

March 5, 2021

Michael K. Smith
Secretary
Vermont Agency of Human Services

Ena Backus
Director of Health Care Reform
Vermont Agency of Human Services
280 State Drive—Center Building
Waterbury, VT 05671

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

SUBJECT: CMS Review of State's Response to the Warning Notice of Vermont's Non-Compliance with Accountable Care Organization (ACO) Scale Targets for Two Consecutive Performance Years

Dear Secretary Smith, Ms. Backus and Mr. Mullin:

On September 16, 2020, CMS issued a Warning Notice to inform the State of Vermont, acting through the Green Mountain Care Board (GMCB), that it failed to meet the ACO Scale Targets described in sections 6.a, 6.b, and 6.c of the Vermont All-Payer Accountable Care Organization Model Agreement (“State Agreement”) for two consecutive performance years (Performance Year (PY) 1 and PY2) (“Warning Notice”). As described in the Warning Notice, CMS considers Vermont’s failure to meet the ACO Scale Targets for two consecutive PYs a “Triggering Event” under Section 6.k and Section 21.d.iv of the State Agreement. On December 11, 2020, CMS received a response to the Warning Notice from the State of Vermont (“Warning Notice Response”).

In accordance with Section 21 of the State Agreement, CMS has reviewed the Warning Notice Response and has accepted it as sufficient, taking into account the totality of the circumstances, including whether a factor unrelated to the State Agreement caused the Triggering Event. CMS acknowledges Vermont’s commitment to achieving the Model’s ACO Scale Targets and believes that the strategies outlined in the State’s Warning Notice Response will enable the State to increase the ACO Scale Targets in PY5. CMS also acknowledges that some of the strategies

outlined in the Warning Notice Response have already been completed and some are in progress. CMS looks forward to learning more about the progress the State has made on implementing those strategies outlined in the Warning Notice Response, should the State include it when submitting the 2020 Scale Targets and Alignment Report in June 2021.

We appreciate your dedication to reducing expenditures and improving health outcomes under the Model. We look forward to our continued collaboration and work with the State to implement the goals of the Model in accordance with the terms of the State Agreement. If you have any questions or require additional information, please contact Fatema Salam at Fatema.Salam1@cms.hhs.gov.

Sincerely,



Rivka Friedman
Director, State Innovations Group
Acting Director, Prevention and Population Health Group
Center for Medicare and Medicaid Innovation
Centers for Medicare and Medicaid Services

cc:

Susan Barrett, Executive Director
Green Mountain Care Board

Katherine J. Sapra, PhD, MPH, Acting Division Director
Division of All-Payer Models, State Innovations Group, CMMI

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