

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-25-26
Baltimore, Maryland 21244-1850



State Demonstrations Group

January 13, 2021

Mike Smith
Secretary
Vermont Agency of Human Services
280 State Drive
Waterbury, VT 05671

Dear Mr. Smith:

CMS is writing to confirm Vermont's proposed phase-down of Demonstration Year (DY) 16 expenditures for the Vermont Psychiatric Hospital and other Institutions for Mental Disease (IMD) Investment expenditures, as required by Special Terms and Conditions (STC) 91 of the Global Commitment to Health Demonstration. CMS is reissuing STCs with the updated figure for demonstration year (DY) 16. Vermont has proposed, and CMS accepts, a 25 percent reduction in allowable expenditures in this category for the final year of the demonstration approval period. For all future reviews of this demonstration authority, including the state's extension request, if submitted, the state should account for and CMS will consider the impact of the IMD expenditure authority CMS provided as part of the Serious Mental Illness amendment approval on December 5, 2019, as well as the Substance Use Disorder amendment approval on June 6, 2018.

We look forward to our continued partnership on the Global Commitment to Health 1115(a) demonstration. If you have any questions, please contact your CMS project officer, Ms. Rabia Khan, at (410) 786-6276 or Rabia.Khan1@cms.hhs.gov.

Sincerely,

Angela D. Garner
Director
Division of System Reform Demonstrations

cc: Gilson DaSilva, State Monitoring Lead, Medicaid and CHIP Operations Group