

Vermont State Innovation Model

*An Overview of Medicaid's
Proposed Shared Savings
ACO Program
(Medicaid SSP)*

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State Innovation Model, Payment Reform Models

CONTEXT

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The State Innovation Model (SIM) Grant

Two Key Concepts

State Health Care Innovation Plan

Comprehensive approach to transforming the health system of a state. The State Health Care Innovation Plan includes the state's vision and strategies to transform its payment and service delivery system that will improve the quality of care and lower costs through continuous improvement.

Payment and Service delivery Model

Refers to specific delivery system designs, such as accountable care organizations, integrated care systems, or medical homes that are supported by aligned payment methods that reward value. These models will be described in a State Health Care Innovation Plan.

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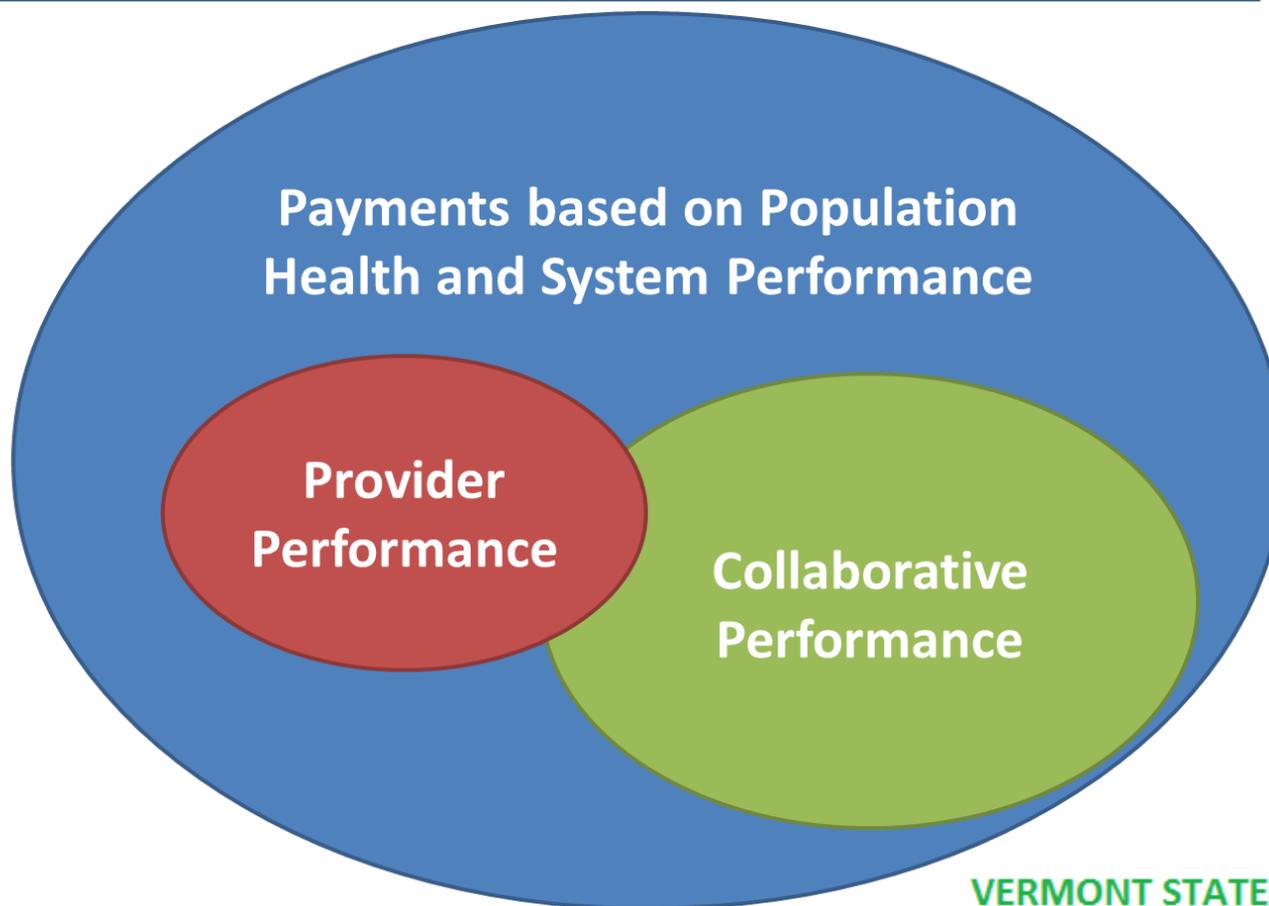


