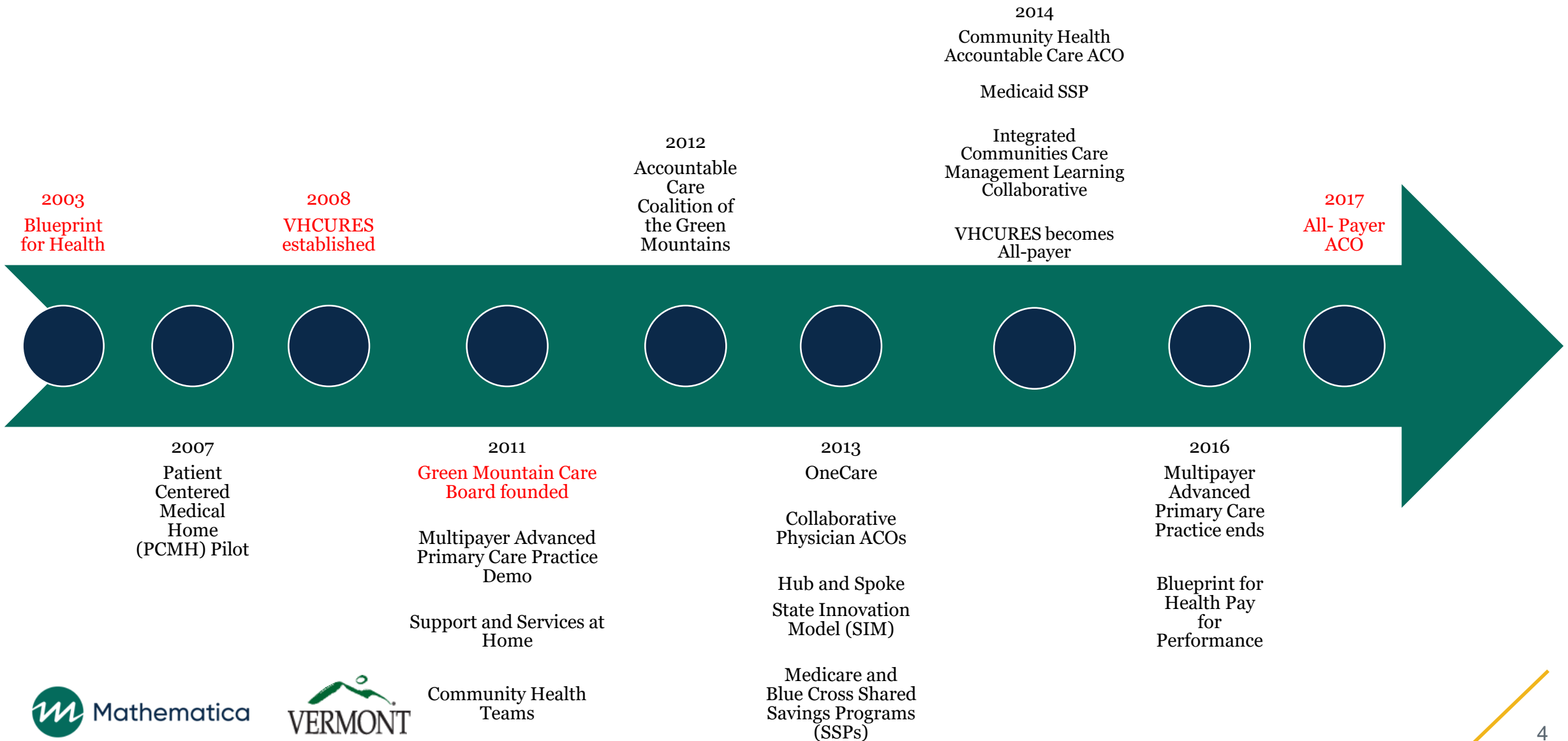
## Health Outcomes

- Chronic diseases are the most common cause of death in Vermont. In 2014, 78% of Vermont deaths were caused by chronic diseases
- Vermont's death rates from suicide and drug overdose are higher than the national average

