VT Health Care Innovation Project - Payment Model Design and Implementation Work Group Meeting Agenda
Monday, December 14, 2015 1:00 PM – 3:00 PM.
EXE - 4th Floor Conf Room, Pavilion Building 109 State Street, Montpelier
Call in option: 1-877-273-4202 Conference Room: 2252454

Item #	Time Frame	Topic	Presenter	Decision Needed?	Relevant Attachments
1	1:00 – 1:10	Welcome and Introductions Approve meeting minutes	Cathy Fulton Andrew Garland	Y – Approve minutes	Attachment 1: November Meeting Minutes
2	1:10-1:30	ACO Analysis Update		N	
3	1:30-2:20	Medicaid Expenditure Analysis	PHPG	N	Attachment 3: Medicaid Expenditure Analysis
4	2:20-2:25	Public Comment		N	
5	2:25-2:30	Next Steps and Action Items		N	Next Meeting: Monday, January 4th, 2016 1-3PM DVHA Large Conference Room 312 Hurricane Lane, Williston

Attachment 1
November Meeting Minutes

Vermont Health Care Innovation Project
Payment Models Work Group Meeting Minutes

Pending Work Group Approval

Date of meeting: Monday, November 16, 2015, 1:00-3:00pm, 4th Floor Conference Room, Pavilion Building, 109 State Street, Montpelier.

Agenda Item	Discussion	Next Steps
1. Welcome and Introductions; Approve Meeting Minutes	Catherine Fulton called the meeting to order at 1:02pm. A roll call attendance was taken and a quorum was present. Ed Paquin moved to approve the October meeting minutes by exception. Diane Cummings seconded. The minutes were approved with Kathleen Hentcy, Julie Arel, Ted Mable, Lou McLaren, Lila Richardson, Abe Berman, and Julie Tessler abstaining.	
2. ACO Update	Abe Berman, Joyce Gallimore, and Rick Dooley provided brief updates from the ACOs in response to Work Group member questions. • *OneCare Vermont (Abe Berman):* o Shared savings distribution: Savings are split 50%/50% between ACO and payers. Of savings that go to the ACO, 10% is held to support ACO infrastructure, and 90% of savings go to the ACO network. Of savings that go to the ACO network, 50% goes to the PCP/Attribution pool, and 50% to the Hospital/Specialist pool. Abe provided an example via slides using the Medicare Shared Savings Program to illustrate (slides to be distributed following the meeting). o OCV did not achieve savings through the Medicare SSP in 2014. Medicare targets are challenging for states that are already low cost and high quality. o OCV did not achieve savings through the Commercial SSP in 2014. o OCV did achieve savings through the Medicaid SSP in 2014. ▪ Is there a quality score? Overall savings are governed by quality score. Payouts to network providers haven't been quality scored at this point, because data isn't available to support these analyses. There are not quality gates for PCPs, specialists, or hospitals – there is a gate for the ACO network as a group to qualify for savings. ▪ Is there a total cost of care (TCOC) measure at a regional or hospital levels? OneCare has considered this but has not implemented it. OneCare is seeking to go to a TCOC/capitated model at a later date.	**VHCIP staff will distribute Abe Berman's slides following the meeting, as well as Healthfirst's shared savings distribution model.**

Agenda Item	Discussion	Next Steps
	▪ If specialist practices aren't hospital-owned, how is spend determined? Specialist spend divided by total spend. ▪ Are home- and community-based providers receiving any share of savings? In Medicare and Commercial SSPs, there are separate pools for these provider types; in Medicaid SSP, they are included in specialist/hospital pool. They'll be receiving savings from the hospital/specialist pool for 2014 in the Medicaid program. ▪ Quality reporting is challenging for small populations, both in terms of achieving statistical significance and ensuring confidentiality. It's challenging for ACOs to have complete data for every patient – especially for measures that require chart review. For these, ACOs use sampling techniques. As more information comes through the Vermont Health Information Exchange (VHIE), it will be easier to do this measurement work. ▪ Sample size for Medicare is 312 for each measure. For small practices, it is challenging to have enough lives to gather a representative sample. o Next Gen: OCV is talking about participation in Next Gen in future years, as well as the all-payer model. Participation would take a great deal of work. Abe provided a summary of why OCV chose to defer participation in Next Gen to 2017, including uncertainty regarding the potential all-payer model, program rules, and OCV network in 2016. o OneCare Governance and Quality Improvement: Abe walked through slides on OCV governance, including clinical advisory board, regional clinical performance committees, regional clinical representatives. Clinical priorities progress reports track improvement in OCV quality improvement focus areas. • *CHAC (Joyce Gallimore):* o CHAC earned savings in the Medicaid SSP for 2014, and saved money but did not earn shared savings payments in the Medicare program in 2014. o Shared Savings Distribution: ▪ First, CHAC pays back liabilities. Second, 10% of remaining total is set aside for reserves and anticipated costs, and 20% is set aside to invest in infrastructure. From the remaining funds (70% of shared savings payment total minus liability), 45% of savings goes to primary care providers (to all providers based on attributed lives), 45% to community providers (5% split between all community providers, and 40% invested regionally as decided by providers within each region). The remaining 10% is redistributed to investors. ▪ How many independent providers participate in CHAC? Non-primary care providers include Designated Agencies and Home Health Agencies. ▪ What is the difference between initial investment and savings? Investors were FQHCs who started out in the CHAC network – they made a $15,000 capital investment, in addition to a $20,000 loan. The loan is paid back to FQHCs now. o CHAC did not apply to participate in Next Gen in 2016. CHAC wants to work on a model that will	

Agenda Item	Discussion	Next Steps
	continue to move toward an integrated system and support primary care, and is looking at Next Gen as a potential future model. o Governance and Quality Improvement: CHAC board includes FQHCs, hospitals, home health, consumers, and the designated agencies. CHAC clinical committee includes clinicians from each organization, and the initiatives that they've been leaders in include developing protocols and guidelines around COPD, CHF, diabetes, and falls risk. The work of the clinical committee is available to Vermont's other ACOs, and is created in close collaboration with FQHCs. • *Healthfirst (Rick Dooley):* o Healthfirst did not have any savings for Medicare (Healthfirst withdrew from the Medicare SSP last year), and does not participate in the Medicaid SSP. Healthfirst did not have any savings for the Commercial SSP. o Next Gen: Same as CHAC. o Governance and Quality: Healthfirst has a quality improvement committee. Healthfirst is focused on limiting the number of total measures so that providers can focus on the most important priorities, selected based on results on ACO measures and Blueprint data. High-performing practices are paired with low-performing practices to bring specific measures up. ▪ Measurement needs to support improved care, not just additional measurement. ▪ Measurement is particularly challenging at Healthfirst, which is a very small organization. Healthfirst funded practices to have a clinician extract data and did an audit of each practice to ensure chart extraction was happening accurately. Still very time consuming.	
3. UCC Update	Miriam Sheehy provided an update on the Unified Community Collaboratives. Catherine Fulton noted that representatives from all ACOs were critical in supporting UCC start up. Miriam described the UCC start-up process, including quality improvement project selection, and efforts to support UCCs in achieving their goals, including group learning activities. She also walked through Attachment 3, UCC Report. UCC Report is tracking tool for program leadership, identifying key achievements. The group discussed the following: • What is the role of community organizations in UCCs? Community organizations need to be involved to address social needs/social determinants of health, and some communities have made great strides in this area. Communities have the freedom to choose priority areas with ACO support. • Is there anyone who should be at the table who is currently missing? UCC/ACO leadership is working to identify participation gaps and address them. Catherine offered the support of this group. • How have these efforts coordinated with hospitals' Community Health Needs Assessments? Community Health Needs Assessments are being discussed at regional team meetings to identify opportunities to work together. Leadership at UCCs is thinking about what their team can impact. • UCCs are volunteer – these are generally unfunded, need to be sensitive to clinician time. Time requirements are a challenge for some participants. • Important to select quality improvement projects that are achievable, but not just easy wins. UCCs want	

