



Vermont All-Payer ACO Model

2018 Blueprint for Health Annual Conference

**Burlington, VT
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The CMS Innovation Center Statute

“The purpose of the [Center] is to test innovative payment and service delivery models to reduce program expenditures...while preserving or enhancing the quality of care furnished to individuals under such titles.”

Three scenarios for success from Statute:

1. Quality improves; cost neutral
2. Quality neutral; cost reduced
3. Quality improves; cost reduced (best case)

If a model meets the statutory requirements for expansion, the statute allows the Secretary to expand the duration and scope of a model through rulemaking.

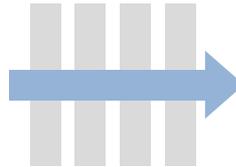
State Innovations Group (SIG) Supports State Efforts to Transform Delivery and Payment

Our Approach

Offer **flexibility and support** for states in a variety of environments—meet states where they are



Amplify national efforts by supporting state adoption of successful models



Customize existing models to meet states' unique needs



Our Strengths

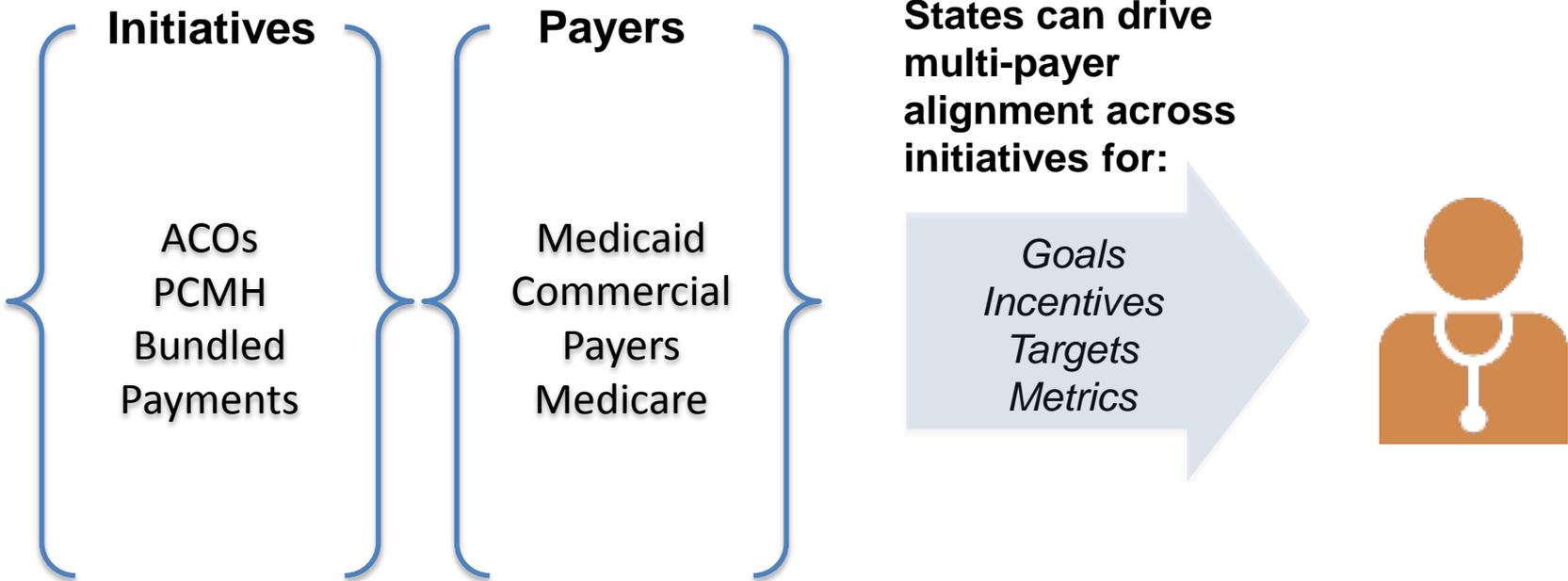
Strong relationships with state partners allows SIG to support states to maximize the unique strengths of each state

Collaboration within HHS enables SIG to help states integrate varied federal efforts

Multi-payer participation ensures transformation efforts at scale and alignment reduces provider fatigue

State-Level Alignment Can Reduce Provider Burden

The Innovation Center partners with states to align payment and delivery system reforms across payers in order to reduce burden on providers

