State of Vermont
Agency of Human Services
280 State Drive, Center Building
Waterbury, VT 05671-1000

Global Commitment Register

March 20, 2024

GCR 24-028
PROPOSED

Global Commitment to Health Demonstration Amendment: Public Notice

Policy Summary:
Vermont's Agency of Human Services (AHS) is providing public notice of its intent to amend its Medicaid Section 1115 Demonstration, Vermont Global Commitment to Health (Global Commitment) to address the mental health, substance use, and housing crises in the State, in addition to enabling an innovative new payment methodology. The State is soliciting public comment on these requests before submitting its amendment application to the federal Centers for Medicare & Medicaid Services (CMS).

Program Description and Demonstration Amendment Goals and Objectives
The Global Commitment demonstration has served as the cornerstone of Vermont's Medicaid transformation efforts for almost 20 years. With nearly the entirety of Vermont's Medicaid program falling under the purview of the demonstration, it has played a pivotal role in broadening access to health care coverage, strengthening the State's public health and health-related services infrastructure, and driving reforms in health care payment and delivery. Vermont's vision for the amendment is to continue to promote the current goals and objectives of the Global Commitment demonstration:

1. Advance the State toward population-wide comprehensive coverage;
2. Implement innovative care models across the continuum that produce value;
3. Engage Vermonters in transforming their health;
4. Strengthen care coordination and population health management capabilities to encompass the full spectrum of health-related services and supports; and
5. Accelerate payment reform.

The amendment aims to advance the State's efforts to achieve these goals and objectives, with a specific focus on Goals/Objectives 2, 4, and 5. Additionally, Vermont seeks to achieve one additional goal/objective: addressing Vermonters' health-related social needs (HRSN) to improve health outcomes and promote whole-person health.

Proposed Demonstration Requests

1. **Expand Access to Care for Vermonters with Mental Health Conditions and Substance Use Disorder**
    a. **Transition CRT and Mental Health Under 22 Benefits to the Medicaid State Plan.** The Global Commitment demonstration authorizes the Community Rehabilitation and Treatment (CRT) and Mental Health Under 22 programs, which offer rehabilitative mental health benefits to individuals with serious mental illness (SMI) and serious emotional disturbance (SED). Given their importance to Vermonters with SMI and SED,

Vermont intends to establish CRT and Mental Health Under 22 program benefits as entitlements under the State Plan for individuals enrolled in Medicaid. Vermont requests to phase out authority for CRT and Mental Health Under 22 benefits authorized under the 1115 demonstration as of December 31, 2024; the corresponding State Plan benefits will be effective on January 1, 2025. The CRT and Mental Health Under 22 programs will no longer be "special programs" under the 1115 demonstration with one exception: Vermont will continue to use the 1115 demonstration to authorize the provision of CRT benefits to adults with SMI who have incomes above Medicaid limits (i.e., the CRT expansion group). With this transition, Vermont will cover the vast majority of CRT and Mental Health Under 22 benefits under Section 1905(a) authority, primarily under the rehabilitative services option or targeted case management. Vermont will use state funds to cover certain home and community-based services that are not coverable under Section 1905(a) of the Social Security Act and will no longer offer services that have not been utilized in recent years (i.e., respite for the CRT population and environmental safety devices for both populations). Vermont intends to continue to cover the CRT enhanced dental benefit under the Global Commitment demonstration.

b. **Cover the Totality of Costs for Residential Treatment.** Current federal rules prohibit Medicaid from covering room and board for stays at residential facilities, except for stays at institutions for mental diseases (IMDs) for individuals ages 65 and over and stays at psychiatric residential treatment facilities and inpatient settings for youth under age 21. Vermont requests for Medicaid to cover room and board for the duration of medically necessary treatment at residential mental health and SUD facilities, excluding IMDs.

c. **Closing the Coverage Gap for Substance Use Disorder Community Intervention and Treatment (SUD CIT) Expansion Group.** Vermont intends to launch the SUD CIT expansion group in July 2025. The SUD CIT program will allow individuals with incomes above Medicaid limits diagnosed with SUD to access an array of SUD benefits. Today, the Global Commitment demonstration authorizes eligibility for the SUD CIT expansion group for individuals with a SUD whose income is above 133% of the federal poverty level (FPL) up to and including 225% FPL. In creating the SUD CIT expansion group, the State intended for all Vermonters with incomes above Medicaid limits up to and including 225% FPL to have access to this important program. Vermont's income limit for Medicaid for its aged, blind, and disabled (MABD) population is capped at the medically needy income level (MNIL), meaning that there is an eligibility gap for some individuals with incomes from roughly 100% to 133% FPL (i.e., individuals who fall into the medically needy eligibility group). Vermont is seeking to implement a technical correction to modify eligibility for the SUD CIT expansion group so that an individual is eligible when their income is above the applicable Medicaid limit (MNIL for MABD, 133% FPL for other eligibility groups) up to and including 225% FPL.

