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DEPARTMENT OF VERMONT HEALTH ACCESS

Medicaid ACO Based Innovation Update

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DVHA Priorities

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Value-Based Payments

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Information Technology Projects

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DVHA Priorities

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01

Value-Based Payments

Value Based Payments

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Our belief:

If you want to change care, change payment

If you want to change payment, change financing

Change requires predictable and sustainable financing

Value Based Payments

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Our belief:

If you want to change care, change payment

If you want to change payment, change financing

Change requires predictable and sustainable financing

- <u>DVHA is committed to Value Based Payments to</u>:
- Enable transformation of the delivery system
- Efficiently allocate resources to the most cost effective care while maintaining core capacity
- Pay better to those who do better

- ✓ Improve patient experience of care
- ✓ Improve the health of populations
- ✓ Reduce per capita cost growth

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The Big Goal:

Integrated health system able to achieve the Triple Aim

VT All-Payer Model Agreement

Vermont's contract with CMS to enable ACO Based Reform

CMS provides payment flexibility and local control in exchange for meeting quality, financial, and scale targets and alignment across payers

Sets forth planning milestones for future integration

VT Medicaid Next Generation ACO Pilot Program

The Medicaid component of the All-Payer Model

Program provisions are designed to align with Medicare Next Generation program as much as possible.

Platform for future ACO-based innovation

Vermont Medicaid Next Gen ACO Contract: Why?

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- **Empower Provider Community**: Gives health care providers the opportunity to take leadership for cost containment and quality rather than the government.
- **Create Sustainable Costs:** First step in potentially moderating Medicaid spending in the future by pushing risk down onto providers. Initial data is potentially promising.
- **Test Whether Alignment Matters:** The ACO will begin aligned Medicare and commercial programs on 1/1/18. This is an essential step in determining whether ACO based reform has the potential to transform health care.
- **Promote Value Based Payments**: Continue to move away from Fee for Service payment model and towards payment arrangements based on quality, risk, and accountability.

Vermont Medicaid Next Gen (VMNG)

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- Status report
  - One-year agreement (2017) with four optional one-year extensions. DVHA and OneCare triggered the first one-year extension for 2018.
  - Planning for 2019.

		2017 Performance Year	2018 Performance Year
Who?	Communities	4	10
	Unique Providers	~2,000	~5,100
	Attributed Medicaid Members	29,102	42,342
What?	Services	Parts A- and B-like services; DVHA-paid	
	Cost PMPY	$3,207.84	$3,083.76
How?	Operational Readiness	Readiness Review Program Monitoring Quarterly Reporting	Site Visits Program Monitoring Quarterly Reporting
	Financial Reconciliation	--	In process for 2017

Vermont Medicaid Next Gen (VMNG)

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- Preliminary 2017 Results
  - On track financially
    - OneCare's actual 2017 expenditure to date is approximately $660,000 less than expected.
    - Currently, the program is within <1% of its estimated 2017 Total Cost of Care.
    - Validation with OneCare is ongoing, and will continue into June of 2018.
  - Premature to assess program as a whole
    - DVHA will continue to analyze the financial, clinical, and quality performance of the program to determine its efficacy and to determine whether the ACO program generally, and the fixed prospective payments to hospitals specifically, are contributing to an overall moderation in DVHA health care spending.
  - June 15, September 15, and December 15 VMNG legislative reports contain more detailed information on 2017 performance year

Why is Medicaid Excited about the VMNG?

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- VMNG allows Medicaid to be the pacesetter for APM Innovation
  - Vermont's Global Commitment Waiver is aligned with APM goals
    - Approval process for non-FFS payment models
      - VMNG 1 of 7 models agency-wide approved for 2018
    - Approval process for Delivery System Reform investments

2018 Investment	Description
Quality and Health Management Measurement Improvement	Add new data sources, customize and enhance the functionality of the WorkBenchOne™ (WBO) analytics platform and Care Navigator as needed for all ACO payer Programs
Advanced Community Care Coordination	Support and advance effective team-based care coordination at the local level by strengthening relationships between primary care and the continuum of care providers to support the physical, mental, and social wellbeing of members attributed to OneCare Vermont

  - Quality measures that align with the APM agreement
  - AIPBP to ACO → prospective payments to hospitals & independent practices

Why is Medicaid Excited about the VMNG? *cont.*

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- VMNG allows Medicaid to be the pacesetter for APM Innovation
  - Waiver of prior authorization as a demonstration of rapid process improvement

2017 VMNG Contract	Waiver of PA requirements if: • the member is attributed to the ACO • the service or procedure is included the ACO's Total Cost of Care • the provider is included in the ACO's network
2018 VMNG Contract	Expanding waiver to follow the person, waiver of PA requirements if: • the member is attributed to the ACO • the service or procedure is included in the ACO's Total Cost of Care
Future options under consideration	Expanding waiver to ACO network practices' full Medicaid panel; waiver of PA requirements if: • the member has Medicaid coverage (regardless of attribution to the ACO) AND, for non-ACO network practices if: • the member is attributed to the ACO • the service or procedure is included in the ACO's Total Cost of Care

VMNG Future Directions

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- Medicaid continues to be the pacesetter for APM Innovation
  - Potential to use program design to increase scale
    - Reviewing attribution methodology
      - For example, auto-attribution
  - Considering how AHS can help the ACO navigate the community care system within the parameters of Act 113 of 2016
  - Further alignment across care continuum via cross-agency payment reform projects
    - Mental Health payment reform
    - Disability Services payment reform
    - Value-based payment model for residential SUD programs

Cross-Agency Payment Reform Projects

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Project	Description
Mental Health payment reform	• Consolidation of historically program-specific funding streams paid to DAs and SSAs for adult and children's mental health services. • Gives providers payment predictability and flexibility in service delivery. • Develops a multi-year framework for paying providers based on quality.
Disability Services payment reform	• Develops a revised service delivery and payment model for disability services that is based on data, easy to understand, and transparent regarding the services paid for. • Ensures accountability between DAIL and providers without destabilizing the developmental disabilities system of care.
Value-based payment model for residential SUD programs	• Develops a value-based payment model for residential programs to align with APM. • Gives providers payment predictability and flexibility in service delivery. • Incentivizes successful transitions of care, improve outcomes, and reduce costs.

Headwinds

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- Financial constraints
- Creating a culture of partnership
- Balancing innovation, alignment, and operational readiness
- Evaluation to inform evolution

Questions?

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