State Innovation Model Proposal :

<http://gmcbboard.vermont.gov/sites/gmcbboard/files/Project%20Narrative.pdf>

Shared Savings Programs, 1 of 3 Models to Test

Using Complementary Financial Models to Drive System Change and Bend the Cost Curve



State Innovation Model Proposal :
<http://gmcbboard.vermont.gov/sites/gmcbboard/files/Project%20Narrative.pdf>

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Background and Definitions

WHAT IS AN ACO SHARED SAVINGS PROGRAM?

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What is an ACO Shared Savings Program (SSP)?

A performance-based contract between a payer and provider organization that sets forth a value-based program to govern the determination of sharing of savings between the parties.



*ACO model graphic property of the Premier health care alliance.
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http://www.commonwealthfund.org/~media/Files/Publications/Fund%20Report/2012/Aug/1618_Forster_accountable_care_strategies_premier.pdf

What is an ACO?



Accountable Care Organizations (ACOs)

are comprised of and led by health care providers who have agreed to be accountable for the cost and quality of care for a defined population.

These providers work together to manage and coordinate care for their patients and have established mechanisms for shared governance.

*SIM Payment Standards Work Group Definition 2013

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What Does this Mean for Beneficiaries?

ACOs are NOT HMOs

- They do not affect beneficiaries access or choice in health care providers
- There is no “gate keeper”
- There is no change to beneficiary coverage benefits
- They are governed by the same providers who provide care

The Program is designed to improve beneficiary outcomes and increase value of care by:

- Promoting accountability for the care of beneficiaries
- Requiring coordinated care for all services provided under FFS systems
- Encouraging investment in infrastructure and redesigned care processes

The Program also would aim to reduce:

- lost or unavailable medical charts
- duplicated medical procedures
- having to share the same information over and over with different doctors

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<https://www.rmfi.harvard.edu/Clinician-Resources/Article/2012/ACO-Explaining-the-benefits-of-it-to-Patients>
<http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/sharedsavingsprogram/index.html?redirect=/sharedsavingsprogram/>

Shared Savings ACO Programs

Type	Features	Number of ACOs
Medicare Shared Savings Program (MSSP, ACA Section 3022)	<ul style="list-style-type: none"> At least 75% control of ACO's governing body by providers 3-year agreement with Medicare 2 models: One-sided model: ACO receives up to 50% savings and takes risk for losses in year three only Two-sided model: ACO receives up to 60% savings and takes risk for losses in years 1-3 3.2 million assigned beneficiaries in 47 states 	220
Pioneer ACO (ACA Section 3021)	<ul style="list-style-type: none"> Health care organizations and providers that have experience in population-based payment models (with same standards as MSSP) Typically integrated health systems that operate a health plan and have the infrastructure to manage risk 	23
Advanced Payment ACOs (ACA Section 3021)	<ul style="list-style-type: none"> CMS provides upfront monthly capital based on expected shared savings for smaller ACOs Targeted to partnerships between physician-based and rural providers to invest into their care coordination infrastructures 	35
Private ACOs	<ul style="list-style-type: none"> Clinically integrated groups of physicians, hospitals, and business partners (often health insurance plans) that contract with Medicaid or commercial plans on a risk basis 	160+

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Table 1. Deloitte Center For Health Solutions, July 22, 2013
Health Reform Update.

