

**Green Mountain Care Board**  
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October 24, 2016

To the General Assembly,

This letter is to inform you that the Green Mountain Care Board (GMCB) has provided notice of a potential vote on the proposed All-Payer Model Agreement at the public Board meetings scheduled for Wednesday, October 26 at 9 a.m. and Thursday, October 27 at 1 p.m. These meetings will be held at the GMCB Board Room on the 2<sup>nd</sup> Floor of Montpelier's City Center at 89 Main Street.

Here are key features of the All-Payer Model Agreement:

1. The Agreement is between the State and the Center for Medicare and Medicaid Services (CMS) and allows Vermont to explore new ways of financing and delivering health care, with Medicare's participation. The Agreement is the first step in a 3-step process; first, it would provide an opportunity for private-sector, provider-led reform. Next, ACOs and payers (Medicaid, Medicare, commercial) would work together to develop ACO-level agreements, and last, ACOs and participating providers would work together to develop provider-level agreements.
2. The All-Payer Model would move Vermont away from a fee-for-service payment model, and toward provider reimbursement based on value and quality with the goal of limiting the annualized per capita healthcare expenditure growth for all major payers to 3.5%.
3. Medicare beneficiaries would keep all of their current benefits, covered services, and choice of providers, as would persons with commercial or Medicaid coverage.
4. Vermont is not taking over the health care payment system. Medicare would still pay for Medicare beneficiaries, Medicaid would still pay for Medicaid beneficiaries, and commercial insurers would still pay on behalf of their members and beneficiaries.
5. Joining the All-Payer Model would be voluntary for health care providers.
6. The proposed Agreement establishes a phased-in approach for implementation, allowing a "year zero" for preparation in 2017. The percentages of Vermont's all-payer beneficiaries and Medicare beneficiaries attributed to an ACO would be expected to increase incrementally over the term of the Agreement as specified in the following table:



	By end of 2018	By end of 2019	By end of 2020	By end of 2021	By end of 2022
% of Vermont All-Payer Beneficiaries Aligned with ACO	At least 36%	At least 50%	At least 58%	At least 62%	At least 70%
% of Vermont Medicare Beneficiaries Aligned with ACO	At least 60%	At least 75%	At least 79%	At least 83%	At least 90%

7. The Agreement contains three high-level health improvement goals for the model that will be measured as a part of an aligned health care measurement strategy for the State. **These goals are measured at the statewide or ACO level (not at the practice or individual provider level).**
  - Improving access to primary care
  - Reducing deaths from suicide and drug overdose
  - Reducing prevalence and morbidity of chronic disease (COPD, Diabetes, Hypertension)
8. The State would be able to terminate the Agreement at any time for any reason with at least 180 calendar days' advance written notice to CMS.
9. There would be no financial penalty to the State if financial and quality targets were not met.
10. The Agreement would preserve Medicare funding for the nationally-recognized Blueprint for Health program serving people with complex health needs and Support and Services at Home (SASH) program providing care coordination and preventive services to Medicare beneficiaries.

Attached are the following materials on the All-Payer Model:

- One page on federal protections for Medicare beneficiaries
- A summary of the proposed Agreement
- The proposed Agreement (*this draft was initially shared on September 28, 2016; the State has since requested changes based on feedback from stakeholders and the public*).
- Frequently asked questions and answers
- APM Letters of support

Additional information can be found at <http://gmcboard.vermont.gov/payment-reform/APM>. You may also call Susan Barrett, Executive Director, at 802-477-3780 with questions.

We look forward to continuing to work with you to improve health care quality, reduce growth in health care costs, and improve access to care for Vermonters.

Sincerely,



Al Gobeille, Chair  
Green Mountain Care Board

