Vermont All-Payer Model Agreement – Extension
Summary of 1st Amended and Restated Vermont All-Payer Model Agreement
For Discussion at 11/16/22 GMCB Meeting

Context: In late 2021, Vermont submitted a request to the Center for Medicare and Medicaid Innovation (CMMI) to extend the All-Payer Model (APM) Agreement for one year to allow the state more time to develop a proposal for a subsequent Agreement and engage providers and other partners; this request included a list of proposed changes for the extension period. CMMI responded in April 2022 with an offer of a one-year extension plus an additional year at the State's option (referred to in the extension agreement as a "transition year"). This would provide a bridge to a new federal-state model (currently in development) likely to start in 2025.

Summary of Extension:

- Would extend Vermont's All-Payer Model Agreement with the federal government for one year, with CMMI required to offer Vermont an additional extension year (original term: 2018-2022; with both extension years: 2018-2024). With an extension:
    - Vermont providers may continue to participate in the Vermont Medicare ACO Initiative, which is the Vermont-modified version of the Medicare Next Generation ACO program:
        - Payment model consistent with prior years of the APM Agreement, including potential for shared savings and shared risk.
        - Maintains access to Medicare waivers, including Telehealth, Care Management Home Visits, Post-Discharge Home Visits, and 3-day SNF Rule.
        - Participating providers are deemed to participate in a Medicare Advanced Alternative Payment Methodology under the Medicare Quality Payment Program, which exempts them from reporting requirements and quality-based payment adjustments associated with Medicare's Merit-based Incentive Payment System (MIPS).
        - Avoids payment disruptions associated with an abrupt shift back to Medicare fee-for-service payments, which could include payment errors and reconciliations in early 2023, loss of waivers, requirement to participate in MIPS, and challenges of transitioning from FFS to a new payment model if Vermont joins a new federal model in 2025.
    - Vermont will continue to receive Medicare funding for the Blueprint for Health (including Blueprint payments to participating primary care practices and Community Health Teams) and Support and Services at Home (SASH) program. This funding totaled ~$9.1 M in 2022.
    - Vermont maintains a unique relationship with Medicare, which allows the State to advocate for a future model that will benefit Vermonters and Vermont providers.
- Major amendments (see below):
    - Technical changes to extend the model through 2023 and, at Vermont's option, 2024.
    - Changes to recognize the potential for COVID-19 to impact Vermont's performance on statewide APM Agreement targets, and to allow for a process to consider COVID-19 and other exogenous factors in determining the State's accountability for performance in these areas.
    - Technical changes to population health outcomes and quality measures.

Extension Timeline:

Extension Timeline (if signed)	
Agreement Term	**2018-2024***
Extension Year	*2023*
*Transition Year (*State's option)*	*2024*
New Model Start Date	**2025**

Summary of Changes: 1st Amended and Restated Vermont All-Payer Model Agreement (unsigned)		
Agreement Section	*Topic*	*Summary of Issue*
Recitals	Background and summary	Additions to summarize amendments included in the extension agreement.
Throughout	Extending Agreement through 2023, and additionally 2024 at the option of the State	Changes to reflect the extension of Vermont's All-Payer Model Agreement with the federal government for one year (2023), with CMMI required to offer Vermont an additional extension year (2024). Changes include the Agreement term, reporting and target deadlines, target calculation methodologies, etc.
Section 6 (Scale)	Memorialize Waiver of Enforcement for Scale Targets and Extend to Extension Year(s)	Vermont asked that language be added recognizing that enforcement of the Agreement's scale targets (Section 6) was previously waived and providing context about why the targets were waived. There are no scale targets in the extension year(s).
Section 7 (Population Health Outcomes and Quality), Section 9 (Statewide Financial Targets), and Appendix 1	Exogenous Factors	Adds an exogenous factors clause to Section 7 so that exogenous factors, including COVID-19, can be considered by CMMI in assessing Vermont's performance on population health outcomes and quality of care targets and in determining any enforcement action. Appendix 1 waives enforcement for failure in Performance Years (PYs 3 and 4) to be "on track" to meet Agreement targets. Amends the existing exogenous factors clause in Section 9 to include specific mention of COVID-19 as an exogenous factor that could impact Vermont's performance against the Agreement's statewide financial targets.
Section 8 (Vermont Medicare ACO Initiative) and Section 1 (Definitions)	Clarifying Current Process for Advanced Shared Savings	Additions to reflect the process for determining the total Shared Savings Advance Payment amount, which GMCB proposes annually in concert with the Medicare ACO program spending target ("benchmark")
Section 11 (Medicaid Services) and Section 12 (Proposal for Subsequent Agreement)	Vermont/CMMI Collaboration	Adds requirement that CMMI collaborate with the State of Vermont so that Vermont's experience can inform future CMMI models. Requires CMMI to explore mechanisms that may allow additional provider types to receive reimbursement for mental health and substance use disorder treatment services.
Throughout	Continued Model Reporting	Adjusts frequency of financial reports to semi-annual rather than quarterly in extension year(s); streamlines required content for reports submitted in extension year(s); updates report deadlines to align with data availability; and eliminates future payer differential reports, AHS's report on integrating Medicaid MH, SUD, and home- and community-based services with Model financial target services, and the requirement for Vermont to submit a proposal for a subsequent 5-year model.
Appendix 1	Technical Changes to Quality Measures	Amendments to quality measures to reflect changes to national measure sets (e.g., changes to HEDIS measure specifications), changes to reflect Vermont-specific reporting mechanisms, and to amend the approach to year-over-year "on track" designation.