

# Update on Office of Health Care Reform's work related to Act 167 of 2022

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Senate Committee on Health and Welfare  
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# Act 167 of 2022: An act relating to health care reform initiatives, data collection, and access to home- and community-based services

## *Sec. 1. DEVELOPMENT OF PROPOSAL FOR SUBSEQUENT*

### *ALL-PAYER MODEL AGREEMENT*

*(a)(1) The Director of Health Care Reform in the Agency of Human Services, in collaboration with the Green Mountain Care Board, shall develop a proposal for a subsequent agreement with the Center for Medicare and Medicaid Innovation to secure Medicare's sustained participation in multipayer alternative payment models in Vermont...*

*(3)(A) The Director of Health Care Reform, in collaboration with the Green Mountain Care Board, shall ensure that the process for developing the proposal includes opportunities for meaningful participation by the full continuum of health care and social service providers, payers, participants in the health care system, and other interested stakeholders in all stages of the proposal's development.*

*(B) The Director shall provide a simple and straightforward process to enable interested stakeholders to provide input easily.*

*(C) To promote engagement with diverse stakeholders and ensure the prioritization of health equity, the process may utilize existing local and regional forums, including those supported by the Agency of Human Services...*

*(c)(2) On or before March 15, 2023, the Director of Health Care Reform shall provide an update to the House Committees on Health Care and on Human Services and the Senate Committees on Health and Welfare and on Finance regarding the Agency's stakeholder engagement process pursuant to subdivision (a)(3) of this section.*

# **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 a **two-year extension period**
  - Extension suggested by the Center for Medicare & Medicaid Innovation (CMMI); signatories approved 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

# Benefits of Continuing to Include Medicare in Vermont Health Care Reform

Continued recognition of Vermont's status as a long-time low-cost state for Medicare

Helps ensure that baseline financial calculations recognize Vermont's past reforms that have saved money for Medicare

Ability to influence Medicare reimbursement for Vermont providers

>\$9M annually for Medicare's portion of Blueprint (payments to primary care practices recognized as Patient-Centered Medical Homes, Community Health Teams, and Support and Services at Home)

Waivers of Medicare regulations (e.g., 3-day stay Skilled Nursing Facility waiver) and ability to propose new waivers

Greater alignment in priorities, payment models, quality measures and reporting, which sends a stronger signal to all health care system partners

# Vermont's Feedback to CMMI on Future Model

AHS and GMCB met regularly with CMMI's new model leads during the past year. **Based on feedback from Vermont providers and other partners**, the state continuously reinforced the importance of the following elements in a future model:

**Support for rural provider stability and sustainability** (workforce and inflation are important concerns)

**Increase in predictability of payments**

**Ensuring the right amount of revenue** (recognition that Vermont is a low-cost state for Medicare)

**Support for investments in preventive and community care**

**Making sure payment models and quality measures are aligned across payers as much as possible**

**Allowing Vermont to move forward on important health care reform efforts**

# 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.

# Act 167 Elements Included in AHEAD Model

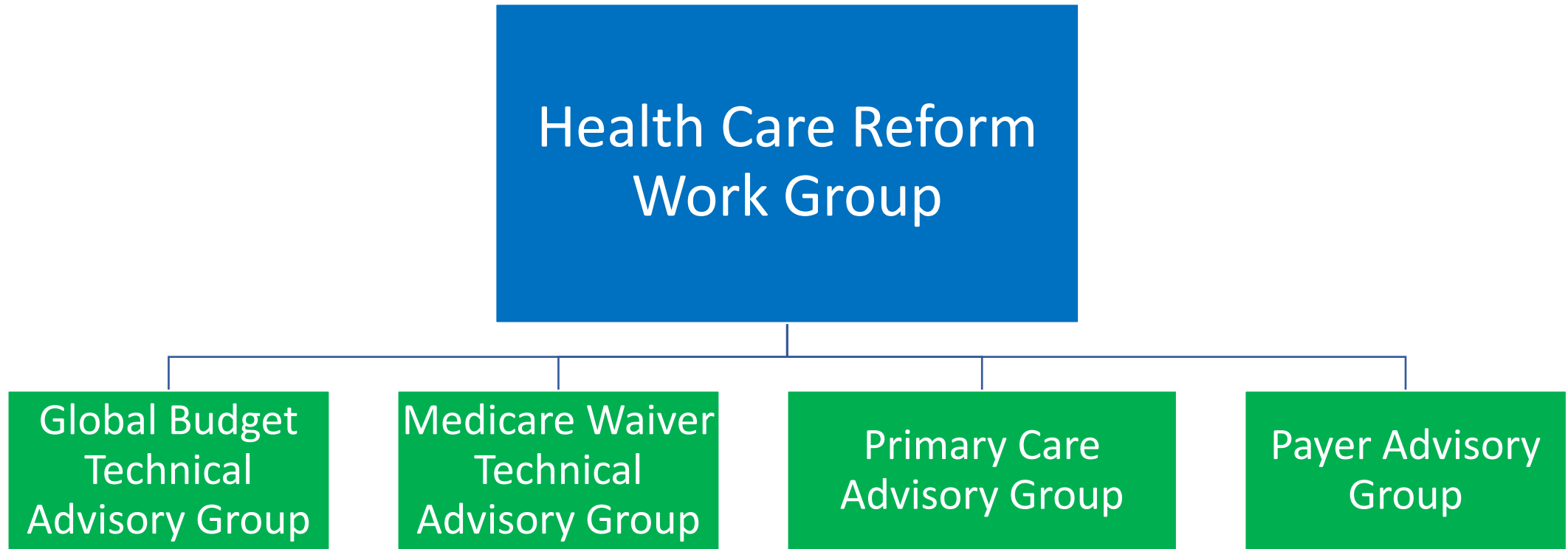
- ✓ Total cost of care targets
- ✓ Global payment models (including hospital global budgets)
- ✓ Strategies and investments to strengthen access to:
  - ✓ Primary Care
  - ✓ Mental Health and Substance Use Disorder Treatment Services
- ✓ Strategies and investments to address health inequities and social determinants of health

Home- and community-based services, subacute services, long-term services and supports:  
*“The AHEAD Model aims to support hospitals in transforming care delivery and shifting utilization to primary care and community-based settings, where appropriate, through the incentives and flexibilities of hospital global budgets.”*



# Opportunities for Partner Participation

# Current Advisory Group Structure



***Previous Subgroups from Summer and Fall 2022  
provided foundation and key principles for this deeper work:  
Short-Term Provider Stability and Total Cost of Care Subgroups***

# Extensive Engagement Plan

Summer 2022 – Work focused on short-term stability (workforce, regulation, systems flow, revenue)

Fall 2022 – Work began to establish a framework to inform discussions on the multi-payer model

February 2023 – Work groups formed for technical discussions on design of global budget model and Medicare waivers that might be beneficial to Vermont; payer and primary care work groups added later

Throughout 2023 – Discussions at existing AHS and GMCB forums (e.g., DAIL Advisory Board, Mental Health Integration Council, Primary Care Advisory Group)

Throughout 2023 – Mechanisms for public input on GMCB and AHS websites, regular updates at GMCB public board meetings, numerous meetings with provider groups

# Discussions at Existing AHS Forums

## Department of Disabilities, Aging and Independent Living Advisory Board

- 16-member Board composed of advocates, service providers, persons with disabilities, Vermont Legal Aid
- February 9, 2023: Health Care Reform presented on All-Payer Model Extension and next steps
- April 13, 2023: Health Care Reform attended and provided updates
- December 14, 2023: Health Care Reform presented on the AHEAD Model

## Mental Health Integration Council

- Chaired by Commissioner Levine from VDH and Deputy Commissioner Krompf from DMH
- 27-member Council composed of people who have received services and delivered peer services; family members; state officials; and representatives from the Office of Health Care Advocate, the Mental Health Care Ombudsman, various providers, and payers.
- Health Care Reform participated in this group and presented information during a discussion on Health Care Reform and Equity at September 2023 meeting

# Discussions at Additional Forums

## Green Mountain Care Board Primary Care Advisory Group (PCAG)

- June 21, 2023: Health Care Reform Update
- November 15, 2023: Presented on the AHEAD Model and discussion of PCAG Priorities

## Health Care Association Coalition

- Membership includes American Academy of Pediatrics-VT, Bi-State Primary Care Association, HealthFirst, Vermont Association of Adult Day Services, Vermont Association of Hospitals and Health Systems, Vermont Care Partners, Vermont Dental Society, Vermont Health Care Association, Vermont Medical Society, VNAs of Vermont
- Currently meeting weekly to discuss the AHEAD Model

## Presentations to Members of Various Organizations

- Examples: Cathedral Square Board, Vermont Information Technology Leaders Board, DVHA Clinical Utilization Review Board, Northeastern Vermont Regional Hospital Annual Meeting, Vermont Medical Society Board, HealthFirst Leadership, Co-Chairs of Health Equity Advisory Commission