



**STATE OF VERMONT**  
JOINT FISCAL OFFICE

**MEMORANDUM**

To: Joint Fiscal Committee Members  
From: Nathan Lavery, Fiscal Analyst  
Date: April 19, 2013  
Subject: Grant Requests

Enclosed please find two (2) items that the Joint Fiscal Office has received from the administration, including the establishment of twenty-three (23) limited service positions.

**JFO #2621** – Request to establish **one (1) limited service position** in the Department of Health. This position will provide case management services to women who test positive during breast cancer screenings. This grant-funded service is currently provided via a personal services contract, but the Attorney General is recommending conversion to a limited service position.  
[JFO received 04/15/13]

**JFO #2622** – \$45,009,480 grant from the U.S. Department of Health and Human Service to the Department of Vermont Health Access. These funds will be used to design and test new savings models that integrate payment and services across providers, and develop pay-for-performance models to improve quality and efficiency of services. **Twenty-two (22) limited service positions** are associated with this request. **Expedited review has been requested. Joint Fiscal Committee members will be contacted by May 3<sup>th</sup> with a request to waive the balance of the review period and accept this grant.**  
[JFO received 04/18/13]

Please review the enclosed materials and notify the Joint Fiscal Office (Nathan Lavery at (802) 828-1488; [nlavery@leg.state.vt.us](mailto:nlavery@leg.state.vt.us)) if you have questions or would like an item held for legislative review. Unless we hear from you to the contrary by May 3 we will assume that you agree to consider as final the Governor's acceptance of these requests.



**State of Vermont**  
 Department of Finance & Management  
 109 State Street, Pavilion Building  
 Montpelier, VT 05620-0401

[phone] 802-828-2376  
 [fax] 802-828-2428

Agency of Administration

*JFO 2622*

**STATE OF VERMONT  
 FINANCE & MANAGEMENT GRANT REVIEW FORM**

<b>Grant Summary:</b>	This grant will be used to test new health care payment and service delivery models.				
<b>Date:</b>	4/12/2013				
<b>Department:</b>	Department of Vermont Health Access (DVHA)				
<b>Legal Title of Grant:</b>	ACA - State Innovation Models: Funding for Model Design or Model Testing Assistance				
<b>Federal Catalog #:</b>	93.624				
<b>Grant/Donor Name and Address:</b>	Center for Medicare & Medicaid Innovation, U.S. Dept. of Health and Human Services, 7500 Security Blvd, Baltimore, MD 21244				
<b>Grant Period:</b>	<b>From:</b>	4/1/2013	<b>To:</b>	9/30/2016	
<b>Grant/Donation</b>	\$45,009,480				
	<b>SFY 1</b>	<b>SFY 2</b>	<b>SFY 3</b>	<b>Total</b>	<b>Comments</b>
<b>Grant Amount:</b>	\$420,429	\$8,909,825	\$14,904,373	\$24,234,627	See additional budget information below.
<b>Position Information:</b>	<b># Positions</b>	<b>Explanation/Comments</b>			
	22 (LSP)	All of these positions are limited service and end when the grant finishes.			
<b>Additional Comments:</b>	An additional \$14,015,344 is budgeted for SFY16 and \$6,759,509 for SFY17; see attached spread sheet for more information. See the pink tab at the end of the grant package for a summary of Vermont's award.				

<b>Department of Finance &amp; Management</b>	<i>J 4/16/13</i>	(Initial) <i>EB 4/12/13</i>
<b>Secretary of Administration</b>	<i>MC 04/16/13</i>	(Initial)
<b>Sent To Joint Fiscal Office</b>	<i>4/18/13</i>	Date <i>4/18/13</i>

**RECEIVED**  
**APR 18 2013**  
**JOINT FISCAL OFFICE**

State of Vermont  
Department of Vermont Health Access  
312 Hurricane Lane, Suite 201  
Williston VT 05495-2807  
dvha.vermont.gov

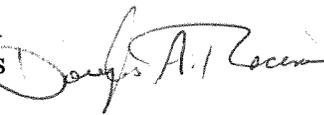
[Phone] 802-879-5900  
[Fax] 802-879-5651