Agenda Item	Discussion	Next Steps
	to select quality improvement projects that will make a difference for patients. • Shared savings can provide some funding to support otherwise hard-to-fund activities. • UCCs are the same as Regional Clinical Performance Committees.	
4. Episode of Care (EOC) Update and Proposal	Georgia introduced this agenda item, thanking this group, the EOC Sub-Group, and the DVHA team for their work on this. The delay in our process allowed DVHA to talk extensively with both Medicare and Arkansas. She noted that payers can't design EOCs by themselves, nor can states – we need to work with clinicians to make sure bundles are wrapping around the right services. One of the next steps will be to bring clinicians together to work on each of the three proposed episodes. This is the beginning of a broader conversation on these episodes. Alicia Cooper presented an update on Medicaid Episode of Care activities and a proposal (Attachment 4). • Example – Perinatal Episode: Excludes baby. Acuity adjustment includes outlier exclusion. Total Medicaid spend is $14 million for ~580 eligible patients – an expansive definition for this episode, though these 580 exclude those with some comorbidities. o Alicia will share the algorithm with OneCare and other ACOs. o How will bundled payment be split if provider isn't hospital-employed? Still to be decided. The group discussed the following: • Devil is in the detail – continued clinician involvement in finalizing episode design will be critical. • Important to see how other payers, especially CMS, are doing this to support alignment and ease the burden on providers. Draft Medicare Comprehensive Care for Joint Replacement (CCJR) bundle for hip and knee replacement has had a lot of criticism from provider groups so far. May not want to link Vermont approach too closely to CMS approach. • How will retrospective episodes work? Retrospective look back and reconciliation, similar to SSP. In Arkansas, there are quarterly updates to participating providers on episodes, and an end-of-year reconciliation looking at each provider's average cost of care for episode compared to other providers. Providers are eligible for gain sharing/risk sharing based on performance compared to peers. The retrospective approach will also be easier to calculate with retrospective SSP calculations, as well as for the Medicaid reimbursement system. Could consider modifications if this approach is successful. • Why are we pursuing this program? How much will this program cost to implement? What are the benefits? Georgia responded that we are pursuing this program because it works well for certain types of conditions. Development cost is less than $200,000. Georgia will report back on state staff FTE cost. • How are outliers quantified? We can identify comorbidities and other factors that could impact care, but can't control for everything. • Alicia will share more materials about the Arkansas model.	**Send feedback on proposed EOCs to Mandy Ciecior (Amanda.ciecior@vermont.gov) by 11/30.**
5. Public Comment	There was no additional public comment.	
6. Next Steps, and Action Items	**Next Meeting:** Monday, December 14, 2015, 1:00-3:00pm, 4th Floor Conference Room, Pavilion Building, 109 State Street, Montpelier.	

VHCIP Payment Model Design and Inplementation Work Group Member List

Ed Paquin 1°
Diane Cummings 2°

11/16/2015

Member		Member Alternate			
First Name	Last Name	First Name	Last Name	Minutes	Organization
Susan	Aranoff ✓	Gabe	Epstein		AHS - DAIL
		Bard	Hill		AHS - DAIL
		Patricia	Cummings ✓		AHS - DAIL
Melissa	Bailey	Shannon	Thompson		AHS - DMH
		Jaskanwar	Batra		AHS - DMH
		Kathleen	Hentcy ✓ A		AHS - DMH
		Frank	Reed		AHS - DMH
Jill Berry	Bowen	Stephanie	Breault		Northwestern Medical Center
		Jane	Catton		Northwestern Medical Center
		Diane	Leach		Northwestern Medical Center
		Don	Shook		Northwestern Medical Center
		Ted	Sirotta		Northwestern Medical Center
Michael	Counter ✓				VNA & Hospice of VT & NH
Diane	Cummings ✓	Shawn	Skafelstad		AHS - Central Office
Mike	DelTrecco ✓	Bea	Grause		Vermont Association of Hospital and Health Systems
Tracy	Dolan	Heidi	Klein		AHS - VDH
		Cindy	Thomas		AHS - VDH
		Julie	Arel ✓	A	AHS - VDH
Rick	Dooley ✓	Susan	Ridzon		HealthFirst
		Paul	Reiss		HealthFirst
Kim	Fitzgerald	Stefani	Hartsfield ✓ joined late.		Cathedral Square and SASH Program
		Molly	Dugan		Cathedral Square and SASH Program

Minutes approved; 7 abstentions

VHCIP Payment Model Design and Inplementation Work Group Member List

Member		Member Alternate		11/16/2015	
First Name	Last Name	First Name	Last Name	Minutes	Organization
Aaron	French ✓	Erin	Carmichael		AHS - DVHA
		Nancy	Hogue		AHS - DVHA
		Jennifer	Egelhof		AHS - DVHA
		Megan	Mitchell		AHS - DVHA
		MaryKate	Mohlman		AHS - DVHA - Blueprint
		Jenney	Samuelson		AHS - DVHA - Blueprint
Catherine	Fulton ✓				Vermont Program for Quality in Health Care
Larry	Goetschius ✓	Beverly	Boget		VNAs of Vermont
Steve	Gordon ✓	Mark	Burke ✓		Brattleboro Memorial Hopsital
Maura	Graff ✓	Heather	Bushey		Planned Parenthood of Northern New England
Dale	Hackett ✓				Consumer Representative
Mike	Hall ✓	Sandy	Conrad		Champlain Valley Area Agency on Aging / COVE
	Joined late in person	Angela	Smith-Dieng		V4A
Paul	Harrington				Vermont Medical Society
Karen	Hein ✓				University of Vermont
Jeanne	Hutchins ✓				UVM Center on Aging
Kelly	Lange ✓	Teresa	Voci		Blue Cross Blue Shield of Vermont
Ted	Mable ✓	Kim	McClellan ✓ A		DA - Northwest Counseling and Support Services
		Amy	Putnam		DA - Northwest Counseling and Support Services

VHCIP Payment Model Design and Inplementation Work Group Member List

Member		Member Alternate			11/16/2015
First Name	Last Name	First Name	Last Name	Minutes	Organization
David	Martini ✓				AOA - DFR
Sandy	McGuire ✓				VCP - HowardCenter for Mental Health
Lou	McLaren ✓ A				MVP Health Care
Ed	Paquin ✓				Disability Rights Vermont
Lila	Richardson ✓ A	Kaili	Kuiper		VLA/Health Care Advocate Project
Greg	Robinson	Miriam	Sheehey		OneCare Vermont
		Abe	Berman ✓ A		OneCare Vermont
		Vicki	Loner		OneCare Vermont
Laural	Ruggles ✓				Northeastern Vermont Regional Hospital
Julia	Shaw ✓	Rachel	Seelig		VLA/Health Care Advocate Project
Kate	Simmons	Kendall	West		Bi-State Primary Care/CHAC
Joyce	Gallimore ✓	Patricia	Launer		Bi-State Primary Care
		Melissa	Miles		Bi-State Primary Care
		Heather	Skeels		Bi-State Primary Care
Richard	Slusky ✓	Pat	Jones		GMCB
		Spenser	Weppler ✓		GMCB
Julie	Tessler	Kim	McLellan ✓ (A)	7	VCP - VT Council of Dev. & Mental Health Services
Total	32				

Q ✓

VHCIP Payment Model Design and Inplementation Work Group

Attendance Sheet : 11/16/2015

	First Name	Last Name		Organization	Payment Model Design and Implementation
1	Peter	Albert		Blue Cross Blue Shield of Vermont	X
2	Susan	Aranoff	Phone	AHS - DAIL	M
3	Julie	Arel	Here	AHS - VDH	MA
4	Bill	Ashe		Upper Valley Services	X
5	Lori	Augustyniak		Center for Health and Learning	X
6	Debbie	Austin		AHS - DVHA	X
7	Ena	Backus		GMCB	X
8	Melissa	Bailey	Phone	Vermont Care Partners	M
9	Michael	Bailit	Phone	SOV Consultant - Bailit-Health Purchasing	X
10	Susan	Barrett		GMCB	X
11	Jaskanwar	Batra		AHS - DMH	MA
12	Abe	Berman	here	OneCare Vermont	MA
13	Bob	Bick		DA - HowardCenter for Mental Health	X
14	Mary Alice	Bisbee		Consumer Representative	X
15	Charlie	Biss		AHS - Central Office - IFS	X
16	Beverly	Boget		VNAs of Vermont	MA
17	Mary Lou	Bolt		Rutland Regional Medical Center	X
18	Jill Berry	Bowen		Northwestern Medical Center	M
19	Stephanie	Breault		Northwestern Medical Center	MA
20	Martha	Buck		Vermont Association of Hospital and Health	A
21	Mark	Burke	here	Brattleboro Memorial Hopsital	MA
22	Donna	Burkett		Planned Parenthood of Northern New Engla	X
23	~~Catherine~~	~~Burns~~		DA - HowardCenter for Mental Health	X
24	Heather	Bushey		Planned Parenthood of Northern New Engla	MA
25	Gisele	Carbonneau		HealthFirst	A
26	Erin	Carmichael		AHS - DVHA	MA
27	Jan	Carney		University of Vermont	X

