

# Vermont Health Care Reform Work Group: Primary Care Workgroup

April 12, 2024

# Today's Agenda

- **Vermont's Health Care Reform Efforts: Broader Context**
- **Overview of Vermont's AHEAD Application**
- **Next Steps**

# Vermont's Health Care Reform Efforts: Broader Context

# Vermont's Health Care Reform Goals

- Goals for improving care:
  - Make health insurance and health care affordable
  - Ensure Vermonters can get care when needed
  - Improve the quality and experience of care for Vermonters
  - Improve work life for health care providers
  - Keep all Vermonters healthy and well

# Vermont's Efforts to Achieve Health Care Reform Goals

- Multiple strategies work together to address health care challenges and achieve health care reform goals
- Ways for achieving improvements:



# Vermont's Efforts to Achieve Health Care Reform Goals

- Investments:
  - \$164 million in increased annual payments to health care providers
- Examples:
  - Mental health crisis system of care
  - Certified community-based mental health and substance use centers
  - Substance use disorder
  - Older Vermonters and people with disabilities
  - Workforce

# How AHEAD Aligns with Vermont's Health Care Reform Goals

- Exploring new federal opportunities through the Advancing All-Payer Health Equity Approaches and Development Model – or “AHEAD” Model
- How AHEAD aligns with health care reform efforts
  - Medicare would join Vermont's efforts
  - Pays hospitals differently and in alignment with other payers
    - Allows hospitals to receive reliable payments and flexibilities to provide better care
    - Health payers can better plan for health care costs and focus on making it more affordable
  - Includes additional payments to primary care to improve coordination of services and quality of care
  - Maintains Medicare payments for Blueprint for Health and Support and Services at Home (SASH)
  - Focuses on health equity

# AHEAD Model Timeline

- **March 18, 2024:** Applications for the first group of state participants were due. Vermont applied
- **By June 2024:** Centers for Medicare & Medicaid Services (CMS) announces which states were selected
- **July 1, 2024 to December 31, 2025:** Selected states work on designing the model and defining the terms of an agreement with the federal government. An agreement would need to be signed by July 1, 2025
- **January 1, 2026 to December 31, 2034:** Selected states launch the program for up to 9 years

# Overview of Vermont's AHEAD Application

# Application Overview

On March 15, 2024, Vermont applied for the AHEAD model as a Cohort 1 participant (Cohort 1 will start in 2026).

- CMS requires applicant states to describe current capabilities and experiences that have prepared them to implement the AHEAD model, as well as states' proposed approaches to implementation.
- For the past several months, the Agency of Human Services worked with state partners, including the Green Mountain Care Board (GMCB) and the Department of Vermont Health Access (DVHA), to develop the application.
- Vermont's application was informed by feedback from health care providers, payers, and other interested Vermonters.
- Vermont demonstrated its readiness to implement the AHEAD model in its application by highlighting its history of successfully implementing complex, multi-payer health care payment and delivery reforms, including the Vermont All-Payer ACO Model (VTAPM) and the Blueprint for Health program.

## Key Themes

The application to CMS covered five areas in detail:

1. Hospital global budgets
2. Primary care transformation } *Today's focus*
3. Health equity
4. Statewide accountability targets
5. Stakeholder engagement

# Vermont's Approach to Primary Care Transformation

## CMS Application Requirements

As part of the response, states are required to:

1. Describe current Medicaid primary care transformation program(s), including the role of federally qualified health centers (FQHCs) and rural health clinics (RHCs)
2. Describe tools to increase overall investment in primary care and improve access
3. Discuss primary care practice recruitment for Primary Care AHEAD

## Key Elements of Vermont's Response

### Key Features of the Blueprint for Health Program

- There is robust participation across the state—130 out of a total of 160-170 primary care practices; all hospital-owned practices, all FQHCs, and all RHCs.
- Blueprint is comprised of two key components: Patient-Centered Medical Homes and Community Health Teams.
- Blueprint Expansion Pilot is underway to expand health-related social needs screenings, mental health integration, and care coordination.

### Policy Levers to Increase Primary Care Investment

- Vermont has not yet set minimum primary care spending targets; however, the State completed significant work to define and quantify primary care spending across all payers and is prepared to adopt minimum spending targets.
- The GMCB's rate review authority and authority to set payment reform methodologies would support the development of primary care investment targets and increase spending.

