

Rebecca Buck

From: Slocum, Kate <Kate.Slocum@vermont.gov>
Sent: Friday, January 27, 2017 4:20 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: RE: Response to BAA Questions, Senate Appropriations

In follow up to our response to questions yesterday about the Advisory Medicaid ACO Rate Case, we'd like to provide additional information about deliberative and executive sessions under 1 V.S.A. 312(e)&(f) [deliberative session] and 313 (executive sessions).

The Medicaid ACO rate case is advisory to DVHA and one purpose is to provide an independent review of DVHA's analysis and proposed per member per month payment to the ACO. The review occurs during the contract negotiation between DVHA and ACO and therefore is confidential under 1 VSA 312 and 313 until the contract is final. Once the contract is final, the GMCB will release its decision publicly.

In 2017, because of the confidentiality issues involved with contract negotiation, the Board members reviewed the work of staff and its actuaries and then each separately worked with staff to provide input. Allowing for deliberative or executive session would provide Board members a process to discuss confidential information together prior to issuing a decision. This would provide for a more robust debate and discussion than the process in 2017. Currently, this type of confidential discussion among members is allowed for certain insurance rate reviews; all materials are publicly available, however, and the Boards discussion is issued in a public decision.

Please let us know if you'd like additional information.

Thank you,

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From: Slocum, Kate
Sent: Thursday, January 26, 2017 7:29 PM
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Cc: Barrett, Susan <Susan.Barrett@vermont.gov>; Lunge, Robin <Robin.Lunge@vermont.gov>; Holmes, Jessica A. <Jessica.A.Holmes@vermont.gov>; Murphy, Kelly <Kelly.Murphy@vermont.gov>; Byrne, Emily <Emily.Byrne@vermont.gov>; Rebecca Buck (RBUCK@leg.state.vt.us) <RBUCK@leg.state.vt.us>

Subject: Response to BAA Questions, Senate Appropriations

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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