Agency of Human Services

TO: Ann Cummings, Chair of Joint Fiscal Committee

THRU: Jeb Spaulding, Secretary Agency of Administration  
Doug Racine, Secretary Agency of Human Services

FROM: Mark Larson, Commissioner  
Department of Vermont Health Access


DATE: Wednesday, April 03, 2013

SUBJECT: AA-1 request for Grant #1 1G1CMS331181-01-00, CA - State Innovation Models:  
Funding for Model Design or Model Testing Assistance

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The DVHA was recently awarded the CA - State Innovation Models: Funding for Model Design or Model Testing Assistance by the Center for Medicare & Medicaid Innovation, U.S. Department of Health and Human Services. We are asking for the expedited approval process for this agreement due to the aggressive timelines and required completion date for this specific project of September 30, 2016.

All required and relevant grant documentation has been attached. If you require further documentation that what has been provided or if you have any questions, please feel free to contact me. Thank you for your attention in this matter.



**State Innovation Models: Funding for Model Design**  
**Term 4/1/2013 - 9/30/2016**

<b>Position Name</b>	<b>Dept</b>	<b>Position Title</b>	<b>Pay Grade</b>	<b>% to Project</b>
Kara ✓	DVHA	Reimbursement Director <i>exist now</i>	97	25%
Richard ✓	GMCB	Payment Reform Director <i>exist now</i>	97	25%
TBD* 1	AHS	Finacial Manager II ✓	26	100%
TBD* 2	DVHA	Health Care Project Director ✓	29	100%
TBD* 3	DVHA	Health Care Project Director ✓	29	100%
TBD* 4	DVHA	Contract & Grant Administrator ✓	24	100%
TBD* 5	DVHA	Health Access Policy & Planning Chief ✓	27	100%
TBD* 6	DVHA	Quality Oversight Analyst ✓	28	100%
TBD* 7	DVHA	Quality Oversight Analyst ✓	28	100%
TBD* 8	DVHA	Health Care Statistical Information Administrator ✓	25	100%
TBD* 9	DVHA	Health Care Statistical Information Administrator ✓	25	100%
TBD* 10	DVHA	Health Care Statistical Information Administrator ✓	25	100%
TBD* 11	DVHA	Health Care Statistical Information Administrator ✓	25	100%
TBD* 12	DVHA	Senior Policy Advisor ✓	25	100%
TBD* 13	DVHA	Senior Policy Advisor ✓	25	100%
TBD* 14	DVHA	Senior Policy Advisor ✓	25	100%
TBD* 15	DVHA	Health Policy Analyst ✓	23	100%
TBD* 16	DVHA	Health Policy Analyst ✓	23	100%
TBD* 17	DVHA	Administrative Services Manager I ✓	25	100%
TBD* 18	DAIL	Health Care Policy Analyst ✓	25	100%
TBD* 19	DAIL	Quality Oversight Analyst ✓	28	100%
TBD* 20	GMCB	Health Care Project Director ✓	29	100%
TBD* 21	GMCB	Grant Programs Manager ✓	25	100%
TBD* 22	GMCB	Payment Reform Program Evaluator ✓	29	100%
			<b>Total</b>	<b>22.5</b>

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Department of Vermont Health Access  
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dvha.vermont.gov

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Agency of Human Services

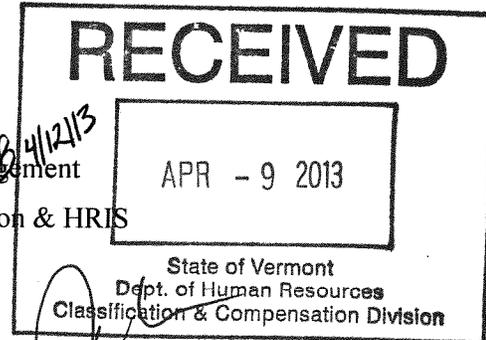
TO: Emily Byrne, Budget Analyst, Department of Finance & Management  
Molly Ordway-Paulger, Director of Classification, Compensation & HRIS  
Department of Personnel

