

**VT Health Care Innovation Project  
 Payment Models Work Group Meeting Agenda  
 Monday January 6, 2014 2:00 PM – 4:30 PM.  
 EXE 4<sup>th</sup> Floor Conference Room, Pavilion Building, Montpelier  
 Call in option: 1-877-273-4202  
 Conference Room: 2252454**

Item #	Time Frame	Topic	Presenter	Relevant Attachments
1	2:00 – 2:15	Welcome and Introductions Approve meeting minutes Conflict of Interest Policy	Don George and Steve Rauh	Attachment 2: Payment Models WG Minutes 12.10.13 Attachment 2a: COI Policy
2	2:15 – 2:30	Update on ACO/SSP Update on Global Budget	Richard Slusky & Kara Suter	
3	2:30 – 2:35	Draft Work Group Charter	Don George	Attachment 3: Payment Models WG Charter
4	2:35-2:45	Overview of Payment Model Work Group Planned Activities	Kara Suter	Attachment 4: Payment Model WG Overview Presentation
5	2:45-2:55	Update on EOC Presentation at SC	Don George	
6	2:55-3:25	Overview of EOC Program Development Process	Kara Suter	Attachment 5: EOC Development Process Overview Attachment 6: Draft Payment Models WG Work Plan
7	3:25-4:00	Phase One: EOC Program Development 1) Analytics SOW Review Team (5-6 volunteers) 2) Draft Objectives 3) Draft Universe of EOCs 4) Draft Criteria 5) Discussion on Process for Selection	Kara Suter	Attachment 7: Draft Objectives Attachment 8: Draft Universe of EOCs Attachment 9: Draft Criteria

8	4:00 – 4:15	Public Comment	Don George and Steve Rauh	
9	4:15 – 4:30	Next Steps and Action Items	Don George and Steve Rauh	<p>Next Meeting: February 3<sup>rd</sup>, 2 – 4:30 pm</p> <p>Identify 5-6 volunteers to review analytics SOW and agree to meet in January to report back in February.</p> <p>Prepared with input and discussion for February meeting on objectives, universe, criteria and process for selection.</p>

## ***VT Health Care Innovation Project Payment Models Work Group Meeting Minutes***

**Date of meeting: Tuesday, December 10, 2013 1 pm to 3:30 pm – DVHA Large Conference Room 312 Hurricane Lane, Williston**

**Attendees: Don George, Co-Chair; Steve Rauh, Co-Chair;**

**Members:** Carmen Austin; Melissa Bailey; Heather Bushey; Mike DelTrecco; Lynn Guillett; Paul Harrington; Bard Hill; Craig Jones; Sarah King; Sandy McGuire; Todd Moore; Lila Richardson; Kelly Lange; Heidi Hall; Ted Sirotta; Marlys Waller; David Martini, Julie Wasserman.

**Interested Parties:** Michael Curtis; Catherine Fulton; Tom Pitts; Howard Shapiro; Barbara Walters; Marie Zura; Alicia Cooper; Ann Reeves; Diane Cummings; Georgia Maheras; Richard Slusky; Kara Suter; Spenser Weppler; Abe Berman; Lori Collins; Carrie Hathaway; Selina Hickman; Nick Lovejoy; Con Hogan; Pat Jones; Marybeth McCaffrey; Beth Tanzman; Michael Bailit; Kate Bazinsky, Bill Little.

Agenda Item	Discussion	Next Steps
<b>1. Welcome &amp; Introductions. Member roles and responsibilities</b>	Don George and Steve Rauh introduced themselves to the Work Group (WG). Kara provided additional information about the purpose of the WG and a description of members and interested parties. The expectation is that Members will: <ul style="list-style-type: none"> <li>- actively participate and represent interests of their affiliated stakeholder organizations,</li> <li>- contribute effort on sub- PM Work Groups</li> <li>- Members vote on recommendations to the Steering Committee. When Members cannot attend, their Subs cannot proxy vote.</li> </ul>	
<b>2. Update on Predecessor WG a. Overview of ACO/SSP purpose &amp; process b. Summary of Standards and measures</b>	<b>Report of the ACO Standards WG to Payment Models WG;</b> presented by Richard Slusky: An ACO is a group of Providers who organize and agree to be accountable to achieve the triple aim. Participation in a shared savings program is voluntary. Important to note that Payment and Delivery system reform go hand in hand. Providers assume that achieving these efficiencies will reduce their billable revenues, and produce a savings for payers. The ACO Shared Savings Program (SSP) enables Providers, though effective delivery of quality and efficient care to patients, to share in that savings.	

Agenda Item	Discussion	Next Steps
<p><b>3. Draft Work Group Charter</b></p>	<p><b><u>Work Group Draft Charter:</u></b> The draft Payment Models WG Charter summary focuses on garnering public/private input on programs testing and implementation of three payment models: Pay for Performance, Episodes of Care, and Shared Savings Programs for Accountable Care Organizations. The WG will build upon work of the former ACO standards work group. Discussion reflected some interest in adding in words to describe the inherent challenges to provider/delivery system.</p> <p>Steve Rauh described Charter activity: conducting pilot projects, measuring success, then taking lessons learned and apply more generally.</p> <p>Don George confirmed that the PM WG will create and test pilots. The GMCB offers the nexus to reason the pilots through, and implement them statewide.</p> <p>Todd Moore and Mike DelTrecco expressed concern about how the three payment model programs can exist together.</p> <p>Steve Rauh assured Members that the WG will examine the potential for unintended consequences</p> <p>Paul Harrington asked if the evaluation section could be expanded and more meaningful.</p> <p>Kara Suter suggested that could be fleshed out through the workplan.</p> <p>Don George acknowledged the challenges to the delivery system, but only thru innovations in care delivery and payment reform can effective change be accomplished bringing affordability and quality.</p>	<p><b>Process for submitting Feedback.</b></p>
<p><b>4 Draft Work Group Workplan</b></p>	<p><b><u>Draft Workplan:</u></b> Kara Suter presented the draft workplan focusing on 3 payment models: ACO Shared Savings Program (SSP), Episodes of Care (EOC), Pay for Performance (P4P).</p> <p>Over the next 6 months, the major focus of the Workplan will be on developing an Episode of Care program. Simultaneously, the Work Group will develop a pay-for-performance program that is Medicaid only.</p> <p>Other WG's may request to put agenda items this Workplan because of the dependency with theirs.</p> <p>Todd Moore asked for clarification of the SIM Grant payment reform obligation made to CMMI.</p> <p>Kara responded that Vermont is expected to design the three payment models to be</p>	

