

Health Care Reform Work Group

FEBRUARY 26, 2024

Meeting Agenda

1. AHEAD Model Overview, Timeline, and Application
2. AHEAD in Context of Broader Health Care Reform
2. Work Group Progress Reports
3. Next Steps

AHEAD Model At-A-Glance

The States Advancing All-Payer Health Equity Approaches and Development, or the AHEAD Model, is a flexible framework designed to improve health outcomes across multiple states.

Statewide Accountability Targets

Total Cost of Care Growth (Medicare & All-Payer)
Primary Care Investment (Medicare & All-Payer)
Equity and Population Health Outcomes via State Agreements with CMS

8-9
Performance
Years

Components



Cooperative Agreement
Funding



Hospital Global Budgets
(facility services)



Primary Care AHEAD

Strategies

Equity
Integrated
Across Model

Behavioral
Health
Integration

In lieu
of "Behavioral Health", VT uses the
term "Mental
Health and
Substance Use
Disorder
Treatment"

All-Payer
Approach

Medicaid
Alignment

Accelerating
Existing State
Innovations

AHEAD Application and Implementation Timeline

		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Model Year		MY1	MY2	MY3	MY4	MY5	MY6	MY7	MY8	MY9	MY10	MY11
1st NOFO Period	Cohort 1	NOFO	Pre-Implementation (18 mos)		PY1	PY2	PY3	PY4	PY5	PY6	PY7	PY8	PY9
	Cohort 2		Pre-Implementation (30 mos)			PY1	PY2	PY3	PY4	PY5	PY6	PY7	PY8
2nd NOFO Period	Cohort 3		NOFO	Pre-Implementation (24 mos)		PY1	PY2	PY3	PY4	PY5	PY6	PY7	PY8

Source: CMS AHEAD Model Website

Cohort 1 is for states that would participate in 18-month pre-implementation period, tentatively 7/2024 – 12/2025, with a 1/2026 first performance year.

There will be 9 performance years for Cohort 1 states; the model runs through 2034.

Key Dates for Cohort 1 States

March 18,
2024

Applications
Due from
States

May/June
2024

Anticipated
Notice of
Award to
Selected States

July 1, 2024 –
Dec. 31, 2025

18-month Pre-
Implementation
Period

January 1, 2026

Start of 9-year
Performance
Period

Purpose of Health Care Reform

Health Care Reform seeks to use public policy to address challenges in our health care system. Challenges and related goals Include:

- Ensuring affordability
- Improving access to care and insurance coverage
- Optimizing quality and experience of care
- Improving the health of the entire population
- Improving equity and reducing disparities in health and health care
- Identifying and addressing social determinants of health
- Ensuring adequate workforce across all care settings
- Reducing complexity (including misalignment across public and private payers)
- Creating a sustainable health care system

AHEAD Model in the Context of Broader Health Care Reform

- AHEAD Model (like Vermont's current All-Payer Model) allows Medicare to join Medicaid and commercial insurers in **paying for health care differently** than through fee-for-service
- Focused on **hospital and primary care** payments and care transformation
- **Health equity** considered central to the model
- States will be **accountable** for meeting targets related to **total cost of care, primary investment, and equity and population health outcomes**
- Payment reform is one component of health care reform. It is a means to an end: the goal is for payment changes to encourage and support care delivery transformation that leads to **better health outcomes and population health**
- AHEAD may offer an opportunity to address some of the challenges we're facing; it is potentially **part of a multi-faceted approach** that will be required to address all of them

Benefits of Continuing to Include Medicare in VT Health Care Reform: Opportunities in AHEAD

Ability to influence Medicare reimbursement for Vermont providers

Continued recognition of Vermont's status as a long-time low-cost state for Medicare

Helps ensure that baseline financial calculations recognize Vermont's past reforms that have saved money for Medicare

Access to up to \$12M in AHEAD Cooperative Agreement funds to support health care reform efforts over 5.5 years

>\$9M annually for Medicare's portion of Blueprint (payments to primary care practices recognized as Patient-Centered Medical Homes, Community Health Teams, and Support and Services at Home program)

Increased Medicare investments in primary care (average \$17 per Medicare FFS member per month)

