The Unified Care Organization

A Big Step for Vermont

Blueprint for Health Annual Conference
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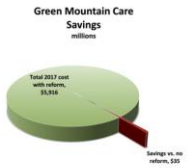
Goals for Today's Discussion

- Provide information on the All Payer Model (APM) and a potential unified care organization
- Describe where the process of APM and a unified care organization stands, and what it means
- Explain how the unified care organization is currently envisioned to work
- Answer questions and engage in dialogue about the process and concepts above

Health Care Reform Path 2010-2017

2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017

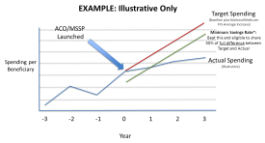
2010-2011
Legislative Action
National: PPACA
Vermont: Act 48



2011-2012
Early Implementation
National: MSSP ACO Program; Age 26; Exchange Planning
Vermont: GMCB seated; VT exchange legislation; Hospital NR growth limits, payment reform pilots

2012-2014
Becoming Real
National: ACA benefit plans, exchanges, Medicaid expansion
Vermont: SIM Grant, VT Health Connect, Multi-Payer ACOs; population-based SSP on top of FFS

2014-2016
Getting Serious
National: MSSP ACO risk; stabilize ACA and national exchange
Vermont: ACO Multi-Payer; GMC Funding design; continued provider consolidation;
Start move to non-FFS



2017+
Future Model
National: Refined national model and/or state innovation; Medicare/Medicaid funding challenges
Vermont: ~~GMC as right of citizenship; new funding and provider revenue model(s)~~
All Payer Model w CMS Waiver and ACO-based Payment/Delivery Reform

Medicare/ CMS Still Leading Charge

2015: Major reemphasis and coordinated push toward value-based payment in lieu of FFS by 2019

12 Major Programs

- 5 Mandatory
- 7 Optional

Voluntary movement to more advanced models to exempt providers from more basic programs

True innovation increasingly provided/allowed in more advanced models

Vermont ACO Landscape

- Three ACOs

  - Community Health Accountable Care (CHAC)
  - Vermont Collaborative Physicians (Healthfirst ACO)
  - OneCare Vermont ACO
- Existing track record of collaboration among ACOs
  - Vermont Health care Innovation Project - VHCIP ("SIM Grant") committees
  - GMCB-facilitated payment reform design groups
  - Work with Blueprint and VHCIP on community collaboratives across Vermont and complex care management pilots in multiple communities
  - Development with Blue Print of the 2016 medical home performance measures and incentive program
  - ACO quality collection process
  - "Memorandum of Understanding" among all three ACOs to explore potential of combining into single ACO

OneCare Vermont

- One of 26 Organizations accepted into Next Generation
  - 21 Started in 2016 and 5 Deferred until 2017
- Accountability (risk) for total cost of care for attributed beneficiaries
- For first time, offers…
  - Better terms for low base cost and high quality
  - A non-FFS payment option for ACO networks wishing to do true payment reform
  - Enhanced benefits and beneficiary incentives
    - > Post discharge home visits, telemedicine, SNF rules
- OneCare had to demonstrate substantial capabilities to be accepted
- OneCare had to commit to aligning other payers into value-based contracts

Vermont's All-Payer Model (APM)

- Spring 2014 – The Ask
  - Originated with letter from Anya Rader-Wallack to CMS
  - Requested to work with CMS on using Vermont's SIM-enabled base, which included a statewide multi-payer ACO model, to partner in pushing value-based payment and integrated healthcare even farther
- Fall 2014 – The Answer
  - CMS proposed a dialogue among CMS Innovation Center (CMMI) and Vermont to explore the possibility
- First Half 2015 – Initial Dialogue
  - Conceptual but substantial dialogue between GMCB/Administration and CMMI
- Second Half of 2015 – Drafting of Terms
  - Development of specific parameters of potential Medicare/APM Waiver and a draft term sheet
- January 2016 to Current – Assessment and Planning
  - Draft term sheet publically released
  - Significant planning underway on many dimensions
  - Legislative focus on ACO-based reform and APM
  - Ongoing negotiation with CMMI
  - Probability of approval and readiness for 2017 is unclear

