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Vermont State Innovation Models (SIM) Quarterly Report
Year One First Quarter Report to CMMI: October 1, 2013 – December 31, 2013
January 30, 2014

1 Overview

Overview of Quarter's Project Activities

Achievements on milestones/metrics compared to projected accountability targets and achievements on aims and primary drivers

Vermont's SIM Project made significant progress in the first quarter of year one. We achieved all of our intended goals for this quarter. We developed Charters and Work Plans that describe the tasks and timelines for the remaining quarters of this year. These Work Plans will enable us to achieve our Year One milestones.

The aims of Vermont's SIM Project are to improve care, improve health and reduce costs. The primary drivers to achieve those aims are:

- Improving care delivery models by enabling and rewarding integration and coordination,
- Improving the exchange and use of health information by developing a health information system that supports improved care and measurement of value, and
- Improving payment models by aligning financial incentives with the three aims.

Notable achievements from October-December 2013 include:

- Vermont's SIM staff and project management team fully implemented the SIM governance structure and seven stakeholder work groups, to support progress on the Aims and Drivers. The work groups received consistent guidance to assist them in developing work products, and communication mechanisms were established to assist with sharing of information.
- The work groups and governing bodies completed the design of the Medicaid and Commercial Shared Savings ACO Programs. Operational standards (e.g., calculations of shared savings, governance, data sharing, attribution of patients to ACOs) and quality measures were finalized and adopted. Program agreements (for the Commercial SSP) and contracts (for the Medicaid SSP) are on the verge of being executed, and the performance year will be January 1, 2014 to December 31, 2014.
- Vermont's SIM Project hosted 23 stakeholder meetings, which involved over 300 Vermont stakeholders. Vermont's SIM Project also presented to several Boards and Committees across the state including: the Medicaid Exchange Advisory Board, the Legislative Health Care Oversight Committee, the House Health Care Committee, and the Green Mountain Care Board. All of these meetings were open to the public with meeting materials posted on the SIM Project website.

- Vermont's SIM Project procured an independent evaluator for the project with contract execution expected in early 2014.
- Vermont's three ACOs, with oversight from the state, initiated collaborative discussions pertaining to health information exchange (HIE) and care management initiatives. These collaborations, should they prove successful, have the potential to accelerate HIE development, improve integration of care, prevent duplication, and reduce costs.
- Vermont made significant progress in establishing interfaces between providers and the HIE. Designated mental health agencies, hospitals, physician practices and home health agencies all made progress in this area.
- SIM staff provided presentations on the Episodes of Care/Bundled Payment model to the Payment Models Work Group. The presentations described potential design elements of this particular payment reform model and a timeline and process for design and implementation.

Staffing by Type and Number of FTEs:
Vermont's SIM Project includes 20.5 funded positions, of which 10.5 are filled. Of those, 2.25 of the positions are at the Green Mountain Care Board, 2 are at the Department of Aging and Independent Living, 3 are at the Agency of Human Services Central Office, 12.25 are at the Department of Vermont Health Access, and 1 is at the Agency of Administration.
Vermont hired both the SIM Project Director and the Evaluation Director during this time period. Below please find a list of filled and vacant positions:

Position Title	Agency	Employee Name	% dedicated to the project
Fiscal Manager: Financial Manager II	AHS	Diane Cummings	100%
Program Manager for Duals: Duals Director	AHS	Julie Wasserman	100%
Project Director	AOA	Georgia Maheras	100%
Payment Program Manager: Quality Oversight Analyst	DVHA	Alicia Cooper	100%
Quality Monitoring & Evaluation: Senior Policy Advisor	DVHA	Ann Reeves	100%
Payment and Policy Specialist: Health Policy Analyst	DVHA	Erin Flynn	100%
Payment Reform Director	DVHA	Kara Suter	25%
Service Delivery Specialist:	DVHA	Luann Poirier	100%

Administrative Services Manager I			
Fiscal Manager: Contract and Grant Administrator	DVHA	Robert Pierce	100%
Evaluation Director	GMCB	Annie Paumgarten	100%
Grant Program Manager: Grant Manager Coordinator	GMCB	Christine Geiler	100%
Payment Reform Director	GMCB	Richard Slusky	25%
Workforce Work Group Manager	AOA	Recruiting at AOA	50%
Payment Program Manager	DAIL	Recruiting at DAIL- interviews ongoing*	100%
Payment Program Manager	DAIL	Recruiting at DAIL- interviews ongoing*	100%
Payment Initiative Director, Shared Savings	DVHA	Recruiting at DVHA	100%
Payment Initiative Director, Payment Pilots	DVHA	Recruiting at DVHA	100%
Payment Program Manager: Policy and Planning Chief	DVHA	Recruiting at DVHA	100%
Medicaid Data Analyst: Quality Oversight Analyst	DVHA	Recruiting at DVHA	100%
Medicaid Data Analyst: Health Care Statistical Information Administrator	DVHA	Recruiting at DVHA	100%
Medicaid Data Analyst: Health Care Statistical Information Administrator	DVHA	Recruiting at DVHA	100%
Medicaid Data Analyst: Health Care Statistical Information Administrator	DVHA	Recruiting at DVHA	100%
Quality Monitoring &	DVHA	Recruiting at DVHA	100%

Evaluation: Senior Policy Advisor			
Quality Monitoring & Evaluation: Senior Policy Advisor	DVHA	Recruiting at DVHA	100%

Status of Medicaid waivers/SPAs, if applicable

Vermont's Medicaid Program will be submitting a SPA once the Medicaid Shared Savings ACO Program contracts are executed.

