

# Vermont's Proposal to Enhance, Expand, and Strengthen HCBS under the Medicaid Program: Q1 FY 2023 Update

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HCBS SPENDING PLAN PROJECTION AND HCBS SPENDING NARRATIVE IN RESPONSE TO SECTION 9817 OF THE AMERICAN RESCUE PLAN ACT OF 2021



SUBMITTED BY THE AGENCY OF HUMAN SERVICES ON JULY 18, 2022

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## Executive Summary

Section 9817 of the American Rescue Plan Act of 2021 offers states an unprecedented opportunity to enhance, expand and strengthen home and community-based services (HCBS) under the Medicaid program. Estimated projections indicate that the State of Vermont will claim \$69,312,190 in funds attributable to the increase in Federal Medical Assistance Percentage (FMAP) between April 1, 2021 and March 31, 2022. This funding will be employed as the state share required to implement approved activities valued at \$154,945,994 between April 1, 2021 and March 31, 2025.

The State of Vermont is submitting this initial spending plan and proposal, which will be updated during quarterly submission of the plan and following a more robust stakeholder engagement process. The State intends to closely collaborate with individuals with HCBS needs and their families and caregivers, providers, community-based organizations, and advocates to refine and implement the spending plan to best optimize this opportunity. Vermont will place a strong emphasis on one-time, transformational investments to minimize ongoing sustainability concerns while achieving the goals of this funding opportunity.

Vermont has had success in rebalancing long-term services and supports through innovative programs and population health investments authorized within its Medicaid Section 1115 waiver. This opportunity will allow Vermont to continue system transformation by supporting the availability of high-performing providers, furthering care integration across the care continuum including services for health-related social needs, promoting value-based purchasing within HCBS programs, and developing infrastructure and systems to support program improvement and population health management. The initial spending plan is aligned with example activities included in [Appendix C and D of the SMDL #21-003](#) federal guidance and includes activities to:

- 1. Improve Services,**
  - a. New and/or Additional Services – \$11,700,000
  - b. Increase Payment Rates – \$51,839,612
  - c. Strengthen Assessment and Person-Centered Planning Processes – \$6,150,000
  - d. Address Covid-related Concerns – \$2,000,000
- 2. Promote a High-Performing and Stable Workforce, and**
  - a. Training – \$3,000,000
  - b. Recruitment and Retention – \$31,280,000
- 3. Utilize Systems and Data to Improve Care, Promote Value-Based Payment Models and Support Program Oversight**
  - a. Quality Improvement – \$12,520,270
  - b. Use of Technology and Cross-system Data Integration Efforts – \$19,776,084
  - c. Improve Care Coordination and Care Management – \$4,580,028
  - d. Address Social Determinants of Health – \$3,000,000
  - e. Administration of Activities – \$3,100,000

f. Capital Investments – \$6,000,000

## Spending Plan Narrative

**Note:** Previous quarterly updates to Vermont's Spending Plan Narrative were submitted to CMS as separate attachments. After receiving clarifying guidance from CMS during the July 23, 2022 Technical Assistance webinar, the Vermont Agency of Human Services (AHS or Agency) incorporated narrative updates directly into the Spending Plan Narrative. As such, previously approved updates are included where available as well as new updates for activities that are underway.

### 1. Improve Services

#### a. New and/or Additional Services

Vermont plans to use \$11,700,000 to pursue new and additional HCBS for Medicaid members. Initially, the State will use funding from this opportunity to secure contractor support to define service requirements, analyze fiscal impacts including for sustainability planning, and develop operational plans. Applicable services may include Peer Supports, Expanded Dental for Developmental Disabilities Services and Community Rehabilitation and Treatment programs, Permanent Supportive Housing, and HCBS residential alternatives. In addition, the State may utilize contractor support for implementation of a new Substance Use Disorder (SUD) Community Intervention and Treatment Eligibility Group for Vermonters with a SUD as defined by the DSM-5 who have incomes from 133% FPL up to and including 225% FPL within the State's Global Commitment to Health Section 1115 Demonstration waiver. The State has requested federal approval for Peer Supports, Expanded Dental for Developmental Disabilities Services and Community Rehabilitation and Treatment programs, Permanent Supportive Housing, and a SUD Community Intervention and Treatment Eligibility Group within the Global Commitment to Health Section 1115 waiver renewal application and anticipates submitting a State Plan Amendment to add Peer Supports. If approved, the Permanent Supportive Housing program would cover services typically covered in 1915(i) programs including pre-tenancy supports, tenancy sustaining services, and community transition services and would not cover room and board. Medicaid enrollees who are age 18 and older, eligible for full Medicaid State Plan benefits and meet defined health needs-based and risk-based criteria would be eligible for the program. The State will also engage a contractor to explore HCBS residential alternative options prior to seeking federal approval for a change to an HCBS program.

Additionally, Vermont plans to develop an innovation grant opportunity to support provider start-up costs to develop and implement programming to provide alternatives to emergency room mental health crisis care. There is an urgent need to serve individuals who are presenting to emergency departments in a psychiatric crisis who can be served more effectively and promptly in settings specifically designed to offer mental

health crisis care. The opportunity will enable the development and expansion of four models of crisis care that could be covered under the rehabilitative services benefit and are intended to be less than 24 hour outpatient stays including Psychiatric Urgent Care for Kids (PUCK) programs, emPATH (emergency Psychiatric Assessment, Treatment & Healing unit), The Living Room Model, and CAHOOTS (Crisis Assistance Helping Out On The Streets). The Psychiatric Urgent Care for Kids (PUCK) program is an initiative where a designated mental health agency and a hospital provide a safe alternative crisis intervention site for elementary-aged children who are in mental or psychological distress at school instead of directing them to a hospital emergency department. The emPATH model is a hospital-based outpatient program that can accept all medically appropriate individuals experiencing a psychiatric crisis. The Living Room Model is a peer run community crisis center that provides a safe space for someone in crisis to connect with peers as an alternative to the emergency room. Lastly, CAHOOTS is a mobile crisis intervention program that operates with a team composed of a crisis intervention worker and a medic. These programs will be designed to serve Vermont Medicaid members in need of crisis care and may also serve Non-Medicaid members in order to prevent health deterioration to the point of requiring residential or inpatient psychiatric care, while also preventing individuals from needing full Medicaid benefits in the future. Outcomes from this grant opportunity will further inform the State's efforts to develop a community-based mobile crisis benefit. Vermont anticipates seeking federal approval for a community-based mobile crisis benefit effective 7/1/22 and has received a planning grant to further develop the program. The State anticipates that the services could be covered under the rehabilitative services benefit. If services are approved, the State would use funding from this opportunity for these services through the end of the funding period and then would seek an appropriation to continue providing community-based mobile crisis when funding from this opportunity is no longer available.

