Vermont All-Payer Accountable Care Organization Model

First Amended and Restated Vermont All-Payer Accountable Care Organization Model Agreement

Amendment to Sections 1, 2, 6, 8, 9, 12 and Appendix 1

2024 Amendment No. 1

This amendment is made to the First Amended and Restated Vermont All-Payer Accountable Care Organization Model Agreement (the "Agreement") between the Centers for Medicare & Medicaid Services ("CMS"), and the Governor of Vermont, the Green Mountain Care Board ("GMCB"), and the Vermont Agency of Human Services ("AHS") (collectively, "State" or "Vermont"). Each Vermont entity and CMS are collectively referred to as "the parties."

CMS wishes to amend the Agreement in order to:

1. extend the Performance Period of the Model so that the final Performance Year will end on December 31, 2025;
2. revise and update the terms of the Agreement to reflect the extended Performance Period, including updating formulas for calculating statewide financial targets and reporting requirements;
3. include three new benefit enhancements as part of the Vermont Medicare ACO Initiative beginning in PY8 related to home health, concurrent care for hospice beneficiaries, and conditions of payment for inpatient services at Critical Access Hospitals (CAHs), and expand on the existing Telehealth benefit enhancement;
4. in the event that one or more VMA ACOs selects an asymmetric risk arrangement for PY8, require the GMCB to use its authority, as applicable, to eliminate annual recoupment of funds from providers by such VMA ACOs in the absence of Shared Losses at the end of PY8;
5. require additional reporting on the experience of providers and suppliers participating in all-inclusive population-based payments in PY8; and
6. require additional reporting on trends in usage of the Model's benefit enhancements.

The parties therefore agree to amend the Agreement as set forth herein.

1. **Effective Date.** Unless otherwise specified, this amendment shall be effective when it is signed by the last party to sign it (as indicated by the date associated with that party's signature).
2. **Amendments to the Agreement.**

    a. **Amendments to Section 1 (Definitions)**

        i. Sections 1.t and 1.u of the Agreement are hereby amended in their entirety to read as follows:

        t. ***"Performance Period"*** *means the Performance Years this Agreement will be in effect. The Performance Period of this Model will begin on*

January 1, 2017 and end at 11:59 PM (EST) on December 31, 2025, unless this Agreement is terminated sooner in accordance with section 21, in which case the Performance Period will conclude on the effective date of termination.

u. ***"Performance Year ("PY")"*** *means the 12-month period beginning on January 1 of each year during the Performance Period of this Agreement. The first Performance Year is Performance Year 0 (2017), and the last Performance Year is Performance Year 8 (2025).*

b. Amendment to Section 2 (Agreement Term)

i. Section 2.c is hereby amended in its entirety to read as follows:

The Performance Period of this Model began on January 1, 2017, and will end at 11:59PM (EST) on December 31, 2025, unless this Agreement is sooner terminated in accordance with section 21, in which case the Performance Period concludes on the effective date of termination.

c. Amendments to Section 6 (ACO Scale Targets)

i. Section 6.a of the Agreement is hereby amended in its entirety to read as follows:

a. ***Percentage of Vermont Beneficiaries Aligned to an ACO.*** *Vermont shall make efforts to maximize the percentage of Vermont Medicare Beneficiaries and the percentage of Vermont All-payer Scale Target Beneficiaries aligned to a Scale Target ACO Initiative, as defined in section 6.b, relative to the following percentages for each Performance Year ("ACO Scale Targets"):*

Percent (%)	*By end of PY1 (2018)*	*By end of PY2 (2019)*	*By end of PY3 (2020)*	*By end of PY4 (2021)*	*By end of PY5 (2022)*
Vermont All-Payer Scale Target Beneficiaries	*36%*	*50%*	*58%*	*62%*	*70%*
Vermont Medicare Beneficiaries	*60%*	*75%*	*79%*	*83%*	*90%*

There are no ACO Scale Targets for PY6 (2023) through PY8 (2025).

ii. Section 6.j.ii of the Agreement is hereby amended in its entirety to read as follows:

The GMCB shall submit to CMS for its approval (1) no later than June 30th of the year following the conclusion of each of the Performance Years 1 through 5, the State's performance on the ACO Scale Targets described in sections 6.a, 6.b, and 6.c; and (2) no later than June 30th of the year following the conclusion of each of the Performance Years 6 through 8, the percentage of Vermont All-Payer Scale Target Beneficiaries aligned to a Scale Target ACO Initiative for each such Performance Year.

d. Amendments to Section 8 (Vermont Medicare ACO Initiative)

i. Section 8.a.iv is hereby amended in its entirety to read as follows:

iv. CMS will include as part of the Vermont Medicare ACO Initiative the following benefit enhancements: Telehealth, Care Management Home Visits, Post-discharge home visits, and 3-day SNF Rule payment waivers. Beginning with Performance Year 8, CMS will include as part of the Vermont Medicare ACO Initiative an expanded Telehealth benefit enhancement, as well as the following additional benefit enhancements: Home Health Homebound, Concurrent Care for Hospice Beneficiaries, and Conditions of Payment for Inpatient Services Furnished at CAHs (CAH 96-Hour Certification).

ii. Section 8.b.vi is hereby amended in its entirety to read as follows:

vi. To the extent that is has the authority, the GMCB shall:

1. *Review and approve an annual budget for each VMA ACO, according to which budget, or as authorized by GMCB Rule 5.000 Section 5.400, the ACO shall expend Shared Savings Advance Payments.*
2. *In the event that one or more VMA ACOs selects an asymmetric risk arrangement in PY8, require each VMA ACO that has selected an asymmetric risk arrangement to eliminate annual recoupment of funds from providers and suppliers participating in all-inclusive population-based payments in PY8 in the absence of VMA ACO Shared Losses at the end of PY8.*

iii. Section 8.b is hereby amended by adding the following paragraph as Section 8.b.viii:

viii. In the event that one or more VMA ACOs selects an asymmetric risk arrangement in PY8, no later than September 30, 2025, and in a form and

manner proposed by the State and approved by CMS, the GMCB shall provide a report to CMS on the experience of providers and suppliers participating in all-inclusive population-based payments in PY 8 with payments made by such VMA ACOs in the first six months of 2025.

e. Amendments to Section 9 (Statewide Financial Targets)

i. Section 9.b.i.1 of the Agreement is hereby amended by striking the formulas for calculating Vermont Medicare Total Cost of Care per Beneficiary Growth for PYs 1-6 and PYs 1-7 and replacing with the formula below:

Vermont Medicare Total Cost of Care per Beneficiary Growth:

For PYs 1-8:

$$\left(\frac{\left(\frac{Vermont\ Medicare\ TCOC_{2018}}{Vermont\ ACO-aligned\ Medicare\ beneficiaries_{2018}}\right)}{\left(\frac{Vermont\ Medicare\ TCOC_{2017}}{Vermont\ ACO\ comparison\ Medicare\ beneficiaries_{2017}}\right)} * \frac{\left(\frac{Vermont\ Medicare\ TCOC_{2019}}{Vermont\ ACO-aligned\ Medicare\ beneficiaries_{2019}}\right)}{\left(\frac{Vermont\ Medicare\ TCOC_{2018}}{Vermont\ ACO\ comparison\ Medicare\ beneficiaries_{2018}}\right)} * \frac{\left(\frac{Vermont\ Medicare\ TCOC_{2020}}{Vermont\ Medicare\ ACO-aligned\ \ Medicare\ beneficiaries_{2020}}\right)}{\left(\frac{Vermont\ Medicare\ TCOC_{2019}}{Vermont\ ACO\ comparison\ Medicare\ beneficiaries_{2019}}\right)} * \frac{\left(\frac{Vermont\ Medicare\ TCOC_{2021}}{Vermont\ Medicare\ beneficiaries_{2021}}\right)}{\left(\frac{Vermont\ Medicare\ TCOC_{2020}}{Vermont\ Medicare\ beneficiaries_{2020}}\right)} * \frac{\left(\frac{Vermont\ Medicare\ TCOC_{2022}}{Vermont\ Medicare\ beneficiaries_{2022}}\right)}{\left(\frac{Vermont\ Medicare\ TCOC_{2021}}{Vermont\ Medicare\ beneficiaries_{2021}}\right)} * \frac{\left(\frac{Vermont\ Medicare\ TCOC_{2023}}{Vermont\ Medicare\ beneficiaries_{2023}}\right)}{\left(\frac{Vermont\ Medicare\ TCOC_{2022}}{Vermont\ Medicare\ beneficiaries_{2022}}\right)} * \frac{\left(\frac{Vermont\ Medicare\ TCOC_{2024}}{Vermont\ Medicare\ beneficiaries_{2024}}\right)}{\left(\frac{Vermont\ Medicare\ TCOC_{2023}}{Vermont\ Medicare\ beneficiaries_{2023}}\right)} * \frac{\left(\frac{Vermont\ Medicare\ TCOC_{2025}}{Vermont\ Medicare\ beneficiaries_{2025}}\right)}{\left(\frac{Vermont\ Medicare\ TCOC_{2024}}{Vermont\ Medicare\ beneficiaries_{2024}}\right)}\right)^{\frac{1}{8}} - 1$$