Sources: Vermont Department of Health, Kaiser Family Foundation



# History of Vermont Health Reform to Value-Based Care



# All-Payer ACO Model Agreement

## What is Vermont responsible for?

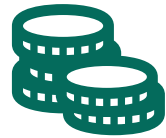
### Scale and Cost Growth

- State is responsible limiting cost growth
  - All-Payer Growth Target: Compounded annualized growth rate < 3.5%
  - Medicare Growth Target: 0.1-0.2% below national projections
- Ensuring alignment across payers, which supports participation from providers and increases “scale”
  - All-Payer Scale Target – Year 5: 70% of Vermonters
  - Medicare Scale Target – Year 5: 90% of Vermont Medicare Beneficiaries

### Population Health and Quality Measures

- State is responsible for performance on **20 quality measures**, including three population health goals for Vermont
  - Improve access to primary care
  - Reduce deaths due to suicide and drug overdose
  - Reduce prevalence and morbidity of chronic disease
- ACO/providers are responsible for meeting quality measures embedded in contracts with payers

# 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

# GMCB APM Regulatory Responsibilities

**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 Oversight (Budget Review and Certification)  
Act 113 of 2016**

**Medicare ACO Program Rate Setting and Alignment**

**Hospital Budget Review**

**Health Insurance Rate Review**

**Certificate of Need**





# All- Payer ACO Model Statewide Analytics

# VHCURES Overview

Statutorily, the GMCB is required to maintain VHCURES (Vermont's APCD) for:

- determining the capacity and distribution of existing state resources;
- identifying health care needs and informing health care policy;
- evaluating the effectiveness of intervention programs for improving patient outcomes;
- comparing costs between various treatment settings and approaches;
- providing information to consumers and purchasers of health care; and
- improving the quality and affordability of patient health care and health care coverage.

GMCB's Data Governance Council oversees data stewardship in four key areas:

## Risk Management

Implementing and enforcing the most appropriate data privacy and security standards and practices

## Data Quality

Establishing data stewardship to promote highest possible quality of data resources

## Program Sustainability

Evaluating opportunities to optimize sustainability and revenue for data stewardship program

## Data Release

Supporting clear processed for the evaluation of data requests and the release of data

# VHCURES Overview

- **Claims data have been collected in VHCURES since 2008.**
- **Includes commercial payers, Medicaid, Medicare, and Medicare Advantage.**
- **Commercial payers include both fully and self-insured plans.**
  - Vermont originally required all claims data from third-party administrators of self-funded company plans.
  - 2016 supreme court decision held that ERISA preempts state mandate that ERISA-covered self-funded plans provide health care service data to APCDs.
  - Today all non-ERISA covered self-insured plans report to the APCD, while only some ERISA covered self-insured employers opt-in.