The State is also seeking to temporarily increase current limits or caps on assistive devices and home modifications, related specialized treatment plan services, and environmental and assistive technology within the Choices for Care, Developmental Disability Services and Brain Injury Programs, respectively, to support aging in place and independence and reduce reliance on staff supports. These programs are authorized in the Global Commitment to Health Section 1115 waiver and limitations are defined by Vermont rules and policies. While the temporary increases are not intended to be sustained past the funding period, the State will monitor outcomes to inform future policy development.

The State is also seeking to offer housing and residential service regional pilot planning grants. The grants will support local planning for new service-supported housing models that comply with federal home- and community-based services regulations and reflect the diversity of needs of Vermont Medicaid members with developmental disabilities

including individuals with high support needs who require 24-hour care and individuals with specific communication needs. One-time grant funding will be for planning and program development and will not be used for capital investments.

Through its Choices for Care program authorized in the Global Commitment to Health Section 1115 waiver, Vermont offers a limited HCBS package through the Moderate Needs Group which is available to individuals who do not meet all the Choices for Care clinical criteria but are at risk of institutionalization and need HCBS. Vermont intends to use funding to secure contractor support to identify options for extending Moderate Needs Group services and supports under the Choices for Care program.

Activity Updates: 1(a) New and/or Additional Services

**Activity Name:** Contractor support for the Supportive Housing Assistance Pilot

**Target Population:** Medicaid enrollees age 18 and older who are eligible for full Medicaid state plan benefits and meet certain health needs-based and risk-based criteria, as indicated in the State's Global Commitment to Health 1115 Demonstration waiver.

**Sustainability Plan:** One-time

**Impact on Equity and/or SDOH:** Studies have shown that supportive housing programs are effective not only in reducing homelessness, but also in 1) preventing emergency department use and hospitalization and 2) reducing overall health care costs for high-needs individuals. When conducting further design of the Supportive Housing Assistance Program, Vermont will seek stakeholder input to refine the Pilot's eligibility criteria to ensure that it pursues equity and targets groups disproportionately impacted by homelessness, including Black Vermonters. In addition, Vermont will ensure that selected providers are experienced in or receive training on conducting outreach and delivering services to these groups.

**Q1 FY 2023 Update:** Vermont received approval for the Supportive Housing Assistance Pilot under the State's Global Commitment to Health 1115 Demonstration waiver effective July 1, 2022. Vermont operates its Medicaid program through a publicly administered state-wide non-accredited public pre-paid inpatient health plan (PIHP). Vermont will be engaging with a contractor to develop an operational plan in order to implement the Supportive Housing Assistance Pilot in 2024.

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**Activity Name:** New service costs

**Target Population:** To be determined.

**Sustainability Plan:** Sustainability planning will take place following contractor work to identify and assess new services.

**Impact on Equity and/or SDOH:** To be determined.

**Q1 FY 2023 Update:** Vermont's Global Commitment to Health 1115 Demonstration waiver was extended as of July 1, 2022, giving Vermont expenditure authority for Peer

Supports, Expanded Dental for Developmental Disabilities Services and Community Rehabilitation and Treatment programs, and the Supportive Housing Assistance Pilot (previously called Permanent Supportive Housing). Vermont operates its Medicaid program through a publicly administered state-wide non-accredited public pre-paid inpatient health plan (PIHP). In addition, Vermont anticipates seeking federal approval for a community-based mobile crisis benefit and may use HCBS FMAP funds to support start-up costs for these new services. Use of funding for new service costs will be further determined in conjunction with the State's legislative appropriation process to ensure service sustainability.

**Q3 FY 2022 Update (Approved 5/3/22):** The State has requested expenditure authority for Peer Supports, Expanded Dental for Developmental Disabilities Services and Community Rehabilitation and Treatment programs, and Permanent Supportive Housing through the Global Commitment to Health 1115 Demonstration Renewal Application submitted on 6/30/21. The State of Vermont also anticipates submitting a State Plan Amendment to add Peer Supports through the Medicaid rehabilitative services state plan option at a date to be determined.

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**Activity Name:** Temporary increase to current limits or caps on assistive devices and home modifications, related specialized treatment plan services, and environmental and assistive technologies

**Target Population:** Older adults, adults with physical disabilities, individuals with developmental disabilities, and individuals 16 years of age and older with brain injuries.

**Sustainability Plan:** Temporary through 3/31/24

**Q1 FY 2023 Update:** The temporary increase to current limits or caps was implemented effective July 1, 2022. Authority for these programs is within the State's Global Commitment to Health 1115 Demonstration waiver which was renewed effective July 1, 2022. Service definitions are included in Attachment E and F. Vermont operates its Medicaid program through a publicly administered state-wide non-accredited public pre-paid inpatient health plan (PIHP).

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**Activity Name:** Disability Services Residential Alternative Regional Pilot Planning Grants

**Target Population:** Vermonters with developmental disabilities and their families, including individuals with high support needs who require 24-hour care and those with specific communication needs.

**Sustainability Plan:** HCBS FMAP will be used to support one-time startup costs; ongoing costs will be included under the Department of Disabilities, Aging and Independent Living budget.

**Q1 FY 2023 Update:** In July 2022, the Department of Disabilities, Aging, and Independent Living initiated processes to hire a limited-service position to support this work. The Department will convene a steering committee in August 2022 to inform program design.

