

# Shared Savings Distribution Model

Effective Date: 6/9/2015

Approved by the VCP Management Committee

Established by Healthfirst, Inc.

## Purpose

To create a fair distribution plan for any funds received via Accountable Care Organization shared savings programs.

## Responsibility

The Management Committee of Vermont Collaborative Physicians, LLC, will approve the initial and any subsequent changes to this policy.

## Policy

- A. The distribution of shared savings will be split into three (3) distinct pools:
1. Pool 1 – Administrative Costs: Prior to distribution of any funds to Healthfirst members, administrative costs will be deducted from the total shared savings pool. The breakdown of administrative expenses will be calculated by the Executive Director and Director of Operations and delivered to the Management Committee for their review and approval.
  2. Pool 2 – Primary Care (PCP) VCP Participants: The remaining shared savings pool will be divided such that each dollar is distributed 85% to a PCP pool and 15% to a specialist pool. The division of the remaining monies into these two pools shall proceed according to the following formulas:

**PCP Pool portion of total remaining shared savings =  $(0.85 \times (\text{number of participating PCPs}) / ((0.85 \times (\text{number of participating PCPs}) + (0.15 \times (\text{number of participating specialists})))$**

**Specialist Pool portion of total remaining shared savings =  $(0.15 \times (\text{number of participating Specialists}) / ((0.85 \times (\text{number of participating PCPs}) + (0.15 \times (\text{number of participating specialists})))$**

Each PCP participant will then be allocated a percentage of shared savings from the PCP pool based on their averaged attributed population for the program year.

3. Pool 3- Collaborating Specialists – Each Healthfirst Specialist member having signed a Collaborating Physician Letter of Agreement shall be eligible for a portion of shared savings as follows:
  - a. 50% of the Specialist Pool shall be set aside for Specialist Healthfirst Members who have signed the Collaborating Physician Letter of Agreement. This portion of the Specialist Pool will be divided evenly among each of the specialists who have signed the agreement.
  - b. 50% of the Specialist Pool shall be set aside for Specialist Healthfirst Members who have seen patients attributed to the Shared Savings Program. Each qualifying Specialist will then be allocated a % of shared savings from this pool based on the number of unique attributed patients seen during the measurement period.

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