ii. Section 9.b.i.2 of the Agreement is hereby amended by striking the formulas for calculating the Performance Period Projected National Medicare Total Cost of Care per Beneficiary Growth for PYs 1-6 and PYs 1-7 and replacing with the formula below:

Performance Period Projected National Medicare Total Cost of Care per Beneficiary Growth:

PYs 1-8:

$$\left(\left(\frac{MA\ USPCC\ FFS_{2018}}{MA\ USPCC\ FFS_{2017}}\right)_{Announced\ in\ 2017} * \left(\frac{MA\ USPCC\ FFS_{2019}}{MA\ USPCC\ FFS_{2018}}\right)_{Announced\ in\ 2018} * \left(\frac{MA\ USPCC\ FFS_{2020}}{MA\ USPCC\ FFS_{2019}}\right)_{Announced\ in\ 2019} * \left(\frac{MA\ USPCC\ FFS_{2021}}{MA\ USPCC\ FFS_{2020}}\right)_{Announced\ in\ 2020} * \left(\frac{MA\ USPCC\ FFS_{2022}}{MA\ USPCC\ FFS_{2021}}\right)_{Announced\ in\ 2021} * \left(\frac{MA\ USPCC\ FFS_{2023}}{MA\ USPCC\ FFS_{2022}}\right)_{Announced\ in\ 2022} * \left(\frac{MA\ USPCC\ FFS_{2024}}{MA\ USPCC\ FFS_{2023}}\right)_{Announced\ in\ 2023} * \left(\frac{MA\ USPCC\ FFS_{2025}}{MA\ USPCC\ FFS_{2024}}\right)_{Announced\ in\ 2024}\right)^{\frac{1}{8}} - 1$$

iii. Section 9.b.iv. is hereby amended in its entirety to read as follows:

iv. ***Projected National Medicare Total Cost of Care per Beneficiary Growth Target Floor for Performance Year 1.*** *If the Annual Projected National Medicare Total Cost of Care per Beneficiary Growth for Performance Year 1, calculated as a growth rate using 2017 as a baseline, is less than 3.7 percent but greater than or equal to 2.7 percent, then 3.7 percent will be used as the Performance Period Projected National Medicare Total Cost of Care per Beneficiary Growth for purposes of calculating Vermont's performance in Performance Year 1 on the Medicare Total Cost of Care per Beneficiary Growth Target. In such a case, the following formula will be used to calculate Performance Period Projected National Medicare Total Cost of Care per Beneficiary Growth, except as adjusted in sections 9.b.iii and 9.c. The Medicare Total Cost of Care per Beneficiary Growth Target shall remain as 0.2 percentage points less than Performance Period Projected National Medicare Total Cost of Care per Beneficiary Growth, as described in section 9.b.i.3.*

Performance Period Projected National Medicare Total Cost of Care per Beneficiary Growth:

For PYs 1-8:

$$\left(1.037 * \left(\frac{MA\ USPCC\ FFS_{2019}}{MA\ USPCC\ FFS_{2018}}\right)_{Announced\ in\ 2018} * \left(\frac{MA\ USPCC\ FFS_{2020}}{MA\ USPCC\ FFS_{2019}}\right)_{Announced\ in\ 2019} * \left(\frac{MA\ USPCC\ FFS_{2021}}{MA\ USPCC\ FFS_{2020}}\right)_{Announced\ in\ 2020} * \left(\frac{MA\ USPCC\ FFS_{2022}}{MA\ USPCC\ FFS_{2021}}\right)_{Announced\ in\ 2021} * \left(\frac{MA\ USPCC\ FFS_{2023}}{MA\ USPCC\ FFS_{2022}}\right)_{Announced\ in\ 2022} * \left(\frac{MA\ USPCC\ FFS_{2024}}{MA\ USPCC\ FFS_{2023}}\right)_{Announced\ in\ 2023} * \left(\frac{MA\ USPCC\ FFS_{2025}}{MA\ USPCC\ FFS_{2024}}\right)_{Announced\ in\ 2024}\right)^{\frac{1}{8}} - 1$$

If the Annual Projected National Medicare Total Cost of Care per Beneficiary Growth in Performance Year 1, calculated as a growth rate using 2017 as a baseline, is less than 2.7 percent, then for purposes of

calculating Vermont's performance on the Medicare Total Cost of Care per Beneficiary Growth Target, the Performance Period Projected National Medicare Total Cost of Care per Beneficiary Growth for Performance Year 1 will be calculated as 1.2 percentage points above the MA USPCC FFS Projections for the same time period. In such a case, the below formula will be used to calculate Performance Period Projected National Medicare Total Cost of Care per Beneficiary Growth, except as adjusted in sections 9.b.iii and 9.c. The Medicare Total Cost of Care per Beneficiary Growth Target shall remain as 0.2 percentage points less than Performance Period Projected National Medicare Total Cost of Care per Beneficiary Growth, as described in section 9.b.i.3.

Performance Period Projected National Medicare Total Cost of Care per Beneficiary Growth:

<u>For PYs 1-8</u>:

$$\left(\left[\left(\frac{MA\ USPCC\ FFS_{2018}}{MA\ USPCC\ FFS_{2017}}\right)_{Announced\ in\ 2017} + 0.012\right] * \left(\frac{MA\ USPCC\ FFS_{2019}}{MA\ USPCC\ FFS_{2018}}\right)_{Announced\ in\ 2018} * \left(\frac{MA\ USPCC\ FFS_{2020}}{MA\ USPCC\ FFS_{2019}}\right)_{Announced\ in\ 2019} * \left(\frac{MA\ USPCC\ FFS_{2021}}{MA\ USPCC\ FFS_{2020}}\right)_{Announced\ in\ 2020} * \left(\frac{MA\ USPCC\ FFS_{2022}}{MA\ USPCC\ FFS_{2021}}\right)_{Announced\ in\ 2021} * \left(\frac{MA\ USPCC\ FFS_{2023}}{MA\ USPCC\ FFS_{2022}}\right)_{Announced\ in\ 2022} * \left(\frac{MA\ USPCC\ FFS_{2024}}{MA\ USPCC\ FFS_{2023}}\right)_{Announced\ in\ 2023} * \left(\frac{MA\ USPCC\ FFS_{2025}}{MA\ USPCC\ FFS_{2024}}\right)_{Announced\ in\ 2024}\right)^{\frac{1}{8}} - 1$$

If the Annual Projected National Medicare Total Cost of Care per Beneficiary Growth in Performance Year 1, calculated as a growth rate using 2017 as a baseline, is equal to or greater than 3.7 percent, then the Medicare Total Cost of Care per Beneficiary Growth Target shall be 0.1 percentage points less than the Performance Period Projected National Medicare Total Cost of Care per Beneficiary Growth. That is, Vermont shall limit the Vermont Medicare Total Cost of Care per Beneficiary Growth to at least 0.1 percentage points less than the Performance Period Projected National Medicare Total Cost of Care per Beneficiary Growth. In such a case, the following formula will be used in lieu of the formula described in 9.b.i.3. to calculate Vermont's performance on the Medicare Total Cost of Care per Beneficiary Growth Target:

Medicare Total Cost of Care per Beneficiary Growth Target performance:

Performance Period Projected National Medicare Total Cost of Care per Beneficiary Growth-Vermont Medicare Total Cost of Care per Beneficiary

Growth ≥0.001.

iv. Section 9.f of the Agreement is hereby amended in its entirety to read as follows:

f. ***Financial Reports:*** *For Performance Years 1 through 4, the GMCB, in collaboration with AHS, shall submit to CMS quarterly reports on the State's performance on the All-payer Total Cost of Care per Beneficiary Growth Target (**"Quarterly Financial Report"**). For Performance Years 5 through 8, the GMCB, in collaboration with AHS, shall submit to CMS two reports on the State's performance on the All-payer Total Cost of Care per Beneficiary Growth Target (**"Semi-Annual Financial Report"**). The first report will capture the State's performance over the first six months of the PY, with six months of claims runout. The second report will capture the State's performance for the entire PY, with six months of claims runout. The second report will include information relevant to changes to Medicaid payment rates, if any. Each Performance Year's All-payer Total Cost of Care per Beneficiary Growth Target performance results shall be finalized by December 31st of the following year. The Semi-Annual Financial Report shall be submitted in a form and manner proposed by the State and approved by CMS, and by a deadline determined by CMS.*

f. Amendment to Section 12 (Collaboration to Inform Potential Future Model)

i. Section 12 is hereby amended by adding the following paragraph as Section 12.a.

a. No later than September 30, 2025, and in a form and manner proposed by the State and approved by CMS, AHS shall provide a report to CMS on trends in usage of the Model's benefit enhancements from PY1 through mid-year of PY8, including any barriers AHS identified to uptake of benefit enhancements by VMA ACOs or providers.

g. Amendment to Appendix 1 (Statewide Health Outcomes and Quality of Care Targets)

i. Appendix 1.b.iv is hereby amended in its entirety to read as follows:

iv. Suicide and Substance Use Disorder Target – Mental Health and Substance Abuse-related Emergency Department Visits. *The State must reduce the rate of growth of emergency department (ED) visits with a primary diagnosis of mental health or substance abuse condition across*

payers in Vermont hospitals to 5% in PYs 1 and 2, 4% in PYs 3 and 4, and 3% in PYs 5 through 8, using 2016-2017 growth as a baseline.

1) ***Calculation methodology.*** *The State's performance for any given Performance Year will be measured using Vermont Department of Health's hospital discharge data and counting the number of ED visits at Vermont hospitals with a primary diagnosis of mental health or substance abuse condition.*
2) *CMS may determine that the State is not on track to meet this milestone if, from Performance Year to Performance Year, the rate of growth of ED visits due to mental health and substance abuse conditions increases across payers in the State. For Performance Years 3 and 4, due to the COVID-19 pandemic and its impact on utilization and care patterns, any such increase as compared to the preceding Performance Year will not be considered in determining a Triggering Event.*

3. Effect of Amendment. All other terms and conditions of the Agreement shall remain in full force and effect. In the event of any inconsistency between the provisions of this amendment and the provisions of the Agreement, the provisions of this amendment shall prevail.

[SIGNATURE PAGE FOLLOWS]

Each party is signing this amendment on the date stated above that party's signature. If a party signs but fails to date a signature, the date that the party receives the signing party's signature will be deemed to be the date that the signing party signed this amendment. This amendment may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same amendment. This amendment may be signed by autopen or electronic signature (e.g., DocuSign or similar electronic signature technology) and may be transmitted by electronic means. Copies of this amendment that are so executed and delivered have the same force and effect as if executed with handwritten signatures and physically delivered.

CENTERS FOR MEDICARE & MEDICAID SERVICES

Date _____

By: _____

Liz Fowler, Director, Center for Medicare and Medicaid Innovation

GOVERNOR OF THE STATE OF VERMONT

Date _____

By: _____

Philip B. Scott, Governor

GREEN MOUNTAIN CARE BOARD

Date _____

By: _____

Owen Foster, Chair, Green Mountain Care Board

VERMONT AGENCY OF HUMAN SERVICES

Date _____

By: _____

Jenney Samuelson, Secretary, Vermont Agency of Human Services