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**Activity Name:** Innovation grant to provide alternatives to emergency room mental health crisis care

**Target Population:** Vermonters in need of a crisis response regardless of age, diagnosis, or insurance coverage.

**Sustainability Plan:** Vermont anticipates seeking federal approval for a community-based mobile crisis benefit. The State anticipates that the services included in this HCBS FMAP activity could be covered under the rehabilitative services benefit. If services are approved, the State would use HCBS FMAP funds for these services through the end of the funding period and then seek an appropriation to continue providing community-based mobile crisis when funding from this opportunity is no longer available.

**Q1 FY 2023 Update:** Planning efforts for the HCBS FMAP funded grants to provide alternatives to emergency room mental health crisis care are underway. In parallel, AHS, using CMS state planning grant funding, continues to prepare for rolling out an enhanced mobile crisis benefit. The timeline for implementation has been pushed back, and Vermont now anticipates seeking federal approval for a community-based mobile crisis benefit effective summer 2023. This is based on findings and recommendations from the mobile crisis needs assessment and stakeholder engagement that was completed in June 2022. Currently, AHS is working with its technical assistance contractor to develop a Request for Proposals for the regional mobile crisis provider network that will be established over the next state fiscal year. This work will continue to inform the design of the HCBS FMAP grants.

**Q3 FY 2022 Update (Approved 5/3/22):** Vermont anticipates seeking federal approval for a community-based mobile crisis benefit effective July 1, 2022 and has secured a contractor funded through a planning grant to further develop the program with the Agency of Human Services (AHS or Agency) and its departments. More information about when the State will request the change is forthcoming.

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**b. Increase Payment Rates**

Vermont plans to use \$51,839,612 to provide a three percent rate increase to mental health, developmental disabilities, Brain Injury Program, Choices for Care, and the substance use treatment preferred provider network providers and a \$1.50 per day increase to Assistive Community Care Services (ACCS) rates to address increased wage

and operating costs and complete rate studies. The mental health rate increase includes providers of services included in [Appendix B of the SMDL #21-003](#) in the following categories: Rehabilitative Services and Section 1115 which includes HCBW-like special programs for children and adults with Serious Emotional Disturbance (SED) and Serious Mental Illness (SMI). Also included are independent psychologists covered in the State Plan section on "other licensed providers" but that could be covered under the rehabilitative services benefit. Substance use treatment preferred providers deliver services within the rehabilitative services benefit. Rate increases for mental health, developmental disabilities, Brain Injury Program, Choices for Care, substance use treatment providers in the ADAP Preferred Provider network and ACCS will strengthen these essential HCBS providers by supporting employee recruitment and retention and are intended to be sustained through payment rates past the funding period.

The state will also use funding to hire a contractor to perform rate studies and develop methodology updates for HCBS.

#### Activity Updates: 1(b) Increase Payment Rates

**Activity Name:** Rate increases for Mental Health, Developmental Disabilities, Brain Injury Program, Choices for Care, Assistive Community Care Services (ACCS), and substance use treatment providers

**Sustainability Plan:** Rate increases for mental health, developmental disabilities, Brain Injury Program, Choices for Care, and ACCS were approved by the legislature effective July 1, 2021 and are intended to be sustained. Payment rates for substance use treatment providers were implemented effective January 1, 2022 and are intended to be in effect through March 31, 2024.

**Q1 FY 2023 Update:** The three percent rate increase for substance use treatment providers was implemented in May 2022 and made retro-active to January 1, 2022. The Vermont Department of Health Division of Substance Use Programs (formerly ADAP) encountered issues with adjusting retroactive claims. The team is actively working with the Medicaid fiscal agent to work directly with the impacted providers to ensure the claims adjustments are completed accurately. The challenge noted in the Q3 FY 2022 Update is persistent.

**[Edited] Q3 FY 2022 Update (Approved 5/3/22):** The State has provided three percent rate increases to mental health, developmental disabilities, Brain Injury Program, Choices for Care and a \$1.50 per date rate increase to Assistive Community Care Services (ACCS) providers to address increased wage and operating costs. The State made these rate changes with authority established in the Global Commitment to Health Section 1115 Demonstration waiver, STC 29. [...] Additionally, the Department of Health Alcohol and Drug Abuse Programs (ADAP) has prepared specifications to update

MMIS in anticipation of a three percent rate increase for their Preferred Provider network. [...] Vermont has experienced challenges in isolating the value of the rate increases to report on the CMS-64 HCBS Reinvestment lines. For example, it is difficult to identify the actual costs of a 3% rate increase due to the various timing of when the rate increases went into effect and the various provider types who receive bundled payments. To date, Vermont has only reported a portion of the 3% rate increase as a Reinvestment activity. Vermont welcomes any technical assistance or a methodology on how to best calculate the value of provider rate increases given the noted challenges.

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**Activity Name:** Contractor support for rate studies

**Sustainability Plan:** One-time

**Q1 FY 2023 Update:** The State procured a contractor to perform rate studies and develop methodology updates for HCBS. The Adult and Children's Mental Health Services rate study is nearly completed. The Adult Day Services and Choices for Care Services rate studies are expected to begin in September 2022 and be completed by February 2023. If resources permit, additional rate studies may be initiated in 2023 and 2024.

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c. **Strengthen Assessment and Person-Centered Planning Processes**

Vermont plans to use \$6,150,000 to strengthen assessment and person-centered planning processes through activities that ensure case management services are conflict-free. The purchase of technology and systems to collect and store assessment and care plan data are described in other sections of this initial spending plan.

Vermont submitted a plan to achieve compliance with HCBS conflict of interest requirements to CMS on 12/17/21 after receiving notification that its proposal to expand case management choice within its HCBS programs is not compliant. The State will use funding from this opportunity to implement activities in the plan including procuring a technical assistance contractor to facilitate assessment of HCBS system functioning and develop options for program changes that will comply with conflict of interest requirements. Vermont will then use funding from this opportunity for the initial start-up and eligible ongoing costs for an independent assessor and independent case management entity for applicable HCBS programs, as well as independent options counselors or peer navigators, and an expanded ombudsman role in HCBS programs. These activities will be informed by a stakeholder engagement process prior to implementation. The State will also use funding to secure contractor support to engage stakeholders, improve its HCBS monitoring requirements, provide technical assistance and training to providers seeking to make programmatic and policy changes to further reduce conflict of interest and/or improve operations and workflows because of new

structural changes, and develop training for provider staff, individuals, and families about person-centered planning requirements.