Vermont's All-Payer Model (APM)

- Central focus is on a targeted "all payer" cost growth rate for health care for Vermonters of 3.5% and demonstration of a highly coordinated health system
- Reform under the all-payer system to be based on ACO(s)
  - Term Sheet: "Vermont will use an accountable care organization (ACO) model to carry out its payment and delivery system transformations under the All Payer Model Agreement"
  - Terms highly aligned with the Next Generation ACO program
- Financial terms offer advantages
  - More favorable and predictable Medicare spending targets
  - Includes Medicare continued participation in the Blueprint for Health (practice payments, CHT, SASH)
- Population health accountability and measurement
  - Population Health Goals on (i) increasing access to primary care, (ii) prevalence/management of chronic disease, and (iii) addressing the substance abuse epidemic
  - Plus expected ACO quality measurement and incentive program

Value Proposition of a Unified Care Organization

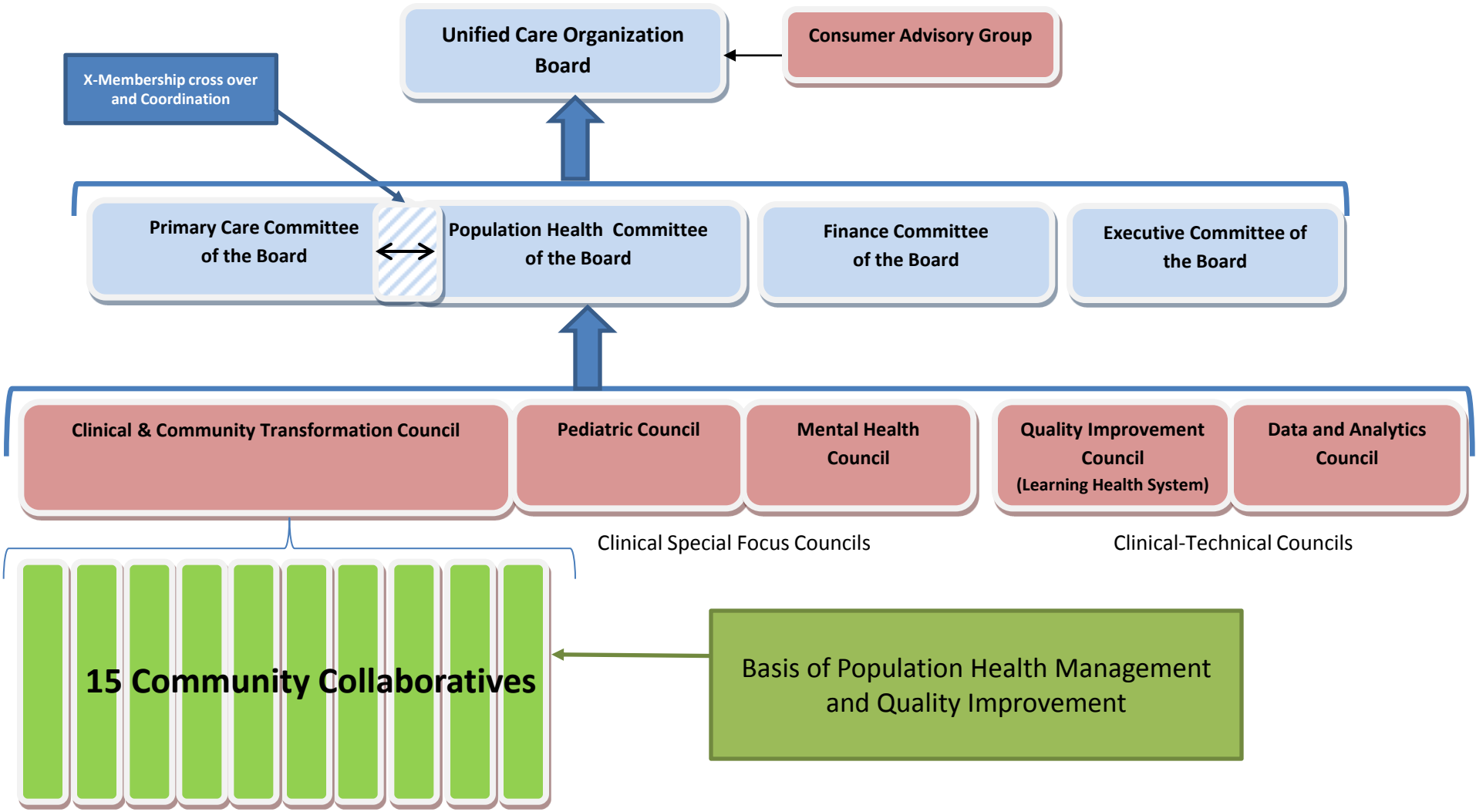
The All-Payer-Model does not require a single statewide care organization/ACO, but such a unified care organization could better…