28	Denise	Carpenter		Specialized Community Care	X
29	Jane	Catton		Northwestern Medical Center	MA
30	Alysia	Chapman		DA - HowardCenter for Mental Health	X
31	Joshua	Cheney		VITL	A
32	Joy	Chilton		Home Health and Hospice	X
33	Amanda	Ciecior	here	AHS - DVHA	S
34	Barbara	Cimaglio		AHS - VDH	X
35	Daljit	Clark		AHS - DVHA	X
36	Sarah	Clark		AHS - CO	X
37	Peter	Cobb		VNAs of Vermont	X
38	Judy	Cohen		University of Vermont	X
39	Lori	Collins		AHS - DVHA	X
40	Connie	Colman		Central Vermont Home Health and Hospice	X
41	Sandy	Conrad		V4A	MA
42	Amy	Coonradt	here	AHS - DVHA	S
43	Alicia	Cooper	here	AHS - DVHA	S
44	Janet	Corrigan		Dartmouth-Hitchcock	X
45	Brian	Costello			X
46	Michael	Counter		VNA & Hospice of VT & NH	M
47	Mark	Craig			X
48	Diane	Cummings	here	AHS - Central Office	M
49	Patricia	Cummings	phone	AHS - DAIL	MA
50	Michael	Curtis		Washington County Mental Health Services	X
51	Jude	Daye		Blue Cross Blue Shield of Vermont	A
52	Jesse	de la Rosa		Consumer Representative	X
53	Danielle	Delong		AHS - DVHA	X
54	Mike	DelTrecco	phone	Vermont Association of Hospital and Health	M
55	Yvonne	DePalma		Planned Parenthood of Northern New Engl	X
56	Trey	Dobson		Dartmouth-Hitchcock	X
57	Tracy	Dolan		AHS - VDH	M
58	Michael	Donofrio		GMCB	X
59	Kevin	Donovan		Mt. Ascutney Hospital and Health Center	X
60	Rick	Dooley	here	HealthFirst	M
61	Molly	Dugan	here	Cathedral Square and SASH Program	MA
62	Lisa	Dulsky Watkins			X
63	Robin	Edelman		AHS - VDH	X

64	Jennifer	Egelhof		AHS - DVHA	MA
65	Suratha	Elango		RWJF - Clinical Scholar	X
66	Gabe	Epstein	phone	AHS - DAIL	S/MA
67	Jamie	Fisher		GMCB	A
68	Kim	Fitzgerald		Cathedral Square and SASH Program	M
69	Katie	Fitzpatrick		Bi-State Primary Care	A
70	Patrick	Flood		CHAC	X
71	Erin	Flynn		AHS - DVHA	S
72	LaRae	Francis		Blue Cross Blue Shield of Vermont	X
73	Judith	Franz		VITL	X
74	Mary	Fredette		The Gathering Place	X
75	Aaron	French	here	AHS - DVHA	M
76	Catherine	Fulton	here	Vermont Program for Quality in Health Care	C/M
77	Joyce	Gallimore	here	Bi-State Primary Care/CHAC	X
78	Lucie	Garand		Downs Rachlin Martin PLLC	X
79	Andrew	Garland	here	Blue Cross Blue Shield of Vermont	C
80	Christine	Geiler		GMCB	S
81	Carrie	Germaine		AHS - DVHA	X
82	Al	Gobeille		GMCB	X
83	Larry	Goetschius	phone	Home Health and Hospice	M
84	Steve	Gordon	phone	Brattleboro Memorial Hopsital	M
85	Don	Grabowski		The Health Center	X
86	Maura	Graff	phone	Planned Parenthood of Northern New Engla	M
87	Wendy	Grant		Blue Cross Blue Shield of Vermont	A
88	Bea	Grause		Vermont Association of Hospital and Health	MA
89	Lynn	Guillett		Dartmouth Hitchcock	X
90	Dale	Hackett	here	Consumer Representative	M
91	Mike	Hall	phone/here	Champlain Valley Area Agency on Aging / C	M
92	Thomas	Hall		Consumer Representative	X
93	Catherine	Hamilton		Blue Cross Blue Shield of Vermont	X
94	Paul	Harrington		Vermont Medical Society	M
95	Stefani	Hartsfield		Cathedral Square	MA
96	Carrie	Hathaway		AHS - DVHA	X
97	Carolynn	Hatin		AHS - Central Office - IFS	S
98	Karen	Hein	phone	University of Vermont	M
99	Kathleen	Hentcy	phone	AHS - DMH	MA

100	Jim	Hester		SOV Consultant	S
101	Selina	Hickman		AHS - DVHA	X
102	Bard	Hill		AHS - DAIL	MA
103	Con	Hogan		GMCB	X
104	Nancy	Hogue		AHS - DVHA	MA
105	Jeanne	Hutchins	phone	UVM Center on Aging	M
106	Penrose	Jackson		UVM Medical Center	X
107	Craig	Jones		AHS - DVHA - Blueprint	X
108	Pat	Jones		GMCB	MA
109	Margaret	Joyal		Washington County Mental Health Services	X
110	Joelle	Judge	here	UMASS	S
111	Kevin	Kelley		CHSLV	X
112	Melissa	Kelly		MVP Health Care	X
113	Trinka	Kerr		VLA/Health Care Advocate Project	X
114	Sarah	King		Rutland Area Visiting Nurse Association & H	X
115	Sarah	Kinsler	here	AHS - DVHA	S
116	Heidi	Klein		AHS - VDH	MA
117	Tony	Kramer		AHS - DVHA	X
118	Peter	Kriff		PDI Creative	X
119	Kaili	Kuiper		VLA/Health Care Advocate Project	MA
120	Norma	LaBounty		OneCare Vermont	A
121	Kelly	Lange	phone	Blue Cross Blue Shield of Vermont	M
122	Dion	LaShay		Consumer Representative	X
123	Patricia	Launer		Bi-State Primary Care	MA
124	Diane	Leach		Northwestern Medical Center	MA
125	Mark	Levine		University of Vermont	X
126	Lyne	Limoges		Orleans/Essex VNA and Hospice, Inc.	X
127	Deborah	Lisi-Baker		SOV - Consultant	X
128	Sam	Liss		Statewide Independent Living Council	X
129	Vicki	Loner		OneCare Vermont	MA
130	Nicole	Lukas		AHS - VDH	X
131	Ted	Mable	phone	DA - Northwest Counseling and Support Ser	M
132	Carole	Magoffin	here	AHS - DVHA	S
133	Georgia	Maheras	here	AOA	S
134	Jackie	Majoros		VLA/LTC Ombudsman Project	X
135	Carol	Maloney		AHS - Central Office	X

136	Carol	Maroni		Community Health Services of Lamoille Vall	X
137	David	Martini	here	AOA - DFR	M
138	Mike	Maslack			X
139	John	Matulis			X
140	James	Mauro		Blue Cross Blue Shield of Vermont	X
141	Lisa	Maynes		Vermont Family Network	X
142	Kim	McClellan	Phone	DA - Northwest Counseling and Support Ser	MA
143	Sandy	McGuire	Phone	VCP - HowardCenter for Mental Health	M
144	Jill	McKenzie			X
145	Lou	McLaren	here	MVP Health Care	M
146	Darcy	McPherson		AHS - DVHA	X
147	Jessica	Mendizabal		AHS - DVHA	S
148	Anneke	Merritt		Northwestern Medical Center	X
149	Melissa	Miles		Bi-State Primary Care	MA
150	Robin	Miller		AHS - VDH	X
151	Megan	Mitchell		AHS - DVHA	MA
152	MaryKate	Mohlman		AHS - DVHA - Blueprint	MA
153	Madeleine	Mongan		Vermont Medical Society	X
154	Kirsten	Murphy		AHS - Central Office - DDC	X
155	Chuck	Myers		Northeast Family Institute	X
156	Floyd	Nease		AHS - Central Office	X
157	Nick	Nichols		AHS - DMH	X
158	Mike	Nix	Phone	Jeffords Institute for Quality, FAHC	X
159	Miki	Olszewski		AHS - DVHA - Blueprint	X
160	Jessica	Oski		Vermont Chiropractic Association	X
161	Ed	Paquin	here	Disability Rights Vermont	M
162	Annie	Paumgarten	here	GMCB	S
163	Laura	Pelosi		Vermont Health Care Association	X
164	Eileen	Peltier		Central Vermont Community Land Trust	X
165	John	Pierce			X
166	Tom	Pitts		Northern Counties Health Care	X
167	Luann	Poirer		AHS - DVHA	S
168	Sherry	Pontbriand		NMC	X
169	Alex	Potter		Center for Health and Learning	X
170	Amy	Putnam		DA - Northwest Counseling and Support Ser	MA
171	Betty	Rambur		GMCB	X

