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Findings at a Glance

Vermont All-Payer Model

Evaluation of the First Four Performance Years (2018-2021)

MODEL OVERVIEW

The Vermont All-Payer Accountable Care Organization (ACO) Model (VTAPM) was designed to test whether scaling an ACO structure across all major payers in the state can incentivize broad delivery system transformation to reduce statewide spending and improve population health outcomes. The model builds on nearly two decades of primary care and population health investments in Vermont and a statewide culture of reform. This summary covers the model's evaluation results over its first four performance years (PYs), from 2018 through 2021. The model concludes in 2024.

PARTICIPANTS

Payers opt to participate in the VTAPM.

Hospitals in each health service area (HSA) opt to participate in the Medicare, Medicaid and/or commercial ACO initiatives.

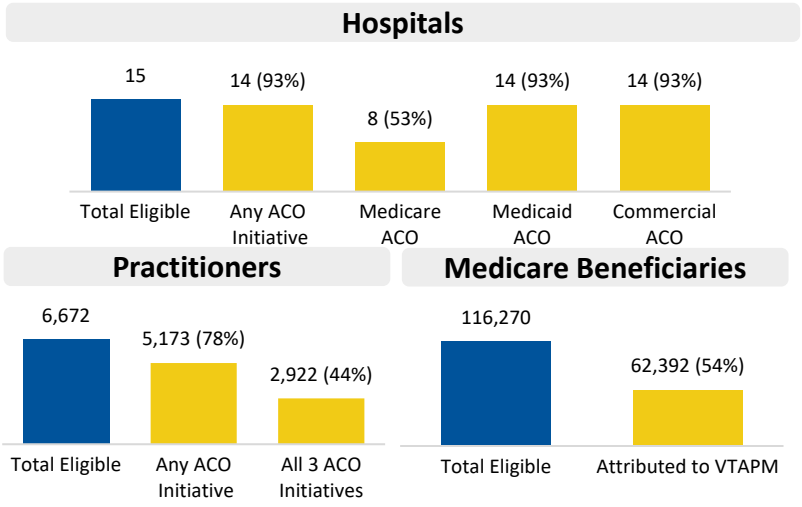
Practitioners within each participating HSA are eligible.

Patients are prospectively attributed to participating practitioners.

- OneCare Vermont is currently the sole all-payer ACO operating in the state. The model supports risk-sharing arrangements and population-based payments that flow through OneCare Vermont to participating hospitals.
- Participating payers in PY 4 (2021) included Medicare, Medicaid, Blue Cross Blue Shield of Vermont (BCBSVT), and MVP Health Care. Commercial participation increased in PY 4 with the State Employee's Health Plan—a self-insured plan administered by BCBSVT—joining the model.
- Of the 15 eligible hospitals, 8 participated in all three payer initiatives. One hospital joined the Medicare ACO initiative in PY 4.

Of the 242,758 Vermonters in the model, 62,392 (25.6%) are Medicare beneficiaries

Participants in Performance Year 4 (2021)



SOURCES: OneCare Provider Lists; PY 4 Annual ACO Scale Targets and Alignment Report
NOTES: Percentage is based on the total number of eligible hospitals, practitioners, or Medicare beneficiaries.

IMPLEMENTATION

- State officials, hospital leaders, providers, and community organization staff agreed the model has provided an organizing framework for collaboration and strengthened population health efforts. Hospitals are continuing care management activities focused on behavioral health and social determinants of health under the model.
- Hospitals continued to navigate different payment mechanisms across the Medicare, Medicaid, and commercial ACO initiatives. Hospitals and practitioners appreciated the fixed prospective payments in the Medicaid ACO initiative, which provided predictability and reliable income, and supported population health management.
- While there has been participation in every region, across the care continuum, and across provider types, hospital participation in the Medicare ACO initiative has remained limited. Smaller hospitals and critical access hospitals perceived the financial risk as too high to participate.

This document summarizes the evaluation report prepared by an independent contractor. To learn more about the VTAPM and to download the first three Evaluation Reports, visit https://innovation.cms.gov/innovation-models/vermont-all-payer-aco-model.

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IMPACT ON MEDICARE SPENDING

	Gross Medicare Spending, Per Beneficiary, Per Year		Net Medicare Spending, Per Member, Per Year		Net Percent Impact	
	ACO	State	ACO	State	ACO	State
Cumulative through PY 4	-$686*	-$1,177*	-$637*	-$1,143*	-5.7%*	-9.7%*
PY 4	-$1,207	-$1,745*	-$1,251	-$1,753*	-9.7%	-13.3%*

SOURCE: NORC analysis of 2014-2021 Medicare claims data. **NOTES**: ACO and State impacts are not directly comparable and should be considered relative to their respective comparison groups. Gross spending is the impact on Medicare Parts A & B spending; net spending is the impact on Medicare spending after accounting for CMS payments to providers. *Statistically significant from 0% at p<0.10

IMPACT ON MEDICARE UTILIZATION

ACO		State
-10.0%	Acute care stays	-18.7%*
+17.3%	Primary Care E&M visits	+17.0%*
-27.2%*	Specialty Care E&M visits	-25.8%*

SOURCE: NORC analysis of 2014-2021 Medicare claims data.
NOTES: * Statistically significant from 0% at p<0.10

- Decreases in acute care are likely driving observed decreases in spending.
- Large increases in primary care evaluation and management (E&M) visits accompanied by large decreases in specialty care E&M visits.

TRENDS IN MEDICAID SUBSTANCE USE DISORDER (SUD) DIAGNOSIS & TREATMENT

79% A high proportion of all Vermont Medicaid members were attributed to the model in PY 4 (2021).

- 14% had an SUD diagnosis
- 70% of those with an SUD diagnosis accessed treatment during the year

From 2016-2021, the percentage of members with an SUD who:	
Accessed any SUD treatment	-5.2%
Accessed SUD treatment in the ED	-4.5%
Had an opioid use disorder	+5.3%

Addressing high and rising rates of SUDs is a key focus area for Vermont Medicaid and the VTAPM. As the VTAPM Medicaid ACO encompasses almost all Medicaid members, increasing access to SUD treatment services in all settings should remain a priority.

KEY TAKEAWAYS

- The VTAPM reduced spending for beneficiaries in the Medicare ACO initiative and for Medicare beneficiaries statewide over its first four years. When interpreting these findings, it is important to consider Vermont's uniquely robust health reform history and potential effects of prior delivery system reforms.
- Health care administrators and practitioners credited the model with bringing together clinical community partners and strengthening population health efforts.
- Despite the model's statewide, multi-payer design, model participation has not reached the intended levels and payers continue to use different payment mechanisms, with FFS remaining the dominant provider payment method.