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Findings at a Glance

Vermont All-Payer Model

Evaluation of the First Three Performance Years (2018-2020)

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, strong regulatory oversight, and a statewide culture of reform. This summary covers the Model's evaluation results over its first three performance years—2018 (performance year one [PY1]), 2019 (PY2), and 2020 (PY3). It considers the COVID-19 public health emergency (PHE) in 2020, including changes to the Model made in response to the PHE and the pandemic's effect on health care delivery and utilization. The analysis in this summary also accounts for a cyberattack on the University of Vermont Health Network (UVMHN) in October 2020 that disrupted care delivery and billing.

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.

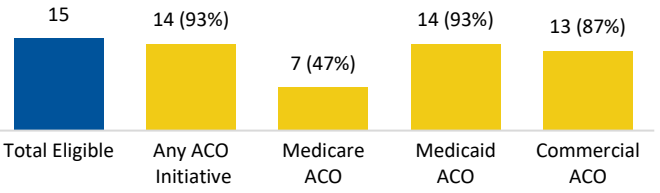
Practitioners within each participating HSAs are eligible.

Patients are prospectively attributed to participating practitioners.

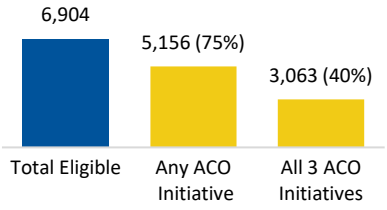
- OneCare Vermont is currently the sole ACO operating in the state. The Model supports risk-sharing arrangements and population-based payments that flow through OneCare Vermont to participating hospitals.
- Participating payers in PY3 include Medicare, Medicaid, Blue Cross Blue Shield of Vermont (BCBSVT), and MVP Health Care. MVP was a new commercial participant in 2020. While BCBSVT and MVP cover approximately two-thirds of Vermont's commercial insurance market, the remainder of the market is highly fragmented.
- Only two of eight critical access hospitals (CAHs) participated in the Medicare ACO initiative, citing the organizational financial reserves required for the Medicare ACO initiative as a barrier to participation. One hospital discontinued Medicare ACO participation in PY3 due to bankruptcy.

PY3 (2020)

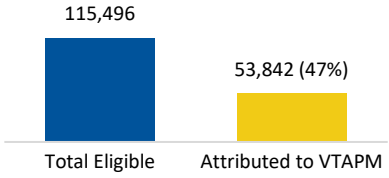
Hospitals



Practitioners



Medicare Beneficiaries



NOTE: Percentage is based on the total number of eligible hospitals, practitioners, or Medicare beneficiaries.
SOURCES: OneCare Provider Lists and PY3 Annual ACO Scale Targets and Alignment Report

IMPLEMENTATION

- Responding to the COVID-19 PHE was the priority for state regulators, the ACO, hospitals, and community organizations during 2020 and into 2021. The care coordination infrastructure supported by the Model provided critical support to those most at risk from COVID-19 and helped communities respond to the PHE.
- Across hospital leaders, there is a desire to see Medicare fee-for-service (FFS) based payments align with Medicaid's capitated rate. Medicaid's predictable and reliable payments were particularly beneficial during COVID-19 PHE related patient volume fluctuations.
- Participants expressed the need for more timely data and analytic support for hospital leaders, more support to primary care providers for practice transformation, and improved engagement of non-hospital providers. Most practitioners were not aware of their participation in the Model.

This document summarizes the evaluation report prepared by an independent contractor. To learn more about the VTAPM and to download Evaluation Reports 1 and 2, visit https://innovation.cms.gov/innovation-models/vermont-all-payer-aco-model.

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IMPACT ON SPENDING

- To account for the cyberattack on UVMHN in the fourth quarter of 2020 and the potential impact on services provided and billed during this time, we conducted a sensitivity analysis using only the first three calendar quarters of each baseline and performance year to estimate impacts on gross and net Medicare spending.
- Reductions in Medicare spending for the Medicare ACO and statewide reflect rising spending in the comparison groups and relatively flat spending in the VTAPM groups, beginning prior to the performance period.

		Gross Medicare Spending, Per Beneficiary, Per Year		Net Medicare Spending, Per Beneficiary, Per Year		Net Percent Impact	
		ACO	State	ACO	State	ACO	State
FULL YEAR	Cumulative through PY3	-$656*	-$1,088*	-$577*	-$1,044*	-5.3%*	-8.9%*
	PY3	-$733	-$1,649*	-$667	-$1,584	-6.6%	-13.5%
SENSITIVITY (Q1 – Q3)	Cumulative through PY3	-$461	-$921*	-$382	-$877*	-3.9%	-8.2%*
	PY3	-$167	-$1,165	-$102	-$1,100	-1.4%	-13.5%

NOTES: The report only includes impact estimates for Medicare beneficiaries. ACO and State impacts are not directly comparable and should be considered relative to their unique 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 incentives to providers. *Statistically significant from 0% at p<0.10

IMPACT ON UTILIZATION

ACO		State
-7.9%	Acute care stays	-9.8*
-31.9%	30-day readmissions	-17.7%*
-6.6%*	All E&M visits	-9.3%*
-15.3%*	Specialty E&M visits	-19.7%*

* Statistically significant from 0% at p<0.10

- Due to the COVID-19 PHE, Medicare utilization decreased sharply in both the VTAPM and comparison group in PY3.
- Despite the changes in care-seeking patterns in 2020, acute care stays continued to decline in PY3 relative to the comparison group, as did evaluation and management (E&M) visits.
- The reduction in specialty E&M visits may be in part driven by the ongoing specialist shortage in Vermont and long wait time for specialty care.
- Vermont continued progress toward 2022 performance targets for most population health outcomes and quality of care measures.

KEY TAKEAWAYS

- In PY3 (2020), the COVID-19 PHE posed an unprecedented challenge to health systems and providers across the US. Nonetheless, Vermont's established primary care and care management infrastructure helped providers address residents' changing needs during the COVID-19 PHE.
- The cyberattack on UVMHN caused additional disruptions for many hospitals and providers in Vermont in 2020.
- Utilization and spending relative to the comparison group continued to decrease in PY3, though impacts were more modest after accounting for the potential effects of the cyberattack. Excluding the fourth quarter of 2020 decreased the VTAPM's gross savings, particularly for Medicare ACO beneficiaries.
- While initial findings may not provide strong evidence of the impact of the VTAPM, the Model is still evolving and may realize benefits in the long-term provided participants can overcome the challenges noted above.