# Vermont Health Care Innovation Project Update

April 14, 2014

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# What are we trying to accomplish through this project?

- Align policy, investments and payment to support a "high performing health system" in Vermont
- The aims of the VHCIP are to improve care, improve health and reduce costs
- How?
  - Enable and reward care integration and coordination;
  - Develop a health information system that supports improved care and measurement of value; and
  - Align financial incentives with the three aims.
- The whole thing is a public/private partnership

# Project timeline

April 1, 2013: SIM Grant Awarded (Planning Period begins)

October 1, 2013: Model Testing Year One Begins

January 1, 2014: ACO Shared Savings Programs Launch

2014: Episode of Care and Pay-for-Performance Planning

2014-2016: Evaluate and Potentially Modify all three models

September 30, 2016: SIM Grant Ends

# What would constitute success?

**A health information technology and health information exchange system that works, that providers use, and that produces analytics to support the best care management possible.**

**A predominance of payment models that reward better value.**

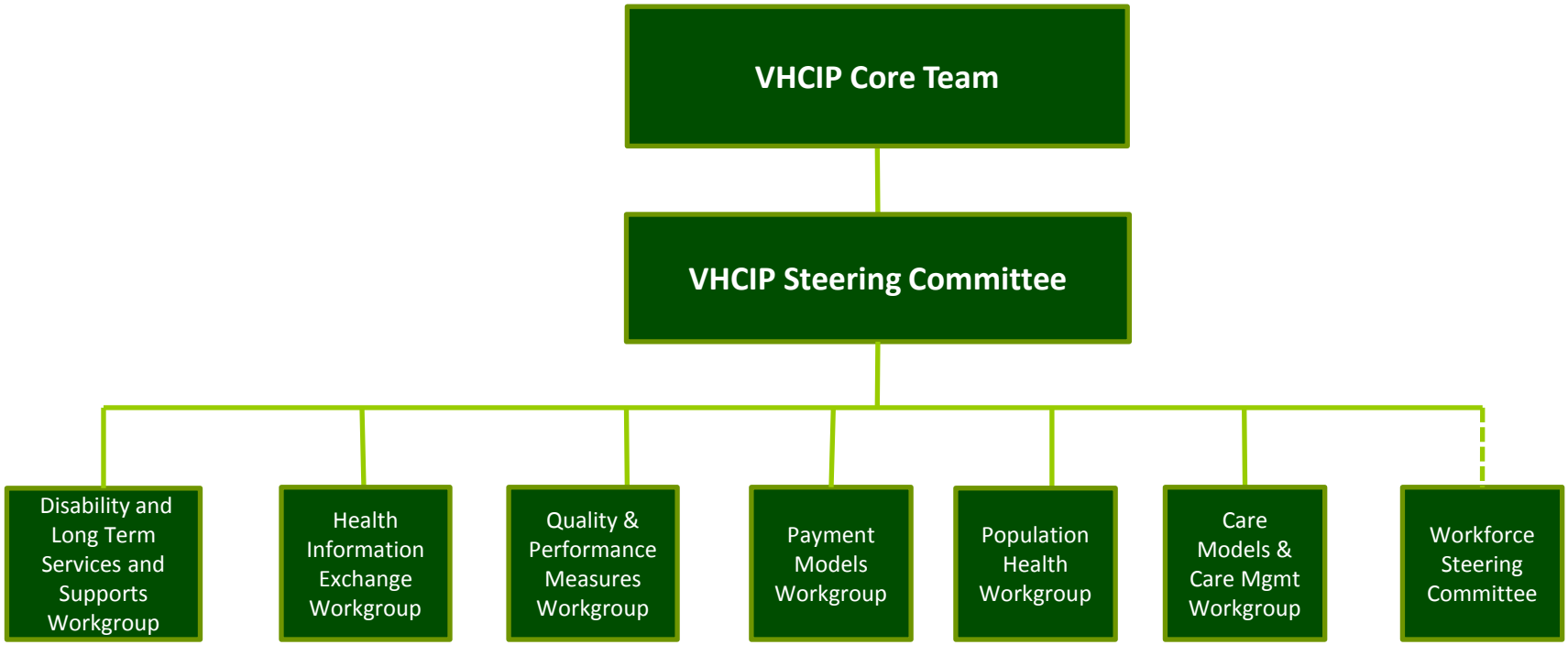
**A system of care management that is agreed to by all payers and providers that:**

- utilizes Blueprint and Community Health Team infrastructure to the greatest extent possible
- fills gaps the Blueprint or other care models do not address
- eliminates duplication of effort
- creates clear protocols for providers
- reduces confusion and improves the care experience for patients
- follows best practices

