Health Care Reform Update

DAIL Advisory Committee

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VERMONT
AGENCY OF HUMAN SERVICES

Sustaining Medicare Participation in Multi-Payer Alternative Payment Models in Vermont

Original Vermont All-Payer ACO Model Agreement | **Amended and Restated Vermont All-Payer ACO Model Agreement** | **Future potential Vermont Medicare Multi-Payer Agreement**

Six Year Agreement (2017-2022)

- The Vermont All-Payer ACO Model Agreement is an arrangement between Vermont and the federal government that allows Medicare to join Medicaid and commercial insurers to pay for health care differently.

- The goal is to shift from paying for each service (fee-for-service) toward paying for high performance and good outcomes (value-based).

- Changing how services are paid for is expected to reduce health care cost growth, maintain quality of care, and improve the health of Vermonters.

- An Accountable Care Organization is a voluntary network of health care providers that agree to be accountable for the care and cost for a group of patients.
    - OneCare Vermont is currently the only multi-payer ACO operating in the state.

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Original Vermont All-Payer ACO Model Agreement → **Amended and Restated Vermont All-Payer ACO Model Agreement** → **Future potential Vermont Medicare Multi-Payer Agreement**

2023-2024
Extension of current agreement

- Vermont and the federal government have executed an extension of the Vermont All-Payer ACO Model Agreement.
- Agreement terms are similar.
- Covers 2023 and the State has the option to extend the Agreement to 2024.
- The extension maintains Medicare investments in Vermont.

Sustaining Medicare Participation in Multi-Payer Alternative Payment Models in Vermont

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2025-?

- The federal government is developing a future multi-state, multi-payer model to be available from 2025 forward.
- Vermont is seeking to influence the design to ensure it meets the state's needs.

Timeline for Engaging with the Center for Medicare and Medicaid Innovation (CMMI)

August-December 2022
Phase 1 Engagement

During this phase, the Agency of Human Services convened the Health Care Reform Work Group and advisory groups to provide initial feedback to CMMI on its priorities for a future multi-state, multi-payer alternative payment model.

January-Mid 2023
Phase 2 Engagement

The Agency of Human Services and Green Mountain Care Board are continuing to meet with CMMI to provide feedback on the potential model's design. The Agency is seeking broad stakeholder feedback through public comment, community engagement, and other forums designed to capture input from Vermonters.

Mid-Late 2023
Potential New Multi-State Model Opportunity

Based on current information, the Agency of Human Services expects a formal opportunity for participation in a multi-state, multi-payer model to be available at some point in 2023. The State would need to submit a proposal in response to the model offering.

What is the new payment model under development by the Federal government?

CMMI is signaling that it will produce a design spanning multiple states, starting in 2025, that will address 7 priorities:

1. Include global budgets for hospitals.
2. Include Total Cost of Care target/approach.
3. Be all-payer.
4. Include goals for minimum investment in primary care.
5. Include safety net providers from the start.
6. Address mental health, substance use disorder, and social determinants of health.
7. Address health equity.