Vermont will also use funding to improve person-centeredness and promote health equity by expanding the availability of published materials in accessible and “plain English” formats and other languages.

Vermont will work to minimize ongoing costs but to the extent they present, the State will develop a sustainability plan for the end of the funding period.

Activity Updates: 1(c) Strengthen Assessment and Person-Centered Planning Process

**Activity Name:** Contractor support to develop a Conflict of Interest Plan

**Sustainability Plan:** One-time

**Q1 FY 2023 Update:** AHS is on track to issue a Request for Proposals by late July and expects to contract with a technical assistance vendor by November. The Agency revised its timeline of activities and milestones based on conversations with CMS and anticipates having a final approved HCBS Conflict of Interest Corrective Action Plan added as an attachment to the Global Commitment to Health Section 1115 Demonstration waiver shortly. An HCBS system assessment will begin in Q4 of calendar year 2022, along with stakeholder engagement to lay the groundwork for making decisions regarding program changes.

**Q3 FY 2022 Update (Approved 5/3/22):** The Agency received notification from CMS that its proposal to expand case management choice within its HCBS program is not compliant with conflict of interest requirements. In response, the State of Vermont submitted a timeline of activities and milestones to CMS that will serve as its roadmap for compliance with HCBS conflict of interest requirements. AHS will release a Request for Proposals in February for a technical assistance contractor to facilitate assessment of HCBS system functioning and develop options for program changes that will comply with conflict of interest requirements. This activity was added to the attached HCBS Spending Plan.

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**Activity Name:** Contractor support to improve HCBS monitoring

**Sustainability Plan:** One-time

**Q1 FY 2023 Update:** To meet State Quality Strategy requirements in the State's Global Commitment to Health 1115 Demonstration waiver, Vermont has secured contractor support to update and develop performance measures. Vermont will submit these measures to CMS on September 26, 2022 for approval.

d. Address COVID-19-related Concerns

Vermont plans to use \$2,000,000 to address COVID-19-related concerns. Providers and community-based organizations have indicated a need for continued COVID-19-related support to purchase PPE and isolation kits to protect the individuals they serve and their staff who are both at-risk. Funding will support HCBS providers to purchase these supplies. Additionally, stakeholders have identified a need to support community integration for people with HCBS needs following the end of the public health emergency. To meet these needs, Vermont will issue grants to providers and community-based organizations for programming that addresses the safety concerns of individuals and families and provides opportunities for individuals with HCBS needs to participate in community activities.

The state intends to fund the purchase of PPE and offer programming during the funding period, as needed. It is not anticipated that sustained funding will be needed following the end of the funding period in 2024.

Activity Updates: 1(d) Address COVID-19-related Concerns

No updates to report at this time.

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## 2. Promote a High-Performing and Stable Workforce

### a. Training

A strong HCBS system is reliant on a well-trained workforce as well as individuals, families and caregivers that have the tools and training to manage self-directed supports. Vermont plans to use \$3,000,000 for the development of training content and platforms as well as the delivery of trainings.

Specifically, the State will evaluate training needs across the HCBS system and effective modalities for reaching each intended audience. Illustrative examples of trainings include cross-training for co-occurring intellectual and development disabilities and mental health needs, culturally competent care for Deaf individuals and black, Indigenous and people of color (BIPOC) communities including new Americans, trauma-informed care, and racial disparities and bias trainings. Audiences will likely include:

- HCBS providers,
- Independent direct support providers,
- Other providers across the care continuum serving individuals with HCBS needs, and

- Individuals, families, and caregivers.

The State will contract with experts to develop and/or deliver identified trainings. Vermont will also make funding available to provider and community-based organizations to offer specialized training opportunities, as needed. Additionally, Vermont will identify the need for training-related platforms for expanding the reach and availability of trainings and improving the delivery of trainings. Vermont intends to fund one or more platforms to meet the needs of the multiple intended audiences.

These will be one-time costs that are not anticipated to require sustained funding at the end of the funding period in 2024.

Activity Updates: 2(a) Training

**Activity Name:** Contractor support to evaluate training needs and develop and/or deliver trainings

**Sustainability Plan:** One-time

**Q1 FY 2023 Update:** AHS plans to procure a contractor to conduct a training needs assessment across Vermont's HCBS system. Concurrently, the State is seeking to enhance its approach to complex care management to support individuals with disabilities, mental health needs, substance use treatment needs and multiple chronic conditions who have co-occurring psychosocial needs and benefit from regional complex care ecosystems. Funding will be used to engage national expert faculty to determine if additional complex care model refinement is needed based on current best-practice and state policy; to develop educational materials about the model for individuals, families, providers, and community-based organizations; and to develop curriculum. The curriculum will be designed to:

- Advance widespread support for, adoption, and use of the model;
- Support implementation of key interventions; supportive structures, characteristics, roles, and tools; and
- Provide training on core skills and competencies that support a cohesive complex care ecosystem.

A training plan will be developed that builds on the existing foundation within the state for complex care management, care coordination, and team-based care, while also identifying gaps and opportunities for improvement and success.

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#### b. Recruitment and Retention

Workforce challenges impacting Vermont's HCBS providers have been significantly amplified by the COVID-19 pandemic. To ensure an accessible and high-quality workforce for Vermonters with HCBS needs, the State plans to use \$31,280,000 to

implement effective recruitment and retention initiatives that bolster the availability of HCBS staff, tenure of employment, and pathways to career advancement and certification. In allocating funding, the state will consider the impact of initiatives on the overall HCBS system to ensure efforts do not have unintended consequences, such as bolstering staffing in certain areas at the detriment of others.

Funding will be used by the State and made available to providers to implement recruitment and retention initiatives, such as awareness campaigns designed to educate potential workers about job opportunities and sign-on and retention bonuses.

The State also proposes to use funding for technical assistance pertaining to credentialing for peer specialists, and opportunities to develop additional certification pathways and career ladders for staff providing HCBS.