2 Accomplishments

Year One Planned Activities:

Vermont's Operational Plan supplemental documents submitted on September 27, 2013 included a list of milestones and metrics. The milestones are divided into several categories: Advanced Analytics, Evaluation (External), Evaluation (Internal), Initiative Support, State Staff Training and Development, Model Testing, and Technology and Infrastructure. These are addressed below:

Advanced Analytics

1. *Procure contractor for internal Medicaid modeling*: Vermont is in the middle of the contracting process for a Medicaid modeling contract. There is a contract amendment pending with Burns and Associates. We anticipate executing a contract in the second quarter.
2. *Procure contractor for additional data analytics*: In order to support its oversight role, the Green Mountain Care Board (GMCB), in coordination with the Department of Vermont Health Access (DVHA), has issued a Request for Proposals (RFP) seeking an independent, third-party contractor to assume responsibility for statewide analytics activities related to the implementation, monitoring, reporting, and evaluation of the Vermont Health Care Innovation Project (VHCIP) Accountable Care Organization Commercial and Medicaid Shared Savings ACO pilot program. The required tasks of the Analytics Contractor include the following:
   a. Calculation of ACO Financial Performance and Calculation of the Distribution of Earned Savings Payments;
   b. Calculation of ACO Performance Measures;
   c. Calculation of the Impact of ACO Quality Performance on the Distribution of Shared Savings; and
   d. Report Design and Generation.

The RFP for the Analytics Contractor was finalized and approved for release on January 17th. The RFP is available here: http://gmcboard.vermont.gov/sites/gmcboard/files/Analytics_RFP_%20201401714.pdf. Bids are due February 14th with the Vendor to be notified of selection on March 4th and work to start on March 7th.

3. *Define Analyses:* Vermont has designed three analyses for the Commercial and Medicaid Shared Savings ACO Programs and has several more proposed in the Analytics Contractor RFP discussed above. The three defined analyses are: a. attribution reports; b. summary statistics for attributed populations; and c. analysis of the difference between core and non-core costs.
4. *Consult with Payment Models and Duals Work Groups on definition of analyses:* Vermont consulted with the Payment Models Work Group on the Shared Savings ACO Program Analyses and on the scope of work for the Analytics Contractor RFP. The Duals/Disability and Long Term Services and Supports Work Group began discussing analyses in December 2013 and will continue the discussion through the rest of Year One.
5. *Perform analyses, Procure contractor, Develop financial baselines and Develop trend models*: Vermont will procure several contractors to develop financial baselines and trends in Year One. The first contractor will provide financial baselines and trend models for the Medicaid and Commercial Shared Savings ACO Programs as described above. Vermont will procure other contractors as the Episode of Care and Pay-for-Performance Programs are launched in Year One.
6. *Consult with Payment Models and Duals Work Groups on financial model design:* The Payment Models Work Group met once during this quarter to discuss financial model design. Its predecessor Work Group, the ACO Standards Work Group, met five times to discuss the Shared Savings ACO Program financial model design. The Duals/Disability and Long Term Services and Support Work Group met twice in this quarter to discuss financial model designs. The state has decided not to pursue the duals demonstration at this time, but may still need some analysis to support the work of the Disability and Long Term Services and Supports Work Group.
7. *Produce quarterly and year-end reports for Commercial and Medicaid Shared Savings ACO program participants and payers*: These reports will be generated by the Analytics Contractor, which will be chosen on March 4th. Vermont has established criteria for quarterly and annual reports and plans to work closely with the Analytics Contractor to ensure accurate compliance with report requirements.

Evaluation (External)

1. *Procure External Evaluation Contractor:* Vermont has selected a Contractor for this work, and the selected firm and State of Vermont have agreed to contract terms and a scope of work. The state recently received CMMI approval. Work on the external evaluation will begin upon contract execution.
2. *Develop Evaluation Plan:* The selected vendor is planning to present a design plan to key stakeholders in Vermont in Q1 of 2014. The timing of design plan presentation is dependent on CMMI approval of the contract terms.

3. *Consult with Performance Measures Work Group:* As noted above, the contract for the external evaluation vendor is being reviewed by CMMI. The vendor will begin developing a draft evaluation plan after the contract has been executed. A draft evaluation plan will be developed by the VHCIP external evaluation contractor with input from VHCIP staff by June 2014. The draft plan will be shared with the Quality and Performance Measures Work Group for input during its June 2014 meeting. A status report on the external evaluation will be shared with the Quality and Performance Measures Work Group for input during its December 2014 meeting.
4. *Input baseline data*: The baseline data will be identified upon contract execution.

Evaluation (Internal):

1. *Hire Staff:* Vermont hired the Evaluation Director in December 2013. The Evaluation Director will be responsible for managing Vermont's internal evaluation.
2. *Procure Contractor to perform internal evaluation*: The VHCIP Evaluation Director is undertaking a collaborative process with inter-agency VHCIP staff to identify specific areas of focus for the internal evaluation. Once this process is completed, an RFP will be released; the target date for the release is February 2014. A competitive bid process will then commence and the goal date for contract award is March 2014.
3. *Develop evaluation plan*: The contractor will work in close collaboration with the VHCIP Evaluation Director and present a design plan for the evaluation; the goal date for this activity is May 2014.
4. *Consult with Performance Measures Work Group*: An initial draft of the internal evaluation plan has been developed and distributed to SIM staff members for input. The draft is currently being refined. A draft evaluation plan will be developed by VHCIP staff by March 2014. The draft plan will be shared with the Quality and Performance Measures Work Group for input during its April 2014 meeting. A status report on the internal evaluation will be shared with the Quality and Performance Measures Work Group for input during its October 2014 meeting.
5. *Input baseline data*: Baseline data will be identified once an internal evaluation contract has been executed.

Initiative Support

1. *Procure contractor for interagency coordination, Develop interagency and inter-project communications plan, and Implement the plan*: Vermont plans to release an RFP for this work in the second quarter of Year One.

State Staff Training and Development

1. *Hire Contractor and Develop Curriculum*: Vermont plans to release an RFP for this work in the third quarter of Year One.

Model Testing

1. *Develop ACO Model Standards*: Vermont made significant progress towards finalization of the Medicaid and Commercial Shared Savings ACO Programs. The GMCB and DVHA

convened two work groups to support the creation of these programs. The work groups met twice monthly throughout the year, and included representatives of ACOs, payers, hospitals, Federally Qualified Health Centers, physicians, consumers, and others. To ensure that SSPs meet their intended purpose of benefitting Vermont consumers, careful monitoring of consumer impacts will be evaluated with key quality and access measures.