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Attributing Patients & Calculating Savings

HOW A PROGRAM WORKS

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Medicaid Patient Attribution

People see their PCP as they usually do



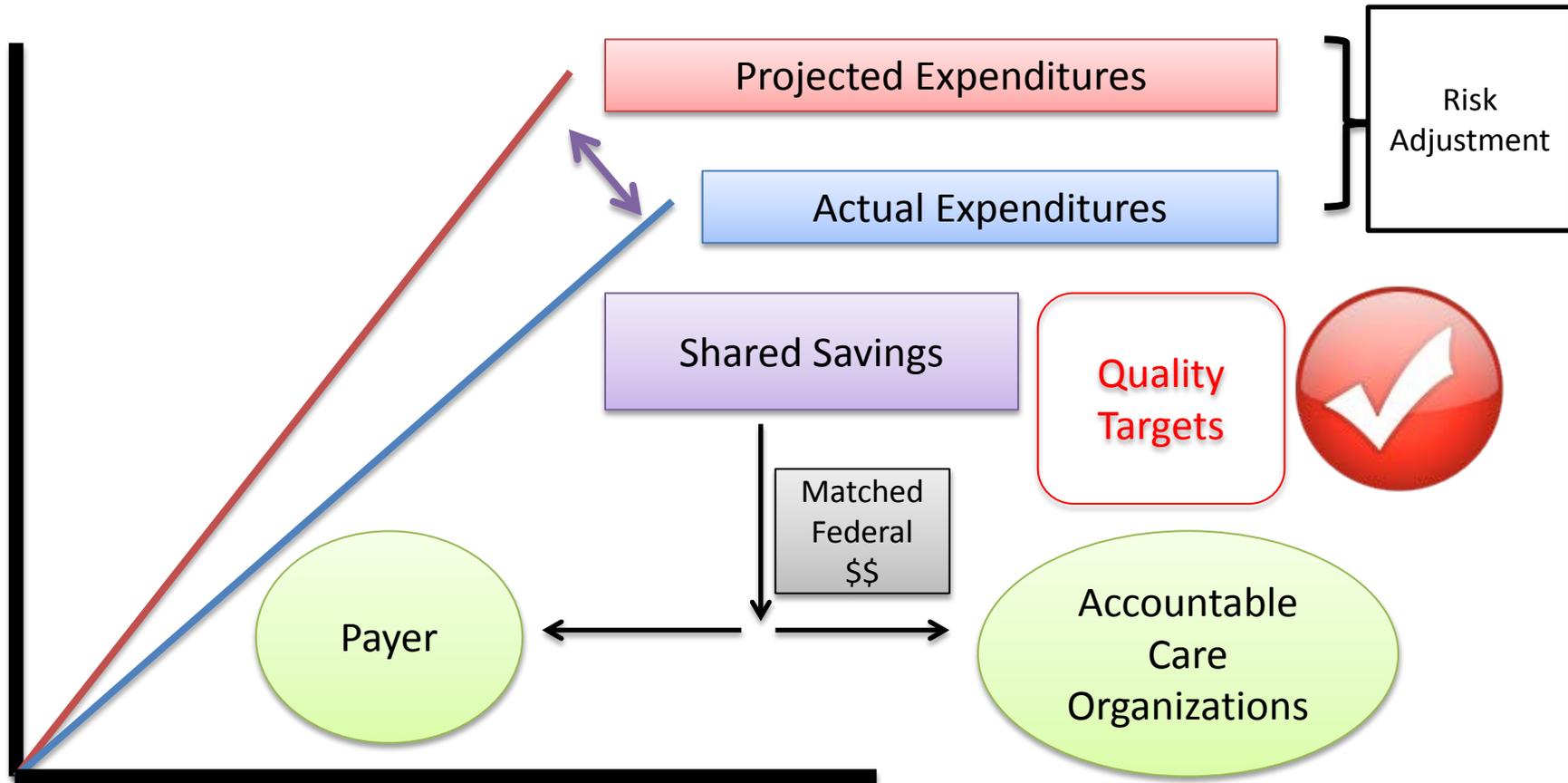
If their PCP belongs to an ACO, the ACO accepts responsibility for the cost and quality of care provided to that person