These recruitment and retention activities are intended to be one-time costs.

Activity Updates: 2(b) Recruitment and Retention

**Activity Name:** Provider grants for the Premium Pay for Workforce Recruitment and Retention Program

**Sustainability Plan:** One-time

**Q1 FY 2023 Update:** The Premium Pay for Workforce Recruitment and Retention program utilizes three funding sources: 1) HCBS FMAP funds from Section 9817 of the American Rescue Plan Act, 2) State Fiscal Recovery (SFR) funds and 3) State general funds. HCBS FMAP funding will only be provided to HCBS providers and not to other providers eligible for this program as established by the legislature.

Over the last several months, AHS has developed program guidance, operational procedures, and an application process that is compliant with allowable uses of funding. AHS also submitted a request to CMS and received approval for this program to receive federal match under the State's Global Commitment to Health Section 1115 Demonstration waiver. In addition, the State's legislative appropriation of \$25 million from HCBS FMAP funds was greater than the funding allocated in the approved HCBS Spending Plan. As part of the Q4 FY2022 Update, AHS submitted a revised HCBS Spending Plan to reflect the increased allocation of funds for recruitment and retention to \$25 million.

AHS held town hall meetings and met with health care providers to prepare potential applicants for the application process and to educate providers about the program. AHS developed an application portal, which was opened on May 18, 2022 and accepted applications through June 1, 2022.

Ultimately, 151 organizations applied for grants. Preliminary analysis of these applicants and their subsidiary companies indicates that over 80% of Vermont's eligible employers applied for grants. AHS has confirmed the completeness, accuracy, and appropriateness of most applications and is working with a subset of applicants on required modifications to the submitted materials. While the exact figures will shift once vetting and corrections are complete, the amounts requested in the first round of applications total \$33.8 million (or \$2,000 per each of the 16,905 full-time equivalent positions, including vacancies). Approximately \$22 million was requested by HCBS providers for funding with HCBS FMAP funds.

As of June 30, 2022, AHS has issued grant payments using HCBS FMAP funds to 19 HCBS providers. Seven of the initial HCBS provider awardees had selected a lump sum payment to be disbursed over the next 90 days while 12 HCBS provider awardees chose a quarterly payment option to be disbursed over the next 12 months. The first round of awards to HCBS providers totaled \$1.65 million, with \$1.02 million issued to providers in late June. Additional quarterly distributions to the 12 awardees that elected to receive quarterly payments will total \$627,000. AHS has also notified an additional 11 HCBS providers that they have been approved for awards worth \$7.2 million and is finalizing determinations on the remaining applications. Initial payments to these providers will be issued in July.

**Q4 FY 2022 Update (Approved 7/15/22):** The State is planning to implement a \$25 million Premium Pay for Workforce Recruitment and Retention program for HCBS providers. Eligible HCBS providers will apply for a grant to distribute premium pay to their current and new employees who make a service commitment to the organization. This program will be accepting applications in May and grant awards will be announced and initial payments disbursed to organizations by the end of June 2022.

**Q3 FY 2022 Update (Approved 5/3/22):** The Agency is developing a recruitment and retention implementation strategy in alignment with the State's Health Care Workforce Development Strategic Plan.

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**Activity Name:** Bonus payments for independent direct support providers

**Sustainability Plan:** One-time

**Q1 FY 2023 Update:** In July 2022, bonus payments are being made to eligible part-time and full-time independent direct support providers who commit to a service agreement of one calendar quarter. Bonus payments are either \$1,500 or \$2,500 and are based on hours worked between July 2020 and December 2021. An additional bonus payment of \$500 or \$1,000 based on hours worked in 2022 will be made in July 2023. Independent

direct support providers are also eligible to receive a Premium Pay for Workforce Recruitment and Retention Program disbursement in January 2023.

**Q4 FY 2022 Update (Approved 7/15/22):** The State of Vermont will use \$5.75 million in funding for bonus payments for independent direct support professionals.

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**Activity Name:** Contractor support for technical assistance to support credentialing for peer specialists

**Sustainability Plan:** One-time

**Q1 FY 2023 Update:** The State has awarded \$30,000 to the Peer Workforce Development Initiative to incorporate stakeholder input in the development of a model for peer credentialing in Vermont. This activity will inform the next steps in implementing peer certification.

**Q3 FY 2022 Update (Approved 5/3/22):** The Department of Mental Health is preparing to issue a grant to support peer specialist credentialing.

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### 3. Utilize Systems and Data to Improve Care, Promote Value-Based Payment Models and Support Program Oversight

#### a. Quality Improvement

Through its Global Commitment to Health Section 1115 Medicaid Waiver, Vermont has advanced value-based payment (VBP) reform across Medicaid provider types, including Medicaid providers historically excluded from most VBP arrangements, such as providers offering developmental disabilities services, mental health services, and substance use disorder treatment. Vermont plans to use \$12,520,270 to further advance these reforms and support additional providers in achieving readiness for reform. Funding will allow Vermont Medicaid to design and implement a performance-based payment program for current reforms such as a one percent bonus payment tied to high performance. It will also allow the State to support transition to new payment models by offering provider trainings and technical assistance on topics such as incorporating performance measures into payment models and engaging in improvement activities.

The State plans to issue a grant opportunity to support the development of innovative solutions that enhance and strengthen HCBS through a one-time investment. In addition, the State will pilot a program to identify the need for appropriate assistive technology and home modification changes through inspections at Adult Family Care

and Shared Living Provider sites. Identified changes could be supported through the capital improvement grant opportunity included in Section 3.f.

Vermont will enhance quality of care and improve child, family, and provider experiences by purchasing pediatric palliative care supply carts for nine designated Home Health Agencies that offer Pediatric Palliative Care Program services. They will be used to support the physical, emotional, and spiritual wellness of each child and family.

Vermont will also enhance and strengthen the HCBS system by improving opportunities for stakeholder engagement. The state plans to obtain contractor support to design and implement meaningful stakeholder engagement opportunities for individuals with disabilities related to activities within this plan. This also includes interviewing and/or surveying individuals with HCBS needs and their families to understand the unmet needs and experiences of care across the care continuum and opportunities for system improvements. The contractor will also support the State in establishing accessible opportunities to update the public on HCBS Spending Plan activities and to engage with the broader stakeholder community on implementation strategies.