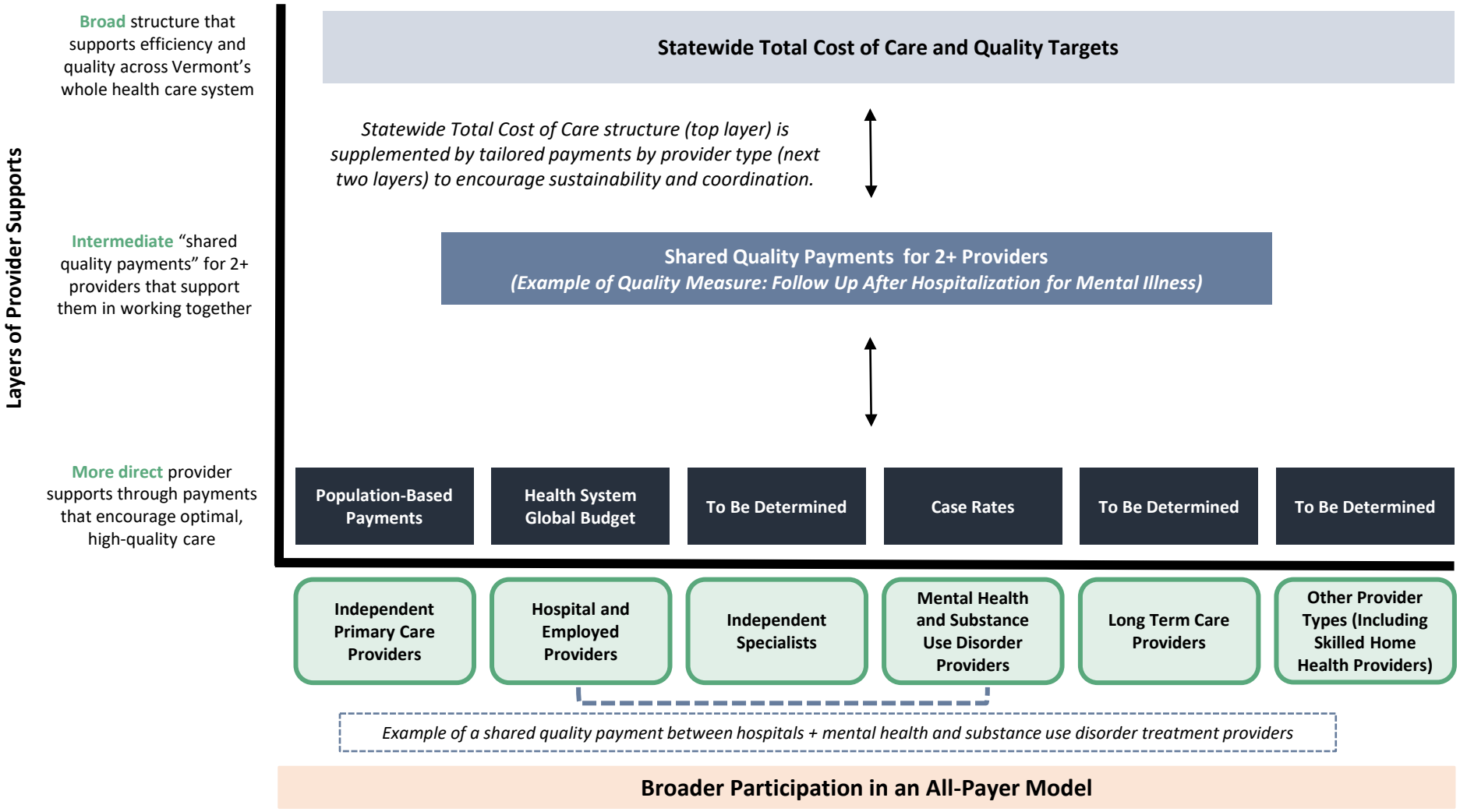
Through an advisory group structure and other methods, AHS and GMCB are gathering input on a variety of topics to inform feedback to CMMI on a new multi-payer, multi-state model.

Vermont's Feedback to CMMI to Date

Here are some of Vermont's needs that have been communicated to CMMI:

- Support rural provider stability and (workforce and inflation are important concerns)
- Increase predictability of payments
- Ensure the right amount of revenue (recognize that Vermont is a very low-cost state for Medicare)
- Support investments in preventive and community care
- Make sure payment models and quality measures are aligned across payers
- Support coordinated care for people with complex health and social needs
- Keep moving forward on our important health care reform efforts (Blueprint for Health, care for people with complex health and social needs, primary care, community-based services)

Vermont's Vision for a Statewide Approach



Population-Based Payment: A provider or provider organization is accountable for the health of a group of patients in exchange for a set payment. This gives providers flexibility to coordinate and manage care for their patients. They accept risk for costs of care that exceed the set payment amount.
Health System Global Budget: A global budget is a budget that is established ahead for a fixed period of time (typically one year) for a specified set of services (e.g., inpatient and outpatient hospital services) for a set population. Vermont aims to include additional services (e.g., independent primary care) in the health system global budget.
Case Rate: A provider receives a flat rate for a patient's treatment for a specific period of time.