ACO

Providers bill FFS as they usually do

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Calculating Medicaid Shared Savings



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Recent Evidence

THE POTENTIAL

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Early Evidence

Early Results from Medicare Y1 SSP Experience

- All 32 health systems improved patient care based on quality measures
- 18 of 32 lowered costs for Medicare patients
- \$140 million in total savings by Medicare Pioneer ACOs
- \$92.4 million in total losses by Medicare Pioneer ACOs
- \$76 million in shared to be returned to 13 Medicare Pioneer ACOs
- \$33 million in net savings to the Medicare Trust Fund

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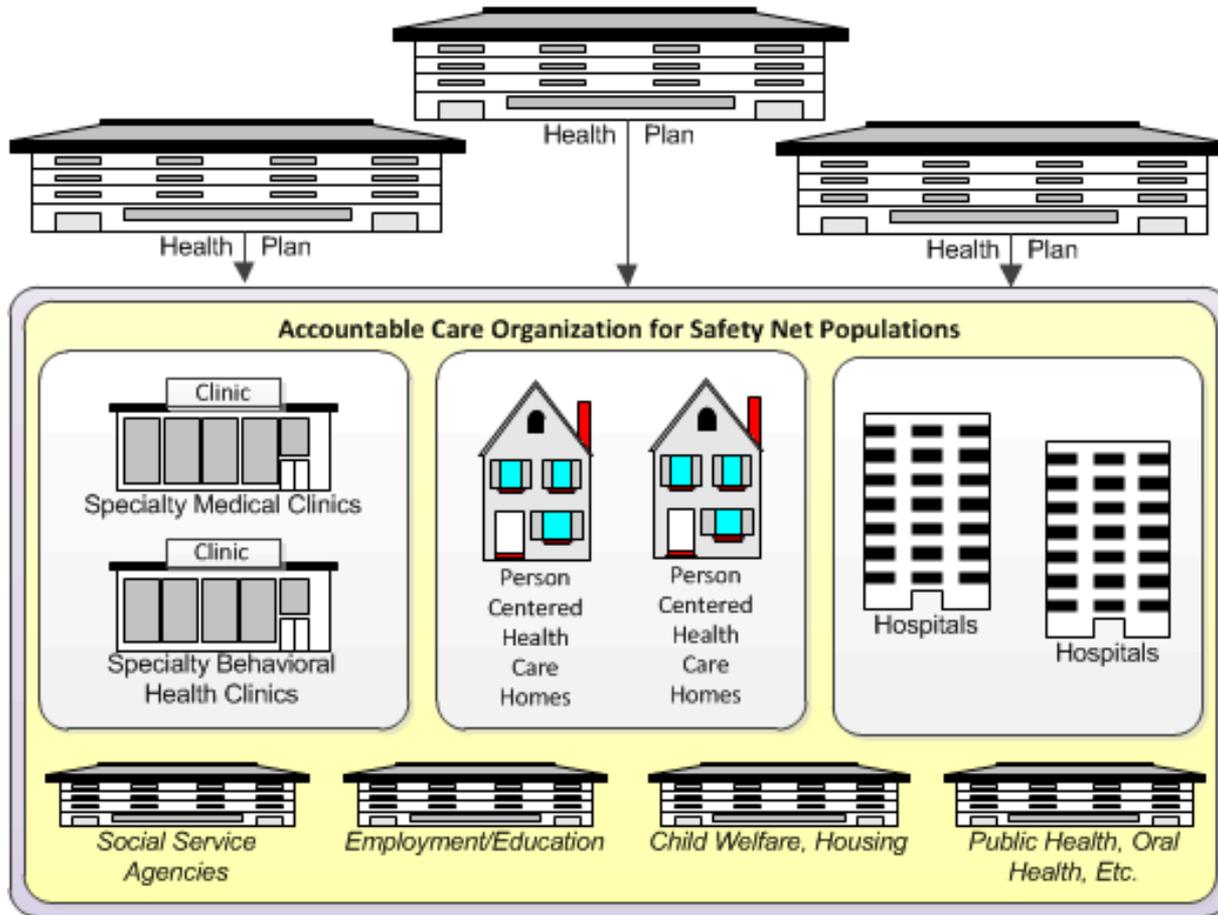
Timeline and Process