The Work Group drafted standards in the following areas:

- Standards related to the ACO's structure:
  - Financial stability.
  - Risk mitigation.
  - Patient freedom of choice.
  - ACO governance.

- Standards related to the ACO's payment methodology:
  - Patient attribution methodology.
  - Calculation of ACO financial performance and distribution of shared savings payments.

- Standards related to management of the ACO:
  - Care management.
  - Payment alignment.
  - Data use.

These Standards were presented to the Vermont Health Care Innovation Project (VHCIP; formerly SIM) Steering Committee and Core Team and the GMCB for approval, and were adopted in December 2013.

The ACO Measures Work Group, later reconstituted as the Quality and Performance Measures Work Group, was formed to identify standardized measures to evaluate the performance of Vermont's ACOs, and to develop a measures scoring process to determine how ACO performance influences the amount of savings that would be distributed to the ACO. To that end, the Work Group developed the following measure sets:

- Measures for payment; how the ACO performs on the measure may impact the amount of shared savings that the ACO receives.
- Measures for reporting; the ACO's performance on these measures will not impact the amount of shared savings that the ACO receives, but whether or not the ACO reports on the measure may impact shared savings.
- Measures for monitoring and evaluation, including key utilization indicators and other statewide quality measures.
- Pending measures for future consideration.

These measure sets and scoring processes were approved through the VHCIP governance process and adopted by the GMCB in December 2013. The final measures are attached as Appendix A to this document.

Standards and measures are aligned among commercial payers and Medicaid where possible, but are adapted as needed to reflect differences in the populations served by these two types of payers.

The next stage of activities for this program is to move into the implementation phase of the programs. Vermont will also insure that the ACO Standards and Performance Measures are being adhered to by the ACOs participating in the Commercial and Medicaid Shared Savings Programs. This will involve the work of the Analytics Contractor and the oversight role of the GMCB and DVHA.

2. *Execute Medicaid ACO Shared Savings Program Contracts*: Vermont Medicaid received two letters of intent in response to its RFP for the ACO Shared Savings Program. Medicaid is negotiating contracts with two ACOs for a performance year January 1, 2014-December 31, 2014. Vermont expects to signed contracts early in 2014.
3. *Execute Commercial ACO Shared Savings Program Contracts*: ACOs and Commercial Payers are negotiating a Commercial ACO Contract (Commercial Program Agreement). We expect three ACOs to execute Program Agreements with Blue Cross Blue Shield and MVP HealthCare by the end of January 2014. Once the Commercial Program Agreements between the Commercial Payers and the ACOs are signed, we expect the ACOs to distribute Participation Agreements to their network providers. Those agreements are scheduled to be executed by the end of February 2014, at which time the Payers will have sufficient information to determine whether or not there will be enough attributed lives to the ACOs to move forward participating in the Commercial Shared Savings Program on the Exchange.
4. *Develop standards for bundled and episode-based payments*: The Episodes of Care model is being discussed by the Payment Models Work Group. The group is establishing criteria for evaluating possible episodes to test.
5. *Execute contracts for bundled and episode-based payments*: The Payment Models Work Group is expected to secure a contract for analytic support in development of Episodes of Care model and standards by the end of February 2014.
6. *Develop Medicaid value-based purchasing plan addressing pay-for-performance initiatives*: A framework has been developed for a Medicaid Pay-for-Performance program. Work is ongoing to identify quality metrics to be used to assess performance for Medicaid providers (both primary and specialty). The Pay-for-Performance model will be finalized within the next quarter, with input from the Payment Models Work Group.
7. *Procure learning collaborative and provider technical assistance contractor*: Learning collaboratives are under development for two of the three payment models. A scope

of work will be developed and an RFP will be issued for a Learning Collaborative and Provider Technical Assistance Contractor by March of 2014. A Learning Collaborative and Provider Technical Assistance Contractor will be selected by May 2014. A contract for Learning Collaborative and Provider Technical Assistance will be executed by August 2014.

8. *Establish learning collaboratives for providers engaged in each of the testing models:* Conceptual development of two learning collaboratives has been initiated by VHCIP staff and stakeholders. These learning collaboratives are currently envisioned to consist of day-long in-person meetings to obtain expert input on best practices and evidence, and to share results of interventions. Webinars will be held between meetings to refine interventions, develop measures of success, and share results. The Care Models and Care Management Work Group will review a potential learning collaborative to improve care management in March 2014. The collaborative would be geared toward the shared savings programs, and would include provider organizations, payers and ACOs. The first in-person meeting of a shared savings program learning collaborative will be held by June 2014. A proposed learning collaborative that would convene clusters of providers (e.g., hospital, home health, primary care, specialty care) to share data, identify best practices, and identify improvement opportunities for episodes of care will be presented to the Care Models and Care Management and Payment Models Work Groups by September 2014. That collaborative will be geared toward the bundled payments model. The first in-person meeting of the bundled payments model learning collaborative would be held by December 2014.
9. *Develop technical assistance program for providers implementing payment reforms*: Vermont plans to launch the technical assistance program as a component of the VHCIP Grant Program. The Grant Program was submitted to CMMI in December 2013 with the technical assistance program a key feature. Vermont intends to launch this program early in 2014.
10. *Number of providers participating in one or more testing models (goal = 2000):* See the attached Draft ACO Participation Table. We will update this in the next report after the Commercial and Medicaid Shared Savings ACO Programs are launched and participating provider agreements are executed.
11. *Number of Blueprint practice providers participating in one or more testing models (goal = 500):* Through December of 2013, 621 unique providers in 121 PCMHs are electronically sharing care summaries with other providers, in the form of ambulatory CCDs directed to the Blueprint Repository where they can be accessed. 121 Practices are participating. These practices and providers cover 514,385 people representing 82% of Vermont's population. Five additional practices are scheduled to be scored as PCMHs for the first time in 2014.

