

September 14, 2020

Susan J. Barrett, J.D.
Executive Director
Green Mountain Care Board
144 State Street
Montpelier, Vermont 05602

SUBJECT: Warning Notice of Vermont’s Non-Compliance with Accountable Care Organization (ACO) Scale Targets for Two Consecutive Performance Years

Dear Ms. Barrett,

On July 2, 2020, the Green Mountain Care Board (GMCB) submitted the 2019 Scale Targets and Alignment Report, per Section 6.j of the State Agreement. We are writing to inform the GMCB that it has failed to achieve the ACO Scale Targets described in sections 6.a, 6.b, and 6.c of the Vermont All-Payer Accountable Care Organization Model Agreement (the “State Agreement”) for two consecutive Performance Years (Performance Year (PY) 1 and PY 2). Under Section 6.a of the State Agreement, “Vermont shall ensure that 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, meet or exceed” certain specified percentages for each PY. Those percentages, as well as the achieved percentage of Vermont Medicare Beneficiaries and the achieved percentage of Vermont All-payer Scale Target Beneficiaries aligned to a Scale Target ACO Initiative for PY1 and PY2, are specified in the following table:

Percent (%)	By end of PY1 (2018)	By end of PY2 (2019)
Vermont All-Payer Scale Target Beneficiaries	36%	50%
Vermont All-Payer Percentage Achieved Beneficiaries	22%	30%
Vermont Medicare Scale Target Beneficiaries	60%	75%
Vermont Medicare Percentage Achieved Beneficiaries	33%	47%

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. Section 21.a of the State Agreement provides that, if CMS determines that a Triggering Event has occurred, CMS will provide a Warning Notice, no later than six (6) months after a determination by CMS that a Triggering Event has occurred, notifying the GMCB or AHS, as applicable, that Vermont is not meeting a requirement of the State Agreement with an explanation and data supporting its determination. This letter serves as a Warning Notice of Vermont’s failure to meet the ACO Scale Targets for two consecutive PYs. As required under

Section 21.a of the State Agreement, the State must submit a written response to this Warning Notice within ninety (90) days of receipt of the Warning Notice.

CMS will review the State's response in accordance with Section 21.a within ninety (90) days of receipt and will either accept the response as sufficient, taking into account the totality of the circumstances, including whether a factor unrelated to the Agreement caused the Triggering Event or require the State to submit a CAP. If the State fails to timely and successfully implement a required CAP, CMS reserves the right to rescind or modify aspects of the Model, or to terminate the State Agreement.

We appreciate your dedication to improving health outcomes under the Model. We look forward to receiving your response to this Warning Notice so we may continue to 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,



Pierre L. Yong, MD, MPH, MS
Acting Director
State Innovations Group, Center for Medicare and Medicaid Innovation (CMMI)
Centers for Medicare and Medicaid Services

cc:

Ena Backus, Director of Health Care Reform
Vermont Agency of Human Services

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

Fatema Salam, MPH, Health, Insurance Specialist
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