

March 14, 2024

Jenney Samuelson, Secretary
Agency of Human Services
280 State Drive
Waterbury, VT 05671-1080

Re: Letter of Support

Dear Secretary Samuelson:

We write in support of the Vermont Agency of Human Services' application to the Center for Medicare and Medicaid Innovation (CMMI) to participate in the States Advancing All-Payer Health Equity Approaches and Development (AHEAD) Model.

Rutland Regional Medical Center (RRMC) has a long history of working diligently to provide accessible, high value, inpatient hospital and outpatient specialty care. Through our participation in the All-Payer ACO model we know that payment transformation is a key driver in care delivery transformation. We are interested in participating in a payment reform model that improves equitable care delivery by enhancing patient access to clinical services, providing financial stability and sustainability, decreasing the administrative burden, and stimulating the growth of post-acute care services and transportation for healthcare in Vermont. We are optimistic that AHEAD can achieve these objectives if effectively designed.

Our decision to participate in the AHEAD Model is predicated on several factors for which the details are not yet available for us to evaluate. While RRMC is supportive of AHS in pursuing the AHEAD Model, our participation, should Vermont be chosen, is contingent upon receiving confirmation that the following current material requirements are satisfactorily met:

- **Access to Care Delivery:** AHEAD should include pathways for improved access to all specialty and hospital services as well as primary care services. The Model must adequately fund increases in service volume in response to wait times and capacity limitations. Base rates should also not be established solely on historical data, that fails to address current service delays, if appropriate access to care is to be ensured within this Model.

Additionally, AHEAD should address the inpatient and post-acute care bed shortage that exacerbates capacity issues and results in financial losses from unreimbursed care. Funding and alignment are needed for essential services, such as designated agencies, substance use treatment, home health, and skilled nursing, to facilitate efficient care delivery within a global budget, value-based framework.

- **Financial Stability:** AHEAD should promote healthcare affordability for all Vermonters and financial stability for Vermont hospitals. The AHEAD Model offers a solution to balance affordability and financial stability. For this balance to be achieved, the Model should acknowledge that Vermont is a low-cost Medicare healthcare provider and has generated consistent cost-saving achievements in our patient care delivery.

The Vermont commercial payers and Medicare Advantage plans should participate in AHEAD. This is important to streamline processes among payors to reduce the administrative complexity associated with denials and prior authorization requirements. Additionally, standardization is important to resolve unnecessary delays in care as patients await authorization determinations.

- **Governance:** The hospital budget governance structure should be efficient and congruent with the global budget principles included in the AHEAD Model. This will require alignment in the policies and procedures that support how AHS and the Green Mountain Care Board review hospital budgets.

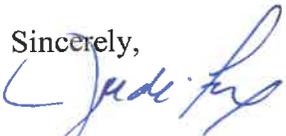
To further enhance care delivery and sustainability of Vermont hospitals, an advisory working group of Vermont healthcare leaders should also be formed, including RRMC, to support AHS negotiations in the design of efficient program requirements, creation of equitable funding strategies, and streamlining of the Certificate of Need process.

- **Data:** The Model must continue to permit the facilitation of shared clinical and claims data across the care continuum to promote informed care delivery decisions at RRMC and with our partners.

We appreciate the opportunity to partner with and support AHS in exploring ways to improve both payment reform and care delivery with the goal of program re-design. We also acknowledge the significant work effort and dedication of the AHS team in applying for the AHEAD Model. While we are supportive of AHS' decision to apply to CMMI to participate in the AHEAD Model, our support is not an official decision or agreement to participate should Vermont be chosen.

We reserve the right to make a final decision on participation contingent upon our review of the final details of AHEAD, especially as we evaluate how the final details meet our current, minimum material requirements. Ultimately, the final details must provide us with confidence that this pathway will better serve our patients, our community, our region, and Vermont.

Sincerely,



Judi Fox,
President & CEO
JF/mf



Wednesday, March 14

The Honorable Jenney Samuelson
Vermont Agency of Human Services
280 State Drive - Center Building
Waterbury, VT 05676

Dear Secretary Samuelson:

Thank you for inviting University of Vermont Health Network (UVMHN) to submit a non-binding letter of intent to participate in the States Advancing All-Payer Health Equity Approaches and Development (AHEAD) Model. UVMHN is excited to support the leadership of the state Agency of Human Services (AHS) and the Center for Medicare and Medicaid Innovation (CMMI) in this next phase of value-based health care delivery and payment reform in Vermont.