172	Allan	Ramsay		GMCB	X
173	Frank	Reed		AHS - DMH	MA
174	Paul	Reiss		HealthFirst/Accountable Care Coalition of tl	MA
175	Virginia	Renfrew		Zatz & Renfrew Consulting	X
176	Lila	Richardson	here	VLA/Health Care Advocate Project	M
177	Susan	Ridzon		HealthFirst	MA
178	Carley	Riley			X
179	Laurie	Riley-Hayes		OneCare Vermont	A
180	Greg	Robinson		OneCare Vermont	M
181	Brita	Roy			X
182	Laural	Ruggles	phone	Northeastern Vermont Regional Hospital	M
183	Jenney	Samuelson		AHS - DVHA - Blueprint	MA
184	Howard	Schapiro		University of Vermont Medical Group Pract	X
185	seashre@msn	seashre@msn.com		House Health Committee	X
186	Rachel	Seelig		VLA/Senior Citizens Law Project	MA
187	Susan	Shane		OneCare Vermont	X
188	Julia	Shaw	here	VLA/Health Care Advocate Project	M
189	Melanie	Sheehan		Mt. Ascutney Hospital and Health Center	X
190	Miriam	Sheehey		OneCare Vermont	MA
191	Don	Shook		Northwestern Medical Center	MA
192	Kate	Simmons		Bi-State Primary Care/CHAC	M
193	Colleen	Sinon		Northeastern Vermont Regional Hospital	X
194	Ted	Sirotta		Northwestern Medical Center	MA
195	Shawn	Skafelstad		AHS - Central Office	MA
196	Heather	Skeels		Bi-State Primary Care	MA
197	Richard	Slusky	here	GMCB	M
198	Chris	Smith		MVP Health Care	X
199	Angela	Smith-Dieng		V4A	MA
200	Jeremy	Ste. Marie		Vermont Chiropractic Association	X
201	Jennifer	Stratton		Lamoille County Mental Health Services	X
202	Beth	Tanzman		AHS - DVHA - Blueprint	X
203	JoEllen	Tarallo-Falk		Center for Health and Learning	X
204	Julie	Tessler		VCP - Vermont Council of Developmental ar	M
205	Cindy	Thomas		AHS - VDH	MA
206	Shannon	Thompson		AHS - DMH	MA
207	Bob	Thorn		DA - Counseling Services of Addison County	X

208	Win	Turner			X
209	Karen	Vastine		AHS-DCF	X
210	Teresa	Voci		Blue Cross Blue Shield of Vermont	MA
211	Nathaniel	Waite		VDH	X
212	Beth	Waldman		SOV Consultant - Bailit-Health Purchasing	X
213	Marlys	Waller		DA - Vermont Council of Developmental an	X
214	Nancy	Warner		COVE	X
215	Julie	Wasserman		AHS - Central Office	S
216	Monica	Weeber		AHS - DOC	X
217	Spenser	Weppler	here	GMCB	MA
218	Kendall	West		Bi-State Primary Care/CHAC	MA
219	James	Westrich	here	AHS - DVHA	S
220	Robert	Wheeler		Blue Cross Blue Shield of Vermont	X
221	Bradley	Wilhelm		AHS - DVHA	S
222	Jason	Williams		UVM Medical Center	X
223	Sharon	Winn		Bi-State Primary Care	X
224	Stephanie	Winters		Vermont Medical Society	X
225	Mary	Woodruff			X
226	Cecelia	Wu	here	AHS - DVHA	S
227	Erin	Zink		MVP Health Care	X
228	Marie	Zura		DA - HowardCenter for Mental Health	X
229	Joshua	Plavin		Blue Cross Blue Shield of Vermont	X
230	Sarah	Relk			X
231	Hillary	Wolfley			X
					231

Attachment 3

Medicaid Expenditure Analysis

State of Vermont
Disability & Long Term Services and Supports (DLTSS) Medicaid Expenditures
Calendar Year 2012

December 14, 2015

Prepared by the Pacific Health Policy Group

* Text revised on Slides 2 and 11

Introduction

- Purpose of Discussion
  - Review role of Medicaid related to funding of both "traditional" health services as well as specialized programs and services (Slides 4 through 10)
  - Review Medicaid expenditures on behalf of individuals receiving specialized services versus all other Medicaid program participants (Slides 11 & 12)
  - Review Medicaid expenditures on the basis of eligibility (Slides 13 & 14)

- *Data Notes*
  - *Dates of service between 1/1/12 and 12/31/12*
    - ⇨ *While the claims data used for the analysis are more than two years old, the purpose of this presentation is to review the types of services available within Vermont's specialized programs and the relative amount of resources used to support programs and services. PHPG has conducted annual data analyses of DVHA claims for over twenty years and has observed that relative trends across specialized service categories exhibit very little variation from year-to-year.*
  - *Includes individuals eligible for full Medicaid benefits*
  - *Pharmacy includes rebate factor of 44%*
  - *Claims only; excludes Managed care investments, Medicare Buy-in, and Other Payments made outside the claims system (e.g., PACE capitation payments)*
  - *For Planning Only – Data have not been validated against secondary sources*

Role of the Vermont Medicaid Program

The Vermont Medicaid program essentially has two roles. The Medicaid program's policies related to both service coverage and eligibility reflect these two roles. Medicaid provides coverage for:

"*Traditional Services*"

Like commercial health insurance policies, the Vermont Medicaid program provides coverage for traditional services, such as hospital, physician, pharmacy, and dental services

"*Specialized Programs and Services*"

The Vermont Medicaid program is the primary funding source for several specialized health programs, including long-term care, Developmental Services, and the public mental health and substance abuse treatment systems; these programs receive limited financial support outside of the Vermont Medicaid program. Medicaid also is an important financial resource for supporting public care systems, including Department for Children and Families (DCF) and school-based health services.

Expenditure Summary by Program

In recognition of the Medicaid program's two roles, services were categorized as follows:

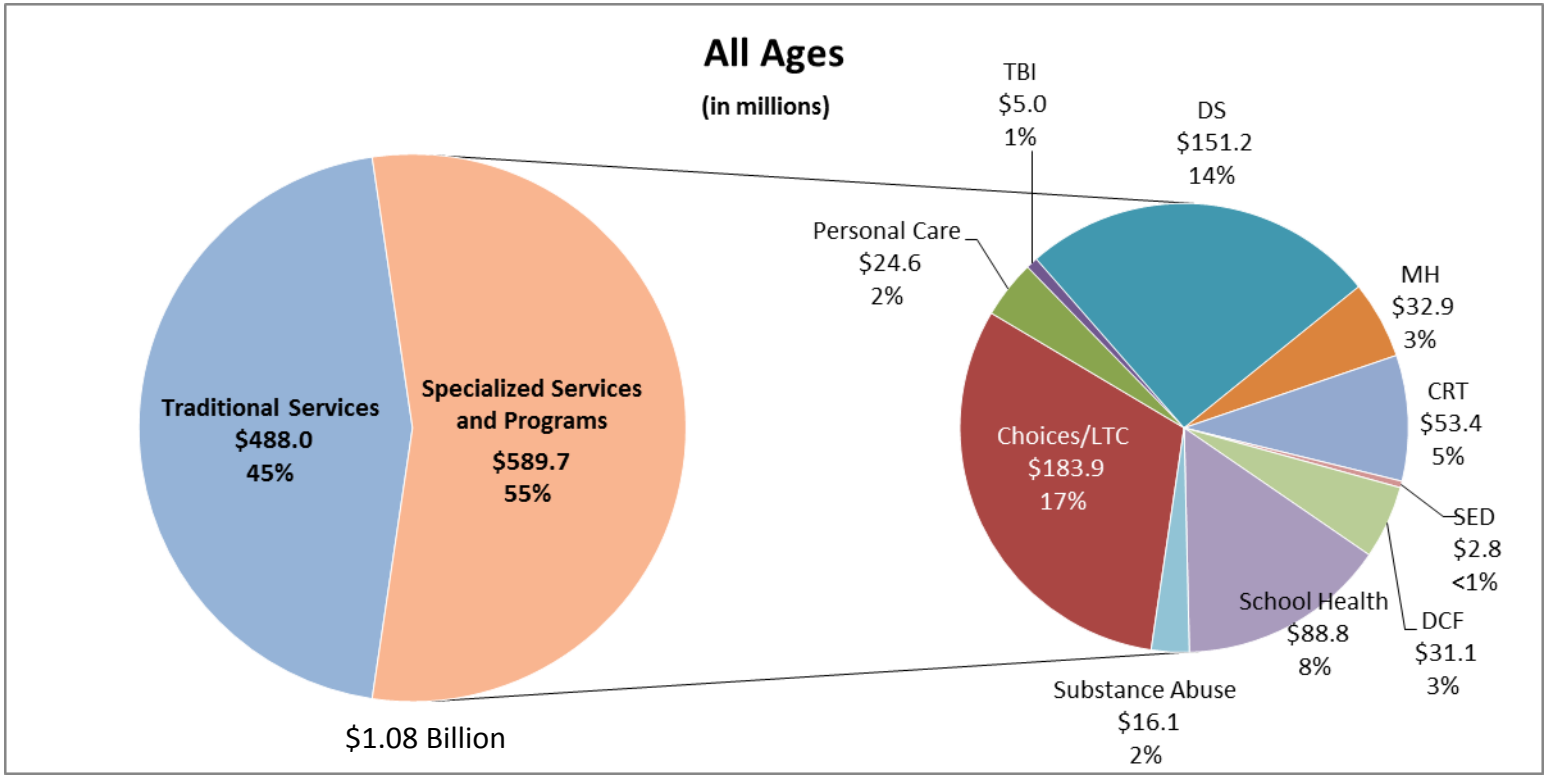
Traditional

- Ambulance
- Dental
- Durable Medical Equipment
- Federally Qualified Health Center (FQHC)/Rural Health Clinic (RHC)
- Home Health
- Hospice
- Independent Lab
- Inpatient Hospital
- Medical Supplies
- Other
- Other Practitioner
- Outpatient Hospital
- Pharmacy
- Physician
- Prosthetic/Orthotic
- Therapy Services
- Transportation

Specialized Services and Programs

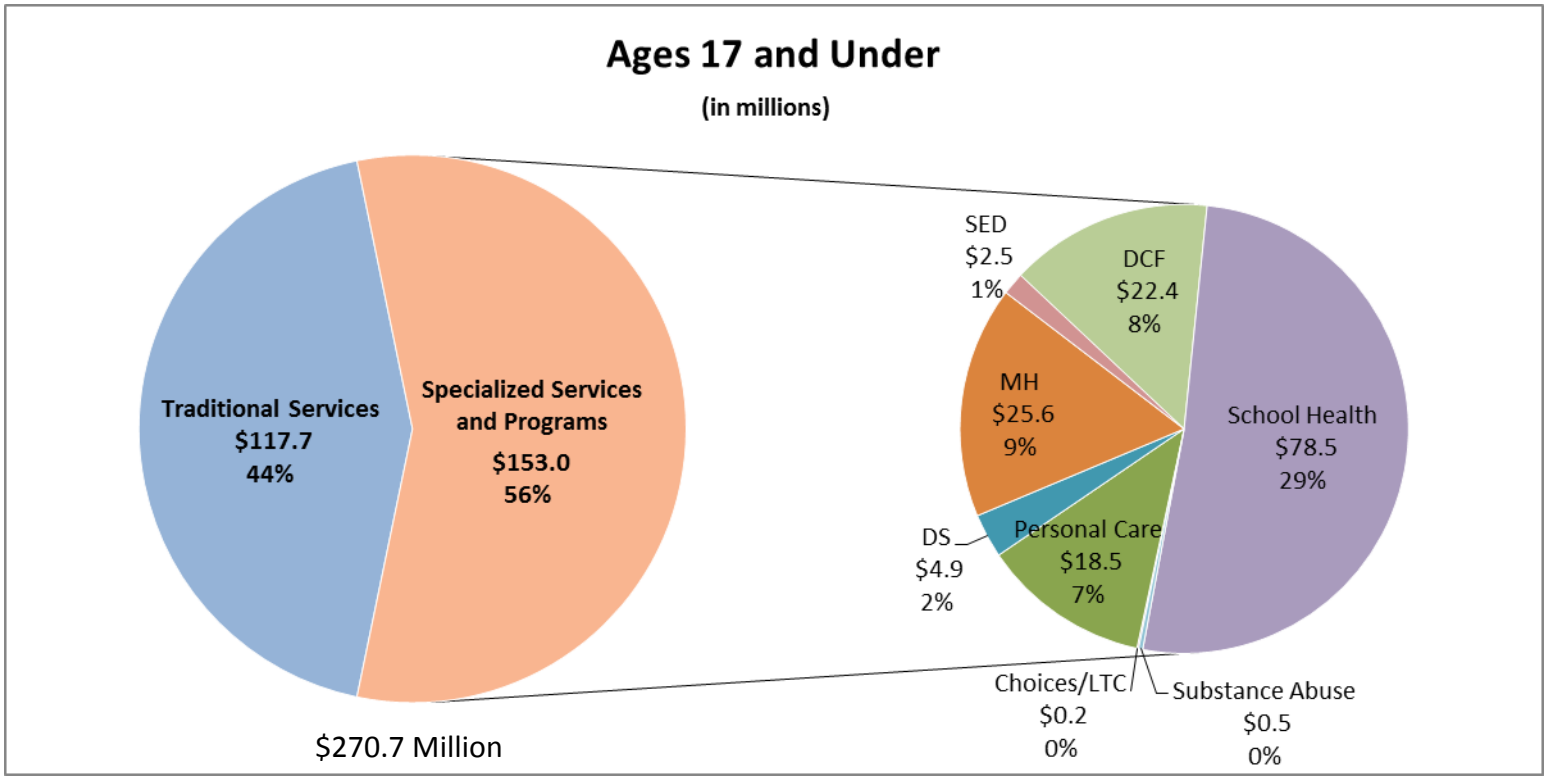
- Choices for Care/Long-Term Care
  Assistive Community Care, Choices for Care Home and Community Based Services (HCBS), Nursing Home
- Personal Care
- Traumatic Brain Injury (TBI) Program
- Developmental Services
  Developmental Services, Intermediate Care Facility/Intellectual Disabilities (ICF/ID)
- Mental Health Treatment
  Community Rehabilitation Treatment, Day Treatment, Day Treatment/Private Non-Medical Institution (PNMI), Children and Adolescents with Serious Emotional Disturbances (SED), Mental Health Facility, Targeted Case Management
- Department for Children and Families - Case Management
- School Health
  Department of Health, School-Based Health Services (DOE), Success Beyond Six
- Substance Abuse Treatment