Agenda Item	Discussion	Next Steps
	<p>complimentary. The financial and care delivery effects of each require a complicated analysis to disentangle the savings of the three payment models.</p> <p>Don George asked whether there are grant requirements to report on outcome of implementing the three payment methods.</p> <p>Georgia Maheras indicates that there are special requirements to report estimated savings by payer, with CMMI most interested in Medicaid.</p> <p>Don George observed that the three programs are complementary and focusing on the efficiency of any one is not always possible.</p> <p>Todd Moore expressed concerns about how the different payment methods affect administrative load on providers.</p> <p>Don George responded that the WG purpose was to being reasonable about the administrative burden.</p> <p>Kelly Lange suggested it would be very helpful to know the overall timeline of the project to understand better how that factor into the work plan and allow time to review and make changes if needed to ensure progress.</p> <p>The Chairs will work with VHCIP staff to figure out the best way to have a full meeting discussion around how we work on integration of payment models.</p>	
<p><b>5 Presentation of Episodes of Care</b></p>	<p><b><u>Episodes of Care (EOC) 101</u></b>; presented by Kara Suter:</p> <p>Presentation of EOC included:</p> <p>Definition of EOC – all related services for one patient, a specific diagnostic condition, from the onset of symptoms until the treatment is complete.</p> <p>Examples – presented examples from Arkansas Medicaid’s EOC program</p> <p>Case for Implementing an EOC – lower costs, better care co-ordination and better quality.</p> <p>The objective is to implement meaningful &amp; sustainable behavioral changes in the delivery of clinical services. Bundled care rewards quality care and introduces “cost risk” to the provider.</p>	<p>Please provide comments on the Charter to Kara, Richard and Nelson.</p>

Agenda Item	Discussion	Next Steps
	<p>A Straw Man for VT was created for the WG’s consideration. This EOC Straw Man offers a starting point for creating bundled payments which is intended to improve quality and outcomes. 1<sup>st</sup> year is analytical in nature, w/no explicit financial incentive. Year 2 implements bundled payment arrangements. Noteworthy, is that payers can unilaterally implement EOC’s themselves, but the VHCIP context allows for all stakeholders to be involved in program design.</p> <p>Don George indicated that work done thus far is a Journey of 1000 miles – specific EOC’s will be identified and further defined by the WG. Today’s meeting is about launching the EOC as a concept and see where it takes us.</p> <p>Kara continued: Straw Man timeline assumes EOC development work done by October 2014 with implementation of financial incentives in October 2015.</p> <p>Several questions were asked about how EOC and P4P can co-exist with the ACO SSP. Kara and Richard discussed EOC in regards to the SIM grant proposal and agreement, and EOC in context of the bigger picture of health care payment reform.</p> <p>The WG is charged with assessing EOC and making recommendations.</p>	
<b>6 Public Comment</b>	<p>Tom Pitts’ public comment: What will WG vote mean? What are the implications?</p> <p>Nelson LaMothe responded that WG vote to approve specific recommendations to the VHCIP Steering Committee. The recommendations are taken up by the Steering Committee, voted upon, and sent to the Core Team for consideration and approval.</p>	
<b>Next Steps &amp; Actions</b>	<p>Comments on draft Charter and draft Work Plan to be shared w/Nelson, Kara, Richard.</p> <p>Next meeting date January 6, 2:00 – 4:30pm @ 4<sup>th</sup> Floor Conference Rm, Pavilion Building, Montpelier.</p>	

## CONFLICT OF INTEREST POLICY

For

### VERMONT HEALTH CARE INNOVATION PROJECT (VHCIP) CORE TEAM, STEERING COMMITTEE AND WORK GROUPS

#### I. PURPOSE

The purpose of this Conflict of Interest Policy is to ensure the independence and impartiality of the VHCIP Governance Structure, including the Core Team, Steering Committee and Work Groups (“the Committee”) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of any Core Team, Steering Committee or work group member. Nothing in this policy shall relieve any person from compliance with additional conflict of interest policies such as the Executive Code of Ethics, state personnel policies, and Agency of Administration bulletins, including but not limited to Bulletin 3.5, Contracting Procedures.

#### II. DEFINITIONS

1. Interested person: Any member or subcommittee member or other individual in a position to exercise influence over the affairs of the Committee who has a direct or indirect interest, as defined below, is an “interested person.”
2. Interest: A person has an “interest” if the person has, directly or indirectly, through business, investment, or family:
  - a. An ownership or investment interest in any entity with which the Committee has a transaction or arrangement or is negotiating a transaction or arrangement, or
  - b. A compensation or other pecuniary arrangement with the Committee or with any entity or individual with which the Committee has a transaction or arrangement or is negotiating a transaction or arrangement, or
  - c. A potential ownership or investment interest in, or compensation or pecuniary arrangement with any entity or individual with which the Committee is negotiating a transaction or arrangement, or
  - d. Any other relationship that the person determines may compromise his or her ability to render impartial service or advice to the Committee.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

An interest is not necessarily a conflict of interest and a conflict of interest does not arise where an individual’s interest is no greater than that of other persons generally affected by the outcome of the matter.

### III. PROCEDURES

1. Duty to Disclose: Any interested person must disclose the existence of his or her interest to the Committee and shall be given the opportunity to disclose all material facts to the Committee.
2. Duty to Voice Concerns: In the event any member becomes concerned that an interested person has an undisclosed interest or is exerting inappropriate influence related to an interest, this concern shall be raised with the Chair of the Core Team and the VHCIP Project Director.
3. Determining Whether a Conflict of Interest Exists: After disclosure of the interest and all material facts, and after any necessary discussion with the interested person, the Core Team shall determine whether the person has a conflict of interest that requires the interested person to remove him or herself from the matter under consideration. In no event shall an interested person participate in the deliberation and/or determination of any matter in which he or she will receive any compensation from the Committee for employment, professional contract, or otherwise.
4. Restriction on Participation: It shall be the responsibility of the Project Director to instruct an interested person on any restriction on his or her participation in any consideration of the subject matter of the conflict of interest, and it shall be the responsibility of the Project Director and all non-interested members of the Committee to enforce such restrictions.
5. Procedures for Addressing the Conflict of Interest:
  - a. An interested person shall leave any Committee meeting during discussion of, and the vote on, any transaction or arrangement that involves a conflict of interest and shall otherwise not participate in the matter in any way.
  - b. If necessary, the Chair of the Core Team shall appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
  - c. After exercising due diligence, including consideration of independent comparability data, valuations, estimates, or appraisals, the Committee shall determine whether the Committee can obtain a more advantageous transaction or arrangement with reasonable effort from a person or entity that would not give rise to a conflict of interest.
  - d. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Core Team shall determine by majority vote (or quorum) of all of the disinterested members (regardless of the number present at the meeting): (1) whether the transaction or arrangement is in the public's best interest, (2) whether the transaction or arrangement is fair and reasonable to the Committee, and (3) whether to enter into the transaction or arrangement consistent with such determinations.