VT MEDICAID ACO SHARED SAVINGS PROGRAM DEVELOPMENT

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Will an ACO for the Medicaid look different than a Medicare ACO?



They Could.

Medicaid SSP ACOs could include long term care services and support providers and mental health and substance abuse providers even if the Medicare ACO does not.

Medicaid participation in these models will contribute to the strengthening of providers across a wider spectrum of care and social supports.

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<http://mentalhealthcarereform.org/changes-to-healthcare-services-organization-funding-delivery/>

When is it happening in Medicaid?

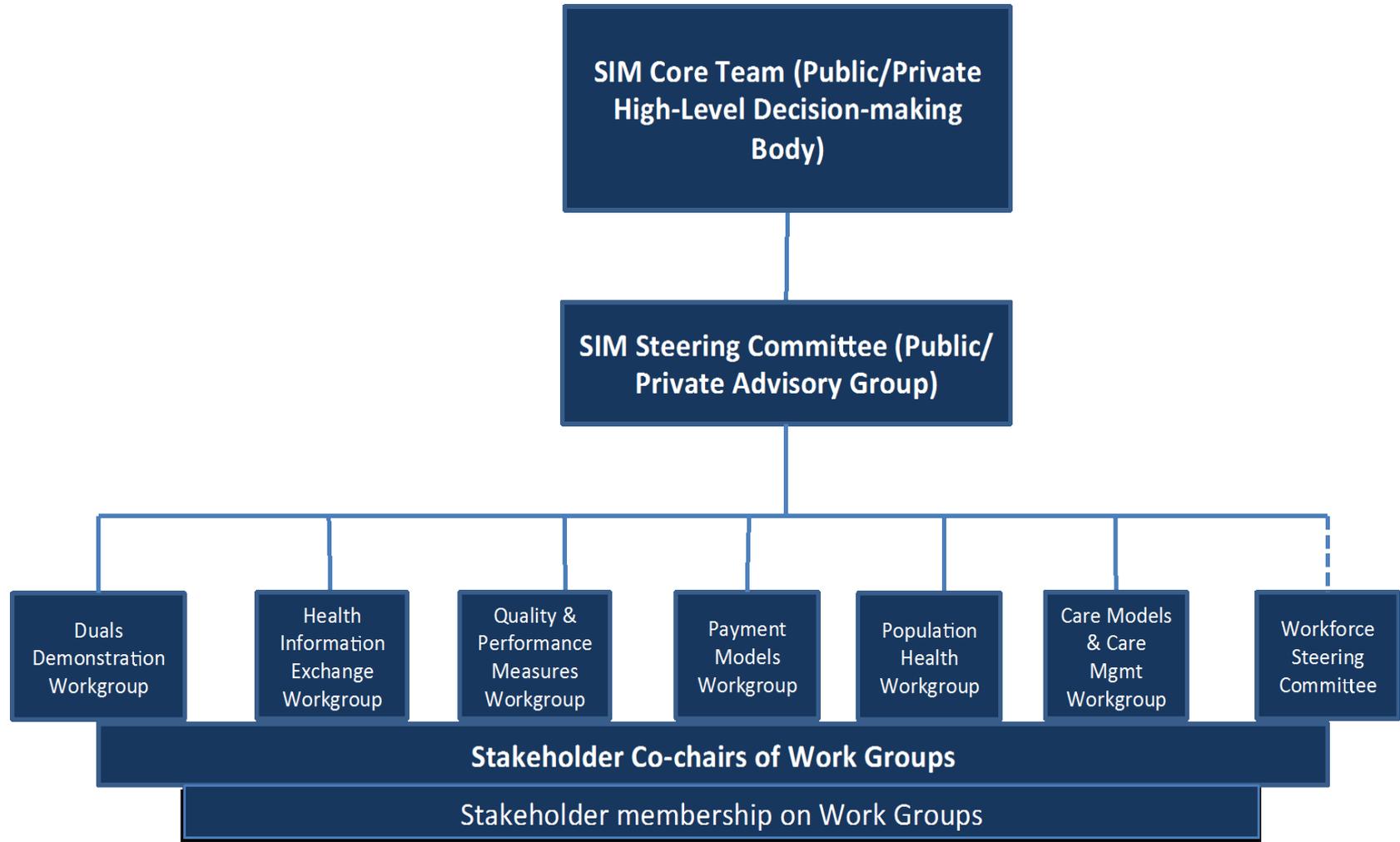
Timeframe	Milestone
Early August	Proposed SSP Framework Discussed in Work Groups (Standards, Quality, Care Management)
Late August	Steering Committee Review and Recommendations Made to Core Team
September	Release RFP
September	Concept Paper to CMCS
October	Review Proposals
November-December	Sign Shared Savings Program Contract
December	Public Notice & SPA Submitted
January 2014	Program Launch
December 2015	End of Performance Year 1
June 2015	Final Settlements Paid