Technology and Infrastructure

1. *Provide input to update of state HIT plan*: A revised project plan has recently been approved for the development of a new Vermont Health Information Strategic Plan, which will include an updated State HIT Plan. The project is kicking off in January 2014

and initial input from the SIM HIE Work Group should occur in the first half of 2014. Vermont is recognizing the primacy of information in the health care reform equation and will be calling its next plan the Vermont Health Information Strategic Plan (VHISP). There will still be an HIT plan, but the HIT planning component is a subset of the VHISP, as information derives from data, and data is generated and transported through the components of HIT and HIE. The HIE/HIT Work Group will have an active role in reviewing the HIT Plan. The current goal is to draft the phase 2 work of updating HIT, HIE, and privacy and security by June 30, 2014. The current goal is to also have a draft of the entire plan by December 31, 2014.

2. *Expand provider connection to HIE infrastructure:* Significant progress occurred in 2013 with provider connection to the HIE infrastructure. 61% of hospitals have live interfaces for: ADT (admission/discharge/transfer); laboratory results; radiology reports; transcribed reports; medication history; and pathology reports. 59% of physician practices have interfaces to the HIE for: ADT (admission/discharge/transfer); laboratory results; radiology reports; transcribed reports; medication history; and pathology reports as well. This represents 130 practices. For Home Health Agencies: 1 HIE agreement was executed and progress was made on 3 others. For Mental Health Designated Agencies: 4 VHIE agreements were executed and progress was made on 6 others. Interfaces to Home Health Agencies and the Designated Agencies were actively pursued during the October-December quarter, but the targeted vendor had difficulties implementing Vermont's patient consent policy. Another Home Health Agency with a different vendor was identified for this work, which will continue in 2014.
   The HIT/HIE Work Group will be discussing this as part of the work in 2014. We anticipate significant collaboration between and among providers on this issue.
3. *Identify necessary enhancements to centralized clinical registry & reporting systems*: Vermont's SIM Project is currently reviewing options for how best to continue to provide registry and reporting analytic services.
4. *Procure contractor to develop initial use cases for the integrated platform and reporting system*: Vermont's SIM Project is currently working on use case identification and development and should complete the scope of this project for this project by April 2014.
5. *Design the technical use cases and determine the component of the integrated platform that is required to implement these use cases*: Vermont's SIM Project is currently working on use case identification and development and should complete the scope of this project for this project by April 2014.
6. *Develop criteria for telemedicine sub-grants*: Vermont's SIM Project has not yet developed these criteria. The HIT/HIE Work Group will develop these criteria in early summer 2014.
7. *Expand the scope of VHCURES to support the integration of both claims and clinical data and provide this capability to ACOs/providers and potentially payers*: The GMCB is releasing an RFP in 2014 for a new VHCURES warehousing contract. No providers have requested VHCURES data in the first quarter.

8. *Begin to incorporate long term care, mental health, home care and specialist providers into the HIE infrastructure*: The State of Vermont has a contract with VITL, the state's HIE contractor, to begin to incorporate these providers into the HIE infrastructure. Some SIM funds are being used for this purpose in Year One. The HIT/HIE Work Group will also make recommendations regarding incorporating these providers.

Table 1: October-December 2013 Aims and Drivers Accomplishments

Aims and primary drivers	**Secondary drivers**	**Accomplishments during October-December 2013 and current status of SIM aims and primary drivers**
VT Aims=Improve Care, Improve Health, and Reduce Costs Primary Driver #1: Improve care delivery models: enable and reward integration and coordination	Support the development of provider networks that coordinate preventive and acute health services across all sectors	Final negotiations for Medicaid and Commercial Shared Savings Program ACO/payer contracts and program agreements occurred during October-December 2013; the contracts/agreements will be executed by February 1, 2014, retroactive to January 1, 2014
	Develop workforce planning that supports the needs of community networks	Vermont's SIM Workforce Work Group began developing these at its November meeting. The Workforce Work Group will continue this work in 2014.
	Coordinate care process redesign and care management programs to maximize best practices and reduce duplication of effort or expense	The Care Models and Care Management Work Group began meeting in November 2013 and has initiated efforts to improve care models and care management. The Work Group is currently conducting an inventory of existing care management activities (including successes, gaps, and duplication).
	Expand the use of telemedicine to support appropriate resource use and access to care	The HIE Work Group has been fielding inquiries and obtaining input from interested parties in anticipation of developing Telemedicine Grant Program criteria.
VT Aims=Improve Care, Improve Health, and Reduce Costs Primary Driver #2:	Guide expansion of electronic health records to providers of long-term services and supports	The SIM grant is accelerating the expansion of EHRs; this expansion will be ongoing and continuous over the period of the grant. 1. For Home Health Agencies, 1 VHIE

Improve exchange and use of health information: develop a health information system that supports improved care and measurement of value		agreement was executed and progress was made on 3 others. Progress was also made on 5 Data Services Agreements (DSA) and 1 Security Risk Analysis (SRA). 2. For Mental Health Designated Agencies, 4 VHIE agreements were executed and progress was made on 6 others. 9 DSAs were executed, covering 46 eligible professionals; progress was made on 2 other DSAs. 4 SRAs were completed, and progress was made on 1 additional SRA. 3. Interfaces to Home Health Agencies were actively pursued during the October-December quarter, but the targeted vendor had difficulties implementing VT's patient consent policy. Another Home Health Agency with a different vendor was identified for this work. 4. There is a similar issue with the interfaces for Designated Agencies. The HIE contractor (Vermont Information Technology Leaders, or VITL) is in the process of identifying another Designated Agency to work with.
	Invest in enhancements to EHRs and other technology that supports integration of services and enhanced communication	The SIM grant is accelerating enhancement of EHRs and other technology to support integration of services and enhanced communication. This work will be ongoing and continuous over the period of the grant. 1. VITL is working with a variety of provider organizations (e.g., hospitals, practices, home health agencies, designated mental health agencies) to improve EHR functionality, integration of services, and communication.