2. **<u>Providing Housing and Other Supports to Promote Whole-Person Health</u>**

a. **Coverage of Medical Respite and Rent/Temporary Housing Under the Supportive Housing Assistance Pilot.** Vermont seeks to create a new benefit tier under the Supportive Housing Assistance Pilot to offer up to six months of medical respite and rent/temporary housing, as clinically indicated. To be eligible for this tier, an individual must be a Medicaid enrollee aged 18 and over receiving full State Plan benefits who has a history of homelessness (including if they are currently or formerly homeless) or is at-risk of homelessness **and** meets other needs-based criteria. Vermont already has the ability to institute an enrollment cap and waitlist for the Supportive Housing Assistance

Pilot and requests to extend this flexibility, including the ability to prioritize individuals seeking these benefits, to this new Pilot tier.

b. **HRSN Infrastructure.** Vermont requests $10.4 million in federal Medicaid matching funds for investments in HRSN infrastructure to support capacity building among community-based organizations, social services providers, and other community partners that will enhance their ability to successfully deliver medical respite, rent/temporary housing, and community transition services to eligible Medicaid enrollees. Funding will also be used to support statewide infrastructure capacity to enable delivery of housing services under Medicaid.

c. **Adding a New Benefit to the Developmental Disabilities Services Program.** Vermont is seeking to expand the benefit package for the Developmental Disabilities Services program to include an environmental and assistive adaptation service, defined as physical adaptations, services, or technology necessary to ensure health and safety of the individual or to enable greater independence.

3. **Advancing Payment and Delivery Reforms**

a. **Ability to Implement Hospital Global Payments.** Vermont is pursuing participation in CMS's States Advancing All-Payer Health Equity Approaches and Development (AHEAD) Model. Hospitals participating in the AHEAD Model will be reimbursed for services rendered to Medicare fee-for-service enrollees through fixed prospective global budgets. The AHEAD Model will also require that Vermont develop a parallel global budget methodology for Medicaid payments to participating hospitals. To do so, Vermont requests the ability to institute Medicaid hospital global payments without being required to reconcile the payments against actual utilization. Under the VTAPM, Vermont has been able to approximate unreconciled global payments for Medicaid services for hospitals via the State's accountable care organization (ACO) for ACO-attributed Medicaid members. Under AHEAD, Vermont would like to make similar fixed global budget payments directly to hospitals, or through a third-party administrative services organization procured by the State, and needs expenditure authority to do so.

Eligibility, Benefits, Delivery System, and Cost-Sharing

Eligibility and Benefits

Under the demonstration amendment, Vermont is proposing clarifications and updates to Medicaid eligibility and benefits. The State is not proposing any changes to Vermont Medicaid eligibility requirements for State Plan populations but is requesting the following clarifications to eligibility for expansion groups under the demonstration:

- **CRT expansion group eligibility criteria:** Individuals not eligible for Medicaid with severe and persistent mental illness who have incomes above Medicaid limits.
- **SUD CIT expansion group eligibility criteria:** Individuals with a diagnosis of a SUD with incomes above Medicaid limits up to and including 225% FPL.

Delivery System

The State is not requesting any changes to the Vermont Medicaid delivery system.

Cost-Sharing

The State is not proposing any changes to cost sharing under the Vermont Medicaid program.

Demonstration Projected Enrollment and Expenditures

Expected Enrollment

Table 1 provides historical data on Member Months and estimated Person Counts for Global Commitment demonstration populations from DY15 to DY20. The "Other Population" for DY15-DY17 includes the VPharm and Moderate Needs groups that are now considered a hypothetical population in DY18 – DY23.

