

# All-Payer Model Agreement Update

Pat Jones, Interim Director of Health Care Reform  
Wendy Trafton, Deputy Director of Health Care Reform  
Vermont Agency of Human Services

***DAIL Advisory Committee***  
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# **Brief Background: Current Vermont All-Payer Model and Evolution of Federal Model**

# Current Vermont All-Payer Model Agreement

- **Signatories:** Governor, AHS Secretary, GMCB Chair
- Arrangement between Vermont and the federal government that **allows Medicare, Medicaid, and commercial insurers to pay for health care differently** and establishes state-level accountability for cost, population health, and quality
- The model shifts from paying for each service (fee-for-service) to **predictable, prospective payments** that are linked to quality (value-based)
- Changing payment is intended to **reduce health care cost growth, maintain or improve quality, and improve the health of Vermonters**
- Relies on an accountable care organization (OneCare Vermont) to develop a voluntary network of providers that agree to be **accountable for care, cost, and quality** for their attributed patients.
- Original performance period was **2018-2022** (5 Performance Years)
- Currently in first year of a **two-year extension period**
  - Extension suggested by the Center for Medicare & Medicaid Innovation (CMMI); signatories approved in November 2022 to act as a bridge to a future federal-state model (which was then expected for 2025)
  - Currently set to end on 12/31/2024

# New Model: “States Advancing All-Payer Health Equity Approaches and Development” (AHEAD)

- The Center for Medicare & Medicaid Innovation (CMMI) is now offering only **multi-state models** rather than state-specific models.
- More details on the model were released by CMMI in the form of a 127-page **Notice of Funding Opportunity** (NOFO) on November 16, 2023.
- Applications from states for the first two cohorts, outlining their proposals, are due on March 18, 2024.
- The earliest implementation date of the Medicare payment provisions of this model, for states selected for the first cohort, is January 1, 2026.
- This timing means that the current model will need to be further extended or Vermont will revert to fee-for-service payments for Medicare.
- As a result, CMMI and Vermont are negotiating **what 2025 will look like**, with the goal of providing a smooth transition to a new Medicare/multi-payer model in 2026.

# Goals of AHEAD Model

From Centers for Medicare & Medicaid Services (CMS) Notice of Funding Opportunity (NOFO):

“The AHEAD Model is a voluntary, state-based alternative payment and service delivery model designed to ***curb health care cost growth, improve population health, and advance health equity by reducing disparities in health outcomes.***” (Emphasis added)

# Key Components of AHEAD Model

Statewide and  
Provider-Level  
Accountability  
Targets

Hospital Global  
Payments

Primary Care  
AHEAD

Cooperative  
Agreement  
Funding

Model Governance  
Structure

Health Equity

Medicaid and  
Commercial Payer  
Alignment

Statewide  
Data/Health IT  
Infrastructure

# AHEAD Model Information and Timeline

<https://innovation.cms.gov/innovation-models/ahead>

## Timeline:

Notice of Funding Opportunity Publication: **November 16, 2023**

Letter of Intent to Apply Due Date (encouraged but not required): **February 5, 2024**

Deadline for States to Submit Applications for Cohorts 1 and 2: **March 18, 2024**

		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Model Year		MY1	MY2	MY3	MY4	MY5	MY6	MY7	MY8	MY9	MY10	MY11
1st NOFO Period	Cohort 1	NOFO	Pre-Implementation (18 mos)		PY1	PY2	PY3	PY4	PY5	PY6	PY7	PY8	PY9
	Cohort 2		Pre-Implementation (30 mos)			PY1	PY2	PY3	PY4	PY5	PY6	PY7	PY8
2nd NOFO Period	Cohort 3		NOFO	Pre-Implementation (24 mos)		PY1	PY2	PY3	PY4	PY5	PY6	PY7	PY8