



# VERMONT LEGISLATIVE Joint Fiscal Office

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## Issue Brief

Date 12/2/22

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## Highlights of the Renewed Global Commitment to Health Agreement

### Executive Summary

**G**lobal Commitment to Health (Global Commitment) is the name of the agreement between the State of Vermont and the Centers for Medicare and Medicaid Services (CMS) that is used to administer the majority of Vermont's \$1.9 billion Medicaid program.<sup>1</sup> It is what is known as a Section 1115 Demonstration (often referred to as a “waiver”) that waive certain provisions of Medicaid law to give states flexibility and encourage state innovation in designing and improving state Medicaid programs, while remaining budget neutral to the Federal Government.

The most recent Global Commitment [agreement](#) – effective July 1, 2022 through December 31, 2027 – is an extensive document outlining the framework regarding benefits, eligibility, programs, and other allowable expenditures under the State's Medicaid program.<sup>i</sup> The purpose of this issue brief is to provide highlights of the agreement. For a high-level overview of Global Commitment in general, please see [Global Commitment to Health: A Primer](#).<sup>ii</sup>

### Background

States enter in waiver agreements with the federal government that reflect their priorities and goals. Since its original inception in 2005, Vermont has used the Global Commitment waiver to demonstrate its commitment towards achieving universal health care, cost containment, and improved quality of care. Specifically, the agreements' current stated goals in implementing Global Commitment are to:

- advance the State towards a population-wide comprehensive coverage;
- implement innovative care models across the continuum that produce value;
- engage Vermonters in transforming their health;
- strengthen care coordination and population health management capabilities to encompass the full spectrum of health-related services and supports; and
- accelerate payment reform.

### Notable Features of the Latest Agreement

The Global Commitment Waiver has enabled Vermont to fund and implement many programs and initiatives that would not have existed and/or been eligible to receive matching federal funds in the absence of the waiver. The terms and conditions are very detailed, complex, and lengthy addressing eligibility (who is covered), services (what is covered), and financing (how funding is shared between the state and the federal government). What follows are summaries highlighting many of the more notable features of the latest Global Commitment agreement.

*Global Commitment Investments* – Under Global Commitment, Vermont has historically had authority to pay for

<sup>1</sup> In FY 2022, overall Medicaid and Medicaid-related expenditures in Vermont totaled \$1.9 billion.

services and programs – referred to as investments – that improve public health, reduce the rate of uninsured and/or underinsured, increase access to care, and support the health care delivery system. In this latest agreement, Vermont maintains this authority, adds a new investment framework, and updates the scope to include investments in social determinants of health, value-based and integrated models of care, and home- and community-based services (HCBS) and supports to increase community living for individuals at risk of needing facility-based care. Over the duration of the agreement, more than \$928 million can be spent on approved investments. Annual investment amounts may be rolled over into the following year but not past CY 2027. A list of previous investments can be found [here](#).<sup>iii</sup>

**Annual Investment Limits**

7/1/22 – 12/31/22	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027	Total
\$101,775,000	\$185,127,500	\$167,083,875	\$166,936,534	\$149,283,361	\$158,047,529	\$928,253,799

Budget Neutrality Adjustments for Increased Provider Rates – Section 1115 waivers are subject to budget neutrality caps for the duration of the agreement, meaning that states cannot obtain federal matching funds above the cap. Previously, any provider rate increases were counted against the budget neutrality cap. Under this agreement, the budget neutrality cap can be adjusted to accommodate any appropriations made towards provider rate increases. This allows the State increased flexibility to support provider needs. According to the Vermont Agency of Human Services (AHS), Vermont is the first state granted such authority.

Substance Use Disorder Community Intervention and Treatment (SUD CIT) – The purpose of this program is to expand access to SUD treatment services for uninsured and underinsured individuals with an SUD diagnosis whose incomes are above Medicaid limits – from 133% FPL up to 225% FPL.<sup>2</sup> Benefits will include case management, recovery supports, psychoeducation, residential treatment, withdrawal management, counseling, and skilled therapy services. According to AHS, Vermont is the first state to create an eligibility group targeted towards uninsured and underinsured individuals with SUD whose incomes are above the Medicaid limits.

Supportive Housing Assistance Pilot – The purpose of this program is to support eligible high-needs Medicaid beneficiaries in securing and maintaining housing appropriate to their needs by providing pre-tenancy supports, tenancy sustaining services, and community transition services.

VPharm Expansion – The VPharm program, which began in 2006, helps Vermonters with lower income ages 65 and older or those with a disability, and who are enrolled in Medicare Part D, pay their premiums and lower co-pays. Previous waivers allowed for state plan equivalent prescription coverage for individuals with incomes up to 150% FPL and maintenance drug-only coverage for individuals with incomes between 150% to 225% FPL. This agreement extends the state plan equivalent prescription drug coverage to all income levels up to 225% FPL.