These quality improvement activities are intended to be one-time costs.

Activity Updates: 3(a) Quality Improvement

**Activity Name: Provider Performance Incentive (1% Bonus Payment) for the Department of Mental Health**

**Sustainability Plan:** One-time

**Q1 FY 2023 Update:** In July 2022, the Department of Mental Health communicated the opportunity for a 1% performance-based bonus payment tied to mental health crisis assessments. The Department has designed a process for data reporting and review and will be working with providers on implementation, including improving data quality.

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**Activity Name: Provider Performance Incentive (1% Bonus Payment) for Applied Behavior Analysis (ABA) services and High-Technology Nursing (HTN) services**

**Sustainability Plan:** One-time

**Q1 FY 2023 Update:** A proposed performance framework for the ABA program has been developed and presented to affected providers in detailed written documents and at three public meetings. The program is planned for implementation on January 1, 2023, with performance assessment and payments anticipated to occur in September 2024. A proposed performance framework for the HTN program is currently being developed and will follow similar steps to the ABA program. The goal is to implement in January 2023 and assess performance and make payments in September 2024. This timeline

might be challenging given the timeframes for CMS approval of value-based payment arrangements.

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**Activity Name:** Pilot program for inspections at Adult Family Care and Shared Living Provider sites

**Target Population:** Older adults, adults with physical disabilities, individuals with developmental disabilities, and individuals 16 years of age and older with brain injuries.

**Sustainability Plan:** One-time

**Q1 FY 2023 Update:** The Department anticipates executing a contract with an expected start date of September 1, 2022.

**Q3 FY 2022 Update (Approved 5/3/22):** The Department of Disabilities, Aging, and Independent Living is drafting an RFP for a contractor to identify the need for appropriate assistive technology and home modification changes through inspections at Adult Family Care and Shared Living Provider sites.

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**Activity Name:** Pediatric Palliative Care Program supply carts

**Target Population:** Children with serious life-limiting or life-threatening illnesses or conditions.

**Sustainability Plan:** One-time

**Q1 FY 2023 Update:** The Department of Health is finalizing program requirements related to disbursement of funds, purchase, and distribution of supplies intended to enhance the quality and child, family, and provider experiences of home-based pediatric palliative care across the State of Vermont.

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**Activity Name:** Contractor support to design and implement meaningful stakeholder engagement opportunities for individuals with disabilities

**Target Population:** Individuals with HCBS needs and families.

**Sustainability Plan:** One-time

**Q1 FY 2023 Update:** The Agency is continuing to develop a Request for Proposals.

**Q3 FY 2022 Update (Approved 5/3/22):** The Agency is drafting a Request for Proposals for a Stakeholder Engagement Contractor to support implementation of the State's HCBS Spending Plan throughout the funding term which is anticipated for release in February 2022. Further details about the scope of work were added to the HCBS Spending Plan.

b. Use of Technology and Cross-system Data Integration Efforts

Through this opportunity, the State plans to use \$19,776,084 to fund the purchase of technology infrastructure, provide financial support to HCBS providers to support encounter data submission requirements pertaining to value-based payment reform, purchase equipment to allow direct service staff to enter data at the point of care, and create an electronic patient engagement platform.

The availability of technology infrastructure to support HCBS programs and care integration is varied across state programs and providers. This funding opportunity will allow the state to purchase platforms and databases to support case management activities and oversight within the Agency of Human Services and its departments. Illustrative examples include funding a data warehouse to store CANS and ANSA assessment data, a database to enable AHS system-wide coordination for children referred to residential treatment, and improvements to the state's critical incident report management system. It will also allow for the expansion of a statewide database that supports access to mental health services by providing care coordinators and primary care providers information about the availability of mental health providers and the types of services they deliver. In addition, Vermont will improve the current Preadmission Screening and Resident Review (PASRR) process by developing an electronic platform and transitioning away from a paper-based process. These advances will further support the goals of PASRR to ensure that individuals have opportunities to choose home and community-based services and are not inappropriately placed in nursing homes for long term care.

The State will evaluate how Medicaid providers currently store, access, utilize, and share information about the full range of enrollee needs and associated service utilization. Based on the findings, Vermont will determine how to close gaps that are identified. Vermont seeks to learn how providers access and share demographic, eligibility, assessment, care plan, and treatment data to better understand readiness of targeted providers to participate in VBP reforms or transition to higher levels or more integrated VBP arrangements.

After evaluating data collection and exchange needs, Vermont will assist HCBS providers in purchasing data systems, including electronic health records (EHRs) and care coordination tools, and connecting to the Vermont Health Information Exchange (VHIE). Concurrently, the state will develop a targeted technical assistance program to provide support for Medicaid providers seeking to access, utilize, and share data to support integrated care coordination and population health management. Vermont anticipates that by enhancing providers' abilities to capture data and use it meaningfully in care coordination and population health management, providers will be better prepared to participate in more sophisticated VBP arrangements. Technical assistance will address:

- HCBS providers' selection, procurement, and modification of care coordination and EHR data systems to meet care coordination, quality improvement, and reporting needs, and help providers connect to the VHIE;
- Efforts to standardize data collection to improve efficiency of data collection processes;
- Efforts to capture SDOH data and communication with and referrals to social service providers and state and local human services agencies that have historically not been connected to health data and health systems; and
- Training needs associated with performance measurement and predictive analytics.

As HCBS providers transition to VBP arrangements, they need support to revise business practices. Vermont will offer data sharing incentives and provide financial support to HCBS providers related to payment reform encounter data submission requirements such as remapping care coordination systems and EMRs to capture new data elements, supporting increased data entry, and trainings. The state will also fund the purchase of equipment (e.g. tablets or laptops) and technology (e.g. applications and licenses) that will allow direct staff of HCBS providers to collect and enter data at the point of care.

