
**Report to
The Vermont Legislature**

Integration of Social Services

In Accordance with Act 52 of 2019, Section 1

Submitted to: House Committee on Appropriations
House Committee on Health Care
House Committee on Human Services
Senate Committee on Appropriations
Senate Committee on Health and Welfare

Submitted by: Secretary Michael K. Smith
Agency of Human Services

Prepared by: Ena Backus
Director of Health Care Reform

Wendy Trafton
Deputy Director of Health Care Reform

Report Date: January 1, 2021



Statutory Charge

Section 1 of Act 52 of 2019 requires the Agency of Human Services (AHS) to submit a plan to coordinate the financing and delivery of Medicaid mental health services and Medicaid home- and community-based services with the all-payer financial target services, including future plans for the integration of long-term care services with the accountable care organization (ACO). This requirement aligns with the Vermont All-Payer ACO Model Agreement requirement that indicates AHS, in collaboration with the Green Mountain Care Board must submit the same plan by the end of Performance Year 3 [December 31, 2020].

Key Terms

The terms used in this document are consistent with defined terms within the All-Payer ACO Model Agreement as included below:

- All-payer Total Cost of Care per Beneficiary means the expenditures associated with All-payer Financial Target Services provided to Vermont All-payer Beneficiaries for any given Performance Year divided by the count of Vermont All-payer Beneficiaries for the same Performance Year.
- All-payer Financial Target Services means the Medicare Financial Target Services and the following categories of services for Vermont Medicaid, Vermont Commercial Plans, and Vermont Self-insured Plans: acute hospital inpatient and outpatient care, post-acute care, professional services, and durable medical equipment. All-payer Financial Target Services includes these services delivered to Vermont residents whether provided in or outside of Vermont. All-payer Financial Target Services excludes dental services covered by Vermont Medicaid, Vermont Commercial Plans, and Vermont Self-insurance Plans; Medicaid Behavioral Health Services; and Medicaid Home and Community-based Services. All-payer Financial Target Services excludes Medicaid Long-Term Institutional Services for Performance Year 1 through Performance Year 3, but includes Medicaid Long-Term Institutional Services for Performance Year 4 and Performance Year 5.

Plan

The All-Payer ACO Model Agreement (Agreement) is an agreement between the Centers for Medicare and Medicaid Services (CMS), the Governor of Vermont, the Green Mountain Care Board (GMCB), and the Vermont Agency of Human Services (AHS) to test:

“whether the health of, and care delivery for, Vermont residents improve and healthcare expenditures for beneficiaries across payers (including Medicare FFS, Vermont Medicaid, Vermont Commercial Plans, and Vermont Self-insured Plans) decrease if: a) these payers offer Vermont ACOs aligned risk-based arrangements tied to health outcomes and healthcare expenditures; b) the majority of Vermont providers and suppliers participate under such risk-based arrangements; and c) the majority of Vermont residents across payers are aligned to an ACO bound by such arrangements.”¹”

The Agreement spans five Performance Years, from 2018 through 2022. Section 11 of the All-Payer ACO Model Agreement requires AHS to submit to CMS a plan to coordinate the financing and delivery of Medicaid Behavioral Health Services and Medicaid Home and Community-based Services with the All-payer Financial Target Services by the end of Performance Year 3 [December 31, 2020]. However, Section 12 of the All-Payer ACO Model Agreement indicates that the GMCB may submit a proposal before December 31 of Performance Year 4 [2021] for a subsequent model for five performance years beginning in 2023 and that proposal must include an all-payer total cost of care per beneficiary growth target that is similar to the one in the current agreement but that also includes expenditures related to Medicaid Behavioral Health Services and the Home and Community-based Services. During discussions with CMS regarding the All-Payer ACO Model Agreement Section 11 requirement, it was determined that it would be a more prudent approach to align the plan due date with the Section 12 requirement to submit a proposal for a subsequent agreement before December 31, 2021. AHS submitted a memo to CMS that indicated that AHS will engage stakeholders in the development of a proposal for a subsequent agreement that both defines the All-payer Financial Target Services within that agreement and additional strategies to achieve integration across the health care delivery system.

The revised timeline allows AHS and the other Agreement signatories to continue to monitor results from the innovative payment and service delivery model, continue implementation of value-based payment arrangements with Medicaid providers, and engage in All-Payer ACO Model implementation improvement activities prior to finalizing a proposal for a subsequent agreement. In November 2020, AHS released a plan, called the “Implementation Improvement Plan: Vermont All-Payer Accountable Care Organization Model Agreement,” that includes a series of recommendations that will guide AHS and other Agreement signatories, where applicable, in performing

improvement activities designed to achieve the Agreement's intended outcomes.ⁱⁱ This plan includes improving collaboration between AHS, OneCare Vermont, and community providers to strengthen integrated primary, specialty, and community-based care models for people with complex medical needs and medical and social needs, including older adults, people with disabilities and people with lived experience of mental health concerns and/or substance use dependency. The revised timeline also allows AHS to continue implementing and evaluating payment and delivery system reform models for Medicaid providers that is aligned with the Agreement by incorporating characteristics such as predictability in payments, flexibility for providers, movement away from fee-for-service, and accountability for health care quality and cost.ⁱⁱⁱ AHS will continue its efforts to achieve payment and service delivery reform and thoughtfully align reform activities to realize coordination and integration across the care continuum.

ⁱ *Vermont All-Payer Accountable Care Organization Agreement*. (2016, October 27). Retrieved December 16, 2020, from <https://hcr.vermont.gov/sites/hcr/files/VT%20All-Payer%20Accountable%20Care%20Organization%20Model%20Agreement%2010-27-16.pdf>

ⁱⁱ *Implementation Improvement Plan: Vermont All-Payer Accountable Care Organization Model Agreement*. (2020, November 19). Retrieved December 16, 2020, from https://humanservices.vermont.gov/sites/ahsnew/files/doc_library/APM%20Implementation%20Improvement%20Plan%20Final%2011.19.20.pdf

ⁱⁱⁱ *Delivery System Reform Report: 2019*. (2020, January 15). Retrieved December 16, 2020, from <https://legislature.vermont.gov/assets/Legislative-Reports/Delivery-System-Reform-Report-2020-Finalv2.pdf>