# 2018 ACO Membership Results

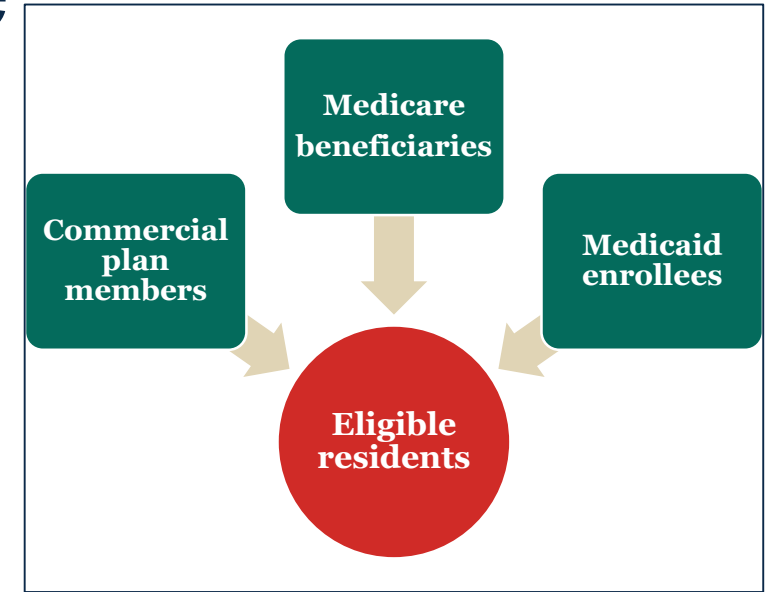
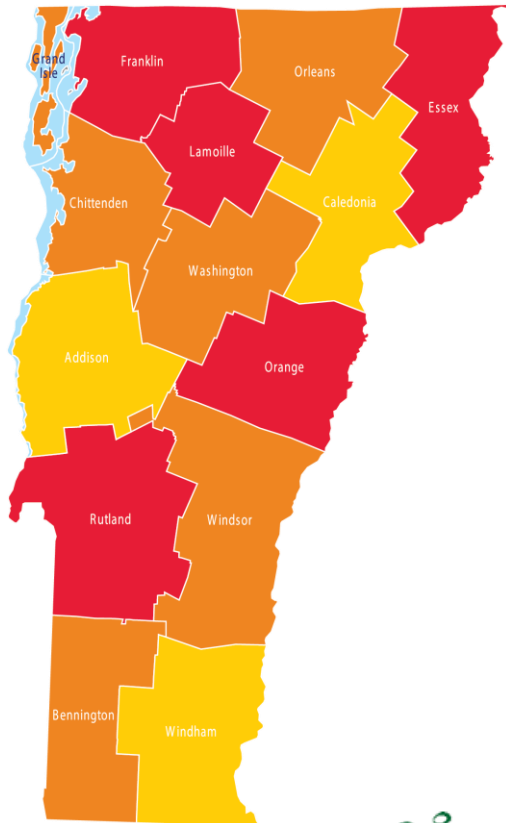
	Targets	Performance	Difference
All-Payer	36%	22%	-14%
Medicare	60%	35%	-25%

	Attributed Individuals	Population	Percent Attributed
Medicare A& B	39,530	113,272	35%
Medicaid	42,342	135,879	31%
Self-funded employers	9,874	166,996	6%
Fully insured	20,838	92,978	22%

Source: [https://gmcboard.vermont.gov/sites/gmcb/files/PY1%20Annual%20ACO%20Scale%20Targets%20and%20Alignment%20Report\\_FINAL.pdf](https://gmcboard.vermont.gov/sites/gmcb/files/PY1%20Annual%20ACO%20Scale%20Targets%20and%20Alignment%20Report_FINAL.pdf)

# All-payer Total Cost of Care - Who is included?

## Residents in Vermont



# What Payments Are Included?



- Vermont Medicaid Next Generation ACO prospective payments
- Shared savings/losses
- Blueprint payments from payers
- Other direct care coordination payments