		2. In November and December 2013, the state's 3 ACOs and VITL developed a joint proposal to build a common infrastructure to electronically report on quality measures, notify providers of transitions in care, and exchange relevant clinical information about patients among organizations providing care. The proposal was presented to the HIE Work Group for consideration for SIM funding in early January 2014.
	Enhance connectivity and data transmission from source systems including EHRs	The SIM grant is accelerating enhancement of connectivity and data transmission. This work will be ongoing and continuous over the period of the grant. 1. Vermont's Blueprint for Health, VITL, the DocSite clinical registry contractor, EHR vendors, and practice staff have been working together to enhance practice connectivity to the clinical registry and/or Vermont's HIE. 2. The same group has been working to improve the quality of data being transmitted to the clinical registry and Vermont's HIE. 3. VITL continues to work with the state's hospitals, practices and other providers to enhance connectivity and improve data transmission.
	Enhance data repository and data integration platform	Vermont's goal is to create data repositories that can be accessed by multiple users for various purposes. The SIM grant is helping to accelerate this effort. 1. One example involves Patient Experience Surveys. During the last quarter of 2013, a scope of work was developed and an RFP was issued to procure a vendor to

		field the Patient Centered Medical Home Patient Experience Surveys to primary care practices engaged in the Blueprint for Health. These surveys will also be used to evaluate patient experience with ACOs, by flagging ACO-attributed members, and the data could potentially be made available for other users and purposes. 2. Additional uses and access are envisioned for Vermont's multi-payer claims database (VHCURES). Data in VHCURES is currently de-identified. The state plans to issue an RFP during the next quarter that will result in the creation of a "lockbox" for identified claims data (and eventually other types of data); it would allow data from different sources to be merged on a person-level basis. Identified data would never be released from the lockbox, but it could be flagged for various analytic purposes in the lockbox and then released in a de-identified manner to be analyzed. To this end, VHCURES staff began working with the state Department of Information and Innovation and an outside contractor to finalize an RFP for VHCURES during the last quarter. 3. Procurement is also underway for a clinical registry contractor. The clinical registry can provide actionable clinical data for providers and to the VHIE. The HIE Work Group is currently working on use case development to inform the scope of work for this project. They anticipate completing the scope of work and posting an RFP

		by April 2014.
	Develop advanced analytics and reporting system; enhance a statewide learning health system that provides reporting and analytics to support provider networks	Improvements in Vermont's HIE infrastructure will support the development of a learning health system in which advanced analytics, actionable reporting and provider/patient experiences are made available to providers and used to continuously improve quality. Aligning reporting between initiatives will help providers focus in key metrics. During the fourth quarter of 2013, payment reform and Blueprint staff met to discuss the potential for aligning ACO measures with Blueprint provider profiles.
VT Aims=Improve Care, Improve Health, and Reduce Costs Primary Driver #3: Improve payment models: align financial incentives with the three aims	Implement all-payer value-based payment models that reward provider performance relative to the project aims	Accomplishments in implementing all-payer value-based payment models from October-December 2013 included: 1. The continued development of Medicaid and Commercial Shared Savings ACO Programs between Medicaid, the two commercial payers and three ACOs, including the adoption of operational standards (e.g., calculations of shared savings, governance, data sharing, attribution of patients to ACOs) and quality measures. Program agreements (for the Commercial SSP) and contracts (for the Medicaid SSP) are on the verge of being executed, and implementation will be retroactive to January 1, 2014. 2. Initial presentation of the Episodes of Care/Bundled Payments model by SIM staff to Payment Models Work Group, including theory of this payment reform model and processes required for implementation.

		3. Vermont continued to build on the Blueprint for Health MAPCP demo, which includes a pay-for-performance model for participating primary care practices, shared capacity payments for Community Health Teams to provide multi-disciplinary services for patients with complex health and social needs, and bundled payments for the Hub and Spoke health home component to provide ambulatory medication assisted treatment and mental health care for people with opioid dependence. 4. Vermont began discussions with two hospitals interested in exploring a global budget model; while this is not a specific component of the SIM grant, it does have the potential to complement SIM activities.
	Support investments in primary care and prevention	1. The Blueprint for Health continues to provide multi-payer financial investment and multi-disciplinary support for primary care providers, as well as support for prevention. 2. The shared savings, HIE and care management infrastructure being developed collaboratively by ACOs, VITL, payers and other providers will support all providers, including primary care providers, and will support good preventive care. 3. The Population Health Work Group began meeting during the last quarter, and identified the following priorities that will impact primary care and prevention: • Obtaining consensus on population health measures to be used in tracking SIM outcomes and incorporated in

		the new payment models. • Determining how to pay for population health through modifications to proposed health reform payment mechanisms, and through identification of promising new financing vehicles that promote financial investment in population health interventions. • Identifying and disseminating current initiatives in Vermont and nationally that integrate clinical and population health. Identifying opportunities to enhance new health delivery system models (e.g., Blueprint for Health and ACOs) to improve population health through better integration of clinical services, public health programs and community based services at both the practice and the community levels.

Additional SIM milestones/metrics	Current status
Medicaid and Commercial ACO Shared Savings Program (SSP) Year 1 quality measures finalized	After 11 months of stakeholder review, discussion and negotiation, the Year 1 Medicaid and Commercial SSP measure sets were approved by the VHCIP Core Team and the Green Mountain Care Board in November and December 2013.

