



State of Vermont
Agency of Human Services
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DATE

Katherine J. Sapra, PhD, MPH
Director, Division of All-Payer Models
Center for Medicare and Medicaid Innovation, Centers for Medicare and Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850

Cc: Fatema Salam, Vermont All-Payer ACO Model Lead, CMMI
Chris Crider, Acting Deputy Director, Division of All-Payer Models, CMMI

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

Dear Ms. Sapra,

The current Vermont All-Payer Accountable Care Organization Model Agreement (Agreement) is scheduled to end on December 31, 2022. Under Section 12 of the Agreement, the State of Vermont has the option to submit a proposal for a subsequent 5-year agreement before December 31, 2021.

The State of Vermont requests a one-year extension to the current Agreement, during which time it will work towards developing a proposal for a subsequent agreement by December 31, 2022. In addition, Vermont proposes to work with CMMI during this time to evolve the Vermont Medicare ACO Initiative's payment model toward unreconciled population-based payments. The State's rationale for this request is as follows:

- Vermont hopes to build on lessons learned from the Vermont Medicaid Next Generation ACO Program in the near future – including the unreconciled population-based payment model – but needs additional time to develop a proposal for a longer-term agreement with meaningful stakeholder input. As suggested in the timeline below, Vermont proposes to work with Medicare on this change under the current Agreement, while simultaneously developing a proposed subsequent Model.
- Vermont's current Model relies on strong collaboration between government, payers, and providers. Thoroughly engaging these partners will be a critical step in developing a proposal for a subsequent agreement and was planned for 2020. The COVID-19 public health emergency, however, has delayed and may continue to delay this work as these partners focus on the response to COVID-19.

- The COVID-19 public health emergency prevented Vermont from fully testing the current Model in 2020 and 2021. An additional year may allow Vermont to more completely finish the Model test, depending on how the pandemic evolves.

As part of the extension, Vermont proposes to amend the current Agreement as outlined in the attached “redline” revision of the Agreement. Below, we have summarized the changes included in the attachment and included a brief explanation and justification.

Summary of proposed changes:

Technical Revisions

- Updates to reflect the proposed extension year (dates, extended targets, etc.).
- Amendments negotiated in 2019 to quality measure specifications to reflect updates to national measure sets and to adjust some reporting deadlines to allow for more complete data; these amendments were not executed due to the emergence of the COVID-19 public health emergency.¹
- Updates to Medicare payment program references to reflect the phasing out of the Next Generation ACO Model.
- Updates reflecting operational clarifications agreed to by the parties over the course of the Agreement.

Reporting Changes

- Eliminate further payer differential reports due to benchmarking changes connected to COVID-19.
- Reduce the number of remaining total cost of care reports to reflect limited utility of quarterly reports.
- Eliminate the report (Section 11) related to Medicaid Behavioral Health and Long-Term Services and Supports and replace it with a plan to coordinate the financing and delivery of Medicaid Behavioral Health Services and Medicaid Home and Community-based Services with all-payer financial target services in a subsequent agreement, to be submitted as a component of any proposal for a subsequent agreement by December 31, 2022. This will allow alignment of stakeholder engagement in the development of a proposal for a subsequent agreement that both defines the all-payer financial target services within that agreement and additional strategies to further achieve integration across the health care delivery system.

Other Changes

- Commit to work together to design and offer an unreconciled fixed payment mechanism within the Vermont Medicare ACO Initiative for Performance Year 6.
- Provide Medicare funding for Vermont’s Blueprint for Health and Support and Services at Home (SASH) program to AHS as a single-source funding opportunity instead of through the Vermont Medicare ACO Initiative benchmark.

¹ The amendment negotiated in 2019 also would have made changes to section 15.b. of the Agreement to clarify that the GMCB may request individually identifiable health information to carry out health oversight activities under 45 CFR § 164.512(d)(1). We believe the existing language allows for this and thus are only proposing a minor clarifying amendment to section 15.b.

- Create a plan for issuance of written guidance clarifying the impact of participation on Critical Access Hospitals’ cost reporting and cost settlements.
- Finally, Vermont proposes to extend the [waiver of enforcement](#) of the ACO Scale Targets through the extension year. While Vermont has made considerable progress towards the scale targets laid out in the Agreement, as CMS has acknowledged, these targets are unattainable based on information not available when the Agreement was drafted.

A suggested timeline for this extension is below:

	Current APM Agreement	Suggested Extended APM Agreement
Proposal for Subsequent Agreement	December 31, 2021	December 31, 2022
Agreement End Date	December 31, 2022	December 31, 2023
Implement Population-Based Payments	--	January 1, 2023
New Agreement Start Date	January 1, 2023	January 1, 2024

In addition, Vermont intends to request a Waiver under Section 8 of the current Agreement in 2022 to allow for Medicare reimbursement for Licensed Alcohol and Drug Counselors, Licensed Clinical Mental Health Counselors, Licensed Psychologists, Licensed Psychiatric Nurses, and Licensed Marriage and Family Counselors. Given the challenges of recruiting a mental health and substance use disorder treatment workforce and the prevalence of mental health and substance use conditions in Vermont, the Medicare restriction of credentialing only LICSWs and PhD Psychologists limits access to care for Medicare beneficiaries.

Thank you for considering this proposal.

Sincerely,

PROPOSED