6. Records of Proceedings: The minutes of the Committee or affected sub-committee shall contain:
  - a. The names of the persons who disclosed or otherwise were found to have an interest in connection with an actual or possible conflict of interest.
  - b. The names of the persons who were present for the discussion and votes relating to the transaction or arrangement, the content of the discussion, including a summary of any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the discussion.
7. Violations of the Conflict of Interest Policy:
  - a. If the Committee has reasonable cause to believe that an interested person has failed to disclose actual or possible conflicts of interest, it, through the Co-Chairs, shall inform the Core Team and the Core Team shall afford him or her an opportunity to explain the alleged failure to disclose.
  - b. If, after hearing the response of the person and making such further investigation as may be warranted under the circumstances, the Core Team determines that he or she has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate action.

#### **IV. ANNUAL STATEMENTS**

- a. Each Committee member shall annually sign a statement which affirms that he or she has received a copy of this Conflict of Interest Policy, has read and understands the Policy, and has agreed to comply with the Policy (Attachment A).

#### **V. COMPLIANCE AND PERIODIC REVIEWS:**

The Core Team shall make periodic reviews of compliance with this policy.

Adopted by the VHCIP Core Team

Date: 12.9.13

**Attachment A:**  
**CONFLICT OF INTEREST POLICY ACKNOWLEDGEMENT**

I, \_\_\_\_\_, a participant in the Vermont Health Care Innovation Project (VHCIP) Grant governance process, acknowledge having received, read, and understood the VHCIP Grant Conflict of Interest Policy dated \_\_\_\_\_, and agree to adhere to it.

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

Name: (print) \_\_\_\_\_

**Vermont Health Care Innovation Project  
Payment Models Work Group  
(Formerly ACO Standards Work Group)  
Work Group Charter**

**EXECUTIVE SUMMARY**

Garner public-private input on programs testing and implementation of three payment models. The payment models to be tested include Pay for Performance (P4P), Episodes of Care (Bundled Payments) and the Shared Savings Program Accountable Care Organization (SSP-ACO) Model.

**PURPOSE/PROJECT DESCRIPTION**

This group will build on the work of the ACO standards work group to date and:

- Continue to develop and recommend standards for the commercial shared savings ACO (SSP-ACO) model
- Continue to develop and recommend standards for the Medicaid SSP-ACO model
- Develop and recommend standards for both commercial and Medicaid episode of care models
- Develop and recommend standards for additional pay-for-performance models
- Review the work of the duals demonstration work group on payment models for dual eligibles
- Recommend mechanisms for assuring consistency and coordination across all payment models
- Coordinate with other work groups, particularly the care models work group and the quality and performance work groups
- In developing standards, strive to ensure that the payment models implemented under the SIM grant enable the transformation of care delivery, improve the quality of health care delivery, improve patient experience of care, reduce the rate of growth of health care costs, and maintain the financial viability of the state's health care system
- Serve as the nexus for coordinating evaluation and next steps for all proposed state payment models
- Sub-groups will address risk adjustment, patient protections and appeals
- All actions will be advisory to the SIM Steering Committee and SIM Core Team

**Scope of Work**

**Work Group Objectives/Success Criteria**

Objectives should be SMART: Specific, Measurable, Attainable, Realistic and Time-bound. The work group must be able to track these objectives in order to determine if the project is on the path to success. Vague and unrealistic objectives make it difficult to measure progress and success. The objectives will feed into the work plan.

**PROJECT JUSTIFICATION**

Adapted from Section P of the SIM Operations Plan; only reflects the workgroup role and more recent updates.

This section describes Vermont’s plans for completing the “model testing” proposed in our grant application – plans for implementation of payment models that are alternatives to fee-for-service and related health system innovations, including timelines for implementation and metrics for gauging progress.

The State has developed a project plan for testing and implementation of three payment models through 2016. The payment models to be tested include Pay for Performance (P4P), Episodes of Care (Bundled Payments) and the Shared Savings Program Accountable Care Organization (SSP-ACO) Model. More detailed plans and timelines are provided in attachments to the operations plan.

#### Episodes of Care Payment Model

There is growing evidence that the quality of care of some acute and chronic conditions can be greatly improved by developing a collaborative Episodes of Care (EOC) or "Bundled Payments" program. By providing a forum and data analytics, identifying an “accountable provider(s)” and including financial incentives, providers will have the tools to come together to transform care for certain EOCs thereby increasing quality and reducing variation in cost. After providers improve care and achieve efficiencies, payers may choose to implement a bundled payment for these episodes, which introduces downside performance risk in addition to rewarding good performance.

The SIM Payment Models Work Group will provide key input and make actionable recommendations on the details of the EOC program. Beginning in December the Work Group will provide guidance on the following key elements of the program:

- Defining Objectives of the EOC Program
- Defining the Criteria that will be used to Select Episodes
- Creating Episode Specifications
- Format for Year One of the EOC Program
- Defining Transition Plan to Bundled Payment
- Defining Process for Evaluating and Adding New EOCs

The goal of the Work Group will be to develop a consistent approach, have statewide support, and present opportunities for expansion to multiple sites. The Work Group will develop recommendations for both commercial and Medicaid EOCs. Vermont would expect that EOC initiatives would be considered throughout the 3 year SIM testing phase, and that a structured approach to considering specific EOCs will be developed by the Work Group with recommendations to the GMCB and the SIM Steering Committee for review and approval.

