

# AHEAD Model Update

September 16, 2024

# Introduction

**Vermont was accepted to the AHEAD model on July 1, 2024; Vermont submitted state-specific Medicare Hospital Global Budget Methodology on July 8, 2024**

- **State-specific Model goals**
  - Provide more Medicare investments into Vermont
    - Focus on sustainability and affordability
  - Flexibility to act on results from 167 Transformation work
  - Improve alignment of payment methods
  - Availability to combine with other federal models

# Background: GMCB Model Principles (6/5/2024)

1. Vermont is a **low-cost Medicare state** with a long history of health care reform which has resulted in **substantial savings to Medicare**. Accordingly, additional savings may be difficult to achieve in the short-term and Vermont's achievements should be recognized and accounted for.
2. Many Vermont communities struggle with **access to essential services** and long wait times. Future efforts to improve healthcare in Vermont must support measurably increasing access to essential services.
3. A hospital global payment program is more likely to be successful in promoting delivery system transformation using an **all-payer/multi-payer approach**.
4. Vermont's hospitals, local insurance companies, and community providers are financially fragile, as demonstrated by worsening margins, and the global payment program should support **innovation and sustainability of Vermont's healthcare system** while increasing revenue predictability.
5. Payment methodologies should be transparent and data-driven, and support Vermonters' access to high-quality affordable healthcare, consistent with **Act 167 of 2022 1(b)(1)** and the GMCB's mission and values.
6. Any Vermont-specific Medicare methodology should seek to **reduce Vermont's high commercial insurance costs and improve consumer affordability**.
7. Hospital participation in a global payment program should **maintain or reduce administrative burden** for payers and providers over time.

# Executive Session

## Grounds for Holding an Executive Session

- The GMCB may hold an executive session to consider “contracts” after making a specific finding that premature general public knowledge would clearly place the GMCB or a person involved at a substantial disadvantage. *See* 1 V.S.A. § 313(a)(1).

## Motion/Scope

- A motion to go into executive session must be made during the open part of the meeting and must indicate the nature of the business of the executive session. No other matter may be considered in the executive session except the matter included in the motion. 1 V.S.A. § 313(a).
- No formal or binding action shall be taken in an executive session (except relating to securing real estate options). 1 V.S.A. § 313(a).

## Vote

- An affirmative vote of 2/3 of members present is required to go into executive session. 1 V.S.A. § 313(a).

## Attendance

- Attendance in an executive session shall be limited to members of the public body, and in the discretion of the body, its staff, clerical assistants and legal counsel, and persons who are subjects of the discussion or whose information is needed. 1 V.S.A. § 313(b).

# Motion for Executive Session

- Motion #1: *I move we find that premature general public knowledge regarding negotiation of Medicare total cost of care target and other State Agreement proposals would clearly place the Board at a substantial disadvantage in future negotiations of contracts with CMS that includes those items.*
- Motion #2: *I move that we enter into executive session to consider negotiation of Medicare total cost of care target and other State Agreement proposals under the provisions of 1 V.S.A. § 313(a)(1)(A) of the Vermont Statutes. Attendance at the executive session will be the Board members, Board staff working on the agreement with CMS, the State's Director of Health Care Reform and other staff and contractors from the Agency of Human Services working on the agreement.*