# What Services Are Included?

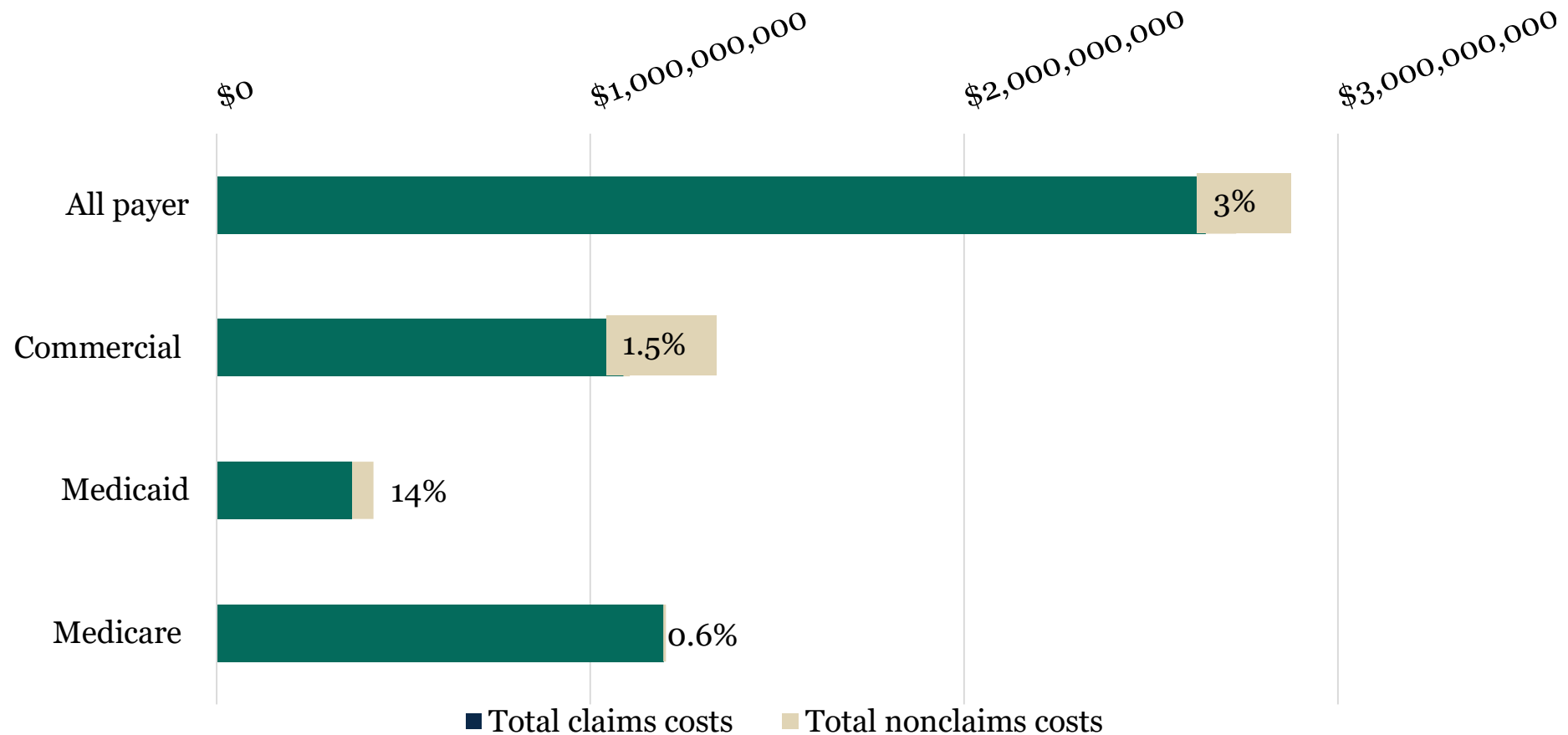
Major category of service	Included in all-payer TCOC		
	Commercial	Medicare	Medicaid
Inpatient	Y	Y	Y
Outpatient facility services	Y	Y	Y
Professional	Y	Y	Y
Home health	Y	Y	Y
Skilled nursing facility <sup>a</sup>	Y	Y	N <sup>a</sup>
Long-term institutional care <sup>a, b</sup>	N	N <sup>b</sup>	N <sup>a</sup>
Hospice	Y	Y	Y
Durable medical equipment	Y	Y	Y
Pharmacy (retail)	N	N	N
Dental	N	N	N
Government health care activities—AHS <sup>c</sup>	Not applicable		N <sup>c</sup>
Government health care activities—HCBS <sup>c</sup>			N <sup>c</sup>
Government health care activities—mental health <sup>c</sup>			N <sup>c</sup>

<sup>a</sup>Excluded only in PY1–PY3 for Medicaid.

<sup>b</sup>Only costs for long-term care hospital are included for Medicare.

<sup>c</sup>The agreement requires a plan to include these services in the future.

