Health Care Reform Work Group

SEPTEMBER 13, 2022 MEETING

Recap of Last Meeting's Discussion re: Our Short-Term Focus

- CMMI will be releasing a new multi-state All-Payer Model in late 2023.
- CMS controls Medicare dollars, so CMS participation is necessary to achieve all-payer (or at least most payer) reach.
- CMS has stated that its new model will allow for some customization, but perhaps less room to negotiate than Vermont's current APM.
- CMS has listed 7 priorities for the next model, and the model is under active development at CMS.
- **Our collective task is to develop feedback and "asks" for CMS on these 7 priorities *in the next few months* so that the new model advances Vermont's goals.**

Reminder of 7 CMS Priorities:

1. Include global budgets for hospitals.
2. Include TCOC target/approach.
3. Be All-Payer.
4. Minimum Investment in Primary Care
5. Include safety net providers from the start.
6. Address mental health, substance use disorder, and social determinants of health.
7. Address health equity.

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Meeting Agenda

1. Identifying the highest priority problems to be solved in Vermont's All-Payer Model (APM) 2.0
2. Cataloguing the technical design issues for further work to inform CMMI in next 2-3 months:
    a) Health System Global Budgets
    b) Total Cost of Care
3. Next Steps and Next Meeting

1. Identifying the “Problems to be Solved” by New APM

Identifying the Problems to Address Through Vermont's All-Payer Model

What are the top 1-3 problems that the new All-Payer Model needs to solve?
CMS's new model needs to be a "good deal" in terms of addressing the problems Vermont seeks to solve.

As the group noted in the last discussion, the picture in 2022 differs from the picture in 2015. Some may not be as relevant to CMS conversations.

1. Provider stability
2. Rural sustainability
3. Cost containment
4. Access to primary care
5. Improving the pipeline through transitions of care (e.g., making progress on SNF bottlenecks)
6. Progress on MH/SUD quality and outcomes
7. Affordability for Vermonters
8. Improving experience of care for Vermonters

Translating Priorities to a High Level "Vermont Design Wishlist" for CMMI

Medicare APM Structure

- ✓ Increase predictability of revenue for hospitals
- ✓ Consider expanding global budget design beyond facility fees into professional services *(subject to details of design)*
- ✓ Provide more direct mechanisms to promote collaboration across provider types ("shared incentives")
- ✓ Keep or increase Medicare funding available for primary care population-based payments

Tailoring to Vermont's Delivery System

- ✓ Account for Vermont's longstanding culture of medical conservativism – baseline utilization is lower than other states
- ✓ Build on existing DVHA VMNG model for Medicaid population
- ✓ Design for largely rural environment – current workforce and inflation pressures on costs are especially acute
- ✓ Design for aging population
- ✓ Consider border issues – can APM be based on care to Vermonters rather than care in Vermont?

Other Possible Asks

- ✓ Keep SNF three-day waiver
- ✓ Telehealth flexibility for SNFs
- ✓ Increase funds flow for practice transformation and learning
- ✓ Help Vermont structure incentives or mandates for other payers to participate, including MA plans?
- ✓ Allow for Medicare reimbursement for MH/SUD providers (e.g., licensed alcohol and drug counselors, psychologists, etc.)
- ✓ Consider how APM 2.0 will align with other Medicare value-based payment models

2. Setting up key technical design issues for deeper work in next 2-3 months

Recap of Context: CMS Innovation Center's 7 Design Criteria

CMMI is signaling it will produce a design to span multiple states from 2025 that will address seven priorities.

1. **Include global budgets for hospitals.**
2. **Include TCOC target/approach.**
3. **Be All-Payer.**
4. **Minimum Investment in Primary Care**
5. **Include safety net providers from the start.**
6. **Address mental health, substance use disorder and social determinants of health.**
7. **Address health equity.**

★ ***Today: revisit both concepts and begin setting up the range of technical issues to be tackled***

