



VERMONT LEGISLATIVE Joint Fiscal Office

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Fiscal Note

4/4/2022

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S.285 – An act relating to health care reform initiatives, data collection, and access to home- and community-based services

As passed by the Senate

<https://legislature.vermont.gov/Documents/2022/Docs/BILLS/S-0285/S-0285%20As%20Passed%20by%20the%20Senate%20Unofficial.pdf>

Bill Summary

The bill proposes initiatives related to health care reform, the Blueprint for Health, and options for extending moderate needs supports. The bill would appropriate \$5 million of which of which \$4.45 million would be appropriated to the Green Mountain Care Board (GMCB) as follows:

- \$1 million would be appropriated to begin the work as described in Secs. 1 – 3.
- Another \$3.45 million would be appropriated to further execute the work described in Secs. 1 – 3 but not expended until after the Health Reform Oversight Committee (HROC) had reviewed and approved the GMCB’s proposed plan and timeline.

The bill would also appropriate \$550,000 to the Director of Health Care Reform for the Agency of Human Services (AHS) for the design and development of a proposal to the Centers for Medicare and Medicaid Innovation (CMMI) for an agreement for continued participation in multi-payer alternative payment models in Vermont. This would be done in collaboration with the GMCB.

Sec. 1 – Hospital Value-Based Payment Design

Sec. 1 would require the GMCB to design value-based payments for Vermont hospitals to the extent that funds are allocated to:

- develop a process for establishing and distributing value-based payments (including global payments) from all payers to Vermont hospitals,
- determine how best to incorporate value-based payments into the GMCB’s budget review, accountable care organization certification and budget review, and other regulatory processes, and
- recommend a methodology for determining the allowable rate of growth in Vermont hospital budgets.
- *There is an appropriation associated with this section in Sec. 10.*

Sec. 2 – Health Care Delivery System Transformation and

Community Engagement

Sec. 2 would require the GMCB, in consultation with the Director of Health Care Reform, and to the extent funds are allocated, to facilitate a patient-focused community-inclusive plan for Vermont's health care delivery system. This would include data gathering and analysis, community engagement, and technical assistance for transformation.¹

Additionally, to the extent funds are allocated, the bill would also require the GMCB to contract with a primary care provider to assist them in assessing and strengthening the role of primary care in Vermont's health care system and regulatory process and to inform the GMCB's redesign efforts from a primary care perspective.

- *There is an appropriation associated with this section in Sec. 10.*

Sec. 3 – Development of Proposal for Subsequent All-Payer Model Agreement

Sec. 3 would require the Director of Health Care Reform, in collaboration with the GMCB, to design and develop a proposal for a subsequent agreement with CMMI to secure Medicare's continued participation in multi-payer alternative payment models in Vermont. The proposal would include consideration of alternative payment and delivery system approaches for hospital services and community-based providers. The alternative models to be explored would include, at a minimum – global payments for hospitals, geographically or regionally based budgets for health care services, existing federal value-based payment models, and broader total cost of care and risk-sharing models to address patient migration patterns across the system of care.

- *There is an appropriation associated with this section in Sec. 10.*

Sec. 7 – Blueprint for Health

Sec. 7 would require the Director of Health Care Reform to recommend to the Health Reform Oversight Committee (HROC), on or before September 1, 2022, the amounts by which health insurers and Vermont Medicaid should increase the amount of per-person, per month (PMPM) payments they make towards the shared costs of operating the Blueprint for Health community health teams and quality improvement facilitators, with the goal of providing additional resources necessary for the delivery of comprehensive primary care to Vermonters and to sustain primary care services in Vermont. Such increases would be reflected in health insurers' plan year 2024 rate filings if the increase cannot be implemented in a rate-neutral manner. It would also require AHS provide an estimate of the State spending that would be needed to support the increase for Medicaid.

- *No FY 2023 appropriation required.*

Sec. 8 – Options for Extending Moderate Needs Supports

Sec. 8 would require the Department of Disabilities, Aging, and Independent Living (DAIL) to convene a working group to consider extending access to long-term home- and community-based services and supports to a broader cohort of Vermonters. The working group would also make recommendations regarding changes to service delivery for persons who are dually eligible for Medicaid and Medicare in order to improve care, expand options, and reduce unnecessary cost shifting and duplication.

The bill would also require DAIL collaborate with AHS as needed to incorporate the working group's

¹This section was based on recommendations from the GMCB's Hospital Sustainability Planning presentation to the legislative committees:

<https://legislature.vermont.gov/Documents/2022/WorkGroups/House%20Health%20Care/FY2023%20Budget/W~Kevlin%20Mullin~Green%20Mountain%20Care%20Board%20Presentation%20-%20Hospital%20Sustainability%20Planning~2-10-2022.pdf>

recommendations into the Agency’s proposal to and negotiations with the Center for Medicare and Medicaid Services (CMS) for the iteration of Vermont’s Global Commitment to Health Section 1115 demonstration that will take effect following the expiration of the demonstration currently under negotiations (which would likely not take effect before January 1, 2025 depending on the timeline agreed to under current negotiations).

- *No FY 2023 appropriation required.*

Sec. 10 – Appropriations

Sec. 10 would appropriate the following:

- **\$1,000,000** from the General Fund to the **GMCB** in FY 2023 to begin the work described in Sec. 1 – 3.
- **\$3,450,000** from the General Fund to the **GMCB** in FY 2023 to further execute the initiatives set forth in Secs 1 – 3. However, the GMCB could not expend funds until the HROC has reviewed and approved the GMCB’s proposed plan and timeline as required in the bill.
- **\$550,000** from the General Fund to **AHS** in FY 2023 to support the work of the Director of Health Care Reform in designing and developing a proposed agreement with CMMI as set forth in Sec. 3.

Fiscal Summary

S.285 - One-Time FY 2023 General Fund Appropriations

Agency / Department	Appropriation	Description
Green Mountain Care Board	\$1,000,000	To Begin work described in Secs. 1 - 3.
	\$3,450,000	To further execute work described in Secs. 1 - 3. Contingent upon approval of plan and timeline from HROC.
Agency of Human Services	\$550,000	Support for design and development of proposed agreement with CMMI as described in Sec. 3
TOTAL APPROPRIATION =	\$5,000,000	