



State of Vermont
Agency of Human Services
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Global Commitment Register

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FINAL

Vermont Medicaid Next Generation ACO Program

Policy Summary:

The Department of Vermont Health Access (DVHA) entered the eighth year of the Vermont Medicaid Next Generation Accountable Care Organization (VMNG ACO) program, which is a program for a risk-bearing ACO to receive a prospective payment and to assume accountability for the costs and quality of care for prospectively attributed Medicaid members. The VMNG model is structured similarly to the Medicare Next Generation ACO Model but has been modified to address the needs of the Medicaid population in Vermont.

In the VMNG ACO arrangement, Medicaid issues a prospective payment to the ACO on a Per-Member-Per-Month (PMPM) basis according to a member's Medicaid Eligibility Group; the ACO distributes funds to providers participating in the program according to contractual arrangements. This is a monthly fixed payment made in advance of services being performed for a prospectively attributed group of Medicaid members and a defined set of Medicaid services comparable to services provided under Medicare Parts A and B. Payments for services for which the ACO is not accountable are still paid fee-for-service, as are payments made to non-ACO providers for attributed members and payments made to providers in the ACO network that elect to be reimbursed fee-for-service.

The eighth year of the ACO program has the following updates:

- 1) The \$2 million Value-Based Incentive Fund (the value-based component of the program), in place since 2022 and containing \$500,000 of dedicated funding to provide shared interest payments to Designated Agencies based on Health Service Area (HSA)-level performance for certain mental health/substance use disorder (MHSUD) quality measures related to follow-up care, will be administered by the ACO instead of DVHA.
- 2) The quality measure set has been modified to make Risk Standardized Hospital Admission Rate for Patients with Multiple Chronic Conditions a payment measure (it was previously a reporting measure for the 2023 performance year). A performance measures chart is available in the Additional Information section below.

The PMPM rates for the combined traditional and expanded attribution cohort is outlined in the table below:

Table 1. Traditional and Expanded Attribution Cohorts

	A=B+C	B	C	D	E = C + D
MEG	ETCOC	Allocation for FFS	Allocation for FPP	Provider Reform Support Payment	Monthly Value-Based Care Payment to Contractor
ABD	\$656.92	\$289.26	\$367.66	\$4.75	\$372.41
New Adult	\$286.99	\$115.50	\$171.49	\$4.75	\$176.24
Non-ABD Adult	\$362.06	\$129.69	\$232.37	\$4.75	\$237.12
Consolidated Child	\$128.78	\$63.36	\$65.42	\$4.75	\$70.17
SCHIP Child	\$120.65	\$54.76	\$65.89	\$4.75	\$70.64

Table Acronyms:

ABD: Aged, Blind, or Disabled

ETCOC: Expected Total Cost of Care

FFS: Fee-For-Service

FPP: Fixed Prospective Payment

MEG: Medicaid Eligibility Group

SCHIP: State Children’s Health Insurance Program

The risk arrangement between DVHA and participating ACOs is outlined in the tables below:

Table 3. Combined Traditional and Expanded Attribution Cohort Risk Arrangement:

Expenditures over/under expected Total Cost of Care target	ACO share	DVHA share
-3% to 3%	100%	0%
<-3% or >3%	0	100%

Additional information regarding this program can be found below.

Effective Date:

January 1, 2024

Authority/Legal Basis:

[Global Commitment to Health Waiver](#): Waiver authority #5 [Section 1902(a)(13), 1902(a)(30)]; Special Term and Condition #6.8.

[Medicaid State Plan](#)

Population Affected:

Attributed Medicaid beneficiaries.

Fiscal Impact:

The estimated annualized gross budget impact of this program is budget neutral.

Public Comment Period:

The public comment period ended on January 22, 2024. No comments were received.

Additional Information:

Documents describing the Vermont Medicaid Next Generation ACO Program:

- [ACO Coverage Document](#)
- [ACO Reimbursement Document](#)