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(Miller, 2011, p. 3-4)

How are Program Standards Developed?



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(Miller, 2011, p. 3-4)

ACO Challenges in Vermont

Challenges	Vermont Context	Concern
The historical lack of collegiality and collaboration between the various organizations, in particular, physicians and hospitals	Is a challenge in Vermont, particularly between LTSS and MH&SA providers	Red
The need for strong leadership to address the cultural, legal, and resource-related barriers to creating new provider organizations	Vermont's ACO leadership is strong	Green
Ensuring a strong primary care base with adequate infrastructure and resources to be accountable for a full scope of responsibilities	Vermont's Blueprint for Health has extended PCMH recognized practices statewide. Medicare's Enhanced Primary Care Program has increased Medicaid reimbursement to qualified, primary care providers.	Green
Governance and creating joint accountability Determining who will and how to distribute revenue and "shared savings"	Vermont defining standards for ACO governance and joint accountability through SIM Structure as well as defining shared savings arrangements	Green
Cultural and workflow shifts necessary to implement more efficient and high-quality models of care delivery	Continues to be a challenge in Vermont and a key area of focus	Red
Holding physicians accountable for productivity, quality and efficiency	This is only one of three levels of payment reforms working together to increase provider accountability, increase quality and efficiency among providers	Yellow
Implementation of necessary infrastructure, especially IT, in a capital constrained environment	This is an ongoing challenge in Vermont and a key area of focus	Red



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Works Cited, Short Videos

ADDITIONAL RESOURCES

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Short Videos

1) Explaining CMS Pioneers Program

<https://www.youtube.com/watch?v=MZaa1QRQQAU>

2) Health Partners Promotional

<http://www.youtube.com/watch?v=Bcj-TbZSbXk>

Selection of Resources

- Accountable Care Facts. (2011). How many ACOs have been or are being formed across the country? <http://www.accountablecarefacts.org/topten/hoa-many-acos-have-been-or-are-being-formed-across-the-country-1>
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- The Center For Medicare and Medicaid Innovation. <http://innovation.cms.gov/>
- The Green Mountain Care Board. SIM Model Testing Application Project Narrative <http://gmcbboard.vermont.gov/sites/gmcbboard/files/Project%20Narrative.pdf>

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