Our mission is to improve the health of the people in the communities we serve by integrating patient care, education and research in a caring environment. Over the last several years, we have witnessed firsthand the shortcomings of the current largely fee-for-service model, as it creates obstacles to the care our patients need, is ineffective in managing costs for both patients and hospitals and does not support our population health goals. We believe the best way to improve the health of our patients and communities, while controlling the growth of health care costs, is to shift away from fee-for-service to a value-based health care payment and delivery system.

We appreciate and are encouraged that the State of Vermont and CMMI are assessing an innovative Medicare collaboration to improve population health and advance equity by reducing disparities in health outcomes and to curb health care cost growth. The priorities of the AHEAD model aim to achieve this goal by increasing investment in primary care, providing financial stability for hospitals and supporting beneficiary connection to community resources.

As AHS works with the CMMI to formulate a potential Vermont AHEAD model, we want to work with you to ensure it is designed to best serve Vermont's patients, communities and system of safety-net providers.

To be successful, the model must have a number of administrative, financial and data-sharing attributes, which we highlight here and look forward to continuing to discuss through an ongoing collaborative process with AHS as the model takes shape. If the AHEAD model is designed to include these attributes, we look forward to voluntarily opting-in to the program when it begins in 2026. If it does not, the model will not best serve our patients, our providers and our communities, and we will be unable to participate.

Administration

Vermont's current regulation and payment system is disjointed and often a barrier to innovation. We support and believe in fair and consistent hospital regulation as a way to ensure safety and manage costs. If the AHEAD model is to succeed, the attendant layers of oversight through CMMI and AHS should be grounded in transparency and actuarially certified, and advised by a representative body of clinical and financial experts.

To the extent any portions of the budgets for participating hospitals are not set by the AHEAD model, and instead remain within the state's existing budget setting authority, those portions should be set using the same data, the same actuarial analysis, and within the global budget parameters set by the AHEAD model administration for consistency and reliable planning and forecasting.

Financial Stability

As CMMI has outlined in its AHEAD model documents, one of the main goals of the model is to "provide financial stability for hospitals" by supporting a sustainable health care delivery system that allows us to reinvest in the services patients need across our rural state. Vermont has long been one of the lowest cost Medicare states in the country. As a result, and as AHS has recently stated, the model's "baseline financial calculations should recognize Vermont's past reforms that have saved money for Medicare." The same must be true for the methodology used to set the trend from that baseline: it should reward, not penalize, our history of delivering low-cost, high-quality care. Finally, the AHEAD model is explicitly an "all-payer" total cost of care model, and as a result, should mandate a minimum level of commercial insurer participation, including a requirement that all major insurance carriers operating in Vermont participate.

In addition to the elements above, we believe it is critically important to call-out the necessary support – and investments – needed for Vermont's mental health (adult and pediatric, both inpatient and outpatient), substance use disorder and post-acute systems of care. The currently insufficient capacity throughout the region for these vital services our patients deserve and need makes it difficult to imagine we can be successful under the AHEAD model without these systems being resourced appropriately to provide high-quality care to all who need it.

Data and Reporting

A high level of care coordination is necessary for success in value-based care delivery. But that coordination is often hampered by barriers to sharing timely clinical and claims data across the care continuum. The AHEAD model must provide regular, all-payer claims feeds directly to participating providers, along with the regulatory waivers necessary to put that data to use to improve the health of our patients.

We are excited at the promise of the AHEAD model and hospital global budgets, and we are committed to doing our part to achieve the goals of the model. We believe this model, with the inclusion of the items noted in this communication, will mean greater access to care for our patients and help make our communities healthier. As a result, we are pleased to provide this non-binding letter of intent for our three University of Vermont Health Network hospitals in Vermont – University of Vermont Medical Center, Central Vermont Medical Center and Porter Medical Center – to participate in the AHEAD

model, and we also commit to working with AHS to build a model designed with the attributes needed to achieve the goals we share for our patients, our communities and our providers.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Sunny Eappen', with a stylized flourish at the end.

Sunny Eappen, MD, MBA
President and Chief Executive Officer