# Trying to affect the "value equation"

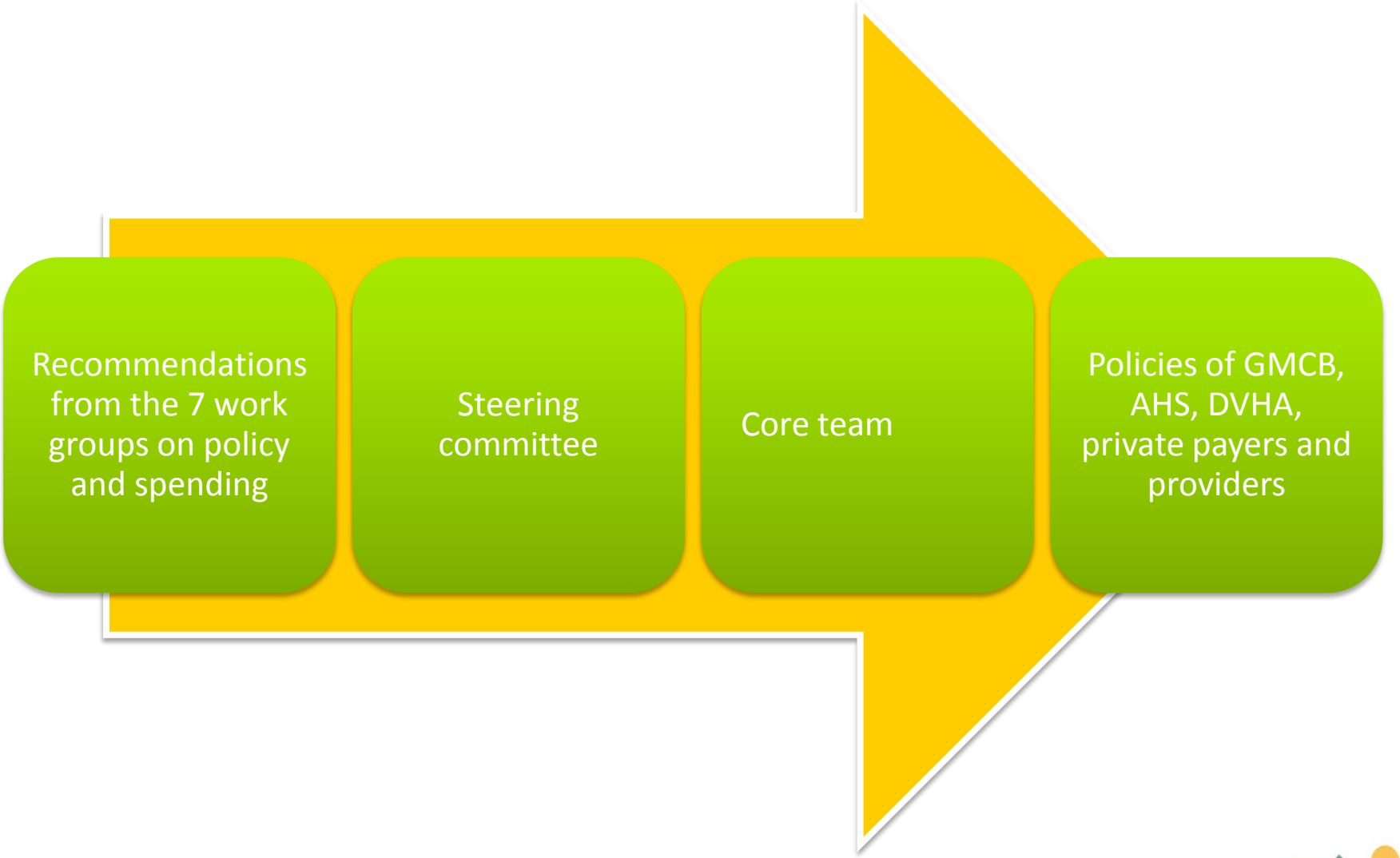
1. Measure both
2. Create accountability for both
3. Expand unit of payment and scope of quality measurement

# Project structure




**More than 300 people are involved in these groups!**

# How does the project work?



# Focus of work group recommendations

- Coordinated policy
  - Payment
  - Care management
  - Health information system
- Targeted funding
  - Modeling and testing payment reforms
  - Expanding and improving our health information system
  - Supporting providers to change their business models

# Payment models we are testing

- Shared savings arrangements with accountable care organizations
  - If ACO beats the target for expected costs AND meets quality requirements, ACO shares in savings
- Episode-based payments to provider groups
  - Providers share savings for total costs of an “episode of care”
- Pay-for-performance
  - Payment for meeting or exceeding quality thresholds

# Shared savings as a middle ground

From the provider perspective

| Fee for service | Shared savings | Capitation |
| --- | --- | --- |
| • Save a dollar, lose a dollar | • Save a dollar, share it with the payer (and consumers) | • Save a dollar, keep a dollar |

# Progress to date

- Charters and work plans developed for all groups
- Launched Commercial and Medicaid Shared Savings Program
  - Standards and Quality Measures
- Work groups are currently addressing such issues as:
  - How should we invest SIM funds in Vermont's health information system?
    - One proposal approved; one pending
  - Where is there duplication and where are there gaps in Vermont's care management system?
    - Learning Collaboratives
  - How can we improve payment models to promote population health improvement and coordination across acute and long term care?
  - How can episode-based payments be useful/complementary?

# How will we measure the results?

- Three evaluations:
  - External, under contract with CMS (RTI)
  - External, under contract with GMCB
  - Internal, under contract with GMCB
- Staff person hired to coordinate all evaluation
- Key questions:
  - What kinds of innovative approaches result in reduced cost while improving or maintaining the standard of care, patient health and quality of life, and satisfaction of the workforce?
  - To the extent that a particular approach is promising, what contextual factors need to be in place to make success likely, and what contextual factors might cause problems?

# Grant Program

- Grant Program: $3.37 million
- At least two rounds
- Technical Assistance: $500,000

- Round 1: Facts and Figures
  - 8 awards made to fund innovation around the state totally $2.6 million.