To further promote self-determination and individual and family engagement in health, wellness and care delivery, Vermont will assess the feasibility of embedding a patient engagement platform into the State's delivery system. If determined to be feasible, Vermont will procure a tool to enhance care delivery and patient engagement with optimized health data, including care plan information with details on services across the care continuum that the enrollee has obtained. Medicaid enrollees with HCBS needs will be able to add to their care records by entering information or linking to health monitoring, self-management, or wellness applications.

These technology and cross-system data integration efforts are intended to be one-time costs and costs that will be sustained through value-based payment models. State system enhancements will be sustained on an ongoing basis, where applicable.

Activity Updates: 3(b) Use of Technology and Cross-system Data Integration Efforts

**Activity Name:** Purchase a data warehouse to store CANS and ANSA assessment data

**Sustainability Plan:** One-time

**Impact on Equity and/or SDOH:** Data from the assessment tools can be used to identify and communicate about patients' health-related social needs such as housing, transportation, employment, and financial needs.

**Q1 FY 2023 Update:** The Department of Mental Health has identified a consultant to support this data reporting and analytics effort and is working to develop a more detailed budget estimate for the data warehouse.

**Activity Name:** Medicaid Data Aggregation and Access Program (provider grants for assistance to purchase data systems and connect to the Vermont Health Information Exchange)

**Sustainability Plan:** One-time

**Q1 FY 2023 Update:** As the HITECH Act ends and the Medicaid Provider Incentive Program expires, there remain Medicaid providers who lack the ability to electronically collect and exchange health data and connect to the State's health information exchange to bolster care delivery, enhance care management efforts, as well as improve measurement of the Medicaid population in service of delivery system enhancements. To remedy this gap, Vermont aims to establish the Medicaid Data Aggregation and Access Program (MDAAP), an incentive program targeting Medicaid HCBS, mental health, and substance use disorder treatment providers that require electronic data record technology to inform the State's management of the Medicaid program, serve Medicaid enrollees, and participate in Medicaid-driven value-based payment models. Program updates include:

- Vermont received expenditure authority for the \$14.9 million (total computable) MDAAP under the State's Global Commitment to Health 1115 Demonstration waiver effective July 1, 2022.
- A Program Administrator will begin onboarding in July 2022.
- The State is working on a Request for Proposals for consulting services to aid the State in developing the MDAAP program by (1) evaluating how Medicaid providers currently store, access, utilize, and share information and (2) using the findings from the evaluation to design a program to increase electronic data collection and exchange amongst the Medicaid provider community. This will result in the development of the MDAAP Incentive Payment Protocol for submission to and approval by CMS. Vermont's recently approved Final State Medicaid Health Information Technology Plan with Landscape Analysis will be provided to consultants for review as part of their research and market analysis.
- Major milestones and a schedule for program development were developed.

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### c. Improve Care Coordination and Care Management

The State plans to use \$4,580,028 in funding to enhance care coordination activities. Provider innovation grants will be issued to support efforts to improve care integration of HCBS with other services. These grants will support a range of proposed activities such as co-location of staff, program model design and implementation, and data-sharing initiatives.

Vermont will also develop a series of analytic reports and tools using data from the VHIE and other sources to improve care management of individuals with high utilization of HCBS and across the care continuum, support program monitoring, and analyze impacts of service or program changes. Other efforts to improve care coordination, program operations, and analytics will include:

- Developing reports to support effective risk stratification across the Medicaid population, which will supplement risk stratification reports from the state's Accountable Care Organization by focusing on a broader set of services;
- Aligning measures and reporting requirements across programs to reduce reporting burden and encourage provider participation in quality improvement and VBP arrangements;
- Using electronic clinical quality measure (eCQM) data to optimize providers' ability to assess quality and outcomes;
- Implementing a reporting and analytics platform to standardize and extract reports, for both patient- and population-level measures, through an application programming interface (API) connected to the VHIE;
- Leveraging patient and aggregated population-level data to support rapid sharing of disease surveillance data, inform and monitor public health activities, and improve quality of life; and
- Expanding use of new reporting and analytic technologies to harness the power of integrated data for improving outcomes, reducing cost, and enabling informed decision making.

Vermont has made reducing the number of deaths by suicide and drug overdose foremost population health goals and a key component of the [State Health Improvement Plan](#). The State plans to use funds to implement 988, the nationwide mental health crisis and suicide prevention number, in Vermont. This includes funding operations development and technology that will support a mobile response hub. It also includes the development and implementation of a pilot program to follow-up with individuals that were identified as suicidal through 988 or other recognized avenues.

VTHelplink is a centralized resource website and call center for Vermonters in need of substance use disorder treatment and/or information. The State plans to use funds to expand the use of this resource and support providers to integrate into the centralized scheduling feature of the VTHelplink system.

These care coordination and care management investments are intended to be one-time costs and analytic improvements that can be sustained by staff following implementation and training. The State will seek funding opportunities to sustain 988 and VTHelplink where possible at the end of this funding period.

Activity Updates: 3(c) Improve Care Coordination and Care Management

**Activity Name:** Expand use of VTHelpLink

**Target Population:** Individuals with substance use disorders.

**Sustainability Plan:** The State will seek funding opportunities to sustain VTHelpLink where possible at the end of this funding period.

**Q1 FY 2023 Update:** This activity has been on hold. Following the June 28, 2022 approval of the State's Global Commitment to Health 1115 Demonstration waiver, the Division of Substance Use Programs (formerly ADAP) will begin work to operationalize this program and amend provider agreements with updated funding, scope of work, and reporting and monitoring requirements.

**Q3 FY 2022 Update (Approved 5/3/22):** ADAP has developed a methodology for offering provider incentives and support for integrating with VTHelpLink, a centralized resource website and call center for Vermonters in need of substance use disorder treatment and/or information.

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d. Address Social Determinants of Health (SDOH)

Vermont plans to use \$3,000,000 for initiatives that promote health equity and reduce health disparities experienced by people with HCBS needs. The State will award grants to providers seeking to test the use of flexible funding to address health-related social needs. These opportunities will allow providers to address issues identified in their communities and develop partnerships with community-based organizations.

As identified in the [Behavioral Risk Factor Surveillance System](#) 2018 report, Vermont adults with a disability are eight times more likely to report fair or poor health than adults with no disability, a statistically significant difference. Vermont will reduce this health disparity by awarding grants to providers and community-based organizations to develop and provide health and wellness programs for individuals with HCBS needs.

