



VERMONT LEGISLATIVE Joint Fiscal Office

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Fiscal Note

3/15/2022

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S.285 – An act relating to expanding the Blueprint for Health and access to home- and community-based services

As recommended by the Senate Committee on Health and Welfare, Draft 4.3

<https://legislature.vermont.gov/Documents/2022/WorkGroups/Senate%20Health%20and%20Welfare/Bills/S.285/Drafts,%20Amendments,%20and%20Legal%20Documents/S.285~Jennifer%20Carbee~As%20Recommended%20by%20the%20Senate%20Committee%20on%20Health%20and%20Welfare~3-11-2022.pdf>

Bill Summary

The bill proposes initiatives related to payment reform and health care delivery system transformation, the Blueprint for Health, and options for extending moderate needs supports. This fiscal note highlights the sections of the bill that would have fiscal implications for the State. The bill would appropriate \$5 million as follows:

- \$1.4 million to the Green Mountain Care Board (GMCB) to design value-based payments (including global payments) to hospitals.
- \$2.5 million to the GMCB for the facilitation of a patient-focused, community-inclusive plan and to contract with a primary care provider to assist the Board in having a primary care perspective in its work.
- \$1.1 million for the design and development of a proposal to the Centers for Medicare and Medicaid Innovation (CMMI) for an agreement for continued participation in multi-payer alternative payment models in Vermont.
 - \$550,000 to the Agency of Humans Services (AHS)
 - \$550,000 to the GMCB

Sec. 1 – Hospital Value-Based Payment Design

Sec. 1 would appropriate **\$1.4 million** from the General Fund to the GMCB in FY 2023 to design value-based payments for Vermont hospitals. The monies will be used to engage one or more consultants to:

- develop a process for establishing and distributing value-based payments (including global payments) from all payers to Vermont hospitals,
- determine how best to incorporate value-based payments into the Board’s budget review, accountable care organization certification and budget review, and other regulatory processes, and

- recommend a methodology for determining the allowable rate of growth in Vermont hospital budgets.

Sec. 2 – Health Care Delivery System Transformation and Community Engagement

Sec. 2 would appropriate **\$2.5 million** from the General Fund to the GMCB in FY 2023 to hire one or more consultants with expertise in community engagement to facilitate a patient-focused community-inclusive plan of Vermont’s health care delivery system. This would include data gathering and analysis, community engagement, and technical assistance for transformation.¹

The bill would also require a portion of these funds to be used to contract with a primary care provider to assist the Board in assessing and strengthening the role of primary care in Vermont’s health care system and regulatory process and to inform the Board’s redesign efforts from a primary care perspective.

Sec. 3 – Development of Proposal for Subsequent All-Payer Model Agreement

Sec. 3 would require the Director of Health Care Reform (in AHS), in collaboration with the GMCB, to design and develop a proposal for a subsequent agreement with CMMI to secure Medicare’s continued participation in multi-payer alternative payment models in Vermont. The proposal would include consideration of alternative payment and delivery system approaches for hospital services and community-based providers. The alternative models to be explored would include, at a minimum – global payments for hospitals, geographically or regionally based budgets for health care services, existing federal value-based payment models, and broader total cost of care and risk-sharing models to address patient migration patterns across the system of care.

To support the design and development of a proposed agreement with CMMI, the bill would appropriate the following sums from the General Fund in FY 2023:

- **\$550,000** to AHS
- **\$550,000** to the GMCB

Sec. 7 – Blueprint for Health

Sec. 7 would require the Director of Health Care Reform to recommend to the Health Reform Oversight Committee (HROC), on or before September 1, 2022, the amounts by which health insurers and Vermont Medicaid should increase the amount of per-person, per month (PMPM) payments they make towards the shared costs of operating the Blueprint for Health community health teams and quality improvement facilitators, with the goal of providing additional resources necessary for the delivery of comprehensive primary care to Vermonters and to sustain primary care services in Vermont. Such increases would be reflected in health insurers’ plan year 2024 rate filings if the increase cannot be implemented in a rate-neutral manner. It would also require the AHS provide an estimate of the State spending that would be needed to support the increase for Medicaid.

- ***No appropriation required.***

¹This appropriation was based on recommendations from the GMCB’s Hospital Sustainability Planning presentation to the legislative committees:

<https://legislature.vermont.gov/Documents/2022/WorkGroups/House%20Health%20Care/FY2023%20Budget/W~Kevlin%20Mullin~Green%20Mountain%20Care%20Board%20Presentation%20-%20Hospital%20Sustainability%20Planning~2-10-2022.pdf>

Sec. 8 – Options for Extending Moderate Needs Supports

Sec. 8 would require the Department of Disabilities, Aging, and Independent Living (DAIL) to convene a working group to consider extending access to long-term home- and community-based services and supports to a broader cohort of Vermonters. The working group would also make recommendations regarding changes to service delivery for persons who are dually eligible for Medicare and Medicaid in order to improve care, expand options, and reduce unnecessary cost shifting and duplication.

The bill would also require DAIL collaborate with AHS as needed to incorporate the working group’s recommendations into the Agency’s proposal to and negotiations with the Center for Medicare and Medicaid Services (CMS) for the iteration of Vermont’s Global Commitment to Health Section 1115 demonstration that will take effect following the expiration of the demonstration currently under negotiations (which would likely not take effect before January 1, 2025 depending on the timeline agreed to under current negotiations).

- *No appropriation required.*

Note: Sec. 10 would rename the bill (on passage) to “An act relating to health care reform initiatives, data collection, and access to home- and community-based services.”

Fiscal Summary

S.285 - One-Time FY 2023 General Fund Appropriations

Sec.	Description	Appropriation	Agency/Dept.
1	Design value-based payments for hospitals	\$1,400,000	Green Mountain Care Board
	<i>Policy, legal, and data analytics support</i>	<i>\$400,000</i>	
	<i>Development of payment methodologies</i>	<i>\$600,000</i>	
	<i>Regulatory analysis</i>	<i>\$400,000</i>	
2	Health care delivery system transformation and community engagement	\$2,500,000	Green Mountain Care Board
	<i>Data gathering and analysis</i>	<i>\$1,000,000</i>	
	<i>Community engagement and design</i>	<i>\$1,000,000</i>	
	<i>Technical assistance for transformation</i>	<i>\$500,000</i>	
3	Design and development of CMMI agreement - GMCB	\$550,000	Green Mountain Care Board
	<i>Negotiation support</i>	<i>\$100,000</i>	
	<i>Economic and actuarial analysis</i>	<i>\$250,000</i>	
	<i>Analysis of federal proposals</i>	<i>\$50,000</i>	
	<i>Statewide quality framework</i>	<i>\$150,000</i>	
3	Design and development of CMMI agreement - AHS	\$550,000	Agency of Human Services
TOTAL APPROPRIATION =		\$5,000,000	

Source: Cost estimates are from the Green Mountain Care Board