



State of Vermont

AGENCY OF HUMAN SERVICES

OFFICE OF THE SECRETARY
280 State Drive
Waterbury, Vermont 05671

TO: Joint Fiscal Committee

FROM: Martha Maksym, Acting Secretary, AHS *MM*
Sarah Clark, Chief Financial Officer, AHS *SC*

DATE: September 4, 2019

SUBJECT: Contingency Funding for the ACO Claims Tail

Section 63 of Act 6 of the 2019 Session authorized the Agency of Human Services to access up to \$7,840,000 from the Human Services Caseload Reserve should the budgeted amount in the Global Commitment appropriation in SFY19 not be sufficient to cover the one-time costs associated with the overlapping timing of Medicaid claims incurred prior to January 1, 2019 and prospective payments made to the Accountable Care Organization.

Pursuant to Sec. 63 requirements, and as indicated in the Medicaid year-end report¹, the Agency did not need to access the contingency funding. This claims tail was covered under existing appropriations and the Agency of Human Services did not need to access the Human Services Caseload Reserve in SFY19. The value of the ACO claims tail was \$13.8M gross.

Cc: Adam Greshin
Matt Riven
Sarah Clark

¹ [https://ljfo.vermont.gov/assets/Meetings/Joint-Fiscal-Committee/2019-07-29/ae1e9d5070/2019 Medicaid Year End Report.pdf](https://ljfo.vermont.gov/assets/Meetings/Joint-Fiscal-Committee/2019-07-29/ae1e9d5070/2019%20Medicaid%20Year%20End%20Report.pdf)