

## COMMENTS ON GLOBAL COMMITMENT RENEWAL

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March 8, 2021

The Global Commitment Waiver renewal provides an outstanding opportunity for Vermont to re-design its Medicaid services to better help Vermonters. The biggest problem facing renewal is that Vermont never realized the great promise of the original Global Commitment Waiver. The state chose to use its authority to create Medicaid “investments” to bring Medicaid to many general funded programs in order to reduce the needed general fund and reduce the budget. As a result, we wasted an opportunity to be visionary and creative and failed to save money over the long term. We must not make that mistake again.

Because Vermont has an agreement with CMS to implement an All Payer Model of health reform, renewing the Global Commitment Waiver gives Vermont a unique opportunity to take a very comprehensive approach to health reform. Therefore, as it re-negotiates the Waiver with CMS, Vermont should request maximum flexibility and demonstrate a vision that will not only serve Vermonters in new and effective ways to improve health and well-being but also control expenditures.

I believe the four stated AHS goals for renewal are very positive and absolutely can lead to better services at more efficient expenditures.

Key elements of a new approach should include:

(With each suggestion I have identified in parentheses which of the four AHS renewal goals it addresses.)

1. Continuing value-based payments by allowing “global budgets” for Medicaid providers, from hospitals to FQHC’s. Abandon complicated schemes like “risk corridors” and instead cap spending but allow the provider to retain 50% of any savings against budget. Create incentives for providers to join together under a single global budget and share savings. (#1, #3)

2. Obtaining permission to utilize Medicaid funding to improve retention and recruitment of primary care physicians. For example, raising Medicaid rates closer to equity with other medical specialists, expanding tuition assistance and contributing to debt reduction. (#2,3,4.)
3. Assessing the benefits of the current set of Global Commitment “investments”. Current investments include programs and services only tangentially related to improving health and well-being of Vermonters. The list should be culled to ensure Medicaid dollars will truly be effective in improving health and reducing costs. (#2,3)
4. Eliminating spending on the wasteful and failing accountable care organization. The state, primarily DVHA, can manage prospective payments and other improvements in Vermont’s health care system at a much lower cost and with greater accountability. (#1,3,4)
5. Ensuring that the Global Commitment terms and conditions align exactly with the core principles of the All Payer Agreement. Maximum flexibility to align payments, codes and reporting for Medicaid, Medicare and commercial insurance would save millions of dollars and improve the efficiency of all health care providers. (#1)
6. Using the GC and APM to develop and implement a fully integrated service program for “dually eligible” Vermonters. Such a program has tremendous potential to improve care and services and save millions of dollars that could be re-invested in improved and expanded services to obtain better outcomes. (#2,3)
7. Providing maximum flexibility in services to beneficiaries. Whether older persons receiving home health or kids receiving home based and school services, Medicaid rules can often obstruct good outcomes. A minimum of 10% of all funds for any service should be fully flexible as long as any service provided can demonstrate improved outcomes. (#2,3,4)
8. Obtaining flexibility to provide hospice services beyond current limits. Hospice is always more cost effective than continuing futile treatments. The end of life process is very unpredictable. Often persons who enter hospice experience improvement as a result of the very personalized support and live longer than the predicted six months. Also, many people enter hospice in their final days and would benefit hugely from starting care sooner but don’t want to give up all other care too soon. More flexibility would be beneficial for all parties. (#2,4)

9. Strengthening the re-commitment to home and community-based services instead of institutional care.
  - a. For long term care services, there is still substantial room to reduce nursing home use and expenditures, providing better service to Vermonters while saving money.
  - b. For mental health, community-based services have suffered from lack of funding for years. The state risks investing more in permanent and expensive inpatient care instead of focusing on prevention and early intervention. Prevention and early intervention are critical not only to lessen mental health needs but addressing other physical health issues. (#2,3,4)
10. Obtaining permission to pursue expansion of Medicaid eligibility for younger persons to expand the eligibility age for Dr. Dynasaur to 26 to match the ACA.
11. I believe it is very likely the Biden administration will be seeking state proposals to expand health care coverage, including a so-called “public option” and I believe Vermont is uniquely positioned to take full advantage of that. While such a proposal cannot be designed prior to submission of the Global Commitment renewal, Vermont could ask for permission to begin the design and negotiation process. (#1,2,3,4)
12. Ensuring all Global Commitment services are in compliance with the principles included in Act 48. Key principles include universal access, enhanced primary care, and transparency and public participation in development of a reformed health care system. (#1,2,3,4)