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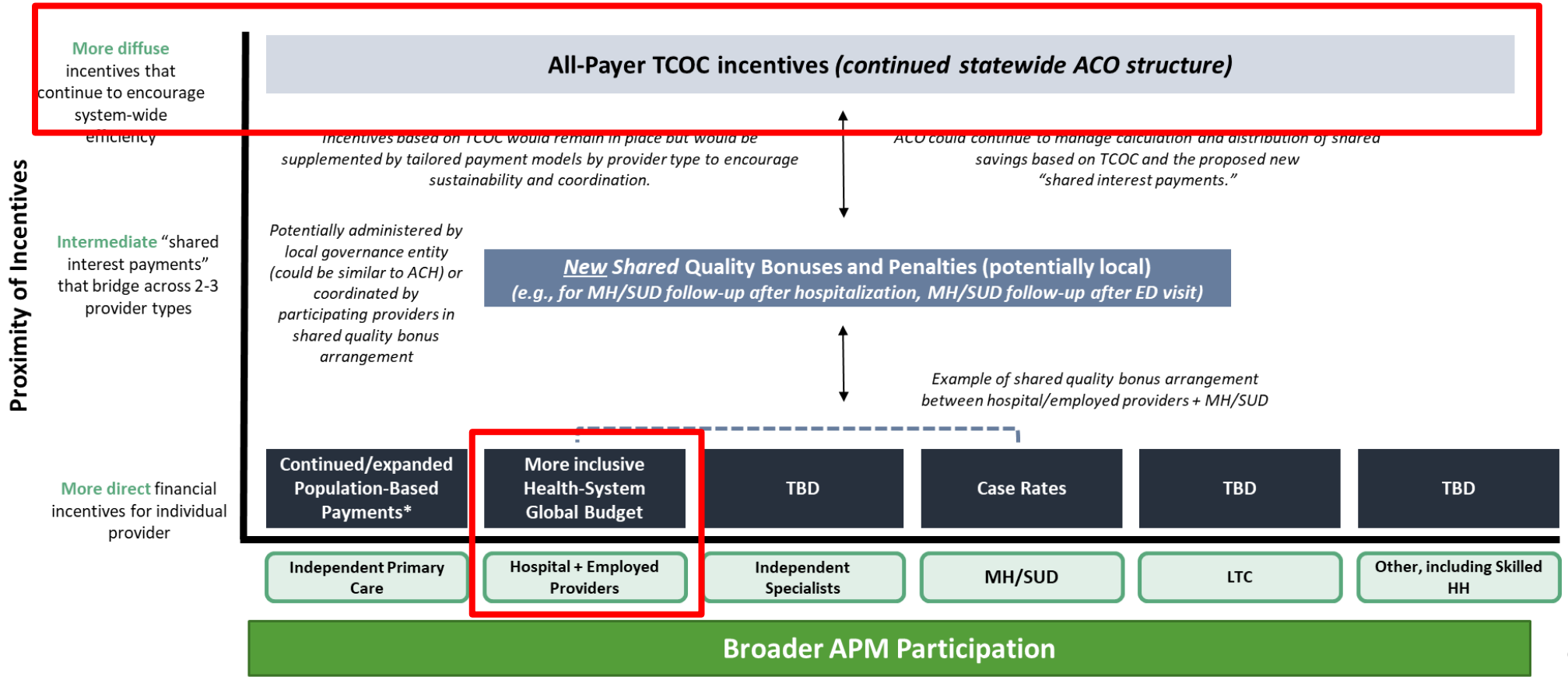
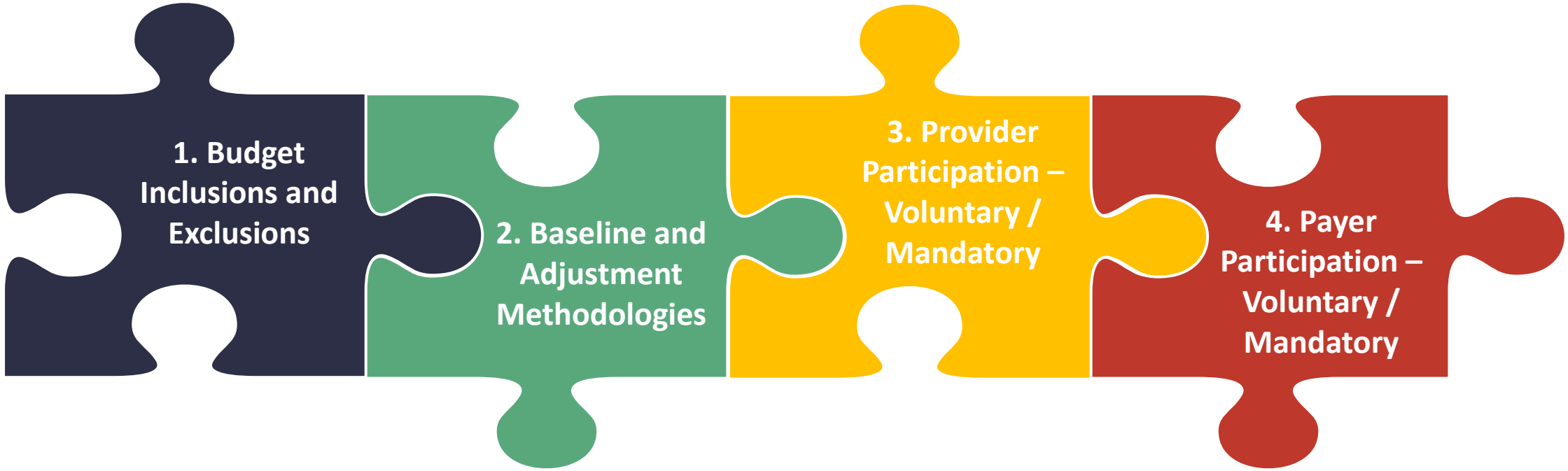
“Portfolio” Approach Introduced In Prior Two Meetings

There is much devil in the detail. High priorities for discussion with CMS are Vermont’s desired parameters of the health system global budget and the TCOC design.