Table 1. Historical Member Months and Person Counts

		Historical Member Months and Person Counts					
		DY15 Jan - Dec 2020	**DY16 Jan - Dec 2021**	**DY17 Jan – Jun 2022**	**DY18 Jul – Dec 2022**	**DY19 Jan – Dec 2023**	**DY20 Jan – Dec 2024**
Total Medicaid Population	Member months	1,185,813	1,262,650	658,455	674,123	1,322,811	1,165,741
	Person count	118,581	126,265	65,846	67,412	132,281	116,574
Total Hypothetical Population	Member months	723,063	858,456	444,665	512,862	989,173	746,919
	Person count	72,306	85,846	44,467	51,286	98,917	74,692
Total Other Population	Member months	121,698	119,380	58,029	0	0	0
	Person count	12,170	11,938	5,803	0	0	0

Table 2 provides estimated enrollment for the remaining years of the demonstration period (January 1, 2025, to December 31, 2027).

Table 2. Projected Member Months and Person Counts

		Projected Member Months and Person Counts		
		DY21 Jan – Dec 2025	**DY22 Jan – Dec 2026**	**DY23 Jan – Dec 2027**
Total Medicaid Population	Member months	1,164,745	1,163,776	1,162,835
	Person count	116,475	116,378	116,283
Total Hypothetical Population	Member months	751,430	744,788	738,215
	Person count	75,143	74,479	73,821
Total Other Population	Member months	0	0	0
	Person count	0	0	0

Projected Expenditures

Table 3 provides historical data on the total expenditures for the Global Commitment 1115 demonstration services and populations from DY15 to DY20.

Table 3. Historical Expenditures

Historical Expenditures	Historical Expenditures (millions)					
	DY15 Jan - Dec 2020	**DY16 Jan - Dec 2021**	**DY17 Jan – Jun 2022**	**DY18 Jul – Dec 2022**	**DY19 Jan – Dec 2023**	**DY20 Jan – Dec 2024**
Total Expenditures	$1,620.3	$1,647.0	$938.4	$951.1	$1,998.9	$2,065.2

Table 4 provides the projected expenditures for 1115 demonstration expenditures from DY21 to DY 23.

Table 4. Projected Expenditures

With Waiver Expenditures	Projected Expenditures (millions)		
	DY21 Jan – Dec 2025	**DY22 Jan – Dec 2026**	**DY23 Jan – Dec 2027**
Total Expenditures	$2,189.7	$2,311.3	$2,406.3

Demonstration Waiver and Expenditure Authorities
In addition to the approved demonstration authorities, Vermont is requesting the new and amended expenditure authorities outlined in Table 5 below. To the extent that CMS advises the State that additional authorities are necessary to implement the programmatic vision and operational details described in this amendment, the State is requesting such waiver or expenditure authority.

Table 5. Expenditure Authority Requests

Expenditure Authority	Use for Authority
New Requests	
1. Room and board in residential settings	Expenditures to cover room and board for medically necessary treatment for Medicaid enrollees receiving treatment at residential mental health and SUD facilities, excluding IMDs.
2. HRSN services offered under Supportive Housing Assistance Pilot	Expenditures for HRSN services offered under the Supportive Housing Assistance Pilot that are not otherwise covered—specifically, medical respite, rent/temporary housing, and community transition services—to qualifying individuals. The State will institute annual enrollment limits for this pilot program and may maintain a waiting list.
3. HRSN infrastructure funding	Expenditures to permit the State to receive Medicaid matching funds for allowable infrastructure expenditures related to HRSN services.
4. Enhanced dental benefits	Expenditures to cover enhanced dental benefits for Medicaid enrolled individuals with severe and persistent mental illness as defined by Vermont rule and policy.
5. Medicaid global payments	Expenditures to enable the State to make unreconciled Medicaid global payments to hospitals and other participating providers.
Amended Requests (amended text is underlined)	
6. Mental Health CRT Services	Expenditures for mental health CRT services, as defined by Vermont rule and policy, provided through a program to individuals not eligible for Medicaid with severe and persistent mental illness who have incomes above Medicaid limits.

Expenditure Authority	Use for Authority
New Requests	
7. SUD CIT Group	Individuals with a diagnosis of a SUD with incomes above Medicaid limits up to and including 225% FPL. Individuals in this population are not eligible for full State Plan benefits.

Evaluation Design

Table 6 below provides a preliminary plan to evaluate the demonstration and its achievement of the demonstration's proposed goals and objectives. These hypotheses and plan are subject to change and will be further defined as Vermont works with CMS to develop an evaluation design consistent with the STCs and CMS policy. Evaluation of these initiatives will be added to Global Commitment evaluation design and incorporated into the full evaluation.