THRU: Doug Racine, Secretary, Agency of Human Services

FROM: Mark Larson, Commissioner, Department of Vermont Health Access

DATE: Wednesday, April 03, 2013

SUBJECT: AA-1 request for Grant #1 1G1CMS331181-01-00, ACA - State Innovation Models:  
Funding for Model Design or Model Testing Assistance



The DVHA was recently awarded the ACA - State Innovation Models: Funding for Model Design or Model Testing Assistance by the Center for Medicare & Medicaid Innovation (CMMI), U.S. Department of Health and Human Services. Through this grant award, CMMI has provided \$45,009,480 in ACA funds to assist in Vermont's development of a high performance health system that is governed by a coherent strategy and achieves full coordination and integration of care throughout a person's lifespan.

Through this funding Vermont intends to design shared savings models that involve integration of payment and services across an entire delivery system; collaborative models that involve integration of payment and services across multiple independent providers; and pay-for-performance models aimed at improving the quality performance and efficiency of individual providers. The three models closely mirror those currently being tested by Medicare. In addition to support for implementation of the models described above, this grant secures funding for key investments in "health system infrastructure":

- Improved clinical and claims data transmission, integration, analytics and modeling;
- Expanded measurement of patient experience;
- Improved capacity to measure and address health care workforce needs;
- Targeted efforts to enhance Vermonters' understanding and active management of their own health;
- Learning health system activities; and
- Enhanced telemedicine and home monitoring capabilities.

Associated with those tasks AHS and the GMCB must hire the appropriate staff to facilitate and manage these responsibilities. The grant application includes funds for positions in AHS and at the GMCB involved in SIM work. Of total, 22 FTE limited service positions have been identified to hire which will be located within the GMCB, AHS, DVHA, and DAIL. This work cannot currently be done by staff already employed as the complexities and demands of successfully implementing this important grant require dedicated professional full-time focus.

All required and relevant grant documentation has been attached. Please note that due to the limitations within the AA-1 form the full funding request by fiscal year could not be included on that form alone. A supplemental excel worksheet has been included to reflect all projected State fiscal year budgets relating to this grant. Also it should be noted that contained within this document is a "fact sheet" which identifies the total grant amount awarded to the State of Vermont. We found it necessary to include this documentation as the Notice of Award provided by CMMI is for Implementation costs alone. If you have any questions or are in need of further information, please give me a call. Thank you for your swift attention in this matter.



**VERMONT GRANT ACCEPTANCE REQUEST**  
**Affordable Care Act (Form AA-1-ACA)**

Priority Level (check one box):

Expedited 14 Days  Normal 30 days

**BASIC GRANT INFORMATION**

<b>1. Agency:</b>	Agency of Human Services
<b>2. Department:</b>	Department of Vermont Health Access
<b>3. Program:</b>	State Innovation Models: Funding for Model Design
<b>4. Legal Title of Grant:</b>	ACA - State Innovation Models: Funding for Model Design or Model Testing Assistance
<b>5. Federal Catalog #:</b>	93.624

**6. Grant/Donor Name and Address:**  
 Center for Medicare & Medicaid Innovation, U.S. Department of Health and Human Services, 7500 Security Blvd, Baltimore, MD 21244-1849

**7. Grant Period:**      **From:** 4/1/2013      **To:** 9/30/2016

**8. Purpose of Grant:**  
 The purpose of the State Innovation Models (SIM) initiative is to test whether new payment and service delivery models will produce superior results when implemented in the context of a state-sponsored State Health Care Innovation Plan.

**9. Impact on existing program if grant is not Accepted:**  
 Failure to accept these grant funds will prohibit the state from moving forward with its plan for a high performance health system.