- Help Vermont's communities take next steps together in a coordinated approach to population health management, building on the ACO-Blueprint community collaborative approach
- Address overall health and health care needs including social determinants as part of a true system of health *and* care
- Strengthen primary care including recruitment and capacity expansion
- Invest in community support services such as home health, mental health, developmental disabilities, substance abuse and social services
- Ensure hospitals are rewarded for helping to keep people healthy through partnering with the full continuum of care and services
- Develop an integrated approach to data collection, analysis, exchange and reporting to deliver higher quality, person-focused, and seamlessly coordinated care
- Assess and improve variation in clinical and cost outcomes across service areas in Vermont
- Provide a method to live within the overall statewide APM cost growth parameters while improving health and the health care delivery system

MOU Steering Committee

- Committee working on Unified ACO comprised of Board members from all three ACOs and at-large members
- Committee includes:
  - 3 very actively practicing independent physicians
  - A leader of a Designated Agency for mental health and substance abuse
  - A leader of an Area Agency on Aging
  - A leader of a community home health agency
  - A leader of a community skilled nursing facility
  - Leaders from small and large community hospitals and tertiary medical centers
  - Leaders from multiple FQHCs
  - A representative from the Office of the Health Care Advocate as a consulting advisory member
  - All facilitated by the Green Mountain Care Board (GMCB)

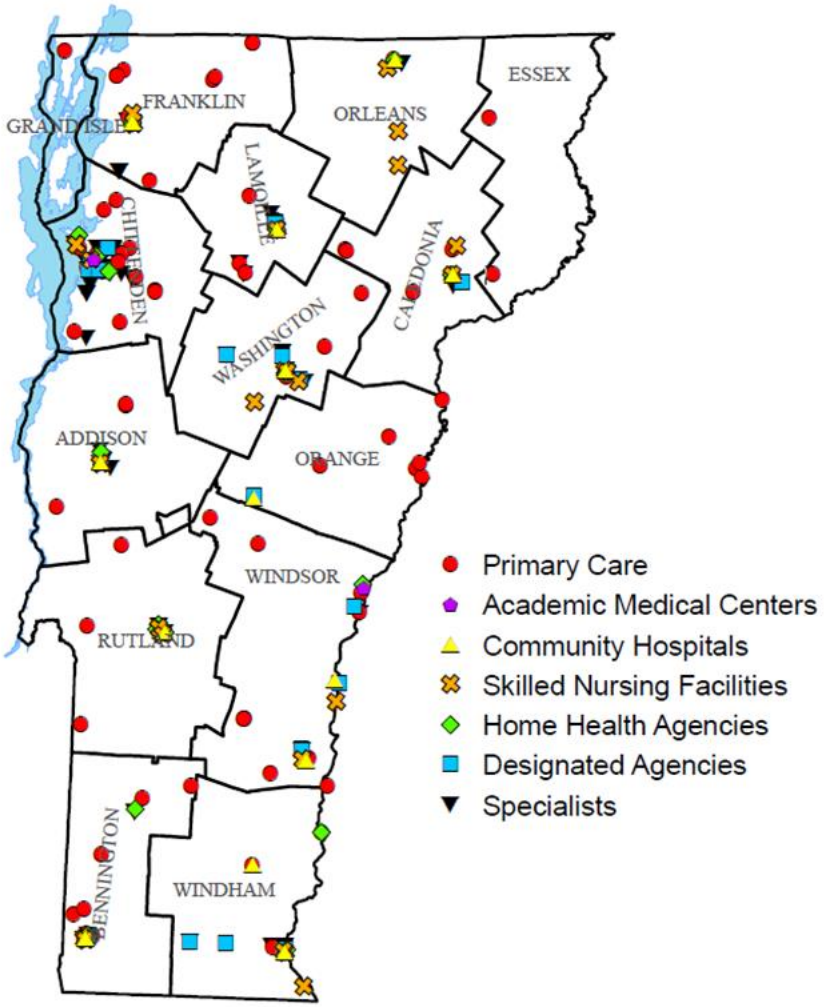
Preliminary Unified Care Organization Design