Medicare transformation funding for hospitals that participate during early years; equity and quality funding (if hospitals show improvement; CAHs only need to report for quality payment in initial years)

Greater alignment in priorities, payment models, quality measures and reporting, which sends a stronger signal to all health care system partners

Waivers of Medicare regulations (e.g., 3-day stay Skilled Nursing Facility waiver) **and ability to propose new waivers**

Vermont's Focus on Broader Health Care Reform

Stability of our Health Care System following the pandemic

Vision and direction for health care reform with a programmatic focus on preparing for the next All-Payer Model

Health Care Reform Work Group and Subgroups Initiated in June 2022

Stability

Short-Term
Provider
Stability

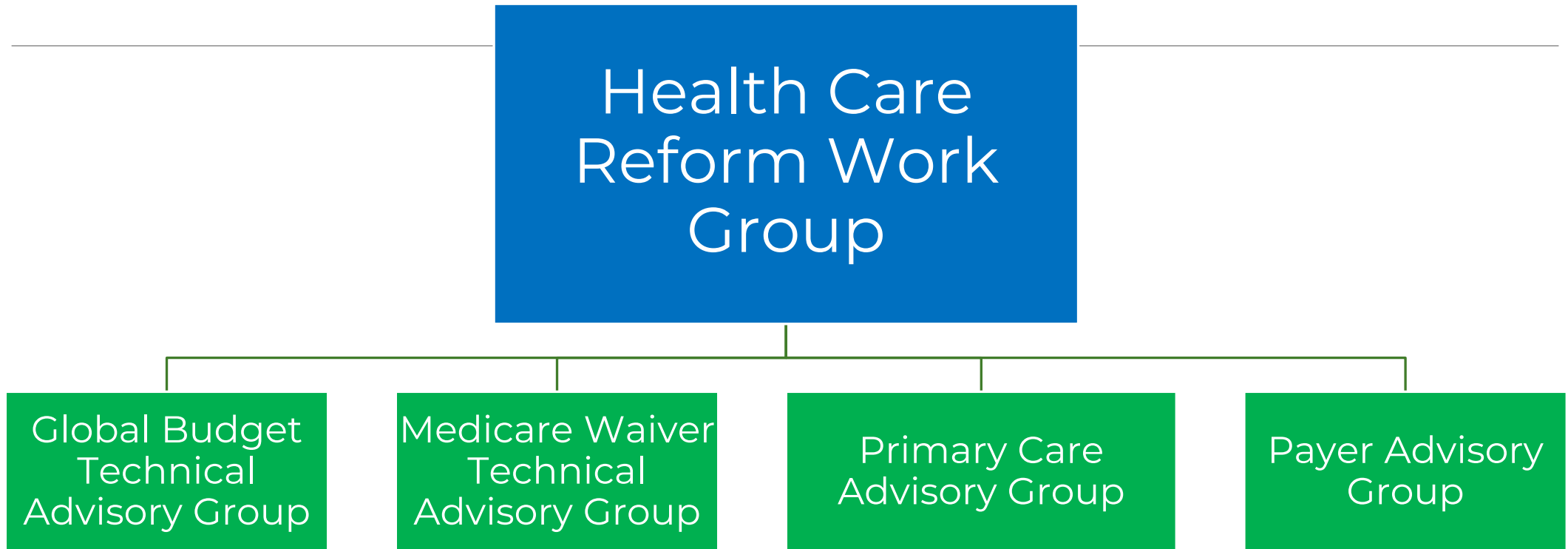
Impact of
Regulatory
Environment
on Stability

Sustainability

All-Payer
Financial and
Care Model

Model for
Long-Term
Hospital
Sustainability

Current Advisory Group Structure



*Previous Subgroups from Summer and Fall 2022
provided foundation and key principles for this deeper work:*
Short-Term Provider Stability, Global Budget, and Total Cost of Care Subgroups

Provider Stability: Investments in Continuum of Care

Medicare:

- Limitation of AHEAD: Similar to current APM model, AHEAD does not include specific broader system investments by Medicare but does suggest Medicare waivers, cross-organization partnerships, potential for eventual redirection of funding.

