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January 25<sup>th</sup>, 2024

**To:** Jenney Samuelson, Secretary of Vermont Agency of Human Services (AHS)

**CC:** Owen Foster, Chair of the Green Mountain Care Board (GMCB)

Adaline Strumulo, Acting Director of Department of Vermont Health Access (DVHA)

Dr. Mark Levine, Commissioner, Vermont Department of Public Health (VDH)

Pat Jones, Director of Health Care Reform (AHS)

Representative Lori Houghton, Chair, House Health Care Committee

Senator Virginia Lyons, Chair, Senate Health and Welfare Committee

Senator Ann Cummings, Chair, Senate Finance Committee

**Re:** HCA Recommendations for Vermont and the AHEAD Model

Dear Secretary Samuelson:

The HCA submits the following recommendations prior to Vermont's application and potential participation in the "States Achieving All-Payer Health Equity Approaches and Development" (AHEAD) model with the Centers for Medicare and Medicaid Services (CMS). The HCA has serious concerns about a presumption by state policymakers that Vermont must pursue the AHEAD model independent of the recommendations outlined below. If Vermont is approved for AHEAD, the HCA recommends the following actions be taken **prior** to signing an agreement with CMS:

**1. Conduct an impartial evaluation of the performance of the current All-Payer Model Agreement (APM)**

Vermont must examine "lessons learned" from the current APM before agreeing to participate in a future all-payer model agreement with CMS. The state must impartially evaluate whether it achieved, made progress towards, or failed to meet the stated goal of the APM: "Shift payments from a fee-for-service system that rewards the delivery of high-volume high-cost services, to a payment system based on value, high quality care and good health outcomes at a lower cost."<sup>1</sup> The HCA recommends using a mixed-methods approach that leverages qualitative and quantitative data related to affordability, access, and quality from sources including but not limited to the Vermont Household Health Insurance Survey, Vermont Department of Health, Vermont Program for Quality in Health Care, the HCA, the Green Mountain Care Board, the National Association of State Health Plans, RAND, and the Yale Health Care Pricing Project to answer this fundamental question. Vermont should also examine the potential costs and benefits of having model signatories occupy multiple roles, such as being a regulator and a

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<sup>1</sup> Green Mountain Care Board. "[Vermont's All Payer Model](#)." 2024.

reformer. The State cannot and should not move forward with a new all-payer model without having examined what did and did not work in the current APM. Any consideration of a contract with OneCare Vermont in a future model must include a rightsizing of the organization in line with its role if any in the administration of future health reform efforts.

## **2. Conduct a cost benefit analysis of applying and administering AHEAD**

The State must evaluate the potential costs and benefits of participating in the AHEAD model. These costs should include – but not be limited to – putting together the application (and subsequent renewal applications), administrative work from all parties to design, implement and comply with the novel data and measurement methodologies required for compliance with the model, and the hiring of additional personnel and consultants from all signatories to understand and administer the model. It is critical for the state to also estimate the *opportunity cost* of participating in the AHEAD model by considering potential state-led alternatives that would continue to support programs currently funded under the current APM, such as the Blueprint. The state must consider whether it would be more logistically prudent, adaptable and/or cost-effective to simply provide the same level of Blueprint funding currently received through the APM through other federal avenues or previously well-established revenue generation mechanisms, such as the health care claims tax and/or the provider tax. The State should consider how much such taxes would need to be nominally raised to match the primary potential benefits of participating in AHEAD.

## **3. Establish Clear Metrics for Measuring Performance**

The State must successfully negotiate for the AHEAD model contract to include measurable metrics related to affordability,<sup>2</sup> access,<sup>3</sup> and quality<sup>4</sup> to evaluate the model's performance. It is essential that the State has the data it needs to evaluate for itself whether participation in the model is likely to lead to improvements in the areas most important to Vermonters. The State must also adopt its own metrics in these areas in addition to those required by CMS in the AHEAD model. What is of primary importance to CMS, saving Medicare money, is likely not what is most important to Vermonters.

## **4. Provide Tangible Deliverables to Vermonters**

The State must have clear evidence that the participation in the model will reduce the rate of health care cost growth for Vermonters over time, improve quality of medical services, and improve access to health care services. Further, it should track these measures throughout the life of the model if it decides to participate. Vermonters should be able to see the impacts of the State's decision to participate. There should be tangible and measurable positive impacts on the issues most important for Vermonters.

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<sup>2</sup> [“What is Affordable Health Care.”](#) United States of Care. 1 Nov 2018.

<sup>3</sup> Levesque, JF., Harris, M.F. & Russell, G. Patient-centered access to health care: conceptualising access at the interface of health systems and populations. *Int J Equity Health* 12, 18 (2013).

<sup>4</sup> “Understanding Quality Measurement.” Agency for Healthcare Research and Quality, Rockville, MD. 2020.

## **Conclusion**

The HCA recommends that the State only participate in AHEAD model if it will be able to integrate important lessons learned from the current APM into the AHEAD model contract, the potential benefits will exceed the costs, potential alternative funding mechanisms for key state programs like the Blueprint for Health have been meaningfully considered, and there are clear metrics for evaluating whether the model is improving affordability and access for Vermonters.

Signed,

Mike Fisher, Chief Health Care Advocate

Sam Peisch, Health Policy Analyst