Medicaid Expenditure Summary by Program: All Ages



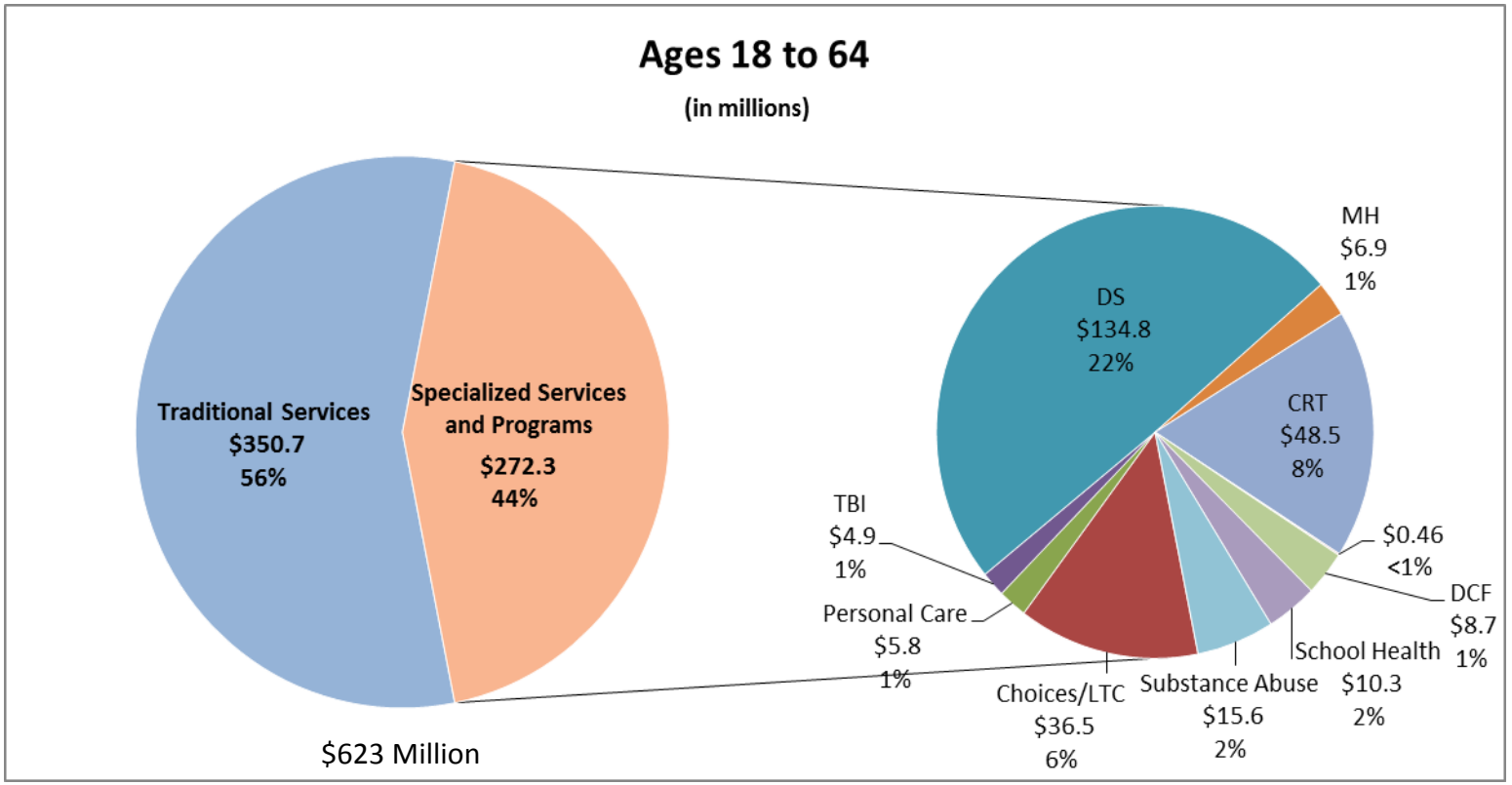
The Vermont Medicaid program spends approximately $488 million **(45%)** for coverage of traditional services and approximately $590 million **(55%)** to support specialized services and programs

Medicaid Expenditure Summary by Program: Ages 17 and Under



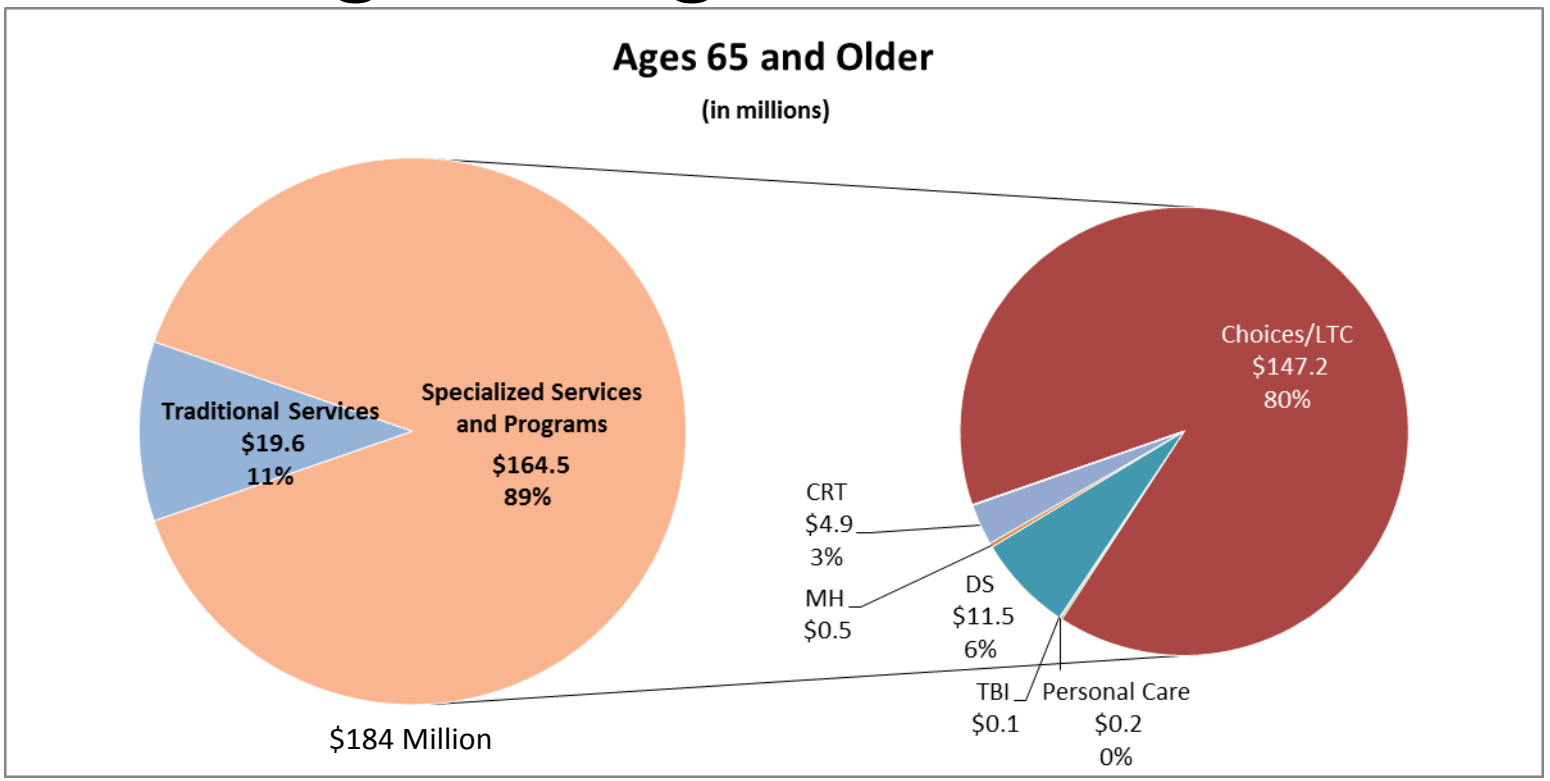
Specialized services for children and adolescents represent more than one-half of total program spending on behalf of children

Medicaid Expenditure Summary by Program: Ages 18 to 64



Developmental Services funding on behalf of adults between the ages of 18 and 64 accounts for approximately one-half of specialized service expenditures for this age group and approximately 90 percent of total Developmental Services spending on behalf of all ages (see Slide 10)

Medicaid Expenditure Summary by Program: Ages 65 and Over



Most Vermonters who are 65 years and older have Medicare coverage for traditional services. For individuals who are dually eligible, Medicaid provides financial assistance to meet Medicare cost sharing obligations and provides coverage for some services not covered by Medicare. Long term care represents eighty percent of total Medicaid expenditures on behalf of individuals ages 65 and older. *(Note: Figures do not include Medicaid payments for Medicare premiums)*

Medicaid Expenditure Detail: Traditional Services

($ millions)