**10. BUDGET INFORMATION**

	SFY 1	SFY 2	SFY 3	Comments
Expenditures:	FY 2013	FY 2014	FY 2015	
Personal Services	\$373,404	\$8,631,500	\$14,629,873	Staff & Contracts
Operating Expenses	\$47,025	\$278,325	\$274,500	Other Costs
Grants	\$	\$	\$	
<b>Total</b>	\$420,429	\$8,909,825	\$14,904,373	
<b>Revenues:</b>				
State Funds:	\$	\$	\$	
Cash	\$	\$	\$	
In-Kind	\$	\$	\$	
Federal Funds:	\$420,429	\$8,909,825	\$14,904,373	
(Direct Costs)	\$335,269	\$8,309,861	\$14,197,969	
(Statewide Indirect)	\$5,009	\$35,292	\$41,553	2.5% of Wages
(Departmental Indirect)	\$80,151	\$564,672	\$664,851	Included AHS Cap
Other Funds:	\$	\$	\$	*See attached sheet
Grant (source )	\$	\$	\$	for FY16 & FY17
<b>Total</b>	\$420,429	\$8,909,825	\$14,904,373	amounts

Appropriation No:	Amount:
3410010000	\$357,802
3400001040	\$15,563
3460011100	\$47,064
	\$
	\$

			\$
		<b>Total</b>	\$420,429

**PERSONAL SERVICE INFORMATION**

11. Will monies from this grant be used to fund one or more Personal Service Contracts?  Yes  No  
 If "Yes", appointing authority must initial here to indicate intent to follow current competitive bidding process/policy.  
 Appointing Authority Name: Mark Larson Agreed by: ML (initial)

12. Limited Service Position Information:	# Positions	Title
		See Attached List
<b>Total Positions</b>	22	

12a. Equipment and space for these positions:  Is presently available.  Can be obtained with available funds.

**13. AUTHORIZATION AGENCY/DEPARTMENT**

I/we certify that no funds beyond basic application preparation and filing costs have been expended or committed in anticipation of Joint Fiscal Committee approval of this grant, unless previous notification was made on Form AA-1PN (if applicable):

Signature: <u>[Signature]</u>	Date: <u>4.4.13</u>
Title: Mark Larson, Commissioner, Dept Vermont Health Access	
Signature: <u>[Signature]</u>	Date: <u>4/8/13</u>
Title: Doug Racine, Secretary. Agency of Human Services	

**14. SECRETARY OF ADMINISTRATION**

Approved: [Signature] (Secretary or designee signature) Date: 04/16/13

**15. ACTION BY GOVERNOR**

Check One Box:  
 Accepted [Signature] (Governor's signature) Date: 4/18/13  
 Rejected

**16. DOCUMENTATION REQUIRED**

- Required GRANT Documentation**
- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Request Memo                | <input type="checkbox"/> Notice of Donation (if any)              |
| <input type="checkbox"/> Dept. project approval (if applicable) | <input type="checkbox"/> Grant (Project) Timeline (if applicable) |
| <input checked="" type="checkbox"/> Notice of Award             | <input type="checkbox"/> Request for Extension (if applicable)    |
| <input checked="" type="checkbox"/> Grant Agreement             | <input type="checkbox"/> Form AA-1PN attached (if applicable)     |
| <input checked="" type="checkbox"/> Grant Budget                |   |

**End Form AA-1**

**STATE OF VERMONT  
Joint Fiscal Committee Review  
Limited Service - Grant Funded  
Position Request Form**

This form is to be used by agencies and departments when additional grant funded positions are being requested. Review and approval by the Department of Human Resources must be obtained prior to review by the Department of Finance and Management. The Department of Finance will forward requests to the Joint Fiscal Office for JFC review. A Request for Classification Review Form (RFR) and an updated organizational chart showing to whom the new position(s) would report must be attached to this form. Please attach additional pages as necessary to provide enough detail.

Agency/Department: Dept Vermont Health Access Date: 4/3/2013

Name and Phone (of the person completing this request): Kate Jones, 802-879-8256

Request is for:

- Positions funded and attached to a new grant.
- Positions funded and attached to an existing grant approved by JFO # \_\_\_\_\_

1. Name of Granting Agency, Title of Grant, Grant Funding Detail (attach grant documents):

Center for Medicare & Medicaid Innovation, U.S. Department of Health and Human Services  
ACA - State Innovation Models: Funding for Model Design or Model Testing Assistance  
Grant Documents Attached

2. List below titles, number of positions in each title, program area, and limited service end date (information should be based on grant award and should match information provided on the RFR) position(s) will be established only after JFC final approval:

Title\* of Position(s) Requested   # of Positions   Division/Program   Grant Funding Period/Anticipated End Date

See attached list of 22 new positions  
Grant Period: begins 4/1/2013, ends 9/30/2016

\*Final determination of title and pay grade to be made by the Department of Human Resources Classification Division upon submission and review of Request for Classification Review.