Vermont Medicaid:

- Over \$164 million in base rate increases across health system over last two fiscal years
- Additional targeted investments in critical areas from 2022-2025; examples include:
 - Provider tax relief for home health agencies
 - Mental health crisis system of care enhancements – 988, mobile crisis; ED alternatives
 - Expansion of youth mental health hospital (expected 2024/2025) and residential (proposed)
 - Certified Community Behavioral Health Clinic investments in designated agencies
 - Embedded mental health in primary care
 - iCare high acuity skilled nursing beds (expected 2024)
 - Skilled nursing facility rate methodology update (proposed for 7/1/2024)

Global Budget TAG: Progress and Future Plans

- **Members:** Representatives of hospitals, payers, unions, advocates
 - **Meetings:** 14 two-hour meetings since January 2023
 - Continue to build out Vermont-designed **Medicare straw model**
 - GB TAG recommendations are key starting point
 - CMS released their version of the Medicare AHEAD hospital global payment specifications on February 14: [Ahead Model Final Specifications \(cms.gov\)](#)
 - February 29 meeting will review and compare CMS and Vermont Medicare hospital global budget models
 - Hospital-specific Medicare modeling in development
 - Engage in work on commercial straw model
- [TAG materials are publicly available on the GMCB website](#)

Medicare Waiver TAG: Flexibilities Expected to be Available in 2025 Extension Period

Waiver Name	Description
<p><i>Home Health Homebound Waiver (as it exists in ACO Reach)</i></p>	<ul style="list-style-type: none"> ▪ Waive the requirements that a beneficiary must be confined to the home or in an institution that is not a hospital, SNF, or nursing facility to qualify for Medicare coverage of home health services. ▪ Waive the requirement that the certification for home health services include a certification that such services are or were required because the individual is or was confined to their home.
<p><i>Concurrent Care for Hospice Beneficiaries Waiver (as it exists in ACO Reach)</i></p>	<ul style="list-style-type: none"> ▪ Waive the requirement to forgo curative care as a condition of electing the hospice benefit thereby allowing a beneficiary to receive such care with respect to their terminal illness (“Concurrent Care”).
<p><i>96 Hour Certification Rule (as it was contemplated under CHART)</i></p>	<ul style="list-style-type: none"> ▪ Waive the requirement that a physician must certify patients will be reasonably discharged or transferred to another hospital within 96 hours.
<p><i>Expanded Telehealth Benefit Enhancement (currently extended through the end of CY24)</i></p>	<ul style="list-style-type: none"> ▪ Waive the requirement that telehealth services must be furnished at an originating site and waive the originating site facility fee. ▪ Allow the use of audio-only equipment (waive ‘interactive telecommunication system requirement) to furnish services described by the codes for audio-only telephone evaluation and management services, and mental health and substance user disorder counseling and educational services. ▪ Allow CMS to expand the types of health care professionals who can furnish distant site telehealth services to include all those who are eligible to bill Medicare for their professional services.

Primary Care Work Group

Work Group consists of the following members:

- Practicing primary care providers, administrators from organizations delivering primary care, leaders from associations representing primary care providers (including OneCare), state government staff and advisors from Manatt

Since October, 7 meetings have been held. Topics have included:

Overview of AHEAD;
Detailed Review of
Primary Care AHEAD

Medicaid Alignment
(crosswalk between
AHEAD care
transformation
guidance and VT
programs)

Mental Health and
Substance Use
Disorder Integration
Under AHEAD

Comparison of AHEAD
Enhanced Primary
Care Payments and VT
Primary Care
Payments

Health Equity
Approaches and
Quality Requirements
in AHEAD

Interaction between
AHEAD and Medicare
Shared Savings
Program

Primary Care
Investment Targets

Payer Advisory Group

Members: Representatives from Blue Cross Blue Shield, Cigna Healthcare, MVP Health Care, and Vermont Medicaid

Meetings: Four meetings held last Spring and Summer

Topics:

Areas of Interest and Potential Alignment in:

- Care Transformation
- Payment Models
- Quality Measures
- Evaluation

What would it take to operationalize a new payment model?

Restarting group in March

Questions/Discussion