

TO: 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

FROM: Kevin Mullin
Chair, Green Mountain Care Board
State of Vermont

**RE: 2020 Vermont Medicare ACO Initiative Revised Benchmark Request
(Section 8.b.ii.2.)**

Dear Ms. Friedman:

In accordance with the duties outlined in Section 8 of the Vermont All-Payer Accountable Care Organization (ACO) Model Agreement (APM Agreement), the Green Mountain Care Board (GMCB) would like to submit a revised proposal for the 2020 Vermont Medicare ACO Initiative Benchmarks (Benchmarks). The request to revise the previously approved, prospective Benchmarks is necessary because the information used to produce the financial targets no longer represents an accurate estimate of expected spending due to COVID-19. The 2020 Vermont Medicare Participation Agreement between the Centers for Medicare and Medicaid Services (CMS) and OneCare Vermont ACO includes a provision that gives CMS discretion to retroactively modify Benchmarks in such circumstances. However, given the GMCB's role in benchmark development, the GMCB would like to work closely with CMS to partner in an appropriate modification to its proposal.

The ongoing effects of the pandemic globally and locally are still uncertain, which makes a prospective target inappropriate for the current performance year. Therefore, this memo outlines the GMCB's proposed retrospective approach to setting the 2020 Benchmarks. The GMCB voted to approve the amended proposal on October 21, 2020 and [resulting vote].

Proposed Approach:

- CMS and the GMCB will collaborate to recalculate the 2020 Benchmarks when 3 months of paid claims run out is available for calendar year 2020. The revised calculations will use the trend rate that represents the observed change in actual per beneficiary expenditures between the statewide alignment-eligible population in 2020 and those incurred in 2019 by a comparable reference population, as required in Section 8.b.ii.1.d.



- Once recalculated, the GMCB will collaborate with CMMI to assess whether the revised Benchmarks fulfill the duties described in Section 8 of the APM Agreement. Due to the unprecedented strains the response to the pandemic has placed on Vermont’s healthcare delivery system, the GMCB will place emphasis on the duties described in Section 8.b.ii.1.a.

The Vermont Medicare ACO Initiative Benchmarks should incentivize high-quality care, promote efficient care, and support improvement in the health of aligned beneficiaries.

As acknowledged in Section 8.b.iii in the APM Agreement, the GMCB used its authority to direct OneCare Vermont to invest a minimum of \$8.4 million dollars to fund Support and Services at Home (SASH) and the Blueprint for Health’s primary care medical home and community health teams as a condition of its 2020 Budget Order. CMS’s evaluations of these programs determined that they support that state in achieving the goals set forth in the APM Agreement, including curbing health care cost growth (and saving to CMS) and improving quality of care. Therefore, it is the GMCB’s position that these investments should not be jeopardized by larger disruptions to the Vermont health care delivery system.

The GMCB deeply values its continued partnership with CMS to advance our shared goals despite the additional challenges presented by the public health emergency.

Sincerely,

Kevin Mullin
Chair, Green Mountain Care Board
Date: October XX, 2020

CC: Fatema Salam, MPH, Health, Insurance Specialist, Division of All-Payer Models, State Innovations Group, CMMI
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