

April 12, 2022

Jenney Samuelson
Secretary
Vermont Agency of Human Services
280 State Drive—Center Building
Waterbury, VT 05671

Kevin Mullin
Chair
Green Mountain Care Board
144 State Street
Montpelier, VT 05602

SUBJECT: Request to Extend the Vermont All-Payer ACO Model Agreement

Dear Secretary Samuelson and Chair Mullin:

The Centers for Medicare & Medicaid Services (“CMS”) values its collaboration with the state of Vermont including the Vermont Agency of Human Services (“AHS”), and the Green Mountain Care Board (the “GMCB”), in implementing the Vermont All-Payer Accountable Care Organization Model (the “Model”) over the past five years. This collaboration supports Vermont’s and CMS’ goals to reform the health care system by reducing expenditures and improving health outcomes under the Model, which has realized favorable impacts. In the first two performance years, the model has achieved statistically significant Medicare net spending reductions at the state level.¹ Additionally, statewide, there were significantly fewer Medicare beneficiaries with unplanned 30-day readmissions.

As per the State Agreement, *Section 12. Proposal for Subsequent Agreement*, Vermont may submit a proposal for a subsequent model at the end of Performance Year 4, calendar year (CY) 2021. Due to the sustained disruption of the COVID-19 public health emergency, Vermont submitted a request to extend the model for one-year and proposed a number of administrative and policy revisions to the current model in order to move to a subsequent model.

To that end, CMMI is informing the state that it is actively working towards offering Vermont a one-year extension of the model Agreement (for CY 2023), plus an additional transitional year (CY 2024) to give Vermont and CMMI time to prepare for and evolve to a subsequent model. Over the coming months, CMMI will continue to pursue internal review of the proposed extension while working with leadership and staff at AHS and the GMCB on the details of the one-year extension and transitional year, with final federal clearance in Fall 2022, after which the State clearance process and GMCB review and vote would occur. Recognizing that this is critical time for the model, CMMI appreciates the time that AHS and the GMCB are allocating to working with CMMI, which will help ensure a smooth process and seamless progress into the proposed extension period of performance, including the transitional year.

¹ First Evaluation Report, Evaluation of the Vermont All-Payer Accountable Care Organization Model (Aug. 2021), available at: <https://innovation.cms.gov/data-and-reports/2021/vtapm-1st-eval-full-report>.

CMMI is also committed to engaging with AHS and the GMCB regularly, throughout 2023, to inform the development of a future pathway for Vermont to transition to a subsequent model while continuing the momentum of statewide reform efforts. In particular, we would like to work together to explore the feasibility of allowing providers that are not currently eligible to deliver Medicare FFS Mental Health Services (e.g., Licensed Alcohol and Drug Counselors, Licensed Clinical Mental Health Counselors). We would also like to work together to envision future payment innovations under a subsequent model, learning from Vermont's experience in the current Model Agreement, and initiatives in other states.

We look forward to our continued partnership. If you have any questions or concerns about the content of this letter, please contact VermontAllPayer@cms.hhs.gov.

Sincerely,



Katherine J. Sapra, PhD, MPH
Director, Division of All-Payer Models
Center for Medicare and Medicaid Innovation
Centers for Medicare and Medicaid Services

April 12, 2022
Date

CC:

Christina R. Crider, Deputy Director, Division of All-Payer Models
Fatema Salam, MPH, Health, Insurance Specialist, Division of All-Payer Models
Ena Backus, Director of Health Care Reform, Agency of Human Service
Susan Barrett, Executive Director, Green Mountain Care Board