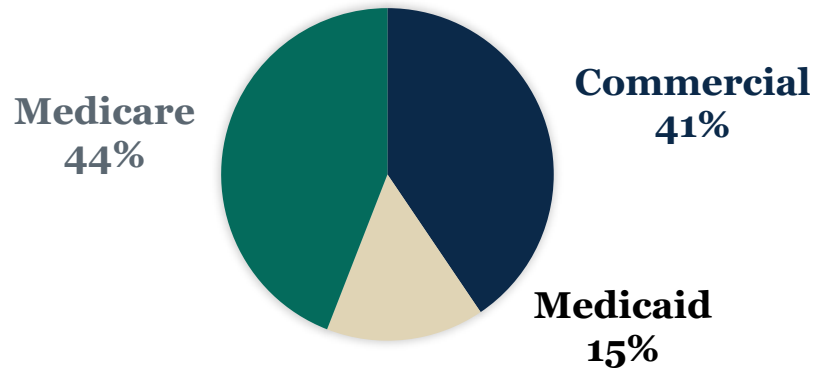
# 2017 Total Cost by Source of Payment



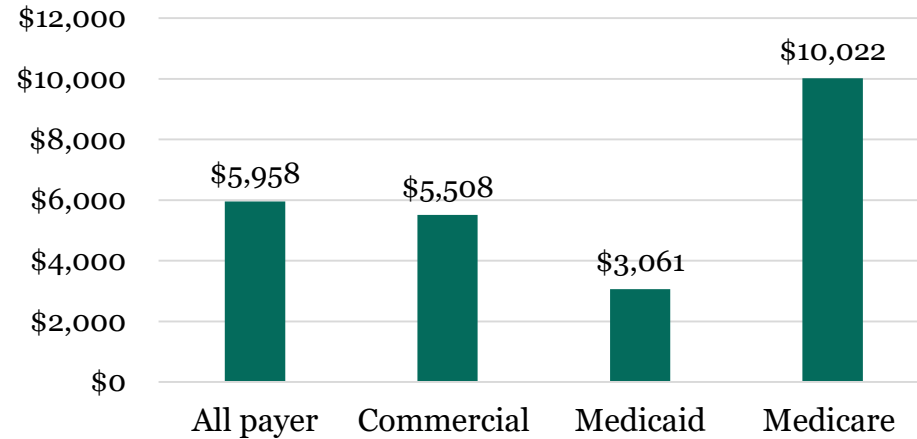


# 2017 Total Cost by Payer

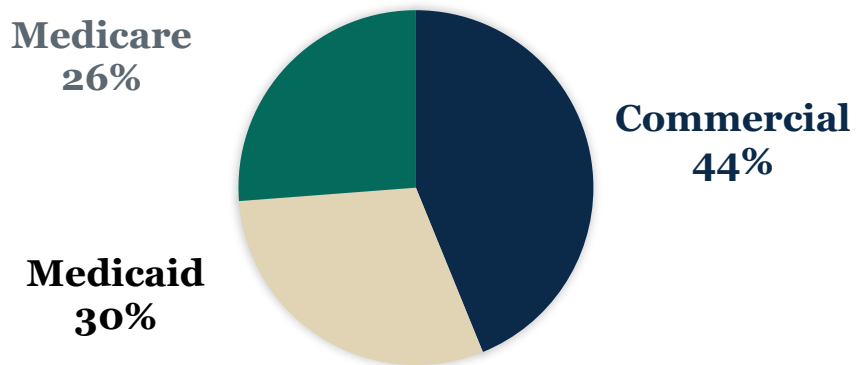
Total cost by payer



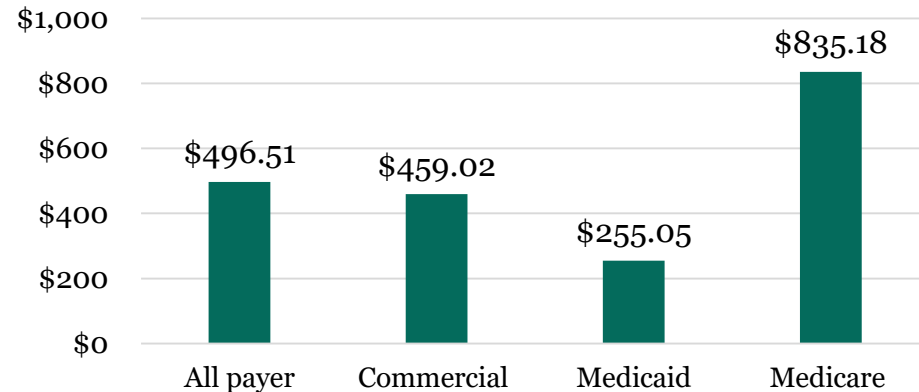
Total cost per member per year (PMPY)