The Work Group will begin discussions of the EOCs in December 2013 and will recommend the implementation of at least three or more EOCs on a broad state-wide basis by Spring 2014. Year One October 1, 2014. This implementation will complement and be done in conjunction with other payment models such as an accountable care organization (ACO).

#### Shared Savings Accountable Care Organization Model

Vermont has proposed testing a Shared Savings ACO with commercial payers and Medicaid. Vermont providers already have organized ACOs to respond to the Medicare SSP-ACO program, and our testing will utilize those organizations that are willing, as well as any others that form and meet our programmatic guidelines, for an expansion to other payers.

The Work Group's recommendations to date and plans for further work to design and implement the Commercial and Medicaid ACOs are described below.

In addition, the Work Group has made recommendations regarding most elements of the model design, including standards for:

- ACO structure, including financial stability, primary care capacity and patient freedom of choice
- ACO payment methodology, including attribution, covered services, calculation of financial performance and risk adjustment
- ACO management, including alignment of provider payment with the ACO model and distribution of savings

The Work Group has referred two other issues – alignment of care management programs and data use standards – to other SIM work groups.

#### Pay-for-Performance Payment Model

##### A. Medicaid Pay-for-Performance Model Development and Implementation

Starting in SFY15, Medicaid plans to use the new annual funds to create a quality pool to fund the P4P programs created. The development of the Medicaid P4P models will leverage the SIM Payment Models Work Group (a reconstitution of the ACO standards work group) and Steering Committee to garner public-private input on Medicaid's P4P programs.

Medicaid plans to hire some contracting resources to assist with the development of its P4P plan in late 2013 followed by discussions of the P4P models within the Work Groups and Steering Committee to occur in the first quarter of 2014.

## DELIVERABLES

Standardized set of rules for a Commercial and Medicaid ACO program, standardized rules for the episodes of care and subsequent bundled payments and standardized rules for pay-for-performance models. The areas for potential standards development are as follows:

## SUMMARY MILESTONES

TBD

## MEMBERSHIP REQUIREMENTS

Members of the Work Group are expected to be active, respectful participants in meetings; to consult with constituents, clients, partners and stakeholders as appropriate to gather input on specific questions and issues between meetings; and to alert SIM leadership about any actual or perceived conflicts of interests that could impede their ability to carry out their responsibilities. Selection is by invitation of self-nomination.

## PARTICIPANT LIST (as of November 2013)

<b>M</b>	<b>Member</b>
<b>C</b>	<b>Chair</b>
<b>MA</b>	<b>Member Assistant</b>
<b>S</b>	<b>Staff/Consultants</b>
<b>X</b>	<b>Interested Parties</b>

<b>Last Name</b>	<b>First Name</b>	<b>Title</b>	<b>Organization</b>
George	Don	President and CEO	Blue Cross Blue Shield of Vermont
Rauh	Stephen		GMC Advisory Board
Austin	Carmone		MVP Health Care
Bailey	Melissa	Director of Integrated Family Services	AHS - Central Office
Barrett	Susan	Director of Vermont Public Policy	Bi-State Primary Care
Bushey	Heather	CFO	Planned Parenthood of Northern New England
Cioffi	Ron	CEO	Rutland Area Visiting Nurse Association & Hospice
Curtis	Michael	Director of Child, Youth & Family Services	Washington County Mental Health Services Inc.
DelTrececo	Mike		Vermont Association of Hospital and Health Systems
Fulton	Catherine	Executive Director	Vermont Program for Quality in Health Care
Giard	Martita		OneCare Vermont

Gobeille	Al	Chair	GMCB
Goetschius	Larry	CEO	Addison County Home Health & Hospice
Grause	Bea	President	Vermont Association of Hospital and Health Systems
Guillett	Lynn		OneCare Vermont
Harrington	Paul	President	Vermont Medical Society
Hill	Bard	Director - Policy, Planning & Data Unit	AHS - DAIL
Hogue	Nancy	Director of Pharmacy Services	AHS - DVHA
Jones	Craig	Director	AHS - DVHA
King	Sarah	CFO	Rutland Area Visiting Nurse Association & Hospice
Lange	Kelly	Director of Provider Contracting	Blue Cross Blue Shield of Vermont
Little	Bill	Vice President	MVP Health Care
Mauro	James		Blue Cross Blue Shield of Vermont
McDowell	Sandy		Vermont Information Technology Leaders
McGuire	Sandy	CFO	HowardCenter for Mental Health
Moore	Todd	CEO	OneCare Vermont
Pitts	Tom	CFO	Northern Counties Health Care
Real	Lori		Bi-State Primary Care
Reiss	Paul	Executive Director,	Accountable Care Coalition of the Green Mountains
Richardson	Lila	Staff Attorney	Vermont Legal Aid
Schapiro	Howard	Interim President	University of Vermont Medical Group Practice
Seelig	Rachel	Attorney	Vermont Legal Aid
Stout	Ray	Mental Health & Health Care Integration Liaison	AHS - DMH
Walters	Barbara	Chief Medical Director	OneCare Vermont
Zura	Marie	Director of Developmental Services	HowardCenter for Mental Health
Bassford	Anna		GMCB
Carbonneau	Gisele		HealthFirst
Fargo	Audrey	Administrative Assistant	Vermont Program for Quality in Health Care
Fischer	Cyndy		OneCare Vermont
Hall	Janie	Corporate Assistant	OneCare Vermont
Lee	McKenna		
McGrath	Alexa		Blue Cross Blue Shield of Vermont
Bailit	Michael	President	Bailit-Health Purchasing
Bazinsky	Kate	Senior Consultant	Bailit-Health Purchasing
Cooper	Alicia	Quality Oversight Analyst	SIM - AHS - DVHA
Cummings	Diane	Financial Manager II	SIM - AHS
Flynn	Erin	Health Policy Analyst	SIM - AHS - DVHA
Geiler	Christine	Grant Manager & Stakeholder Coordinator	SIM - GMCB

