



Vermont Developmental Disabilities Council

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TO: House Committee on Appropriations
RE: Comments on the 2020 Budget Adjustment Act
FROM: Susan Aranoff, J.D., Senior Planner and Policy Analyst
DATE: January 10, 2020

Thank you for providing this opportunity to comment on the 2020 Budget Adjustment Act.

The Vermont Developmental Disabilities Council

The Vermont Developmental Disabilities Council (hereafter “VTDDC”) is a statewide board created by the federal Developmental Disabilities Assistance and Bill of Rights (hereafter “the DD Act”), first adopted by Congress in 1970. Our constituents are health care users who have an important stake in the cost, quality, and availability of both traditional healthcare and disability long term services and supports. An estimated 86,000 Vermonters experience a developmental disability as defined by the DD Act, with approximately 5,100 receiving some type of community-based support through Medicaid.

VTDDC is charged under federal law with engaging at the state level in “advocacy, capacity building and systems change activities that... contribute to the coordinated, consumer-and-family-centered, consumer-and-family directed, comprehensive system that includes needed community services, individualized supports, and other forms of

assistance that promote self-determination for individuals with developmental disabilities and their families.”

The VTDDC is concerned about state spending that impacts the health care and quality of life of people with disabilities, especially Medicaid spending.

Delivery System Reform Funds

The VTDDC notes that there are more than five million dollars of Medicaid Delivery System Reform funds in the Budget Adjustment Act slated for OneCare Vermont, a for-profit Accountable Care Organization (ACO) owned by the University of Vermont Health Network and Dartmouth Hitchcock Medical Center.

First, we would like to applaud the Secretary of Human Services for his efforts to foster greater transparency with respect to OneCare Vermont. Vermont’s Global Commitment Medicaid waiver gives Vermont authority to spend money on Delivery System Reform (DSR) fund in two categories: Category 1 consists of funding to ACOs, which in the Green Mountain State means OneCare Vermont. Category 2 consists of funding to community-based providers, including designated and specialized services agencies, substance use disorder providers, and long-term services and supports providers.

At the time the All-Payer ACO Model Agreement was announced, the reason given for investing DSR funds on these two tracks was the fact that “bending the cost curve in healthcare” requires both restructuring the way that traditional care is paid for and strengthening the community resources that address the social determinant of health. If we pay providers to keep people healthy, then those providers need better resourced community partners with expertise in addressing the root causes of poor health, such as poverty and social isolation, and in providing the supports that sustain recovery from substance use and mental health conditions. This argument remains sound.

However, how this dual investment strategy has been implemented by DVHA to date is concerning on three counts:

- First, to date, DVHA has given Medicaid DSR funds to OneCare Vermont, but it has given none of these funds to community-based providers. This imbalance needs to be addressed. Our designated and specialized services agencies need support to make necessary payment and delivery system reforms. Otherwise we risk cuts to the very services we need more of.
- Second, there is no public or transparent process for applying for DSR funding. Bidding has not been opened to community-based agencies. Funds have moved to OneCare by state contracting through the Department of Vermont Health Access (DVHA). Since the Agency of Human Services, which oversees DVHA, is a party to the All-payer ACO Model Agreement, a preference for moving DSR funds to OneCare is troubling.
- Third, the exact amount of DSR funds that State has invested in OneCare Vermont to date is difficult to track and appears to sidestep the regular state budget process. While it is clear that OneCare Vermont received nearly \$2 million of DSR funds in State FY 2018, what happened in 2019 is less clear. Budget documents and reports submitted to the Green Mountain Care Board by OneCare claim it received more than \$10 million in funds from the State in 2019. However, these expenditures are not reflected in state reports for 2019 Medicaid spending. Delivery System Reform investments in the Governor's FY 2020 Budget Request were "backed out" and appeared as a reduction. However, as testimony from DVHA has made clear, these Medicaid dollars were given to OneCare by contract during 2019, and it appears DVHA is now seeking to recoup the dollars in the budget adjustment process.

In conclusion, I urge this Committee exercise greater oversight over Medicaid DSR funds. They are time-limited and could go to community-based organizations such as the designated agencies. To date the public records available show they have only been given to OneCare. The Vermont Developmental Disabilities Council respectfully requests that you not invest any more Medicaid DSR funds in OneCare Vermont before investing an equal amount of Medicaid DSR funds to the community based non-profit organizations that are so critical to the sustaining the health of vulnerable populations in Vermont.