Traditional Services	Age Range			
	Less than 18	18 to 64	65 and Older	Total Paid
Ambulance	$ 0.5	$ 2.7	$ 0.7	$ 3.9
Dental	$ 12.2	$ 7.1	$ 0.4	$ 19.6
Durable Medical Equipment	$ 1.5	$ 5.1	$ 1.2	$ 7.8
FQHC/RHC	$ 7.2	$ 16.0	$ 0.7	$ 23.9
Home Health	$ 1.8	$ 4.2	$ 1.3	$ 7.3
Hospice	$ 0.0	$ 0.3	$ 0.5	$ 0.8
Independent Lab	$ 0.3	$ 5.0	$ 0.0	$ 5.3
Inpatient Hospital	$ 26.8	$ 90.4	$ 3.0	$ 120.2
Medical Supplies	$ 0.2	$ 0.5	$ 0.1	$ 0.8
Other	$ 0.1	$ 1.3	$ 0.3	$ 1.7
Other Practitioner	$ 9.9	$ 16.3	$ 0.5	$ 26.7
Outpatient Hospital	$ 15.8	$ 78.8	$ 5.3	$ 99.9
Pharmacy	$ 16.3	$ 59.1	$ 0.6	$ 76.0
Physician	$ 22.8	$ 56.5	$ 2.8	$ 82.1
Prosthetic/Orthotic	$ 1.3	$ 1.5	$ 0.0	$ 2.9
Therapy Services	$ 0.7	$ 2.2	$ 0.2	$ 3.1
Transportation	$ 0.3	$ 3.9	$ 2.1	$ 6.2
Total	**$ 117.7**	**$ 350.7**	**$ 19.6**	**$ 488.0**

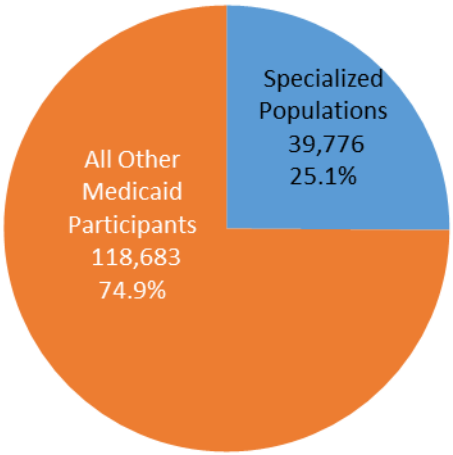
Coverage of traditional services on behalf of non-elderly (ages 18 to 64) adults accounts for approximately 70 percent of Medicaid spending for traditional services. Payments for inpatient and outpatient hospital services total approximately $220 million for all age groups, approximately 45 percent of total spending for traditional services.

Expenditure Detail: Specialized Services and Programs

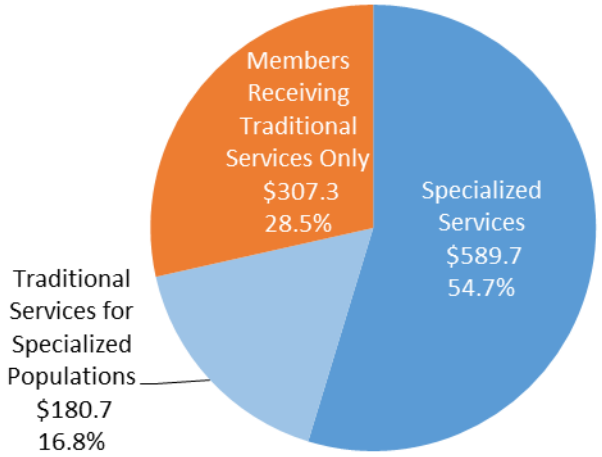
($ millions)

Specialized Services and Programs	Age Range			
	Less than 18	18 to 64	65 and Older	Total Paid
Choices for Care/Long Term Care				
Assistive Community Care	$ -	$ 4.9	$ 10.6	$ 15.4
Choices for Care HCBS	$ -	$ 17.8	$ 33.7	$ 51.5
Nursing Home	$ 0.2	$ 13.7	$ 103.0	$ 116.9
Subtotal	*$ 0.2*	*$ 36.5*	*$ 147.2*	*$ 183.9*
Personal Care Services	$ 18.5	$ 5.8	$ 0.2	$ 24.6
Traumatic Brain Injury (TBI) Program	$ -	$ 4.9	$ 0.1	$ 5.0
Developmental Services				
Developmental Services HCBS	$ 4.9	$ 133.6	$ 11.4	$ 149.9
ICF/ID (DS)	$ -	$ 1.2	$ 0.1	$ 1.3
Subtotal	*$ 4.9*	*$ 134.8*	*$ 11.5*	*$ 151.2*
Mental Health Treatment				
Community Rehabilitation and Treatment (CRT)	$ -	$ 48.5	$ 4.9	$ 53.4
Day Treatment/Private Non-Medical Institution	$ 9.7	$ 1.5	$ 0.2	$ 11.4
HCBS SED Children and Adolescents	$ 2.5	$ 0.3	$ -	$ 2.8
Mental Health Facility	$ 11.8	$ 4.8	$ 0.2	$ 16.8
Targeted Case Management -MH	$ 4.1	$ 0.6	$ 0.0	$ 4.7
Subtotal	*$ 28.0*	*$ 55.7*	*$ 5.4*	*$ 89.1*
Department for Children and Families	$ 22.4	$ 8.7	$ 0.0	$ 31.1
School Health				
Department of Health	$ 1.0	$ 0.1	$ -	$ 1.1
School-Based Health Services (DOE)	$ 35.1	$ 5.1	$ -	$ 40.2
Success Beyond Six	$ 42.4	$ 5.1	$ -	$ 47.5
Subtotal	*$ 78.5*	*$ 10.3*	*$ -*	*$ 88.8*
Substance Abuse Treatment	$ 0.5	$ 15.6	$ 0.0	$ 16.1
Total	**$ 153.0**	**$ 272.3**	**$ 164.5**	**$ 589.7**

Expenditure and Enrollment Summary: Individuals Receiving Specialized Services v. All Other Medicaid Program Participants



158,459 Service Recipients



$1.08 Billion

Individuals receiving specialized services represent approximately 25 percent of total Medicaid participants receiving services, but coverage of services to meet their DLTSS and traditional medical needs comprises 72 percent of Medicaid claims

- Expenditures for these individuals' specialized services accounts for approximately 55% of Vermont Medicaid claims.
- Expenditures for these individuals' traditional medical services accounts for approximately 17% of Vermont Medicaid claims.
- In sum, services to meet these individuals' specialized services and traditional medical needs comprise 72% of Vermont Medicaid claims expenditures.
- The remaining 28% of Vermont Medicaid claims expenditures are for traditional medical services for the enrollees (75%) who are not served by specialized services and programs.

Medicaid Expenditures: Individuals Receiving Specialized Services v. All Other Medicaid Participants

$ millions

Program	Program Participants	Percent of Total	Traditional Services		Specialized Services		All Services	
			Expenditures	Percent of Total	Expenditures	Percent of Total	Expenditures	Percent of Total
Primary Specialized Programs								
Choices for Care/LTC	6,673	4.2%	$ 31.2	6.4%	$ 184.7	31.3%	215.9	20.0%
Personal Care	1,555	1.0%	$ 10.4	2.1%	$ 22.3	3.8%	32.7	3.0%
Traumatic Brain Injury	71	0.0%	$ 0.4	0.1%	$ 5.0	0.8%	5.4	0.5%
Developmental Services	2,952	1.9%	$ 11.8	2.4%	$ 155.8	26.4%	167.6	15.6%
MH Treatment	3,799	2.4%	$ 15.3	3.1%	$ 27.1	4.6%	42.4	3.9%
CRT	2,215	1.4%	$ 17.4	3.6%	$ 55.5	9.4%	72.9	6.8%
SED	95	0.1%	$ 0.7	0.1%	$ 2.8	0.5%	3.5	0.3%
Substance Abuse Treatment	5,186	3.3%	$ 32.7	6.7%	$ 15.9	2.7%	48.6	4.5%
Subtotal	*22,546*	*14.2%*	*$ 120.0*	*24.6%*	*$ 469.1*	*79.5%*	*589.0*	*54.7%*
Other Specialized Programs								
DCF Case Management	6,791	4.3%	$ 32.9	6.7%	$ 29.6	5.0%	62.6	5.8%
Department of Health	164	0.1%	$ 1.3	0.3%	$ 0.5	0.1%	1.8	0.2%
School-Based Health Services	7,141	4.5%	$ 15.6	3.2%	$ 37.6	6.4%	53.1	4.9%
Success Beyond Six	3,134	2.0%	$ 10.9	2.2%	$ 53.0	9.0%	63.9	5.9%
Subtotal	*17,230*	*10.9%*	*$ 60.7*	*12.4%*	*$ 120.7*	*20.5%*	*181.4*	*16.8%*
Subtotal: All Specialized Programs	***39,776***	***25.1%***	***$ 180.7***	***37.0%***	***$ 589.7***	***100.0%***	***770.4***	***71.5%***
All Other Medicaid Participants	***118,683***	***74.9%***	***$ 307.3***	***63.0%***	***$ -***	***0.0%***	***307.3***	***28.5%***
Total	**158,459**	**100.0%**	**$ 488.0**	**100.0%**	**$ 589.7**	**100.0%**	**1,077.8**	**100.0%**