Lamothe	Nelson	Senior Associate	UMASS
Maheras	Georgia		SIM - AOA
Paumgarten	Annie	Evaluation Director	SIM - GMCB
Poirer	Luann	Administrative Services Manager I	SIM - AHS - DVHA
Reeves	Ann	Senior Policy Advisor	SIM - AHS - DVHA
Sales	George		UMASS
Slusky	Richard	Payment Reform Director	SIM - GMCB
Suter	Kara	Director of Payment Reform	SIM - AHS - DVHA
Wallack	Anya	Chair	SIM Core Team Chair
Weppler	Spenser	Health Care Reform Specialist	GMCB
Backus	Ena	Health Care Reform Specialist	GMCB
Berman	Abe		OneCare Vermont
Collins	Lori	Deputy Commissioner	AHS - DVHA
Donofrio	Michael	General Council	GMCB
Giffin	Jim	CFO	AHS - Central Office
Hall	Heidi	Financial Director	AHS - DMH
Hall	Thomas		
Hathaway	Carrie	Financial Director III	AHS - DVHA
Hickman	Selina	Policy Director	AHS - DVHA
Hindes	Churchill	COO	OneCare Vermont
Hogan	Con	Board Member	GMCB
Jones	Pat	Health Care Project Director	GMCB
Kelley	Kevin	CEO	CHSLV
Kerr	Trinka	Health Care Ombudsman	Vermont Legal Aid
Lovejoy	Nick	Analyst and Data Manager	AHS - DVHA
Martini	David		AOA - DFR
McCaffrey	Marybeth	Principal Health Reform Administrator	AHS - DAIL
Reynolds	David		AOA
Sirota	Ted	CFO	Northwestern Medical Center
Tanzman	Beth	Assistant Director of Blueprint for Health	AHS - DVHA
Wasserman	Julie	VT Dual Eligible Project Director	AHS - Central Office

**RESOURCES AVAILABLE FOR STAFFING AND CONSULTATION**

Work Group Chairs: Stephen Rauh, Don George

Work Group Staff: Richard Slusky, Kara Suter



Consulting Support: Bailit Health Purchasing. Possibility of additional support available to the work group.

**WORK GROUP PROCESSES:**

1. The Work Group will regularly meet twice per month – teleconferencing utilized
2. The Work Group Co-Chairs plan and distribute the meeting agenda through project staff.
3. Related materials are to be sent to Work Group members, staff, and interested parties prior to the meeting date/time.
4. Work Group members, staff, and interested parties are encouraged to call in advance of the meeting if they have any questions related to the meeting materials that were received.
5. Minutes will be recorded at each meeting
6. The Work Group Co-Chairs will preside at the meeting.
7. Progress on the Work Group’s work will be reported as the Monthly Status Report.
8. The Work Group’s Status Reports and Recommendations are directed to the Steering Committee.

**AUTHORIZATION**

\_\_\_\_\_ **Date:** \_\_\_\_\_

**Project Sponsor/Title**

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# Attachment 4

## Payment Model Work Group

# Overview Presentation

January 6, 2013

# Core Activities Funded Under the Grant

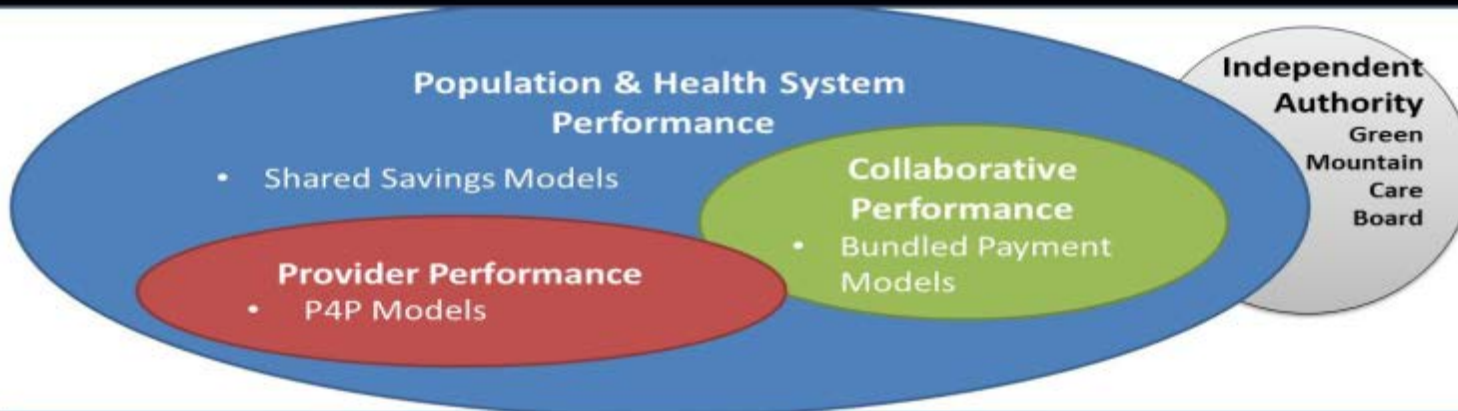
## (Bolded Focus of Payment Model Work Group)

- **Implement three payment reform models through Medicare, Medicaid and commercial payers:**
  - **Shared Savings ACO Program**
  - **Episodes of Care/Bundled Payment Program**
  - **Pay-for-Performance Program\***
- Expand electronic health records (EHRs) to LTSS and mental health providers
- Accelerate development of interfaces between EHRs and Health Information Exchange
- Expand support for ongoing training to assure HIE data quality, data use
- Establish metrics and data system to measure the impact of our efforts

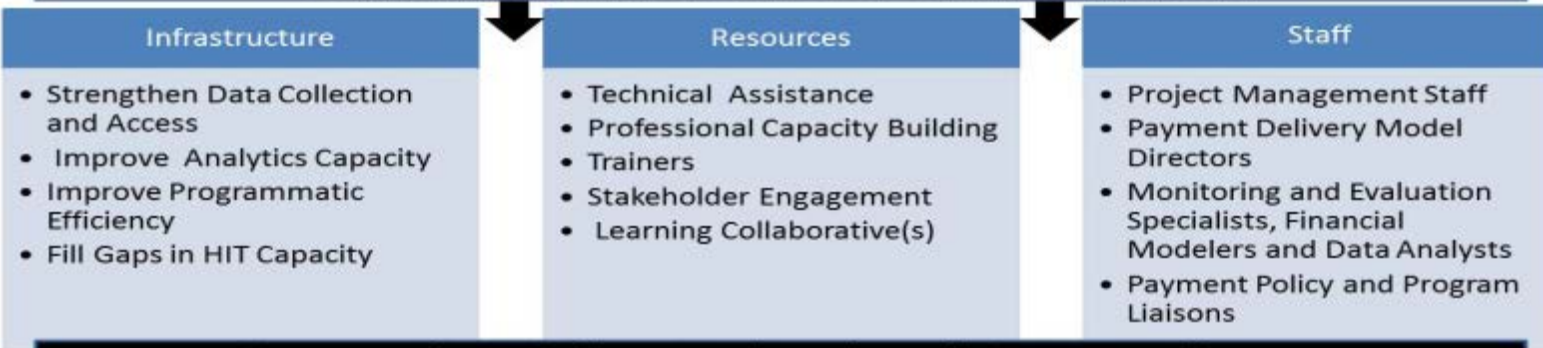
\* *Medicaid only at this time*

# Models are Complementary

## Complementary Payment Delivery Models



## State Innovation Model Grant Support



## Supporting Other Federal and State Reforms



# Complementary Models

## ACO SSP

- System-wide performance
- Wide range of providers across specialty types and sites of care
- Total resource use and quality for attributed population across all providers who provide care
- Focus on collaboration and use of data to inform better care delivery and experience of care

