

Population Health Integration in the Vermont Health Care Innovation Project

ACOs, TACOs and Accountable Communities for Health

The following is intended to offer a basic overview of the different structures that are being explored for integrating population health as part of the Vermont Health Care Innovation Project.

Accountable Care Organization (ACO) is a health care organization that agrees to be responsible for the quality and cost of health care for its patients. Providers who are part of an ACO work together to coordinate care, improve the quality of health care provided to patients, and reduce health care costs for a defined group of patients. ACOs are intended to organize providers to better control health care cost growth and shift the focus from providing their separate services to coordinating with each other for the benefit of the people they serve.

A key feature of ACOs is that they participate in reimbursement programs that hold them accountable for the quality of services performed as well as the costs. In Vermont, reimbursement mechanisms for services by ACO providers have not changed, but the ACO and its providers benefit from “shared savings” arrangements with payers. Reimbursement models for ACOs are designed to evolve over time, starting with ‘one-sided risk’ where they share only in savings, shifting to two-sided risk where they share in both savings and losses, and ultimately evolving to population based payments. ACOs can and have contracted with multiple payers including Medicare, Medicaid and commercial health plans.

Totally Accountable Care Organization (TACO) represents an aspirational vision for a health care system where all physical health, behavioral health, long-term services and supports (LTSS), and elements of social services and public health are integrated. A TACO is today’s ACO with a wider number of service providers. The model aspires to serve all populations yet builds upon the integration of care for a defined group of patients. Ideally, these activities would be reimbursed under a reimbursement that aligns financial incentives and reduce costs.

Accountable Community for Health (ACH) is an aspirational model where the ACH is accountable for the health and well-being of the entire population in its defined geographic area and not limited to a defined group of patients. However, like ACOs and TACOs, there would need to be some patient attribution to measure cost and quality. Population health outcomes are understood to be the product of multiple determinants of health, including medical care, public health, genetics, behaviors, social factors, economic circumstances and environmental factors. An ACH supports the integration of high quality medical care, mental and behavioral health services, and social services (governmental and non-governmental) for those in need of care. It also supports community-wide prevention efforts across its defined geographic area to reduce disparities in the distribution of health and wellness.

Definition of Population Health

The definition of population health may vary depending upon the perspective of a given group. For a medical provider, “population” may be either the “panel of patients” (all patients who use the provider, regardless of whether they see other providers more frequently) or “attributed lives”, which refers only to those patients who receive most of their care from that provider. For a health insurer or payer, the definition of “population” is “covered lives” which refers to the health plan beneficiaries. For the community, the “population” includes everyone who lives in a defined geographic area. Similarly, the definition of “health” varies from a narrow definition limited to physical health to an expanded definition which includes mental health and well-being.

Population Health Integration in the Vermont Health Care Innovation Project

ACOs, TACOs and Accountable Communities for Health

The Population Health Work Group of VHCIP has adopted the following definition of Population Health based on Kindig and Stoddart (2003) referenced by CMS for the SIM initiative:

Population Health ... the health outcomes of a group of individuals, including the distribution of such outcomes within the group ... While not a part of the definition itself, it is understood that such population health outcomes are the product of multiple determinants of health, including medical care, public health, genetics, behaviors, social factors, and environmental factors.

Institute Of Medicine, Roundtable on Population Health Improvement
<http://www.iom.edu/Activities/PublicHealth/PopulationHealthImprovementRT.aspx>

Structures for Integrating Population Health

| Features | VT Medicare ACO SSP | VT Medicaid ACO SSP | VT Commercial ACO SSP | TACOs | ACHs |
|--|-------------------------|-------------------------|-------------------------|-------------------------|---------------------------------------|
| Population | Attributed lives | Attributed lives | Attributed lives | Attributed lives | Defined geographic area |
| Physical health | x | x ¹ | x ² | x | x |
| Mental health and substance use services Behavioral health ³ | x | x | x | x | x |
| LTSS | | | | x | x |
| Social services | | | | x | x |
| Public health services | | | | x | x |
| Community wide prevention strategies | | | | | x |
| Prevention | Preventive Medical Care | Preventive Medical Care | Preventive Medical Care | Preventive Medical Care | Primary through tertiary ⁴ |

Payment and Financing of Population Health

The mechanisms for payment and financing are not discreetly connected to a particular structure. This project is currently testing different models and options to determine the best fit that will cover necessary costs, ensure continuing high quality care and improve health outcomes.

¹ Excludes dental and pharmacy

² Excludes dental and pharmacy

³ Current ACO SSPs include limited mental health and substance use services

⁴ Primary prevention aims to prevent disease from developing in the first place; Secondary prevention aims to detect and treat disease at an early stage or slow the progress; Tertiary prevention is directed at those who already have symptomatic disease.