Health and community service providers and consumers will be represented at all levels of VCO's governance

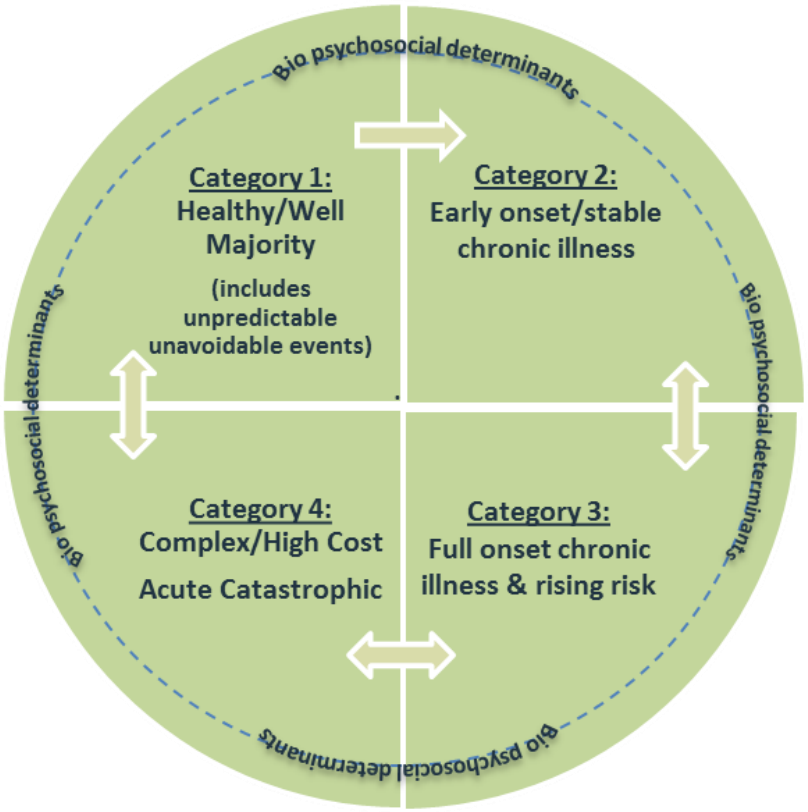
Statewide and Community-Focused Vision

Unified ACO Potential Network

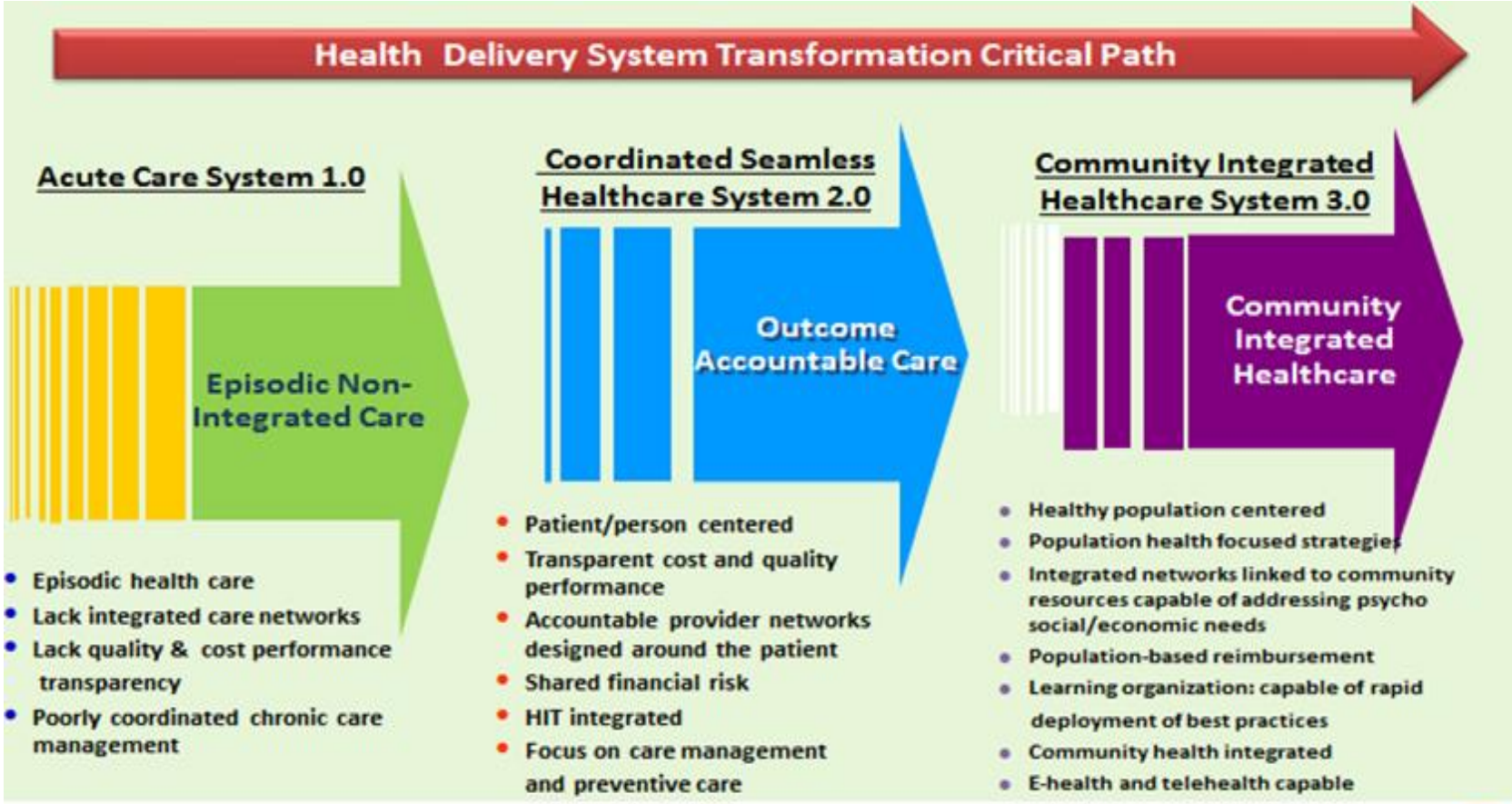


Total Population Health Model

Focused on communities working with the public health and clinical care system to collaboratively improve population health



Envisioning Fully Transformed Community Integrated Healthcare System (3.0)



Halfon N. et al, Health Affairs November 2014

Unified Care Organization as Collaborative "Hourglass" to Align Incentives and Resources

Top: Population-Level, Value-Based Programs to Reward Quality and Ensure Affordability

Middle: Operational, Clinical, Informatics Infrastructure; Management of Risk; Program/Provider Contracts

Bottom: Reformed Provider Payment Models, Incentive and Investment Programs and Community-Based Population Health Management