CRT Expansion – The mental health Community Rehabilitation and Treatment Services (CRT) program serves adults with the most serious mental illnesses such as schizophrenia, bipolar disorder, and major depression. Previously, Medicaid covered this program for individuals with incomes up to 185% FPL, while CRT services for those above 185% FPL were covered as a Global Commitment investment. Under the latest agreement, there is no longer an income cap for the CRT program in Medicaid. This is important because Vermont no longer must use investment dollars to pay for those with incomes over 185% FPL, which reduces pressure on both the budget neutrality and investment caps.

Medicaid Data Aggregation and Access Program (MDAAP) – This program will provide up to \$14.9 million to more than 275 providers over five years to incentivize the use of health information technology (HIT) to increase connectivity to the State’s health information exchange (HIE). Eligible providers include mental health providers, SUD treatment providers, and long-term service and support (LTSS) providers whose Medicaid patient volume is

<sup>2</sup> FPL = Federal Poverty Level. An FPL chart can be found at the end of this document and at this link:

<https://ljfo.vermont.gov/assets/Subjects/Medicaid-Finance/4d936534dd/2022-Federal-Poverty-Levels.pdf>

at least 20%. This program is intended to support providers that historically have been excluded from federal HIT initiatives.

*Maternal Health and Treatment Services Initiative* – This is a new initiative focused on providing Medicaid reimbursement for a whole-person and family-centered care model for treating pregnant women and mothers with SUD and/or a mental health condition at the Lund Home facility.<sup>3</sup> Services include individual, group, and family therapy; medication assisted treatment; health screening, education, monitoring, and referral; case management; and non-emergency medical transportation (NEMT). Further, the Lund Home is no longer subject to the Institutions for Mental Disease (IMD) phasedown, whereby the federal government has been reducing allowable investment expenditures for these services provided by Vermont’s three IMDs (Lund, the Brattleboro Retreat, and the Vermont Psychiatric Care Hospital).<sup>4</sup> Vermont is the first state to obtain Medicaid reimbursement for this set of services provided at a residential facility meeting the definition of an IMD.

In addition to the aforementioned programs and initiatives, Global Commitment continues to cover other long-standing programs (such as the Vermont Premium Assistance program and Choices for Care) as well as newer initiatives (such as enhanced dental services for those receiving developmental disability or CRT services). For more in depth details, the full text of the agreement can be found [here](#).<sup>iv</sup>

**2022 Federal Poverty Levels (FPLs)**

Monthly							
Household Size	100%	133%	150%	185%	225%	300%	400%
1	\$1,133	\$1,506	\$1,699	\$2,095	\$2,548	\$3,398	\$4,530
2	\$1,526	\$2,029	\$2,289	\$2,823	\$3,433	\$4,578	\$6,103
3	\$1,919	\$2,552	\$2,879	\$3,550	\$4,318	\$5,758	\$7,677
4	\$2,313	\$3,076	\$3,469	\$4,278	\$5,203	\$6,938	\$9,250
5	\$2,706	\$3,599	\$4,059	\$5,006	\$6,088	\$8,118	\$10,823
6	\$3,099	\$4,122	\$4,649	\$5,733	\$6,973	\$9,298	\$12,397

  

Annually							
Household Size	100%	133%	150%	185%	225%	300%	400%
1	\$13,590	\$18,075	\$20,385	\$25,142	\$30,578	\$40,770	\$54,360
2	\$18,310	\$24,352	\$27,465	\$33,874	\$41,198	\$54,930	\$73,240
3	\$23,030	\$30,630	\$34,545	\$42,606	\$51,818	\$69,090	\$92,120
4	\$27,750	\$36,908	\$41,625	\$51,338	\$62,438	\$83,250	\$111,000
5	\$32,470	\$43,185	\$48,705	\$60,070	\$73,058	\$97,410	\$129,880
6	\$37,190	\$49,463	\$55,785	\$68,802	\$83,678	\$111,570	\$148,760

<https://aspe.hhs.gov/poverty-guidelines>

<sup>i</sup> [http://humanservices.vcms9.vt.prod.cdc.nicusa.com/sites/ahsnew/files/doc\\_library/VT-GCH-Extension-Approval-06-28-2022.pdf](http://humanservices.vcms9.vt.prod.cdc.nicusa.com/sites/ahsnew/files/doc_library/VT-GCH-Extension-Approval-06-28-2022.pdf)

<sup>ii</sup> <https://ljfo.vermont.gov/assets/Subjects/Global-Commitment-to-Health/02dbddad34/GENERAL-363911-v3-Global-Commitment-Primer.pdf>

<sup>iii</sup> <https://legislature.vermont.gov/assets/Legislative-Reports/Global-Commitment-Fund-Investment-Report-SFY22-10.12.22.pdf>

<sup>iv</sup> <https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/vt-global-commitment-to-health-appvl-10122022.pdf>

<sup>3</sup> The Lund Home is a residential mental health and SUD treatment program serving pregnant women, postpartum women, and mothers with children up to age five in a setting that allows the family to stay and be treated together.

<sup>4</sup> Under the previous Global Commitment agreement, CMS required Vermont to submit and implement a phasedown plan that would reduce federal matching dollars for IMD’s down to \$0 by December 31, 2025. With the new agreement, CMS has extended the timeline for phase-down and Vermont is now required to reduce investment spending on IMDs to 20% of 2019 by 2027.