2a. Health System Global Budget Design Issues

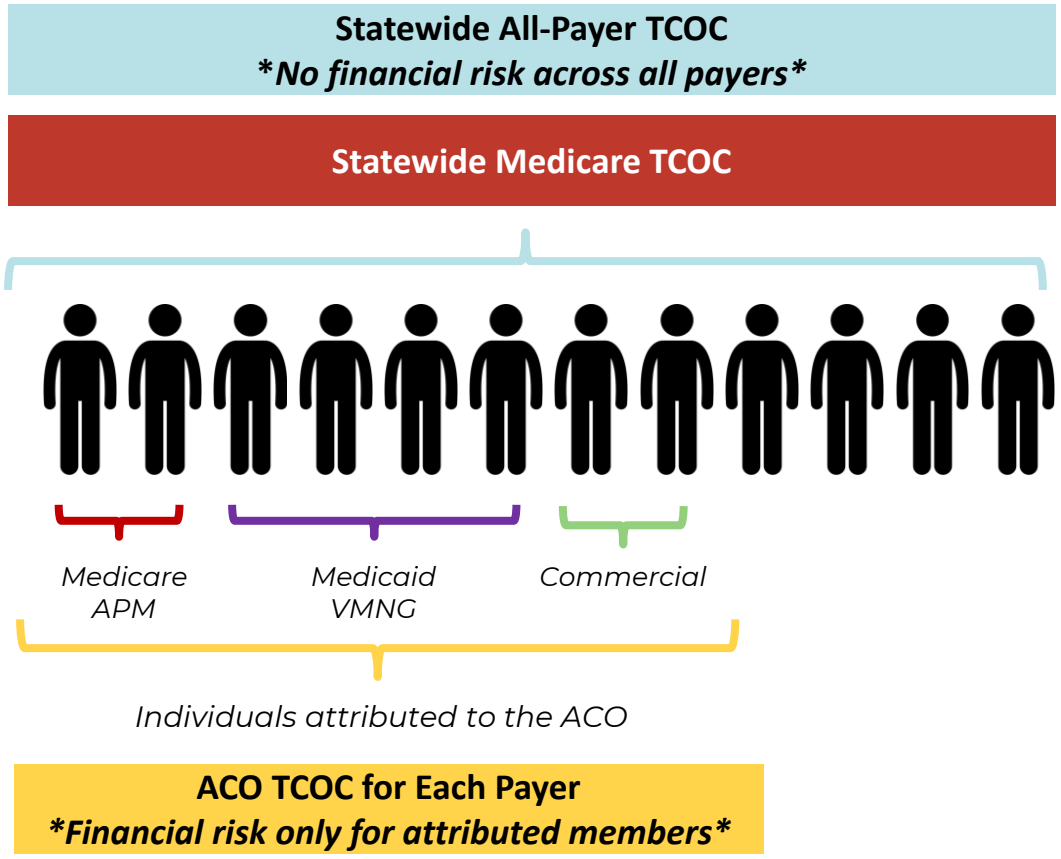
Preliminary Health System Global Budget Design Issues



2b. Total Cost of Care Design Issues

Current State of Vermont's Total Cost of Care Model

Under the current model, two layers of incentives (statewide and ACO) operate simultaneously. There are two TCOC incentives operating at the state level (All-Payer TCOC, Medicare TCOC). Within the ACO layer, there are different TCOC incentives by payer.



- CMS has not indicated what it means by "TCOC", but we assume that there would be shared savings/losses associated with it (like under ACO contracts).
- What services should be in/out of TCOC?
- How should CMS take into account that Vermont is a low spend state for Medicare beneficiaries?
- How should CMS adjust benchmarks and trend rates to account for exogenous factors (e.g., pandemic, high inflation)?
- How should quality factor into benchmark or shared savings/losses?

Proposed Timeline and Next Steps

Meeting topics may change depending on workgroup discussions.

Topic *(subject to change)*	**Date**
All-Payer Participation, Primary Care Investment Targets	Mid-September
Safety Net Providers	Late September
Social Determinants of Health, Health Equity	Early September
TBD	Mid-October and beyond