VERMONT

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TO: House Committee on Appropriations
House Committee on Health Care

FROM: Susan Barrett, Executive Director, Green Mountain Care Board

RE: Authority for Conducting a Medicaid Accountable Care Organization (ACO) Rate Case

DATE: January 11, 2017

Last legislative session, the general assembly charged the Green Mountain Care Board (GMCB) with reviewing the Department of Vermont Health Access' (DVHA) per member per month payment arrangement with an accountable care organization (ACO) in support of the All-Payer Model. This was one-time authority in 2017 to test the concept of the review.

The GMCB would like to extend this authority for 2018 and has included language in the Budget Adjustment Act (BAA) proposal to do so (see reverse side). The language includes clarifications to address issues that were raised during the review in 2017, such as clarifying the timing of the review and the GMCB's authority to maintain confidentiality pending contact finalization. The language extends the one-time authority through 2018, in lieu of proposing statutory changes, because the GMCB is in process of developing rules under Act 113 of 2016 for ACO budget review, and intends to propose statutory changes next year once the processes have been finalized. This language has been shared with the new Commissioner and staff at the Department of Vermont Health Access, but has not yet had feedback from the new staff. We will work with DVHA to address any concerns or issues.

The GMCB requested the language as part of BAA because the GMCB anticipates beginning the Medicaid review in March 2018. This timing ensures that the GMCB will have the necessary information to understand the interplay of the DVHA payment to the ACO, payments from other payers, and the ACO's budget. The GMCB will also use this information in the future in its total cost of care analysis and payer differential required under the All-Payer Model.

Proposed Language Modifies Act 113 of 2016, Sec. 13:

Sec. 13. MEDICAID ADVISORY RATE CASE FOR ACO SERVICES

(a) On or before December 31, ~~2016~~ 2017, the Green Mountain Care Board shall review any all inclusive population-based payment arrangement between the

Department of Vermont Health Access and an accountable care organization for calendar ~~year~~ years 2017 and 2018. The Board's review shall include the number of attributed lives, eligibility groups, covered services, elements of the per-member, per-month payment, and any other nonclaims payments. The Board's review may include deliberative sessions to the same extent as allowable under insurance rate review in 8 V.S.A. §4062.

(b) The review shall be nonbinding on the Agency of Human Services, and nothing in this section shall be construed to abrogate the designation of the Agency of Human Services as the single State agency as required by 42 C.F.R. §431.10.

(c) The Board shall review the payment arrangement prior to the finalization of a contract between the Department and the accountable care organization and shall maintain the confidentiality of information necessary to preserve contract negotiations of the parties. The Board shall release its advisory opinion within 30 days of the finalization of the contract between the parties.

(d) The Department of Vermont Health Access shall provide the Board and its contractors such data and information requested by the Board for its review on the timeframe set forth by the Board.