Vermont recognizes that VBP reform provides significant opportunities to address SDOH through greater flexibility and accountability for population health improvements. The state will use funding for contractor support to design VBP options that specifically address SDOH for implementation during the funding period. Funding will also be used to support policy development and implementation costs to advance adoption of SDOH screening tools across HCBS providers.

Data standards and data governance are needed to recognize the potential of SDOH data to improve care and reduce health disparities for people with HCBS needs. The state will use funding to develop a strategic road map for incorporating SDOH data into

the VHIE and claims data as well as to support the development of standards, consent policies and data sharing agreements to facilitate aggregation and exchange of SDOH data. It will also design and support implementation of a data governance council which would govern use of SDOH data and could be modeled after the [Green Mountain Care Board data governance council](#).

The State seeks to advance VBP models that can sustain effective programs identified through this opportunity.

Activity Updates: 3(d) Social Determinants of Health (SDOH)

No updates to report at this time.

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e. Administration of Activities

Vermont plans to use \$3,100,000 for three or more staff positions and/or contractors to implement and administer programs associated with this opportunity and provide overall program oversight and reporting. These staff positions will support the Agency of Human Services (AHS) in managing the programmatic and financial activities required to fulfill the requirements of this program and staff to implement activities to enhance, expand, and strengthen HCBS within AHS departments. Staff will also support ongoing stakeholder engagement activities as the spending plan is implemented and refined over time.

These positions will be limited-service through the end of the funding period.

Activity Updates: 3(e) Administration of Activities

**Activity Name:** Staffing

**Sustainability Plan:** Temporary through 3/31/24

**Q1 FY 2023 Update:** In June 2022, AHS onboarded an Administrative Services Director position to oversee Vermont's HCBS FMAP activities. Also in June, AHS awarded a contract to ARIS Solutions to administer Premium Pay grants to independent direct support providers on behalf of their employers (Medicaid members self-directing HCBS). In addition, the Department of Vermont Health Access anticipates posting a position for a HCBS policy analyst to support HCBS FMAP activities in July. The Department of Disabilities, Aging, and Independent Living is developing a Residential Program Developer position to support the Residential Services Pilot Planning Grants. Additional staffing needs are being identified.

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f. Capital Investments

The State plans to use \$6,000,000 in funding for a grant opportunity to support HCBS providers with necessary capital improvements that enhance and strengthen HCBS through a one-time investment that can be used for purposes such as increasing accessibility, promoting safety, improving services, promoting provider sustainability, and increasing energy efficiency. This grant opportunity will only be available to HCBS providers that are delivering services that are listed in Appendix B of SMDL #21-003 or could be listed in Appendix B of SMDL #21-003 (e.g. mental health and substance use disorder services that are covered under another benefit but could be covered under the rehabilitative services benefit). Funding will only be available to providers for settings that are fully compliant with the home and community-based services settings criteria or for settings that will become compliant with the home and community-based services settings criteria due to improvements funded through this grant opportunity.

Activity Updates: 3(f) Capital Investments

**Activity Name:** Grant opportunity to support HCBS providers with necessary capital improvements

**Target Population:** To be determined.

**Sustainability Plan:** One-time

**Q1 FY 2023 Update:** No update.

**Q3 FY 2022 Update (Approved 5/3/22):** The Agency is drafting an application and selection criteria for HCBS providers in need of capital improvements for purposes such as increasing accessibility, promoting safety, improving services, promoting provider sustainability, and increasing energy efficiency. The State has clarified within this HCBS plan that grants for capital improvements will only be made to providers delivering services that are listed in Appendix B or could be listed in Appendix B of SMDL #21-003.

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Assumptions

The spending plan is based on projected HCBS costs eligible for the additional 10% FMAP. Actual FMAP savings available for reinvestment into new programs will not be fully known until March 31, 2022. Vermont assumes that the spending plan will be revised, and spending areas refined when actual savings are known and additional stakeholder engagement occurs. Vermont already has Legislative approval to implement the three percent rate increase (Item 1b). This rate increase will go into effect July 1, 2021. Therefore, Vermont is assuming that the 10% FMAP savings can be applied for the period July 1, 2021-March 31, 2022; those savings will be eligible for reinvestment in future years.

Vermont has applied current and future estimated FMAP percentages to the spending plan. Similar to the FMAP rates used in the SMDL, Vermont is assuming the 6.2% Families First Coronavirus Relief Act (FFCRA) FMAP increase will be in effect thru March 31, 2022. Any changes in FMAP will affect total computable spending projections over the life of this special funding opportunity.

## Considerations

### Budget Neutrality and Section 1115 Medicaid Waiver Renewal

The State of Vermont operates almost the entirety of its Medicaid program under the purview of a Section 1115 Medicaid Waiver. While the State recognizes the significant opportunity available because of Section 9817 of the American Rescue Plan Act of 2021, it also recognizes that the types of activities in the spending plan will ultimately be impacted by CMS decisions regarding how this program effects Vermont's budget neutrality under its Section 1115 Medicaid Waiver. Vermont requests an opportunity to work with CMS to eliminate any negative impact from this opportunity on the State's Section 1115 Medicaid Waiver. The State also expects to have further discussions with CMS about how this opportunity will interact with its Section 1115 Medicaid Waiver renewal which is anticipated to be effective January 1, 2022.<sup>1</sup>

### Ongoing Stakeholder Engagement

While Vermont's initial spending plan was improved by stakeholder input received from an online survey specific to this funding opportunity, the level of stakeholder input required to ensure the plan is responsive to the needs of individuals, families, caregivers, providers, and other stakeholders has not yet been achieved. The State is committed to working with stakeholders to refine the initial spending plan for the first quarterly narrative submission on July 18<sup>th</sup>, and quarterly thereafter through the end of the funding period.

## Appendix

- A. Spending Plan Projection Spreadsheet
- B. Letter from Medicaid Director

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<sup>1</sup> The Global Commitment to Health Section 1115 Demonstration Waiver was renewed effective July 1, 2022.