Summary of Expenditures: Basis for Eligibility

- Medicaid eligibility rules reflect the important role of Medicaid in meeting the coverage needs of individuals with specialized needs
- Eligibility rules extend coverage to individuals with specialized needs and extensive health care needs
- Individuals enrolled on the basis of their medical needs represent approximately one-fourth of all Medicaid program participants
- Expenditures on behalf of individuals eligible due to medical needs represent 58 percent of total program expenditures *(Detail provided on next slide)*

Expenditures by Basis of Eligibility and Age *($ millions)*

Service Description	Non-Disability Related Aid Codes				Disability Related Aid Codes				Total: All Participants	Percentage of Expenditures: Disability-Related Aid Codes
Age:	Less than 18	18 to 64	65 and Older	Total	Less than 18	18 to 64	65 and Older	Total		
Program Recipients	58,429	57,500	3,512	**119,441**	4,326	28,056	6,636	**39,018**	**158,459**	
Percentage of Total	*37%*	*36%*	*2%*	***75%***	*3%*	*18%*	*4%*	***25%***		
Traditional Services										
Ambulance	$ 0.4	$ 1.1	$ 0.2	$ 1.8	$ 0.1	$ 1.5	$ 0.5	$ 2.1	$ 3.9	*54%*
Dental	$ 11.2	$ 3.5	$ 0.2	$ 14.9	$ 1.0	$ 3.6	$ 0.2	$ 4.7	$ 19.6	*24%*
Durable Medical Equipment	$ 0.6	$ 1.5	$ 0.4	$ 2.5	$ 0.9	$ 3.6	$ 0.8	$ 5.3	$ 7.8	*68%*
FQHC/RHC	$ 6.7	$ 10.9	$ 0.3	$ 17.9	$ 0.5	$ 5.1	$ 0.4	$ 5.9	$ 23.9	*25%*
Home Health	$ 1.2	$ 1.0	$ 0.3	$ 2.5	$ 0.6	$ 3.2	$ 0.9	$ 4.8	$ 7.3	*66%*
Hospice	$ 0.0	$ 0.1	$ 0.0	$ 0.1	$ -	$ 0.2	$ 0.5	$ 0.7	$ 0.8	*89%*
Independent Lab	$ 0.2	$ 3.9	$ 0.0	$ 4.1	$ 0.0	$ 1.1	$ 0.0	$ 1.1	$ 5.3	*21%*
Inpatient Hospital	$ 22.3	$ 59.7	$ 1.3	$ 83.3	$ 4.5	$ 30.7	$ 1.7	$ 36.9	$ 120.2	*31%*
Medical Supplies	$ 0.1	$ 0.2	$ 0.0	$ 0.3	$ 0.1	$ 0.3	$ 0.0	$ 0.5	$ 0.8	*58%*
Other	$ 0.1	$ 0.4	$ 0.1	$ 0.5	$ 0.0	$ 0.9	$ 0.2	$ 1.2	$ 1.7	*68%*
Other Practitioner	$ 7.1	$ 9.5	$ 0.1	$ 16.7	$ 2.8	$ 6.8	$ 0.4	$ 10.0	$ 26.7	*37%*
Outpatient Hospital	$ 14.1	$ 50.7	$ 2.4	$ 67.2	$ 1.7	$ 28.1	$ 2.9	$ 32.7	$ 99.9	*33%*
Pharmacy	$ 11.4	$ 36.1	$ 0.1	$ 47.6	$ 4.9	$ 23.0	$ 0.5	$ 28.4	$ 76.0	*37%*
Physician	$ 20.5	$ 38.9	$ 1.2	$ 60.6	$ 2.3	$ 17.6	$ 1.6	$ 21.5	$ 82.1	*26%*
Prosthetic/Orthotic	$ 0.4	$ 0.7	$ 0.0	$ 1.2	$ 0.9	$ 0.9	$ 0.0	$ 1.8	$ 2.9	*61%*
Therapy Services	$ 0.5	$ 1.6	$ 0.1	$ 2.2	$ 0.2	$ 0.6	$ 0.1	$ 0.9	$ 3.1	*29%*
Transportation	$ 0.2	$ 0.5	$ 0.5	$ 1.3	$ 0.1	$ 3.3	$ 1.5	$ 4.9	$ 6.2	*79%*
Subtotal: Traditional Services	***$ 97.1***	***$ 220.3***	***$ 7.3***	***$ 324.7***	***$ 20.6***	***$ 130.4***	***$ 12.3***	***$ 163.4***	***$ 488.0***	***33%***
Specialized Services										
Assistive Community Care	$ -	$ 0.4	$ 3.0	$ 3.4	$ -	$ 4.5	$ 7.5	$ 12.1	$ 15.4	*78%*
Choices for Care HCBS	$ -	$ 0.0	$ 4.2	$ 4.3	$ -	$ 17.8	$ 29.5	$ 47.3	$ 51.5	*92%*
Nursing Home	$ -	$ 0.2	$ 3.4	$ 3.6	$ 0.2	$ 13.5	$ 99.6	$ 113.3	$ 116.9	*97%*
Personal Care Services	$ 4.8	$ 0.4	$ 0.1	$ 5.3	$ 13.8	$ 5.4	$ 0.1	$ 19.3	$ 24.6	*79%*
Traumatic Brain Injury (TBI)	$ -	$ -	$ -	$ -	$ -	$ 4.9	$ 0.1	$ 5.0	$ 5.0	*100%*
Developmental Services HCBS	$ 0.8	$ 0.5	$ 1.5	$ 2.8	$ 4.1	$ 133.1	$ 9.9	$ 147.0	$ 149.9	*98%*
ICF/ID (DS)	$ -	$ -	$ -	$ -	$ -	$ 1.2	$ 0.1	$ 1.3	$ 1.3	*100%*
CRT	$ -	$ 3.1	$ 1.4	$ 4.5	$ -	$ 45.4	$ 3.5	$ 48.9	$ 53.4	*92%*
Day Treatment/Private Non-Medical Inst (PNMI)	$ 6.6	$ 1.2	$ 0.1	$ 7.9	$ 3.1	$ 0.3	$ 0.1	$ 3.5	$ 11.4	*31%*
HCBS SED Children and Adolescents	$ 1.7	$ 0.1	$ -	$ 1.8	$ 0.8	$ 0.2	$ -	$ 1.0	$ 2.8	*36%*
Mental Health Facility	$ 7.8	$ 1.6	$ 0.1	$ 9.4	$ 4.0	$ 3.2	$ 0.1	$ 7.4	$ 16.8	*44%*
Targeted Case Management -MH	$ 2.9	$ 0.2	$ 0.0	$ 3.1	$ 1.2	$ 0.3	$ 0.0	$ 1.6	$ 4.7	*34%*
DCF - Case Management	$ 18.9	$ 5.4	$ 0.0	$ 24.2	$ 3.5	$ 3.3	$ 0.0	$ 6.9	$ 31.1	*22%*
Department of Health	$ 0.5	$ 0.0	$ -	$ 0.5	$ 0.5	$ 0.1	$ -	$ 0.5	$ 1.1	*49%*
School-Based Health Services (DOE)	$ 18.3	$ 1.0	$ -	$ 19.4	$ 16.8	$ 4.0	$ -	$ 20.8	$ 40.2	*52%*
Day Trmt - Success Beyond Six	$ 24.9	$ 1.7	$ -	$ 26.6	$ 17.6	$ 3.4	$ -	$ 20.9	$ 47.5	*44%*
Substance Abuse Treatment	$ 0.4	$ 11.5	$ 0.0	$ 11.9	$ 0.1	$ 4.1	$ 0.0	$ 4.2	$ 16.1	*26%*
Subtotal: Specialized Services	***$ 87.5***	***$ 27.4***	***$ 13.9***	***$ 128.7***	***$ 65.5***	***$ 244.9***	***$ 150.6***	***$ 461.0***	***$ 589.7***	***78%***
Total	**$ 184.6**	**$ 247.6**	**$ 21.2**	**$ 453.4**	**$ 86.1**	**$ 375.4**	**$ 162.9**	**$ 624.4**	**$ 1,077.8**	**58%**