3. Justification for this request as an essential grant program need:

The purpose of the State Innovation Models1 (SIM) initiative is to test whether new payment and service delivery models will produce superior results when implemented in the context of a state-sponsored State Health Care Innovation Plan. Failure to enact the establishment of an exchange to fulfill the federal mandates included in the Affordable Care Act, signed into law in March of 2010.

I certify that this information is correct and that necessary funding, space and equipment for the above position(s) are available (required by 32 VSA Sec. 5(b)).

[Signature] 4.4.13  
Signature of Agency or Department Head Date

[Signature: Molly Paul] 4.9.13  
Approved/Denied by Department of Human Resources Date

[Signature: Susan Zeller] 4-16-13 EB 4/12/13  
Approved/Denied by Finance and Management Date

[Signature: Deputy] 04/14/13  
Approved/Denied by Secretary of Administration Date

Comments:

ESTIMATED COST TO BUDGET						
	SFY13	SFY14	SFY15	SFY16	SFY17	Total
Personnel	\$ 200,378	\$ 1,411,680	\$ 1,662,128	\$ 1,746,272	\$ 894,691	
Fringe Benefits	\$ 92,875	\$ 654,314	\$ 770,396	\$ 809,397	\$ 414,689	
Travel	\$ 9,844	\$ 68,906	\$ 78,750	\$ 78,750	\$ 39,375	
Equipment	\$ 17,072	\$ 68,653	\$ 34,875	\$ 34,875	\$ 17,438	
Supplies	\$ 281	\$ 1,969	\$ 2,250	\$ 2,250	\$ 1,125	
Other	\$ 19,828	\$ 138,797	\$ 158,625	\$ 158,625	\$ 79,313	
CAP	\$ 80,151	\$ 564,672	\$ 664,851	\$ 698,509	\$ 357,877	
Contractor	\$ -	\$ 6,000,834	\$ 11,532,499	\$ 10,486,667	\$ 4,955,002	
<b>Total:</b>	<b>\$ 420,429</b>	<b>\$ 8,909,825</b>	<b>\$ 14,904,373</b>	<b>\$ 14,015,344</b>	<b>\$ 6,759,509</b>	<b>\$45,009,480</b>

INFO FOR AA-1

Exp						
PS	\$ 373,404	\$ 8,631,500	\$ 14,629,873	\$ 13,740,844	\$ 6,622,259	
Operating Exp	\$ 47,025	\$ 278,325	\$ 274,500	\$ 274,500	\$ 137,250	
Grants	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>ttl</b>	<b>\$ 420,429</b>	<b>\$ 8,909,825</b>	<b>\$ 14,904,373</b>	<b>\$ 14,015,344</b>	<b>\$ 6,759,509</b>	<b>\$45,009,480</b>

Rev						
State	\$ -	\$ -	\$ -	\$ -	\$ -	
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	
In-Kind	\$ -	\$ -	\$ -	\$ -	\$ -	

<i>Federal Funds</i>	\$ 420,429	\$ 8,909,825	\$ 14,904,373	\$ 14,015,344	\$ 6,759,509	\$45,009,480
(Direct Costs)	\$ 335,269	\$ 8,309,861	\$ 14,197,969	\$ 13,273,178	\$ 6,379,265	
(State Indirect)	\$ 5,009	\$ 35,292	\$ 41,553	\$ 43,657	\$ 22,367	
(Dept Indirect)	\$ 80,151	\$ 564,672	\$ 664,851	\$ 698,509	\$ 357,877	

Other Funds:	\$ -	\$ -	\$ -	\$ -	\$ -	
Grants	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>ttl</b>	<b>\$ 420,429</b>	<b>\$ 8,909,825</b>	<b>\$ 14,904,373</b>	<b>\$ 14,015,344</b>	<b>\$ 6,759,509</b>	<b>\$45,009,480</b>