### Primary Care Practice Recruitment

- Vermont seeks to take a phased approach to primary care practice recruitment for Primary Care AHEAD.
- Vermont's recruitment goals are:
  - All employed practices from participating hospitals
  - 5 new FQHC and RHC sites per year for Performance Years 1 to 4
  - At least half, approximately 65, of the Blueprint-participating practices by the end of the model

# Resources



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## States Advancing All-Payer Health Equity Approaches and Development (AHEAD) Model

The States Advancing All-Payer Health Equity Approaches and Development (AHEAD) Model is a [new federal program](#) that would allow Medicare to join Vermont's health care reform efforts to improve the health of Vermonters, advance health equity so that everyone can reach their full potential for health, and reduce the growth of healthcare costs. The primary components of the model are:

- Hospital Global Budgets, where hospitals will be paid a fixed amount of revenue, or a "global budget," to provide services to Medicare fee-for-service beneficiaries.
- Primary Care AHEAD, which is a voluntary program for primary care practices to receive an additional payment from Medicare to provide coordinated care to Vermonters with Medicare coverage.

### Informational Materials

- [Watch a video](#) on Vermont's Health Care Reform Efforts and the State's application for the AHEAD Model.
- [Read](#) Vermont's AHEAD Model application.
- [Read](#) a Press Release about Vermont's AHEAD Model application.

Please email [AHS.HealthCareReform@vermont.gov](mailto:AHS.HealthCareReform@vermont.gov) with any questions or comments.

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For more information about the AHEAD Model, please visit: [cms.gov/priorities/innovation/innovation-models/ahead](https://cms.gov/priorities/innovation/innovation-models/ahead).

Vermont's AHEAD application can be viewed at: [humanservices.Vermont.gov/ahead-model](https://humanservices.Vermont.gov/ahead-model).

# Summary of Workgroup Member Input

- The workgroup had several questions about the Primary Care Investment targets.
  - One workgroup member asked about the differences between Vermont’s specific definition of primary care vs. the definition developed by the New England States Consortium Systems Organization (NESCSO). AHS clarified that the definitions are generally similar, but one difference is that Vermont’s definition includes naturopaths.
  - The workgroup member also asked about Vermont’s rationale for including primary care investment targets in an executive order (vs. other mechanisms, such as statute). AHS indicated that this decision was primarily based on timing considerations. AHS also clarified that the process for setting primary care investment targets would be included in the executive order, rather than the investment targets themselves.
- One workgroup member had a question about RHC participation in Primary Care AHEAD—specifically whether RHCs can revert back to RHC status if they end their termination in this program (similar to critical access hospitals under hospital global budgets reverting to cost-based reimbursement). AHS indicated that CMS has not provided additional clarification to date but will follow up when CMS provides an update.

# Appendix

# Vermont's Approach to Medicare and Medicaid Hospital Global Budgets

## CMS Application Requirements

As part of the response, states are required to:

1. Discuss prior experience with population-based payments
2. State whether they intend to customize the Medicare methodology
3. Describe planned approach to implementing global budgets in Medicaid
4. Discuss hospital recruitment for the global budget model

## Key Elements of Vermont's Response

### Vermont's Prior Experience with Population-Based Payments Under the VTAPM

- The current model supports risk-sharing arrangements and population-based payments that flow through the State's sole all-payer ACO to participating hospitals.
- For ACO-attributed Medicare beneficiaries, hospitals can already elect all-inclusive population-based payments. Medicaid also already has experience paying on a global budget basis.

### Development of a Vermont-Specific Traditional Medicare Hospital Global Budget Methodology

- Vermont intends to develop its own hospital global budget methodology for traditional Medicare.

### Development of a Medicaid Hospital Global Budget Methodology

- The State's Medicaid program intends to develop a Medicaid hospital global budget methodology. Vermont Medicaid would work with its contracted actuaries on developing a Medicaid hospital global budget methodology, expanding on work it is already doing.

### Approach to Hospital Recruitment

- Vermont has been engaging directly with hospitals to solicit feedback on their participation in hospital global budgets through group forums and individual meetings. Vermont plans to continue these meetings during the Pre-Implementation Period.
- Based on hospitals' feedback, the State is conducting hospital-specific financial modeling to provide each hospital with information regarding the anticipated financial impact of adopting hospital global budgets to inform their decisions.

