

## VERMONT ALL-PAYER ACCOUNTABLE CARE ORGANIZATION MODEL AGREEMENT DRAFT

The increasing costs of health care are not affordable for Vermonters. Many struggle to access preventive primary care services, and health care outcomes for substance abuse, mental health, and chronic disease need to improve.

### Goal

- Limit health care cost growth to no more than 3.5% in aggregate across all payers.
- Increase access to primary care.
- Improve health outcomes for Vermonters.

### All-Payer Model Framework for Transformation

- Moves from volume-driven fee-for-service payment to a value-based, pre-paid model for Accountable Care Organizations (ACOs).
  - Requires alignment across Medicare, Medicaid, and participating Commercial payers.
  - Provides a coordinated, system-wide, and integrated reform plan, addressing cost and quality, through 2022.
1. Protect Beneficiaries
    - Medicare and Medicaid beneficiaries keep all their benefits, covered services, and choice of providers, and an ACO cannot narrow their networks.
    - Vermonters with private insurance keep care decisions and provider choice between them and their insurers.
  2. Foster Provider-Led Reform
    - Vermont's doctors, hospitals, Federally Qualified Health Centers and community service organizations drive innovation, including the design of reimbursement methodologies, on behalf of their patients and clients.
    - Full choice to participate. The agreement does not require hospitals or doctors to join an ACO.
  3. Focus on Health and High Quality Care
    - Three goals, linking the health care delivery system to population health improvement and public health: 1.) Increase access to primary care, 2.) Reduce deaths due to suicide and drug overdose 3.) Reduce the prevalence and morbidity of chronic disease.
  4. Ensure Accountability
    - State law requires the Green Mountain Care Board (GMCB) to closely regulate ACOs to ensure high quality care, access to services, financial sustainability, and coordination with community-based services.
    - The Model agreement would require the GMCB to set the benchmark for participating Medicare ACOs, review and approve participating commercial plan rates for ACOs, and review Medicaid ACO payment rates.
  5. Local Control and Preservation of Successful Programs
    - Extends Medicare participation in the Blueprint for Health, Vermont's nationally recognized initiative for transforming primary care.
    - Continues federal Medicare funding for the Services and Supports at Home (SASH) program, which has a track record of saving money while keeping seniors in their homes and out of hospitals.
    - Enables Vermont, through its Medicaid waiver, to support investments in the ACO and in community-based providers.
    - Allows providers to earn incentive payments in Medicare's new payment model in a way that is consistent with the goals of the U.S. Secretary of Health and Human Services, yet customized to Vermont.