

## Budget Detail for Recommendation #1 - Accelerating Vermont’s Shift to Value-based Payment and Delivery to Improve Hospital Financial Sustainability and Vermonters’ Equitable Access to High-Quality Affordable Care

Total Appropriation for S.285 Sec. 1-3 per Senate Health and Welfare and Senate Appropriations Amendments: **\$5M**

- **\$1M** appropriated to the *Green Mountain Care Board (GMCB)* and **\$550k** to the *Agency of Human Services (AHS)* to begin the work in FY2023
- **\$3.45M** to GMCB in FY2023 pending approval from the *Health Reform Oversight Committee* after a plan is submitted by October 1, 2022

| Workstream  | Budget Detail  |
|---|--|
| <p><b>Design Hospital Value-Based Payments (Sec 1)</b></p>  | <p>Work with providers, payers, and other stakeholders to design a process for establishing and distributing value-based payments, including global payments, from all payers to Vermont hospitals that will:</p> <ul style="list-style-type: none"> <li>A. help move the hospitals away from a fee-for-service model;</li> <li>B. provide hospitals with predictable, sustainable funding that is aligned across multiple payers and sufficient to enable the hospitals to deliver high-quality, affordable health care services to patients; and</li> <li>C. take into consideration the necessary costs and operating expenses, and not be based on historical charges.</li> </ul> <p>This design work will inform whether statutory changes are necessary in the next legislative session and any additional resources would be required to implement the payment model.</p>   |
| <p><b>Community-Centered Care Delivery Transformation &amp; Technical Assistance to Hospitals and Communities (Sec 2)</b></p> | <p>GMCB, in collaboration with AHS, will hire health systems experts and community engagement experts, preferably with rural expertise, to engage communities in a series of data-informed discussions to identify opportunities for delivery system transformation that will reduce inefficiencies, lower costs, increase access to essential services, and improve health outcomes. This work includes:</p> <ul style="list-style-type: none"> <li>• The facilitation of a patient-focused community-inclusive plan, including an understanding of the current and future states of health care and an understanding of the opportunities;</li> <li>• Packaging complex data specific to each community so that it is easily understood;</li> <li>• Preparing for and facilitating many conversations with communities, including consumers, employers, health care providers – including primary care, and other stakeholders;</li> <li>• An assessment of the capacity of Vermont’s community-based health care and social service providers to effectively implement the community’s delivery system plan; and</li> <li>• Technical assistance to hospitals and communities to facilitate planning and transformation.</li> </ul> |
| <p><b>Design and Development of Potential Subsequent Federal Agreement with CMMI (Sec 3)</b></p>                              | <p>Director of Health Care Reform in AHS in collaboration with GMCB will design and develop a proposal for a subsequent agreement with CMMI for Medicare’s continued participation in payment models in Vermont.</p>   |