



Vermont Developmental Disabilities Council

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TO: House Committee on Appropriations
RE: Comments on the 2021 Budget
FROM: Susan Aranoff, J.D., Senior Planner and Policy Analyst
DATE: February 19, 2020

Thank you for providing this opportunity to comment on the 2021 Budget.

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 in the Budget Adjustment Act, the Legislature recently decided to give more Medicaid Delivery System Reform funds to OneCare Vermont, a for-profit Accountable Care Organization (ACO) owned by the University of Vermont Health Network and Dartmouth Hitchcock Medical Center.

Vermont's Global Commitment Medicaid waiver gives Vermont authority to spend money on Delivery System Reforms 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. This effort to prepare these organizations to participate in the next iteration of the All-Payer Model – where community-based services to people with disabilities are counted in the total cost of care – was called in Act 113 and in the Global Commitment waiver- the Medicaid Pathway.

There have been no delivery system related investments made to the Medicaid Pathway organizations- our community-based system of care- by AHS since the inception of the Global Commitment Waiver that gave permission to the State to do just that.

At the time the All-Payer ACO Model Agreement was announced, the reason given for investing DSR funds in the ACO and the Medicaid Pathway organizations 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, social isolation, and in providing the supports that sustain recovery from substance use and mental health conditions. This argument remains sound.

However, this dual investment strategy has never been implemented by AHS and DVHA.

- Instead, 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.

- 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.
- The exact amount of DSR funds that State has invested in OneCare Vermont to date is difficult to track and sidesteps the regular state budget process. While it is clear that OneCare Vermont received nearly 2 million dollars 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 of 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 sought to recoup the dollars in the budget adjustment process.

Commented [MK1]: This is where it gets too muddled. Let's figure this out tomorrow morning if possible.

In conclusion, I urge this Committee to appropriate funds to the Medicaid Pathway organizations for delivery system reforms in an amount equal to the Medicaid funds the for-profit OneCare has received from DVHA and AHS since 2017. These funds are time-limited, could go to community-based organizations such as the designated agencies, and to date the public records available show have only been given to OneCare.

Questions to ask during the budget process might include the following:

1. Has AHS decided to only spend the delivery-system Related funds on OneCare? If so- why and when and by what process?
2. If not, what is the plan to get DSR funds to the Medicaid Pathway Organizations?
3. How else are the Medicaid Pathway organizations going to fund necessary delivery and payment reforms to comply with new home and community-based rules and participate in the all-payer model? Things such as electronic visit verification and conflict of interest free case management

do not pay for themselves yet will soon be legally required by CMS and others. of our community based- Medicaid-funded agencies.

The Vermont Developmental Disabilities Council respectfully requests that an amount equal to what the State has invested in OneCare Vermont be invested in the community based non-profit organizations that are so critical to the sustaining the health of vulnerable populations in Vermont.