## EOC

- Performance related to treatment of specific condition
- Providers specifically accountable for care of a particular condition
- Resource use and quality of treatment of a condition for sub-set of population
- Focus on collaboration and use of data related to treatment of specific condition

## P4P

- Individual /Practice/Site of Care performance
- Providers accountable for population they serve
- Resource use and quality of treatment under their individual control
- Focus on individual performance and how to use data for internal quality improvement

# Complementary Models

## ACO SSP

- System-wide performance
- Wide range of providers across specialty types and sites of care
- Total resource use and quality for attributed population across all providers who provide care
- Focus on collaboration and use of data to inform better care delivery and experience of care

## EOC

- Performance related to treatment of specific condition
- Providers specifically accountable for care of a particular condition
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## P4P

- Individual /Practice/Site of Care performance
- Providers accountable for population they serve
- Resource use and quality of treatment under their individual control
- Focus on individual performance and how to use data for internal quality improvement

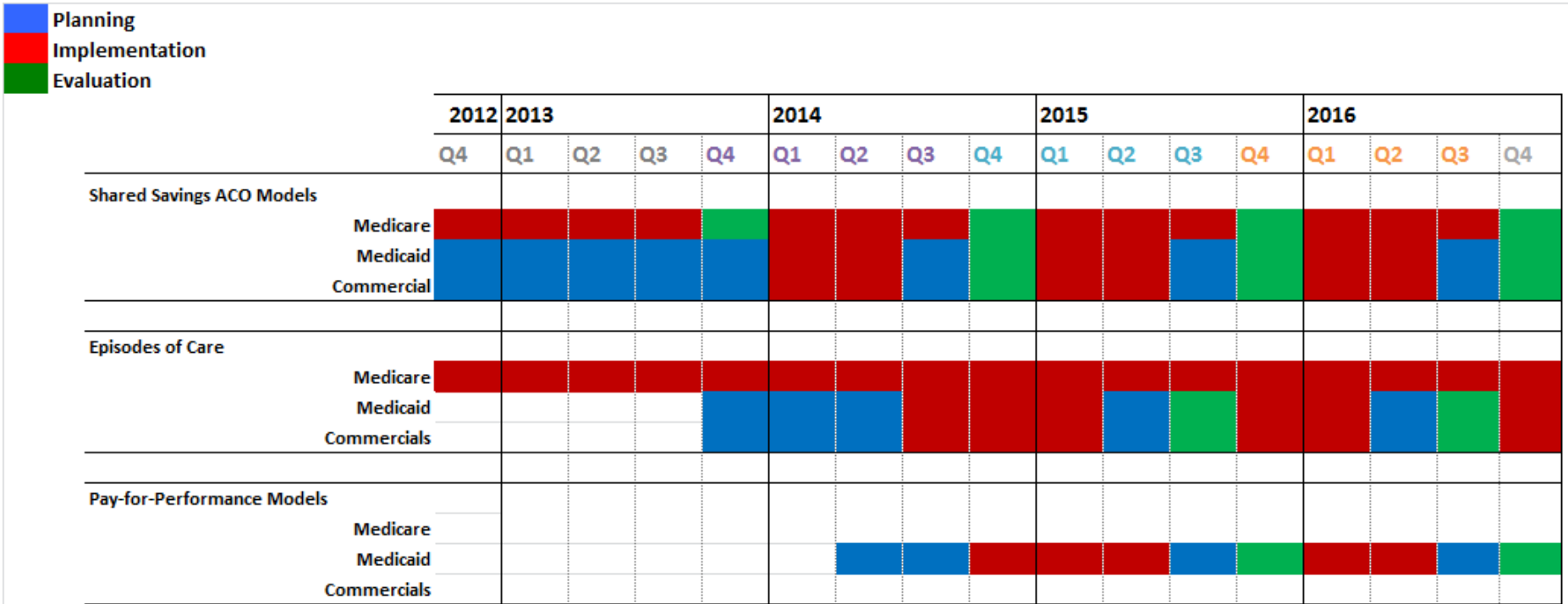
Using VHCIP WGs, efforts can be coordinated across models to reinforce and align all reform efforts across the State

Negative incentives are minimized when three models are operating together

Allows providers to participate in one or all of models based on their level of readiness to engage in reform efforts

# Activities of Payment Models Work Group

*EOC Program Development up next....*



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# Attachment 5

## Payment Model Work Group

# EOC Development Process Overview

January 6, 2013



# Process for Design of EOC Program

## Define Goals of EOC Program

- What are the Goals and Objectives of the EOC Program?