3 Planned Activities Over the Next Quarter and Likelihood of Achievement

3.1 Planned Activities and likelihood of achieving next quarter's goals/objectives

Table 2: Planned Activities

Planned Year One Activities	Vermont's Year One Metrics	Planned Activities

Advanced analytics		
Procure contractor for internal Medicaid modeling	Contract for Medicaid modeling	Finalize Contract. **Likelihood of success is good.**
Procure contractor for additional data analytics	Contract for data analytics	Bids are due February 14th with the Vendor to be notified of selection on March 4th and work to start on March 7th. **Likelihood of success is good.**
Define analyses	Number of analyses designed (goal = 5)	Vermont has designed three analyses for the Commercial and Medicaid ACO Shared Savings Programs and has several more proposed in the Analytics Contractor RFP discussed above. The three defined analyses are: a. attribution reports; b. summary statistics for attributed populations; and analysis of the difference between core and non-core costs. **Likelihood of success in next six months is good.**
Consult with payment models and duals WGs on definition of analyses	Number of analyses performed (goal = 5)	Continued discussions in the first six months of 2014 to define analyses. **Likelihood of success in next six months is good.**
Perform analyses; Procure contractor for financial baseline and trend modeling; and Develop model.	Contract for financial baseline and trend modeling	Vermont will procure several contractors to develop financial baselines and trends in Year One. The first contractor will provide financial baselines and trend models for the Medicaid and Commercial Shared Savings ACO Programs as described above. Vermont will procure other contractors as the Episode of Care and Pay-for-Performance Programs are launched in Year One. **Likelihood of success is good.**
Consult with payment	Number of meetings	Continued discussions with these

models and duals WGs on financial model design	held with payment models and duals WGs on the above designs (goal = 2)	two work groups in 2014. **Likelihood of success in next year is good.**
Produce quarterly and year-end reports for ACO program participants and payers		These reports will be generated by the Analytics Contractor, which will be chosen on March 4th. Vermont has established criteria for quarterly and annual reports and plans to work closely with the Analytics Contractor to ensure accurate compliance with report requirements. **Likelihood of success in next year is good.**
Evaluation (external)		
Procure contractor	Contract for external evaluation	Execute Contract in early 2014. **Likelihood of success is good.**
Develop evaluation plan	Evaluation plan developed	The contractor will work in close collaboration with the VHCIP Evaluation Director and present a design plan for the evaluation; the goal date for this activity is May 2014. **Likelihood of success in next six months is good.**
Consult with performance measures work group	Number of meetings held with performance measures WG on evaluation (goal = 2)	A draft evaluation plan will be developed by the VHCIP external evaluation contractor with input from VHCIP staff by June 2014. The draft plan will be shared with the Quality and Performance Measures Work Group for input during its June 2014 meeting. A status report on the external evaluation will be shared with the Quality and Performance Measures Work Group for input during its December 2014 meeting. **Likelihood of success is good.**
Input baseline data	Baseline data identified	This will be developed with the Contractor upon contract

		execution in early 2014. **Likelihood of success in next six months is good.**
Evaluation (internal)		
Hire staff	Hire Staff	Task Completed.
Procure contractor	Contract for internal evaluation	The VHCIP Evaluation Director is undertaking a collaborative process with inter-agency VHCIP staff to identify specific areas of focus for the internal evaluation. Once this process is completed, an RFP will be released; the target date for the release is February 2014. A competitive bid process will then commence and the goal date for contract award is March 2014. **Likelihood of success is good.**
Develop evaluation plan	Evaluation plan developed	The contractor will work in close collaboration with the VHCIP Evaluation Director and present a design plan for the evaluation; the goal date for this activity is May 2014. **Likelihood of success in next six months is good.**
Consult with performance measures work group	Number of meetings held with performance measures WG on evaluation (goal = 2)	An initial draft of the internal evaluation plan has been developed and distributed to SIM staff members for input. The draft is currently being refined. A draft evaluation plan will be developed by VHCIP staff by March 2014. The draft plan will be shared with the Quality and Performance Measures Work Group for input during its April 2014 meeting. A status report on the internal evaluation will be shared with the Quality and Performance Measures Work Group for input during its October 2014 meeting. **Likelihood of success is good.**
Input baseline data	Baseline data identified	Baseline data will be identified

		once an internal evaluation contract has been executed. **Likelihood of success in next six months is good.**
Initiative Support		
Procure contractor	Contract for interagency coordination	Vermont plans to release an RFP for this work in the second quarter of Year One. **Likelihood of success in next six months is good.**
Develop interagency and inter-project communications plan	Interagency and inter-project communications plan developed	The plan will be developed once the contractor is selected. **Likelihood of success in next six months is good.**
Implement plan	Results of survey of project participants re: communications	The plan will be implemented once the contractor is selected. **Likelihood of success in next six months is good.**
State staff training and development		
Hire contractor	Contract for staff training and development	Vermont plans to release an RFP for this work in the third quarter of Year One. **Likelihood of success in next nine months is good.**
Develop curriculum	Training and development curriculum developed	The curriculum will be developed once the contractor is selected. **Likelihood of success in next nine months is good.**
Model Testing		
Develop ACO model standards	Approved ACO model standards	The next stage of activities for this program is to move into the implementation phase of the programs. Vermont will also insure that the ACO Standards and Performance Measures are being adhered to by the ACOs participating in the Commercial and Medicaid Shared Savings Programs. This will involve the work of the Analytics Contractor and the oversight role of the GMCB and

		DVHA. **Likelihood of success is good.**
Execute Medicaid ACO contracts	Number of Medicaid ACO contracts executed (goal = 2)	Medicaid is negotiating contracts with two ACOs for a performance year January 1, 2014-December 31, 2014. Vermont expects to sign contracts early in 2014. **Likelihood of success is good.**
Execute commercial ACO contracts	Number of commercial ACO contracts executed (goal = 2)	Commercial Program Agreements should be signed in early 2014. **Likelihood of success is good.**
Develop standards for bundled and episode-based payments	Approved standards for bundled and episode-based payments	The Episodes of Care model is being discussed by the Payment Models Work Group. The group is establishing criteria for evaluating possible episodes to test. **Likelihood of success in next nine months is good.**
Execute contracts for bundled and episode-based payments		The Payment Models Work Group is expected to secure a contract for analytic support in development of Episodes of Care model and standards by the end of February 2014. **Likelihood of success for this contract is good.**
Develop Medicaid value-based purchasing plan addressing pay-for-performance initiatives	Medicaid value-based purchasing plan developed	The Pay-for-Performance model will be finalized within the next quarter, with input from the Payment Models Work Group. **Likelihood of success in next nine months is good.**
Procure learning collaborative and provider technical assistance contractor	Contract for learning collaborative and provider technical assistance	Release an RFP in March 2014 for the contract. **Likelihood of success is good.**
Establish learning collaboratives for providers engaged in each of the testing models	Number of learning collaboratives for providers conducted (goal = 3 day long meetings)	The first in-person meeting of the shared savings program learning collaborative will be held by June 2014. A draft learning collaborative to convene clusters of providers (e.g., hospital, home health, primary care, specialty