App No	3400001040	\$ 15,563
	3410010000	\$ 357,802
	DAIL APP	\$ 47,064
<b>ttl</b>		<b>\$ 420,429</b>

OK.  
EB 4/12/13



## **Model Testing Application Project Narrative**

### **A. Description of the State Health Care Innovation Plan Testing Strategy**

This proposal represents an opportunity for the State of Vermont to strengthen its infrastructure and capacity to implement and evaluate health care payment and delivery system reforms. Vermont's State Health Care Innovation Plan includes a range of reforms that are diverse in both scope and breadth and are based on evidence-based approaches to achieving the three principle aims of the Affordable Care Act and Vermont's Act 48: better care for individuals, better health for populations, and better control of growth in health spending.

Vermont proposes testing how to balance incentives and drive delivery system change using a range of population-based, collaborative, and individual-based reforms. Under the SIM grant, Vermont's payers (Medicaid and Commercial) will test three existing Medicare models: the Shared Savings Accountable Care Organization, Bundled Payments and Pay-for-Performance. By coordinating the testing and roll-out of these models across all payers and providers, including both health and long term care providers, Vermont will be able to address many limitations of previous reform pilots.

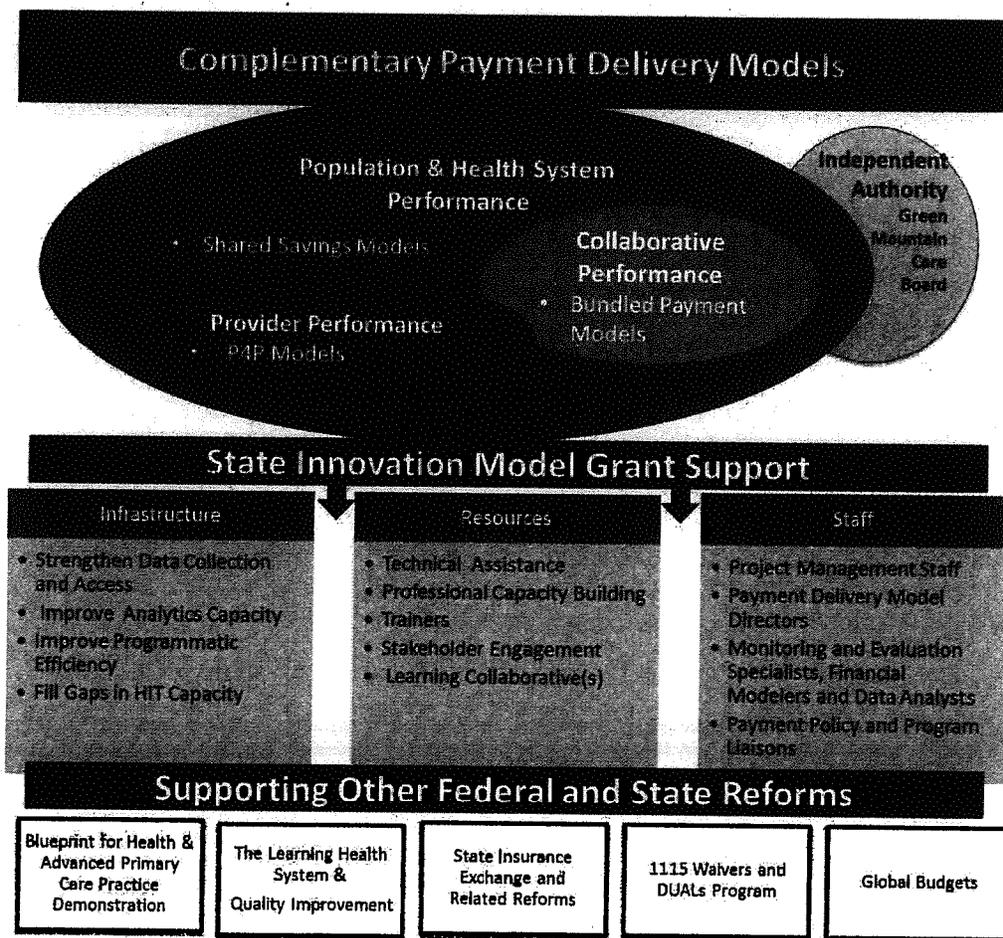
Vermont will leverage SIM funding to accelerate expansion and rigorous evaluation of these models, particularly within the Medicaid and CHIP program. The models will maintain beneficiary due process protections within Medicare, Medicaid and CHIP, and strive to improve both access and quality. Findings will help not only Vermont's long term strategy for reform