## Choose Episodes of Care

- Identify Universe of EOCs to Consider
- Define Criteria for Selecting Episodes
- Review Evidence and Analytics to Inform Selection
- Refer to Quality and Performance Work Group to develop Quality Metrics for chosen EOCs

## Define Specifications of Episodes

- Choose whether to use existing commercial or public algorithms, create new ones, or some hybrid
- Gather clinical and administrative specialists to review specifications

## Design and Launch Learning Collaborative

- Identify and invite providers involved with chosen EOCs
- Share data, evidence-based practice and tools on EOCs
- Facilitate non-penalizing environment for providers to collaboratively review variation in utilization and quality in EOCs

## Evolve Episode to Bundled Payment

- Design Penalties for Poor Performance
- Design of Outlier Policy
- Framework for Provider Participation and Assignment of Accountability
- Implementation Plan for Transition to Bundled Payment

# Payment Models Workgroup Deliverables



1. Objectives of EOC Program
2. Universe of EOCs
3. Criteria for Selecting Episodes
4. Selection of the Episodes of Care
5. Specification of Episode of Care\*
6. Learning Collaborative Design
7. Bundled Payment Approach
  1. Design Penalties for Poor Performance
  2. Design of Outlier Policy
  3. Framework for Provider Participation and Assignment of Accountability
  4. Implementation Plan for Transition to Bundled Payment
8. Revision and Update Process Plan

\*May be appropriate for convening sub-group of technical appointees due to need for knowledge of medical coding, diagnosis coding and clinical pathways

***VT Health Care Innovation Project  
DRAFT Payment Models Work Group Work plan  
(Timing is Illustrative and Subject to Change)***

<b>Objectives</b>	<b>Supporting Activities</b>	<b>Target Date</b>	<b>Responsible Parties</b>	<b>Status of Activity</b>	<b>Measures of Success</b>
<b>DECEMBER</b>					
Review member roles and responsibilities		12/10/13	Co-Chairs	Planned	Reviewed
Update on Predecessor WG	Prepare historical overview and update	12/10/13	Richard	Planned	Reviewed
Review WG Charter	Draft Charter	12/10/13	Co-Chairs	PREPARED	Request Feedback
Review WG Work Plan	Draft Work plan	12/10/13	Kara	PREPARED	Request Feedback
EOC - Conduct 101	101 Presentation to WG	12/10/13	Kara	PREPARED	Conduct 101 on EOC Programs
EOC – Scope of Work Consultants	Draft Scope of Work for Consultants	12/10/13	Kara	PREPARED	Request Feedback
<b>JANUARY</b>					
Adopt WG Charter and WP	Collect feedback and revise	1/6/14	Co-Chairs	Ongoing	WG and WP Adopted
EOC – Discuss Objectives of EOC Project	Draft Objectives	1/6/14	SIM STAFF	Ongoing	Feedback Requested on Objectives
EOC – Discuss Universe of Episodes	Draft List of Universe of Episodes	1/6/14	SIM STAFF	Ongoing	Feedback on List of Episodes
EOC – Discuss Criteria for Choosing Episodes and Application of Criteria	Draft List of Criteria; Discuss Process for Applying Criteria	1/6/14	SIM STAFF	Ongoing	Feedback Requested on Criteria
<b>FEBRUARY</b>					
Update on other WGs	Collect updates	2/3/14	SIM STAFF/PMs	Ongoing	
EOC – Discuss Objectives of EOC Project	Finalize Objectives	2/3/14	SIM STAFF	Ongoing	Objectives Defined
EOC – Discuss Universe of Episodes	Finalize List of Universe of Episodes	2/3/14	SIM STAFF	Ongoing	Universe of Episodes Defined
EOC – Discuss Criteria for Choosing Episodes and Application of Criteria	Finalize List of Criteria; Discuss Process for Applying Criteria	2/3/14	SIM STAFF	Ongoing	Criteria and Method of Selection Defined
Possible Speaker	Arrange Speaker and Content	2/3/14	SIM STAFF	TBD	Speaker
<b>MARCH</b>					
P4P – Conduct 101	101 Presentation to WG	3/3/14	SIM STAFF	Ongoing	Conduct 101 on P4P Programs
P4P Update on Medicaid P4P; Gauge interest in P4P	Ongoing internal Medicaid work	3/3/14	SIM STAFF	Ongoing	Straw Man v1 Medicaid P4P
EOC – Outstanding Items from Feb		3/3/14			
Update on other WGs	Collect updates	3/3/14	SIM STAFF/PMs	Ongoing	
Possible Speaker	Arrange Speaker and Content	3/3/14	SIM STAFF	TBD	Speaker

***VT Health Care Innovation Project  
DRAFT Payment Models Work Group Work plan  
(Timing is Illustrative and Subject to Change)***

<b>Objectives</b>	<b>Supporting Activities</b>	<b>Target Date</b>	<b>Responsible Parties</b>	<b>Status of Activity</b>	<b>Measures of Success</b>
<b>APRIL</b>					
EOC – Review Evidence	Prepare Overview of Evidence	4/7/14	CONSULTANTS	PLANNED	Matrix of Evidence
EOC – Review National and State Program Specifics	Prepare Overview of National and State Programs	4/7/14	CONSULTANTS	PLANNED	Presentation of National and State Programs
EOC – Review Vermont and National Data	Review VT and National Data on: <ul style="list-style-type: none"> <li>• Prevalence of Disease</li> <li>• Cost Variation</li> </ul> Potential ROI	4/7/14	CONSULTANTS	PLANNED	Presentation on VT and National Data
<b>MAY</b>					
EOC – Choose EOCs against Criteria	Prepare scoring matrix of EOCs against criteria	5/12/14	CONSULTANTS	TBD	Adopt 3 EOCs
EOC – Introduce Specification Guide	Put together guide for adopting EOC specifications  Need to designate appropriate folks to participate (coders, clinicians, etc)	5/12/14	CONSULTANTS	TBD	Specification Guide
EOC Learning Collaborative Design	Prepare ideas on learning collaborative	5/12/14	SIM STAFF	TBD	Learning Collaborative Design, Timeline and Consultant Needs Identified
Update on other WGs	Collect updates	5/12/14	SIM STAFF/PMs	Ongoing	
Possible Speaker	Arrange Speaker and Content	5/12/14	SIM STAFF	TBD	Speaker
<b>JUNE</b>					
P4P- Feedback and Final Recommendations on Medicaid P4P Program	Finalize P4P plan	6/2/14	SIM STAFF	Ongoing	Medicaid P4P Plan Recommendations
EOC – Create EOC Specifications a. Trigger and Length b. Scope of Services c. Scope of Providers d. Payment Model Components 1. Payment Allocation Model 2. Design Penalties for Poor	Straw Men	6/2/14	CONSULTANTS	Ongoing	EOC Specification Recommendations

***VT Health Care Innovation Project  
DRAFT Payment Models Work Group Work plan  
(Timing is Illustrative and Subject to Change)***