Gathering input from Vermonters

Summer 2022 – Work focused on short-term stability

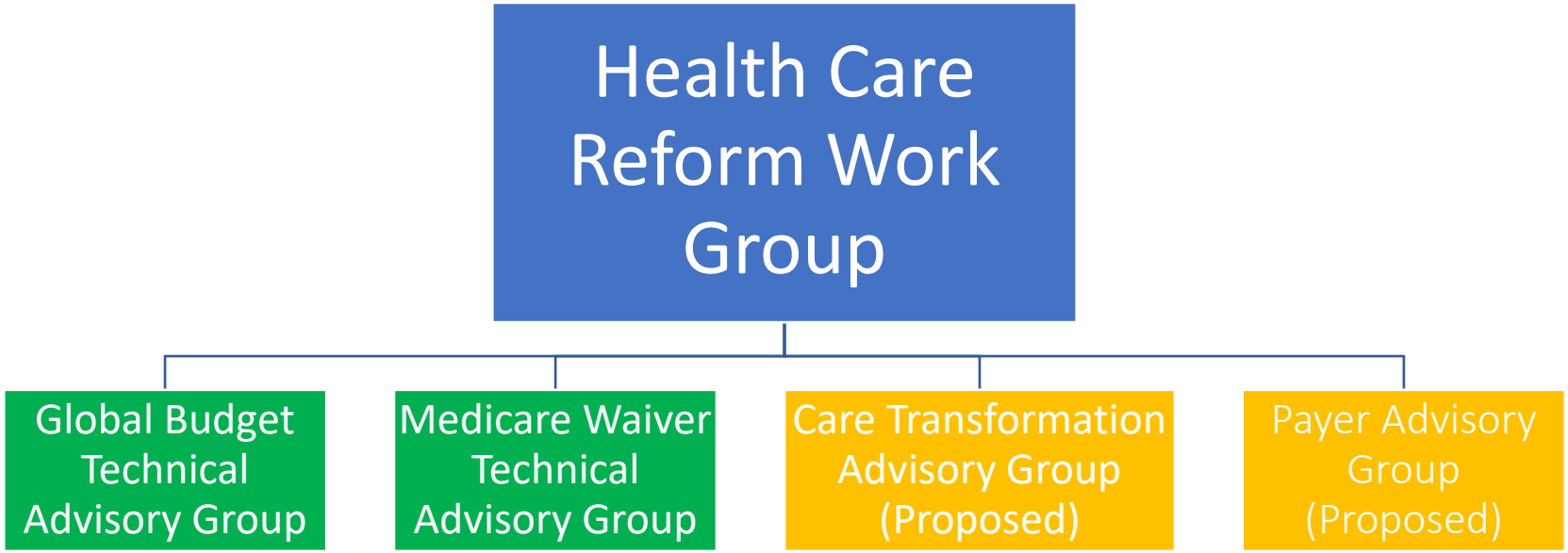
Fall 2022 – Work began to inform discussions on the multi-state, multi-payer model

February 2023 – Technical discussions began on design of global budget model and Medicare waivers that might be beneficial to Vermont

Mechanisms for public input are available on both the GMCB and AHS websites

Planned for later in 2023 – Regular updates at GMCB public board meetings and discussions at existing forums

Current Work Group Structure



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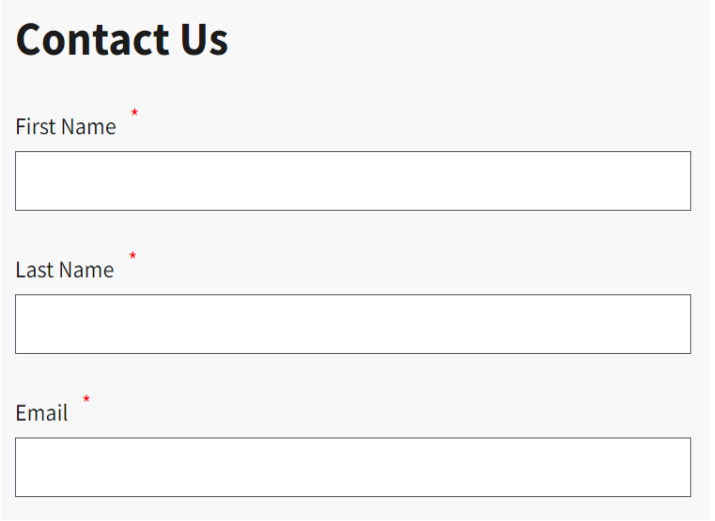
Public Information and Input: AHS and GMCB Websites

- Advisory group meeting materials and summaries posted on GMCB and AHS websites
- Mechanisms for public input:



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Summary of Next Steps

- Continue meeting with CMMI
- Continue gathering input:
  - ❑From work groups
  - ❑From advisory groups like this one
  - ❑From presentations at Green Mountain Care Board meetings
  - ❑From public comments
- Carefully review model when CMMI releases it to see if it is good for Vermont, and continue to gather input