but also add to the body of evidence on effective and scalable health reform across broader payers and populations nationally.

Section B contains a detailed description of the three models being tested under the grant.

Figure 1 illustrates the model framework and how SIM grant funding will support their implementation and evaluation as well as coordination with ongoing federal and state programs and initiatives.

**Figure 1. Vermont State Innovation Model Framework**



We anticipate the following timeline for implementation of these models:

**Figure 2. Timeline for Vermont Testing Model and Related Activities**

	Timeline												
	2012	2013				2014				2015			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Shared Savings ACO Models</b>													
Medicare													
Medicaid													
Commercial													
<b>Bundled Payment Models</b>													
Medicare													
Medicaid													
Commercials													
<b>Pay-for-Performance Models</b>													
Medicare													
Medicaid													
Commercials													
<b>State Insurance Exchange</b>													
<b>1115 Waiver Negotiations</b>													
<b>Learning Health System</b>													
<b>Financial Alignment Project (DUALS)</b>													
<b>Advanced Primary Care Demonstration Project/Blue Print for Health</b>													

Governor Shumlin has delegated submission of this grant application to the Agency of Human Services (AHS) and its Department of Vermont Health Access (DVHA). AHS is the Single State Agency for Medicaid and it designates DVHA as the unit responsible for the operation of the Vermont Medicaid Program. Medicaid programs for Vermont’s most vulnerable citizens (former 1915(c)) and other optional state plan services are managed across the member departments of AHS. In 2005, under an 1115 demonstration waiver and in state statute, DVHA was authorized to operate the bulk of the state’s Medicaid program as if it were a managed care entity. DVHA maintains Medicaid partnerships across state government through interdepartmental agreements to operate the Medicaid program using the Medicaid managed

care regulatory framework found in 42 CFR 438 et. seq. DVHA also houses the state's Division of Health Care Reform (including Health Information Technology planning) and the nationally recognized Blueprint for Health Multi-Payer Advanced Primary Care model (MAPCP). In addition, DVHA's state appropriation includes the spending authority for the state's second 1115 waiver, Choices for Care, operated by the Department of Aging and Independent Living. Choices for Care provides consumers in need of long term services and support with full choice between a home and community-based package of care or traditional nursing facility care. Both these 1115 waivers are nationally recognized for the breadth and scope of innovations aimed at improving access and quality of care while containing costs.

The Governor has directed DVHA to collaborate with the Green Mountain Care Board (GMCB) in overseeing and implementing grant-supported activities. The GMCB is the state's free-standing health care regulatory agency, with responsibility for approval of hospital budgets, small group and individual health insurance rates and certificates of need. The GMCB also has a statutory responsibility to develop and implement multi-payer payment reform policy, moving the state away from predominance of fee-for-service payments. It has the authority to implement all-payer and all-provider rate-setting, has final authority on the state's health information technology plan, its health care workforce plan and the benefits to be offered in the Health Benefit Exchange, and is charged with developing a "unified health care budget" for the state. AHS, DVHA and the GMCB will carry out the activities proposed in this application according to a mutually agreed-upon memorandum of understanding approved by the Governor's Office.