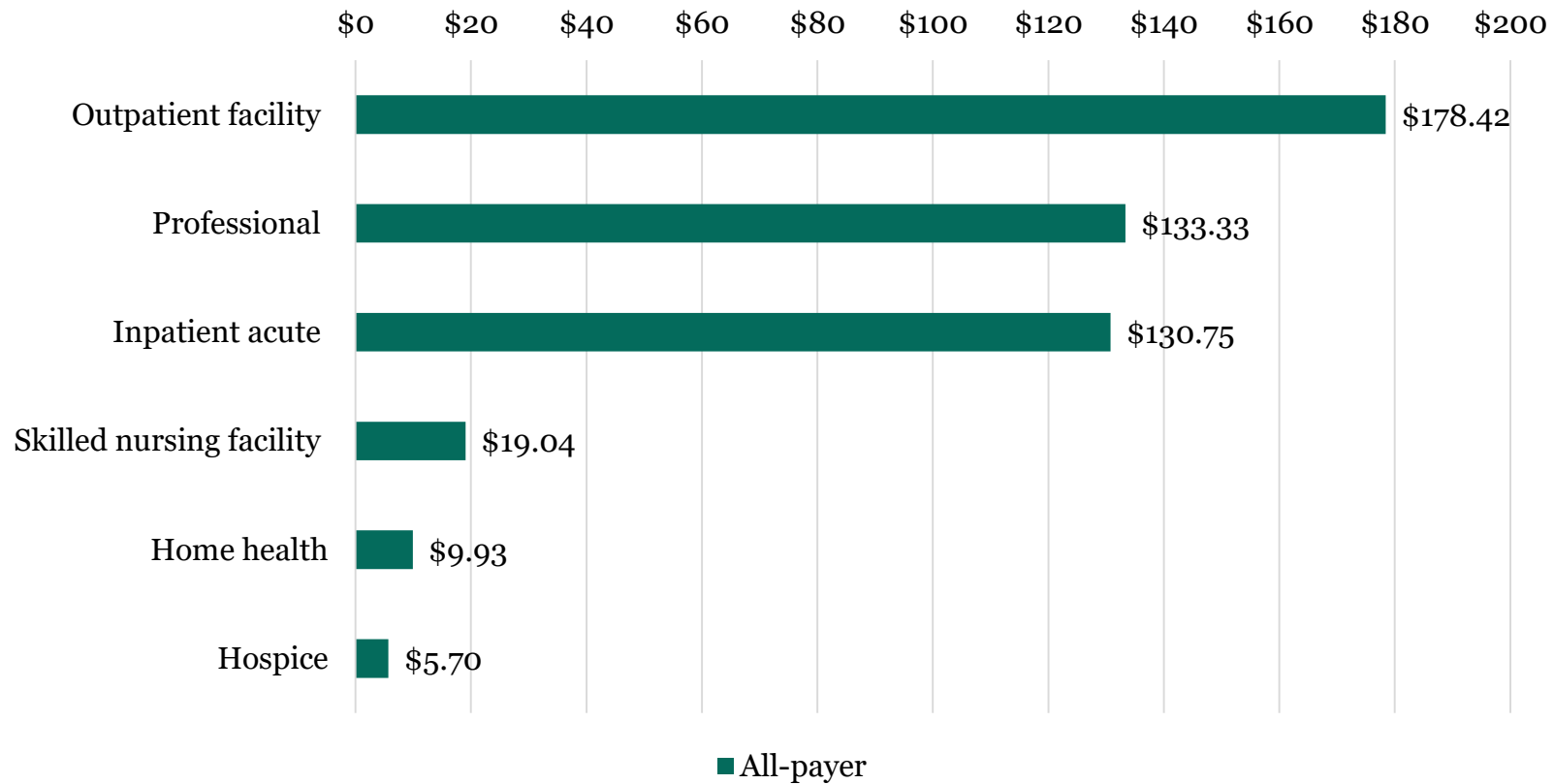
Total member months



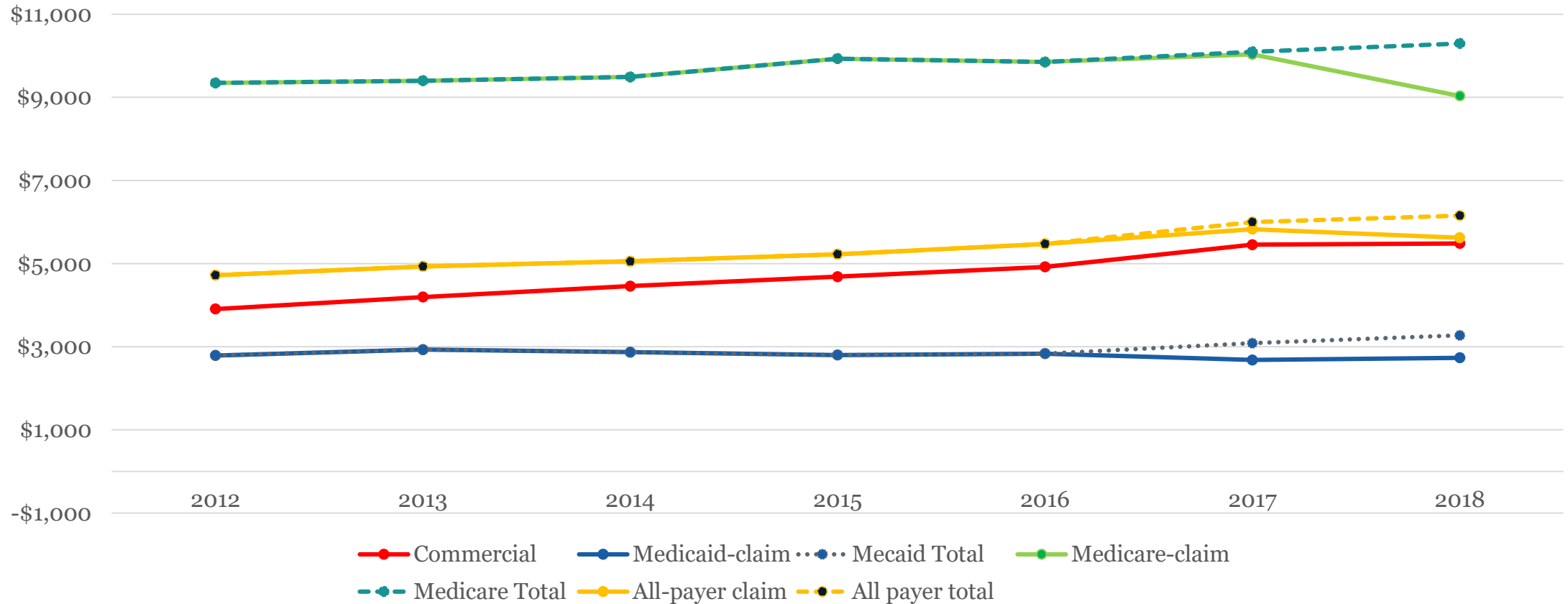
Total cost per member per month (PMPM)



# Total Cost PMPM by Service Type



# All-payer PMPY trends by Payer



# Health Outcomes

Medication Management for People With Asthma 75% Compliance (MMA)

Medication Management for People With Asthma 50% Compliance (MMA)