Table 6. Proposed New Evaluation Hypotheses

Goal/Objective	Hypotheses	Variables
Implement innovative care models across the continuum that produce value	The amendment will result in improved access to comprehensive care for individuals who have co-occurring mental health and SUDs.	Analyze the number or percentage of Medicaid enrollees receiving treatment in residential mental health and SUD treatment facilities before and after the demonstration amendment.
Strengthen care coordination and population health management capabilities to encompass the full spectrum of health-related services and supports	The amendment will result in more integrated care coordination. The amendment will increase Medicaid providers' ability to participate in the Vermont Health Information Exchange (VHIE).	Analyze the percentage of patients with unplanned readmissions or admissions for preventable conditions. Analyze the number of Medicaid providers connected to the VHIE before and after the demonstration amendment.
Accelerate payment reform	The amendment will result in new value-based payments for hospitals.	Analyze the percentage of hospitals that are subject to Medicaid hospital global payments. Analyze the percentage of hospital payments that are Medicaid hospital global payments.
Address Vermonters' HRSN to improve health outcomes and promote whole person care	The amendment will result in improved health outcomes for individuals who have a history of homelessness (including people who are currently or formerly homeless) or are at-risk of homelessness.	Analyze HEDIS rates (health and well-being) for individuals receiving medical respite OR rent/temporary housing.

Effective Date:
January 1, 2025

Authority/Legal Basis:
Global Commitment to Health Waiver

Population Affected:
Vermont's entire Medicaid population – including both State Plan and expansion groups – falls under the purview of the Global Commitment demonstration.

Fiscal Impact:
No impact. The Global Commitment demonstration must be budget neutral.

Public Comment Period:
The 30-day public comment period for the Global Commitment demonstration amendment is from Wednesday, March 20, 2024, to Friday, April 19, 2024. All comments must be received no later than 11:59 PM (Eastern Time) on Friday, April 19, 2024.

The full draft of the Global Commitment demonstration amendment application can be found at: https://humanservices.vermont.gov/about-us/medicaid-administration/global-commitment-health-1115-waiver/1115-waiver-documents. A hard copy of the Global Commitment demonstration amendment application can be obtained by sending a written request to the postal or email address listed below. All information regarding the Global Commitment demonstration amendment application can be found on the AHS website. AHS will update this website through the public comment and application process. To be added to the Global Commitment Register email list, send an email to AHS.MedicaidPolicy@vermont.gov.

Written comments may be sent to the following address; please indicate "1115 Amendment Public Comment" in the written message:

> Medicaid Policy Unit
> 280 State Drive, NOB 1 South
> Waterbury, VT 05671-1010

Comments may also be emailed to AHS.MedicaidPolicy@vermont.gov. Please indicate "1115 Amendment Public Comment" in the subject line of the email message.

AHS will host two public hearings to solicit stakeholder comments.

First Public Hearing (In-Person Only)
Friday, April 5 from 9:00 – 9:30 AM ET
Charlotte Library
115 Ferry Rd
Charlotte, VT 05445

Second Public Hearing (Virtual and In-Person)
Wednesday, April 10 from 9:30 – 10:00 AM ET

Virtual Meeting Details
Call in: +1 802-552-8456,,53132956#
Phone Conference ID: 531 329 56#

Video Conference: https://bit.ly/48FwCFL
Meeting ID: 298 196 082 421
Passcode: kYR68M

In-Person Meeting Details
Please note that a form of identification is required to enter the building. For individuals requiring accommodations, please send requests to AHS.MedicaidPolicy@vermont.gov no later than one week in advance of the hearing and AHS will work to meet these needs.

Waterbury State Office Complex
Room: Oak
280 State Drive
Waterbury, VT 05676

Upon submission to CMS, a copy of the Global Commitment demonstration amendment, including a summary of comments received during this State public comment period, will be published at the following internet address:
https://humanservices.vermont.gov/sites/ahsnew/files/documents/VT%20Waiver%20Amendment_3.20_FINAL.pdf

Interested parties will also have the opportunity to officially comment on the Global Commitment demonstration amendment application during the federal public comment period; the submitted application will be available for comment on the CMS website at:
https://www.medicaid.gov/medicaid/section-1115-demo/demonstration-and-waiver-list/83391