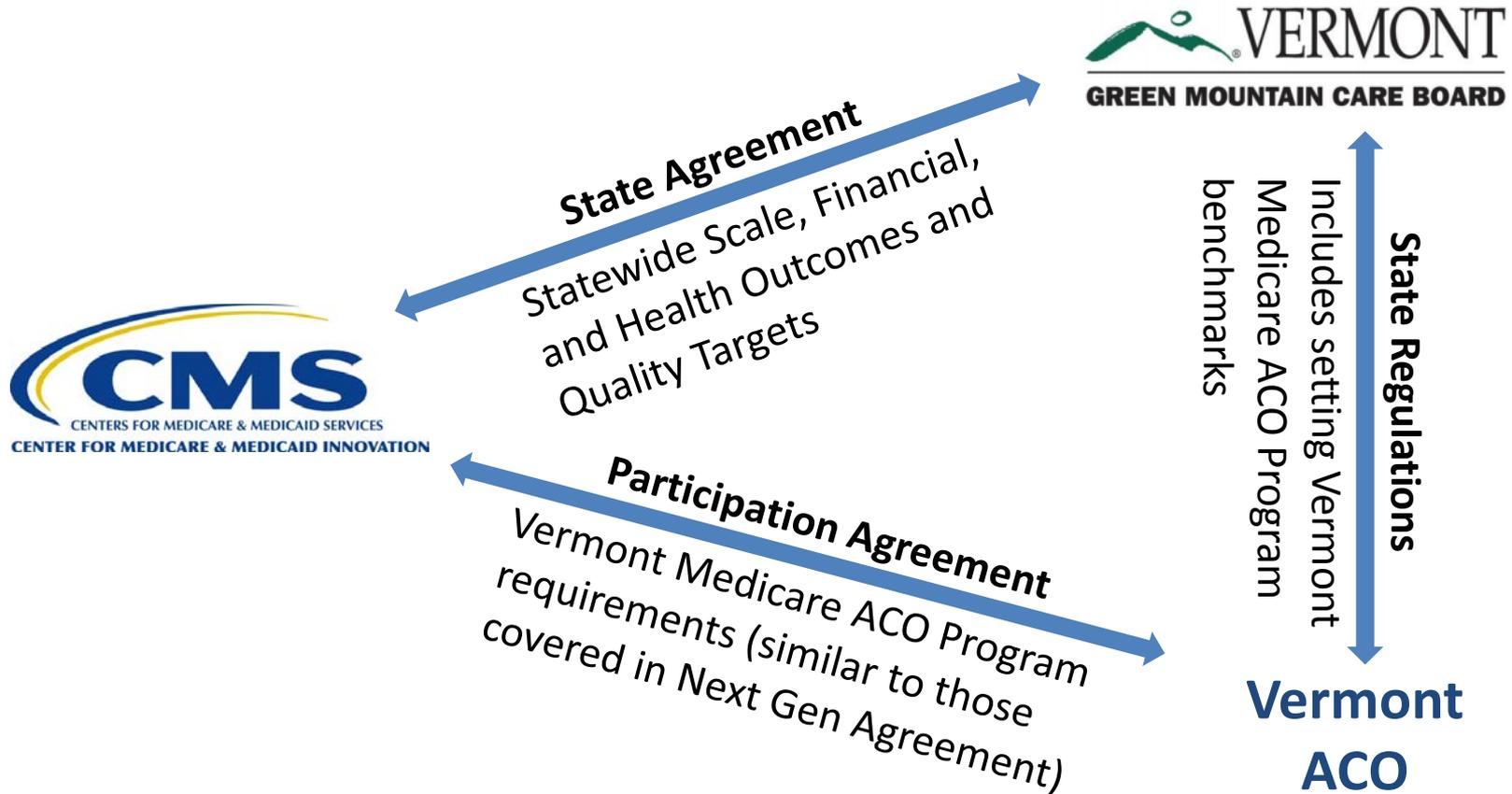


Vermont All-Payer ACO: Flexibility & Accountability

Payer-Agnostic Approach to Care Redesign

- **The Innovation Center's first test** of a total cost of care (TCOC) model in which **all the payers within an entire state** incentivize value and quality, **with a focus on health outcomes**, launched January 1, 2017 with the ACO going live January 1, 2018
- **Hypothesis – Broad ACO scale** across state will allow Vermont providers to reach the tipping point where **redesigning the entire care delivery system is a rational business strategy**
- In exchange for state flexibility to set the ACO benchmark, **Vermont committed to achieving scale, financial, and population health targets**
- One-time, upfront **investment of \$9.5M** to bolster primary care practices with community-based resources to support model success
- **Model is anticipated to improve quality** while maintaining or reducing expenditures

Vermont All-Payer ACO Model - Unique Legal Relationships between Three Parties



Meaningful State-Level Financial, Scale and Health Outcomes Targets

Statewide Financial Targets

- *Medicare:* Vermont Medicare spend/ beneficiary growth rate of **0.2% points below projected National Medicare**
- *All-Payer:* **3.5% growth rate** for all-payer expenditures per insured Vermont beneficiary, which would take Vermont (one of the lowest cost states) from being one of the fastest to one of the slowest cost growth states

Statewide Health Outcomes and Quality Targets

- Meaningful statewide improvements in true health outcomes with quantifiable commitments:
 - Reduce morbidity and mortality from **substance abuse and suicide**
 - Improve **access to care**, including Medicaid-specific access
 - Maintain low prevalence and morbidity of **COPD, hypertension, and diabetes**

Statewide ACO Scale Targets

- *All-Payer:* **70% of Vermont Medicaid, Medicare FFS, and commercial insured residents** aligned to an ACO by the end of PY5
- *Medicare:* **90% of Vermont Medicare FFS beneficiaries** aligned to an ACO by the end of PY5



Vermont: Connecting Solutions to a Crisis

Focus on Substance Use Disorder in Vermont All-Payer ACO Model

- Vermont is committed to achieving **better outcomes for persons with SUD**
 - **Reducing deaths related to SUD**
 - **Increasing utilization of MAT**
 - Increasing initiation and engagement in SUD treatment
 - Improved follow-up after ED discharge for SUD
 - Increasing use of prescription drug monitoring program (PDMP)

All-Hands on Deck Approach Needed

- To address the epidemic, **Vermont has developed a system of care for OUD**, the “Hub and Spoke” system with participation from Medicaid and commercial plans
- However, **bending the epidemic curve requires an “all hands on deck” approach**