## 1. Model Purpose

Vermont's Act 48, passed in 2011, established an explicit state policy "to contain costs and to provide, as a public good, comprehensive, affordable, high-quality, publicly financed health care coverage for all Vermont residents in a seamless manner regardless of income, assets, health status, or availability of other health coverage." Vermont's proposed testing models will advance this goal. The three models we propose have four aims:

- I. **Increase both organizational coordination and financial alignment between Blueprint advanced primary care practices and specialty care**, including mental health and substance abuse services, long term services and supports, and care for Vermonters living with chronic conditions;
- II. **Implement and evaluate the impact of value-based payment methodologies** that encourage delivery system changes, improvements in care coordination and quality, and better management of costs;
- III. **Coordinate a financing and delivery model for enhanced care management and new service options for Vermonters dually-eligible for Medicare and Medicaid** with additional Medicare shared savings models, a Medicaid shared savings model and other models of population-based payment being tested in Vermont; and,
- IV. **Accelerate development of a Learning Health System infrastructure**, including: a reliable repository for clinical and claims data populated by a statewide digital infrastructure; statewide assessments of patient experience and team based services; ready access to comparative reporting and modeling; teams of skilled facilitators to support transformation; and an array of activities to support ongoing improvement. This

infrastructure will be designed to meet the needs of providers engaged in delivery system reform and the state’s needs for ongoing evaluation of the impact of reforms on health care quality, costs, patient experience and population health.

The table below summarizes the unique purpose of each model.

**Table 1. Testing Models**

Population-based Performance	Coordination-based Performance	Provider-based Performance
VT Shared Savings ACO Models	Bundled Payment Models	P4P Models
To support an integrated delivery and financing system for Vermonters through an organized network of participating providers who have agreed to align their clinical and financial goals and incentives to improve patient experience and quality of care and reduce cost.	To remove FFS incentives and replace with those which reward collaboration and evidence-based practices across specialties and primary care providers for targeted episodes or types of care which represent opportunities for high return on investment	To enable all payers, particularly Medicaid, to use P4P approaches to improve performance and quality of its health systems

**2. Scope of the Models**

The scope of the models, in terms of both service breadth and geographic coverage, varies.

Our intent is to scale up all successful models, in a coordinated fashion, to serve Medicare, Medicaid and CHIP beneficiaries and commercially-insured Vermonters across the spectrum of physical health, behavioral health (including mental health and substance abuse services) and long-term services after the testing period. A variety of providers have expressed a willingness to participate in the models, including regional physician-hospital collaboratives, statewide networks and a statewide coalition of community health centers and federally-qualified health clinics. The following table describes the expected scope of each of models to be tested:

**Table 2. Scope of Models**

Population-based Performance	Coordination-based Performance	Provider-based Performance
<p>VT Shared Savings ACO Models</p>	<p>Bundled Payment Models</p>	<p>P4P Models</p>
<p>1. <b>Medicare</b> –Covers A &amp; B costs for Medicare beneficiaries attributed to ACOs participating in Medicare’s Shared Savings Program.</p> <p>2. <b>Medicaid</b>—Covers all Medicaid costs for Medicaid beneficiaries attributed to ACOs participating in Medicaid’s Shared Savings Program including children covered under the CHIP program who are often served in the Blueprint’s expanded pediatric medical homes. This population also could include the Medicare related costs of dual eligible population if integrated with the Financial Alignment initiative for dual eligible beneficiaries.</p> <p>3. <b>Commercial</b>—Covers all costs for commercial beneficiaries attributed to ACOs participating in commercial payer Shared Savings Programs.</p>	<p>Vermont has several bundled payment pilots under development, two of which include Medicaid and Commercial payers:</p> <p>1. Approximately 300 oncology patients in St. Johnsbury health service area (HSA). The scope of services to be included in the pilot are primary care, specialty care and hospital care for all patients who meet pilot criteria and agree to participate in the program.</p> <p>2. Approximately 100 patients in the southeastern areas of the state receiving detoxification and additional services and treatment in inpatient setting.</p>	<p>1. <b>Medicare</b>—Under its value-based purchasing program, Medicare is phasing in P4P programs to cover all providers (e.g. the Hospital Value-based Purchasing Program and PQRS)</p> <p>2. <b>Medicaid</b>—Building on Medicare and commercial payer efforts to expand P4P to all providers serving all Medicaid beneficiaries.</p> <p>3. <b>Commercial</b>—Commercial P4P programs vary in scope and reach.</p>