<b>Objectives</b>	<b>Supporting Activities</b>	<b>Target Date</b>	<b>Responsible Parties</b>	<b>Status of Activity</b>	<b>Measures of Success</b>
Performance 3. Design of Outlier Policy 4. Framework for Provider Participation in Year One Program and Assignment of Accountability 5. Implementation Plan for Transition to Bundled Payment e. Update Plan					
<b>JULY</b>					
ACO SSP – Year Two Standards	Discuss Year 2 Recommendations for SSP Standard Revisions	7/7/14	CONSULTANTS	Ongoing	Universe of Issues related to Standards Identified
EOC – Create EOC Specifications a. Trigger and Length b. Scope of Services c. Scope of Providers d. Payment Model Components 1. Payment Allocation Model 2. Design Penalties for Poor Performance 3. Design of Outlier Policy 4. Framework for Provider Participation in Year One Program and Assignment of Accountability 5. Implementation Plan for Transition to Bundled Payment e. Update Plan	Straw Men	7/7/14	CONSULTANTS	Ongoing	EOC Specification Recommendations
<b>AUGUST</b>					
ACO SSP – Year Two Standards	Discuss Year 2 Recommendations for SSP Standard Revisions	8/4/14	CONSULTANTS	Ongoing	Recommendations on Standard Revisions

***VT Health Care Innovation Project  
DRAFT Payment Models Work Group Work plan  
(Timing is Illustrative and Subject to Change)***

<b>Objectives</b>	<b>Supporting Activities</b>	<b>Target Date</b>	<b>Responsible Parties</b>	<b>Status of Activity</b>	<b>Measures of Success</b>
EOC – Create EOC Specifications a. Trigger and Length b. Scope of Services c. Scope of Providers d. Payment Model Components <ol style="list-style-type: none"> <li>1. Payment Allocation Model</li> <li>2. Design Penalties for Poor Performance</li> <li>3. Design of Outlier Policy</li> <li>4. Framework for Provider Participation in Year One Program and Assignment of Accountability</li> <li>5. Implementation Plan for Transition to Bundled Payment</li> </ol> e. Update Plan	Straw Men	8/4/14	CONSULTANTS	Ongoing	EOC Specification Recommendations
<b>SEPTEMBER</b>					
ACO SSP – Year Two Standards	Discuss Year 2 Recommendations for SSP Standard Revisions	9/8/14	CONSULTANTS	Ongoing	Recommendations on Standard Revisions
EOC – Create EOC Specifications a. Trigger and Length b. Scope of Services c. Scope of Providers d. Payment Model Components <ol style="list-style-type: none"> <li>1. Payment Allocation Model</li> <li>2. Design Penalties for Poor Performance</li> <li>3. Design of Outlier Policy</li> <li>4. Framework for Provider Participation in Year One Program and Assignment of Accountability</li> </ol>	Straw Men	9/8/14	CONSULTANTS	Ongoing	EOC Specification Recommendations

***VT Health Care Innovation Project  
DRAFT Payment Models Work Group Work plan  
(Timing is Illustrative and Subject to Change)***

<b>Objectives</b>	<b>Supporting Activities</b>	<b>Target Date</b>	<b>Responsible Parties</b>	<b>Status of Activity</b>	<b>Measures of Success</b>
5. Implementation Plan for Transition to Bundled Payment e. Update Plan					

DRAFT

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Attachment 7  
Payment Model Work Group  
**Draft Objectives of EOC Program**

January 6, 2013



# Draft Objectives



- Improve care;
- Improve population health; and
- Reduce health care costs.
  - Stimulate coordination among different provider types
  - Facilitate movement away from FFS
  - Encourage the use of data, analytics and quality measurement in system reforms

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# Attachment 8

## Payment Model Work Group

### **Draft Universe of EOCs**

January 6, 2013



# Draft Universe of EOCs: Leveraging Existing Programs

## EOCs from Commercial Programs

### EOCs from Arkansas Program

- Upper Respiratory Infection
- Perinatal
- ADHD
- Congestive Heart Failure
- Total Joint Replacement
- Cholecystectomy
- Colonoscopy
- Tonsillectomy
- ODD
- CABG
- PCI
- COPD
- Asthma
- ADHD/ODD Comorbid
- Neonatal

#### Geisinger Health Plan

Asthma, chronic obstructive pulmonary disease (COPD), congestive heart failure (CHF), coronary heart disease, diabetes, hypertension, osteoporosis, and chronic kidney disease

#### Prometheus Payment

**Chronic medical:** Asthma, Chronic Obstructive Pulmonary Disease (COPD), Congestive Heart Failure (CHF), Coronary Artery Disease (CAD), Diabetes, Hypertension (HTN), and Gastro-Esophageal Reflux Disease (GERD).

**Inpatient procedural :** hip replacement, knee replacement, bariatric surgery, coronary artery bypass graft, and colon resection.

**Acute medical:** for the following conditions: Acute Myocardial Infarction (AMI), Pneumonia (PNE), and Stroke (STR).

**Outpatient procedural:** for the following procedures: colonoscopy, gall bladder, knee arthroscopy, PCI (angioplasty), low-risk pregnancy and delivery, hysterectomy



# Draft Universe of EOCs: Leveraging Existing Programs

## EOCs from Medicare Programs

### Medicare ACE

Coronary Bypass

Cardiac Defibrillator implant

Bilateral or multiple major joint

Hip or Knee Replacement

### CMMI BCPI (48 total, selected list shown here)

Major Join upper extremity

Amputation

UTI

Stroke

COPD

Major Joint

Percutaneous Coronary Intervention

Pacemaker

Major Bowel

Cervical Spinal Fusion

Diabetes

Check Pain

Athersclerosis

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Attachment 9  
Payment Model Work Group  
**Draft Criteria for Choosing EOCs**

January 6, 2013

# Draft Criteria

- Evidence supporting episodic or bundled payment approach
- Return on Investment (ROI)\*
  - Variation in utilization and resource use
  - Lack of association between high resource use and health outcomes
  - Prevalence of disease
  - System-wide expenditures
  - Opportunities for quality improvement or “successful intervention”
- Focus on acute and/or chronic and/or both?
- Focus on hospital and/or ambulatory-based?
- Operational feasibility
- Complementary to other reform efforts
  - ACO or other provider-driven Clinical Advisory Boards
  - Payer-driven efforts
    - Medicaid Clinical Utilization Review Board (CURB)
    - Commercial Efforts
  - State-wide efforts
- Opportunities to bridge gaps among traditionally disparate provider types

*\*ROI in this context is being used conceptually; actual ROI calculations would be discussed as part of the process discussion*