		care) to share data, identify best practices, and identify improvement opportunities for episodes of care will be presented to the Care Models and Care Management and Payment Models Work Groups by September 2014. The collaborative will be geared toward the bundled payments model. The first in-person meeting of the bundled payments model learning collaborative will be held by December 2014. **Likelihood of success in next nine months is good.**
Develop technical assistance program for providers implementing payment reforms	Number of providers served by technical assistance program (goal = 20)	Technical Assistance is part of Vermont's Sub-Grant Program. The Sub-Grant Program will launch in early 2014. **Likelihood of success in next six months is good.**
Number of providers participating in one or more testing models	goal = 2000	See the attached Draft ACO Participation Table. We will update this in the next report after the Commercial and Medicaid ACO Shared Savings Programs are launched and participating provider agreements are executed. **Likelihood of success is good.**
Number of Blueprint practice providers participating in one or more testing models	goal = 500	Through December of 2013, 621 unique providers in 121 PCMHs are electronically sharing care summaries with other providers, in the form of ambulatory CCDs directed to the Blueprint Repository where they can be accessed. 121 Practices are participating. These practices and providers cover 514,385 people representing 82% of Vermont's population. Five additional practices are scheduled to be scored as PCMHs for the first time in 2014. **Goal achieved.**
Technology and		

Infrastructure		
Provide input to update of state HIT plan	Updated state HIT plan	The goal is to draft the phase 2 work of updating HIT, HIE, and privacy and security by June 30, 2014. The current goal is to also have a draft of the entire plan by December 31, 2014. **Likelihood of success is good.**
Expand provider connection to HIE infrastructure	Number of new interfaces built between provider organizations and HIE (goal = 18 additional hospital interfaces and 75 new interfaces to non-hospital healthcare organizations to include: at least 10 specialist practices; 4 home health agencies; and 4 designated mental health agencies)	VITL will continue to work with providers to build on the interfaces established in 2013. The HIT/HIE Work Group will be discussing this as part of the work in 2014. We anticipate significant collaboration between and among providers on this issue. **Likelihood of success in the next nine months is good.**
Identify necessary enhancements to centralized clinical registry & reporting systems	Completed needs assessment for enhancements to centralized clinical registry and reporting systems	Vermont's SIM Project is currently reviewing options for how best to continue to provide registry and reporting analytic services. **Likelihood of success in the next nine months is good.**
Procure contractor to develop initial use cases for the integrated platform and reporting system	Contractor hired	Vermont's SIM Project is currently working on use case identification and development and should complete the scope of this project for this project by April 2014. **Likelihood of success is good.**
Design the technical use cases and determine the components of the integrated platform that are required to implement these use	Contract for the development of 6 primary use cases for the integrated platform and reporting system	Vermont's SIM Project is currently working on use case identification and development and should complete the scope of this project for this project by April 2014. **Likelihood of success is good.**

cases		
Develop criteria for telemedicine sub-grants	Number of telemedicine initiatives funded (goal = 1)	The HIT/HIE Work Group will develop these criteria in early Summer 2014. **Likelihood of success in the next six months is good.**
Expand the scope of VHCURES to support the integration of both claims and clinical data and provide this capability to ACOs/providers and potentially payers	Number of providers approved for use of VHCURES data	The GMCB is releasing an RFP in 2014 for a new VHCURES warehousing contract that will expand the scope. **Likelihood of success in the next nine months is good.**
Begin to incorporate long term care, mental health, home care and specialist providers into the HIE infrastructure	Provide regional extension center (REC) like services to non-EHR providers to include long term care, mental health, home health and specialists and begin development of interfaces to the VHIE for these provider groups that currently have EHRs with the goal over three years of achieving 50 new interfaces.	The State of Vermont has a contract with VITL, the state's HIE contractor, to begin to incorporate these providers into the HIE infrastructure. Some SIM funds are being used for this purpose in Year One. The HIT/HIE Work Group will also make recommendations regarding incorporating these providers. **Likelihood of success is good.**

3.2 Projected quarterly accountability targets

This information is provided in Table 2 above.

Table 3: Aims and Drivers Projections for January-March 2014

Aims and primary drivers	Secondary drivers	Projections for January-March 2014 and beyond
VT Aims=Improve Care, Improve Health, and Reduce Costs Primary Driver #1: Improve care delivery models: enable and reward integration and coordination	Support the development of provider networks that coordinate preventive and acute health services across all sectors	Medicaid and Commercial Shared Savings Program ACO and payer contracts/program agreements will be executed by February 2014, retroactive to January 1, 2014. Implementation will begin in February 2014.
	Develop workforce planning that supports the needs of community networks	Vermont's SIM Workforce Work Group began developing these at its November meeting. The Workforce Work Group will continue this work in 2014.
	Coordinate care process redesign and care management programs to maximize best practices and reduce duplication of effort or expense	1. The Care Models and Care Management (CMCM) Work Group will identify areas of focus and characteristics of successful care management by March 2014. 2. The state's three ACOs, the Blueprint for Health (VT's MAPCP demo), and Medicaid's Vermont Chronic Care Initiative are developing a joint proposal for coordinating care management activities that can be tested and supported by a Learning Collaborative; it will be presented to the CMCM Work Group by March 2014. 3. Additional care management initiatives may be identified by April 2014 during the first round of VT's Provider Grant Program. 4. The CMCM Work Group will