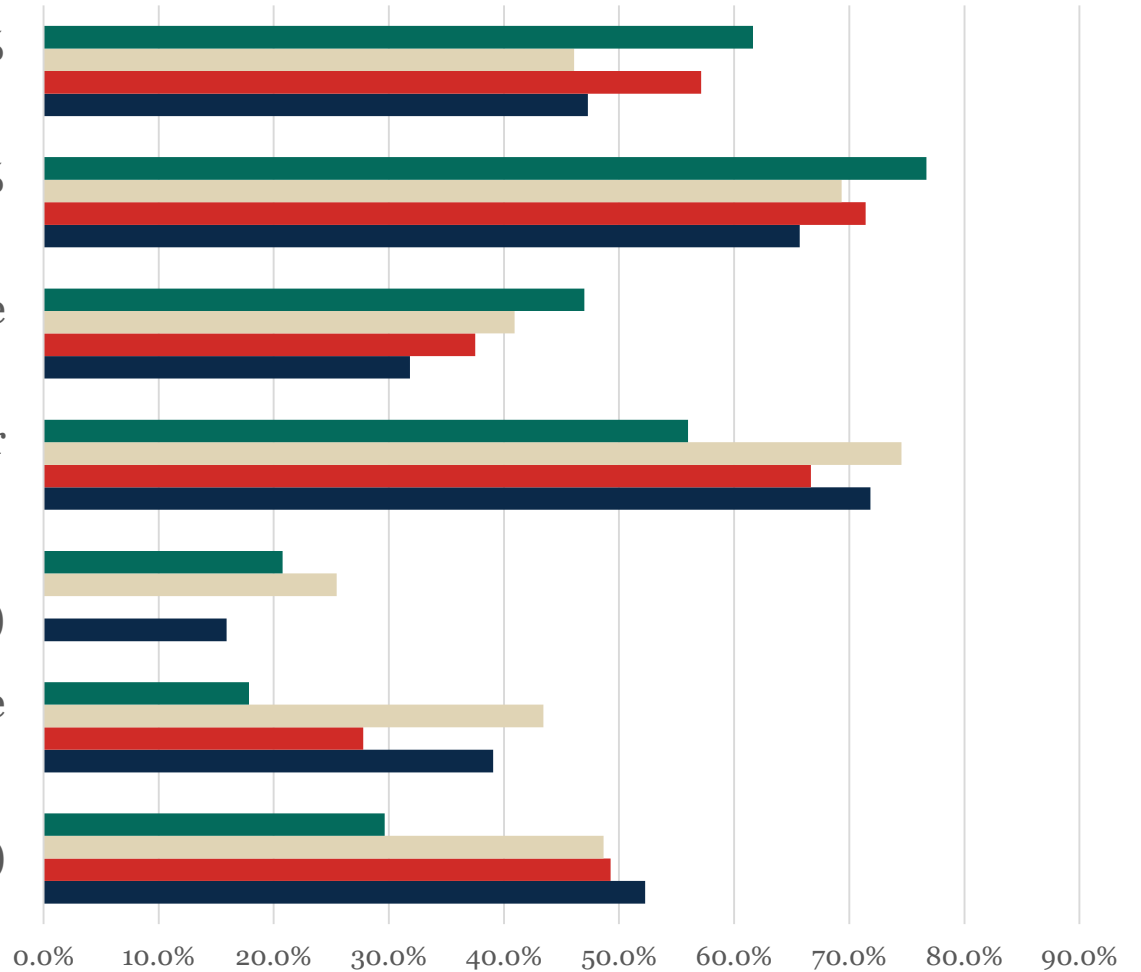
Initiation of Alcohol and Other Drug Dependence Treatment (IET)

Follow-Up After Emergency Department Visit for Mental Illness (FUM)

Follow-Up After Emergency Department Visit for Alcohol and Other Drug Abuse or Dependence (FUA)

Engagement of Alcohol and Other Drug Dependence Treatment (IET)

Adolescent Well-Care Visits (AWC)



■ Medicare ■ Medicaid ■ Commercial - Self-Insured ■ Commercial - Fully Insured

# Next Steps in Vermont

- **Expanded reporting and analytics**
- **Data Quality**
- **Integrating Regulatory Processes**
- **Financial and Program Sustainability**