

Rebecca Buck

From: Slocum, Kate <Kate.Slocum@vermont.gov>
Sent: Thursday, January 26, 2017 7:30 PM
To: Jane Kitchel; janek45@hotmail.com; Alice Nitka; Richard Sears; senator6@hotmail.com; Robert Starr; Richard McCormack; dmccormack127@gmail.com; Tim Ashe; Tim Ashe; Richard Westman; Stephanie Barrett; Stephen Klein
Cc: Barrett, Susan; Lunge, Robin; Holmes, Jessica A.; Murphy, Kelly; Byrne, Emily; Rebecca Buck
Subject: Response to BAA Questions, Senate Appropriations
Attachments: GMCB BAA Funding Request.pdf; FY16 Budget Adjustment Medicaid Rate Case Memo and proposed language Senate.docx

Good Evening,

This message is in regard to questions raised earlier today within the Senate Appropriations Committee around the Green Mountain Care Boards portions of H.125, Fiscal Year 17 Budget Adjustment.

Item 1. Sen. Ashe: provide details on GMCB reversion and would like to know how vacancies are booked.

In state fiscal year 16, \$296,633 in general fund was reverted at the end of the fiscal year due to the GMCB underspending in their budget. This underspent amount in general fund was partially due to the delay in the signing of the All Payer Model, but also due to the GMCB being fiscally prudent within their contractual budget. The GMCB is now requesting \$158,000 in general funds, \$395,000 total with special funds, in the FY17 Budget Adjustment to cover anticipated contractual costs for the All Payer Model. It may appear that this request is in contradiction with the revision, however this perceived contradiction is due to the timing of the annual carry forward request and the actual signing of the All Payer Model. Since the All Payer Model was not formally signed until late October of 2016 and department carry forward requests are due in to Finance and Management 3 month prior, the GMCB looked at the revision and the new need as two different items. This was in an effort to keep budget changes as transparent as possible.

The requested funds within the GMCB's request do take into account an updated vacancy savings number in light of the recent vacancies within the Board and staff. In May of 2016, the GMCB had anticipated a vacancy savings amount of \$120,000. This number has increased to \$300,000 due to the Board Chair and an additional board member stepping down this month as well as delayed hiring in relation to the signing of the All Payer Model. Attached to this email is an outline of how vacancy savings was attributed within the GMCB's Budget Adjustment Request.

Item 2. Sen Ashe: has questions about ACO rate case. He'd like background, concern about deliberative session.

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. This language has been shared with the new Commissioner and staff at the Department of Vermont Health Access, and they are agreeable with the proposed language. 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.

Attached to the email is a memo from Executive Director Barrett which provides further information.

If you have any further questions, or require further clarification, please feel free to reach out to Executive Director Barrett or myself, thank you.

Kate

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BAA Funding Request:

Sec. 78. REPEAL

(a) 2016 Acts and Resolves No.172, Sec. E.345.1 is repealed on upon passage of this Act.

EXPLANATION: All Payer Model language currently under the E-Board authority repealed in favor of adding funding through the FY 2017 Budget Adjustment. \$395,000 in total funds, \$158,000 General Fund/ \$237,000 Special Fund.

Green Mountain Care Board FY17 Budget Adjustment Request			
		FY16	FY17
<i>Personnel</i>	GMCB	3,046,113.00	2,766,267.00
	APM 1	319,004.00	356,069.00
	APM 2	-	314,251.00
<i>Operating</i>	Base	574,910.00	711,469.82
	APM 1	63,879.00	78,780.18
	APM 2	-	45,745.00
<i>Contractual</i>	Base	5,187,406.00	5,299,822.00
	APM 1	300,000.00	300,000.00
	APM 2	-	395,000.00
Big Bill Appropriator		9,491,312.01	9,572,404.00
Potential FY17 Vacancy Savings			(300,000.00)
Total Need		9,491,312.01	9,967,404.00
Budget Adjustment Request			395,000.00

\$300k in APM1 FY17:

consultant to assist with APM negotiations

\$395K in APM2 FY17:

~\$100k to work with an actuary on the Medicaid rate case for rate validation;

~\$75k for data analysis as required by CMMI and ACO Oversight authority for quality and financial reporting as well as monitoring;

~\$20k for an analytic assessment to look at data sources and provide a plan to what can be monitored and reported; and

~\$200k for APM Modeling to validate Medicare rates

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Jessica Holmes, PhD
Robin Lunge, JD, MHCDS
Betty Rambur, PhD, RN
Susan Barrett, JD, Executive Director*

TO: Senate Committee on Appropriations

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

CC: Senate Committee on Health and Welfare

Steven Klein and Stephanie Barrett, Joint Fiscal Office

Jen Carbee, Legislative Counsel

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

DATE: January 27, 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, they are agreeable with the proposed language. 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.