		identify additional models for implementation and testing by September 2014.
	Expand the use of telemedicine to support appropriate resource use and access to care	Grant program criteria will be developed during the first quarter and will be reviewed and finalized by the HIE Work Group by June 2014.
VT Aims=Improve Care, Improve Health, and Reduce Costs Primary Driver #2: Improve exchange and use of health information: develop a health information system that supports improved care and measurement of value	Guide expansion of electronic health records to providers of long-term services and supports	1. For Home Health Agencies, 3 VHIE agreements, 5 DSA agreements and 1 SRA agreement will be executed by June 2014. Interfaces for one home health agency will be established by June 2014. 2. For Mental Health Designated Agencies, 6 VHIE agreements, 2 DSA agreements, and 1 SRA agreement will be executed by June 2014. At least one Designated Agency will be identified for interface development by April 2014.
	Invest in enhancements to EHRs and other technology that support integration of services and enhanced communication	During the first quarter of 2014, the HIE Work Group, SIM Core Team and GMCB will determine whether the Joint ACO HIE proposal should receive SIM funding.
	Enhance connectivity and data transmission from source systems including EHRs	During the first quarter of 2014, Vermont will continue the efforts by the Blueprint for Health, VITL, the DocSite clinical registry contractor, EHR vendors, and practice staff to enhance practice connectivity to the clinical registry and/or Vermont's HIE, and to improve the quality of data being transmitted to the clinical registry and/or Vermont's HIE. VITL will continue to work with the state's hospitals, practices and other providers to enhance connectivity and improve data transmission.

	Enhance data repository and data integration platform	During the first quarter of 2014: 1. A vendor will be selected to field the Patient Centered Medical Home Patient Experience Surveys to patients in primary care practices engaged in the Blueprint for Health and patients attributed to ACOs. 2. The state will issue an RFP that will result in the creation of a "lockbox" for identified claims data (and eventually other types of data); and allow data from different sources to be merged on a person-level basis. 3. The HIE Work Group will develop a scope of work for an RFP for the clinical registry and will post the RFP by May 2014.
	Develop advanced analytics and reporting systems; enhance a statewide learning health system that provides reporting and analytics to support provider networks	
VT Aims=Improve Care, Improve Health, and Reduce Costs Primary Driver #3: Improve payment models: align financial incentives with the three aims	Implement all-payer value-based payment models that reward provider performance relative to the project aims	1. Implementation of Medicaid and Commercial Shared Savings Programs between payers and ACOs will begin in February 2014. 2. The Episodes of Care/Bundled Payment model for testing will continue to be developed with the Payment Models Work Group during the first quarter of 2014.
	Support investments in primary care and prevention	

4 Substantive Findings

4.1 Substantive Findings

After year-long discussions focusing on the development of the Commercial and Medicaid ACO SSP model, there is notable "reform fatigue" among stakeholders. Some have voiced concerns about the appropriateness of planning additional models while the ACO SSP model has yet to be fully implemented. Maintaining momentum for the development of additional payment models will require everyone to focus on successes to date and the ways in which a variety of payment models can complement one another (rather than on how their coexistence could complicate the state's health care system).

4.2 Lessons Learned

Even with broad stakeholder involvement in programmatic design for the ACO SSP, securing buy-in from all stakeholders has been a continual challenge. This is particularly true of the Medicaid program. Reasons include:

- Payments that are traditionally lower than the market;
- Historic feelings of mistrust;
- Fear of state and federal funding cuts;
- Patient populations considered difficult to manage; and
- Inexperience, a lack of trust and not understanding value in health system, among diverse provider groups (e.g. traditional acute and primary medical care models and LTSS and MH/SA providers)

The Quality and Performance Work Group: Significant work remains before payers and providers will be able to measure value effectively and without undue administrative burden. The need for focused resources on improving the quality of, and ease of measurement of clinical data is paramount to these efforts.

4.3 Suggestions/Recommendations for Current/Future SIM States

Dual eligible work group: As the results of this groups analysis come to fruition (both financial and alignment) these lessons will likely prove useful to other states. If states are pursuing implementation of both a dual eligible demonstration and shared savings programs, they will need to consider from the early stages of planning how these two programs will align.

4.4 Suggestions/Recommendations for CMMI SIM Team

None at this time.

5 Findings from Self-Evaluation

We identified the need for more frequent communication among state staff working on the project. Initially, communications were once a month, but we have recognized the need for planning meetings each week and frequent emails to ensure that we have materials and appropriate information for the stakeholders. We have implemented more frequent communication among SIM Staff and are also doing more in-person meetings.

6 Problems Encountered/Anticipated and Implemented or Planned Solutions

6.1 Problems Encountered/Anticipated

1. The problems encountered in enrolling individuals and small business subscribers onto the Exchange in Vermont created uncertainty as to whether we would have enough lives to implement a Shared Savings Program. It has caused some delays in getting the ACOs and the Payers to the point of being comfortable executing Program Agreements that are necessary to begin the Commercial Shared Savings ACO Program. The Medicaid ACO SSP contract negotiations were more lengthy than expected; continued best-faith efforts among all parties have allowed for continued progress.
2. Recruiting qualified staff remains a challenge.
3. "Reform fatigue" is being experienced by many stakeholders.
4. Procurement processes are lengthy
5. There is a tension between making quick decisions regarding SIM investments to reap the benefits within the grant period and getting adequate stakeholder input, which takes time.

6.2 Implemented or Planned Solutions

1. As a result of technical problems with the enrollment of individuals and small business subscribers on to the Exchange, the Governor has extended the enrollment period until April 1, 2014, and has allowed small businesses to enroll in Exchange Plans directly through the insurers rather than through the State. That has increased enrollment for small businesses, and technical fixes in the system seem to be working for individual enrollment as well.
2. In order to meet our January 1, 2014 deadline, we have worked with the ACOs and the Payers to allow retroactive calculations of expenditures for people enrolled on the Exchange as long as the ACOs meet the minimum number of required lives for participation in the Shared Savings Program by July 1, 2014. A revised recruiting strategy is being implemented.

7 Work Breakdown Structure

This is provided in Appendix B.

8 Additional Information

Vermont Medicaid will submit a SPA once the Medicaid Shared Savings ACO Programs Contracts are executed.

9 Point of Contact

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Appendix

A Shared Savings ACO Program Year One Measures (Word)
B Work Breakdown Structure (Excel)
C SF 425 (Excel)
D Travel Report (Excel)
E Quarterly Financial Report (Excel)