# Vermont's Approach to Health Equity

## CMS Application Requirements

As part of the response, states are required to:

1. Describe state strategies to improve health equity
2. Describe state-level requirements and investments aimed at identifying and addressing health-related social needs (HRSN)
3. Summarize how state plans to use the AHEAD model components to meet health equity objectives and program requirements

## Key Elements of Vermont's Response

### Mechanisms to Identify Health Disparities

- Vermont has several mechanisms to identify health disparities across the State. These efforts inform the development of health equity strategies for the State.
  - Vermont Health Equity Advisory Commission
  - State Health Assessments and State Health Improvement Plans
  - Hospital Community Health Needs Assessments
  - Health Equity Community Needs Assessments

### Vermont's Care Delivery Programs and Initiatives to Address Health Disparities

- Vermont's care delivery programs have a health equity focus, with initiatives like the Blueprint (including the Blueprint Expansion Pilot); programs under the Section 1115 Global Commitment Demonstration, such as a Supportive Housing Assistance Pilot; care management programs, such as the Vermont Chronic Care Initiative; and certified community-based mental health and substance use centers, for those with complex needs; and funding for health equity trainings for providers and health systems.

### Vermont's HRSN Investments

- Vermont is making significant investments to address HRSN, including a grant program to provide funding for eligible providers to integrate health-related social needs screening tools and data into their workflows, incentive payments to eligible home and community-based services providers to purchase data systems to connect to the Vermont Health Information Exchange, and incorporating race and ethnicity data into Vermont's All-Payer Claims Database.

### AHEAD Model Components to Promote Health Equity

- Vermont intends to use a portion of the Cooperative Agreement funding to support AHEAD stakeholder engagement, the development of the Statewide Health Equity Plan, health system capacity-building initiatives, and to provide technical assistance to participating hospital and primary care providers.

# Vermont's Approach to Statewide Accountability Targets

## CMS Application Requirements

As part of the response, states are required to:

1. Describe plan for measuring total cost of care (TCOC) and primary care spending for all payers
2. Describe plan for memorializing TCOC and primary care investment targets in statute, executive order, or regulation
3. Explain regulatory and policy levers to use for enforcement of TCOC cost growth targets
4. Anticipated challenges for meeting TCOC and primary care spending benchmarks

## Key Elements of Vermont's Response

### Vermont's Experience with Measuring and Reporting on Statewide Accountability Targets

- Vermont is experienced in measuring and reporting on statewide accountability targets under the VTAPM. The GMCB has measured Medicare and all-payer TCOC since 2018.
- The Board has authority to require collection and reporting of data to calculate TCOC from insurers, providers, and state government agencies. They would continue this work with AHS under AHEAD. The GMCB would also use this authority to collect data to calculate primary care investment.

### Codifying the Process for Establishing All-Payer TCOC and Primary Care Investment Targets

- The Governor intends to codify the process for establishing all-payer TCOC and primary care investment targets via Executive Order.

### Regulatory and Policy Levers to Enforce TCOC Growth Targets

- The GMCB's authority related to hospital budget review and rate review have been and would continue to be Vermont's key regulatory levers to achieve TCOC growth targets.

### Anticipated Challenges with Meeting TCOC and Primary Care Spending Benchmarks

- Vermont highlighted key anticipated challenges with meeting TCOC and primary care spending benchmarks. Addressing these issues will require further discussions with CMS on how the targets will be set.
  - Vermont has very low Medicare spending at baseline and may be challenged to further reduce Medicare TCOC growth.
  - Vermont is also experiencing challenges related to patient flow through the health care system, particularly around post-acute care.

# Vermont's Approach to Stakeholder engagement

## CMS Application Requirements

As part of the response, states are required to:

1. Describe how AHEAD resources will support creation of the stakeholder structure
2. Give the composition of planned stakeholder structure
3. Provide the vision for the role that the stakeholder structure may play in planning and implementation of the model

## Key Elements of Vermont's Response

### Proposed Stakeholder Structure

- Vermont intends to create a new subgroup of the AHS Health Care Reform Workgroup to guide AHEAD model implementation.

### Composition of Stakeholder Structure

- The group would be comprised of representatives from: the GMCB, Department of Financial Regulation, Office of Rural Health; participating provider organizations; commercial/Medicare Advantage payers; the Health Equity Advisory Commission; and groups with known disparities in Vermont.

### Support for Stakeholder Engagement

- AHS intends to allocate Cooperative Agreement funding resources for the new group by hiring a new AHS AHEAD Project Director who would support the group and general stakeholder engagement; funding special accommodations (e.g., interpreters); and offering optional trainings to ensure robust participation in the stakeholder structure.
- The funding would also be used for community meeting spaces to support in-person meetings and providing grants or contracts to advance the health equity goals described in the Statewide Health Equity Plan.

### Roles and Responsibilities of Stakeholder Structure

- Vermont envisions that this group will:
  - Review and advise on overall progress of model implementation
  - Provide input into the selection of statewide measures and targets
  - Contribute to the development and review of the statewide and hospital Health Equity Plans
  - Provide input on allocation of funds for equity activities