State of Vermont *Agency of Human Services*
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M E M O R A N D U M

To: Senator Jane Kitchel, Chair, Senate Committee on Appropriations

From: Cory Gustafson, Commissioner, Department of Vermont Health Access

Cc: Al Gobeille, Secretary, Agency of Human Services

Date: January 25, 2017

Re: Department of Vermont Health Access SFY 2017 Budget Adjustment

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On behalf of the Department of Vermont Health Access (DVHA), this memorandum is in response to questions raised during testimony on the state fiscal year (SFY) 2017 budget adjustment in the Senate Committee on Appropriations on January 17, 2017.

Did the 2-paygrade bump for Program Benefits Specialists create a disparity in pay between DVHA and DCF reimbursement?

No, both DCF District employees and DVHA employees received a two-paygrade bump.

What is the estimated annualized cost for hepatitis C coverage change?

As discussed in testimony, this is a difficult number to quantify due to the ever changing dynamic in the pharmaceutical realm. However, the current annualized estimate is $3.5 million gross (net of rebates).

What is the impact on corrections due to the change in the hepatitis C coverage?

The Agency of Human Services is still working with the Department of Corrections to determine discern what the potential impact.

What sub-group of providers was initially excluded from receiving the primary care increase?

We believe providers who were enrolled as new providers post the attestation period were left out. We want to engage in provider outreach and believe we will pick up more

primary care providers in the process. No particular provider type or provider group was uniquely impacted.

How much administrative effort goes into managing an Accountable Care Organization (ACO)?

The ACO Shared Savings Program (SSP) requires an active collaboration between DVHA and ACOs, including the payment reform group, business office, the executive leadership, and consultants. Thus far, federal State Innovation Model (SIM) funds have helped manage those costs, just as SIM dollars have supported participating ACOs with their start up activities. The SSP program is winding down and expected to conclude in 2017. The State is currently negotiating with an ACO for a contract that aligns with the Vermont All-Payer ACO Model Agreement. DVHA anticipates that there will be a negotiated administrative component of the per-member per-month rate of reimbursement. As this contract is currently under negotiation, details of the rate components are not available for distribution at this time. DVHA continues to work to integrate ACO contract management, program monitoring and evaluation, and payment into its current operations. DVHA anticipates being able to manage the ACO contract within DVHA's current budget and resources.

What are the details behind the $6.6 million miscellaneous contracting needs?

Description	Gross Change
The Vermont Health Connect must rely upon a contractor to support the production of federally required tax forms (1095s) which includes complex data migration and manipulation. The State is working to replace this contract work with existing state employees, though support from this organization is needed until staff can be fully trained to take over this complex workload.	$ 2,797,412
Contracted temporary staff are needed to ensure the success of open enrollment and Medicaid redetermination processing. (Desai: $936,500, Temps: $800K)	$ 1,736,500
DVHA contracts with Hewlett Packard Enterprises (HPE) to run our Medicaid Management Information System and provide fiscal agent services in order to effectively manage much of our $1 billion programmatic expenditures. This contract needed to be extended resulting in an increase in the contract value. ($1.2 million)	$ 1,162,741
The Blueprint program has myriad administrative contracts that support the Community Health Team construct. To continue to advance the work of the Women's Health Initiative, increases were required in these contracts.	$ 881,352
VHC Contract Increases (Optum)	$ 776,366
DDI Contract Changes	$ (792,796)

What criteria is used to determine the quality score?

ACOs' performance on 10 quality measures were used to derive an overall quality score for the 2015 Performance Year. Performance on these measures is compared to national performance benchmarks:

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- 0 points are awarded if ACO performance is less than the national 25th percentile;
- 1 point is awarded if performance is between the 25th and 50th national percentile;
- 2 points are awarded if performance is between the 50th and 75th national percentile; and
- 3 points are awarded if performance is above the 75th national percentile.

On measures for which no national benchmarks exist, ACO performance in the performance year is evaluated relative to the prior year:

- 0 points are awarded for a statistically significant decline in performance;
- 2 points are awarded for maintaining the same level of quality performance; and
- 3 points are awarded for a statistically significant improvement in performance.

It is important to note that the measures selected for this purpose were chosen because they represented opportunities for improvement in Vermont (i.e. historical statewide performance on these metrics was low). As such, the overall ACO quality scores should be interpreted with caution, as they do not include other metrics for which performance was already high relative to national performance.

Please see the following page for the metrics tracked.

Measure	CHAC Rate/ Percentile/ Points*	OCV Rate/ Percentile/ Points*
All-Cause Readmission	18.31/**/2 Points	18.21/**/2 Points
Adolescent Well-Care Visits	40.16/Below 25th/0 Points	48.09/Above 50th/2 Points
Mental Illness, Follow-Up After Hospitalization	50.26/Above 50th/2 Points	57.91/Above 75th/3 Points
Alcohol and Other Drug Dependence Treatment	28.82/Above 50th/2 Points	26.86/Above 50th/2 Points
Avoidance of Antibiotics in Adults with Acute Bronchitis	20.28/Above 25th/1 Point	30.50/Above 75th/3 Points
Chlamydia Screening	48.03/Below 25th/0 Points	50.09/Below 25th/0 Points
Developmental Screening	12.51/**/2 Points	44.80/**/2 Points
Rate of Hospitalization for People with Chronic Conditions (per 100,000)	424.52/**/2 Points	624.84/**/2 Points
Blood Pressure in Control	67.64/Above 75th/3 Points	67.92/Above 75th/3 Points
Diabetes Hemoglobin A1c Poor Control (lower rate is better)	22.77/Above 90th/3 Points	21.83/Above 90th/3 Points

*Maximum points per measure = 3
**No national benchmark; awarded points based on change over time