

BRIEF SUMMARY OF STATE INNOVATION MODEL GRANT BUDGET

On February 21, Vermont was notified of award of a \$45 million State Innovations Models (SIM) grant from the federal government. This grant will¹ fund activities inside and outside of state government over the next four years aimed at supporting implementation of three innovative provider payment models:

- Shared savings accountable care payments, under which a single network of providers takes responsibility for managing the costs and quality of care/services for a group of Vermonters;
- Bundled payments, which provide a single payment to a group of providers for an acute or chronic care episode; and
- Pay-for-performance models, which incorporate the total costs and quality of care/services in provider compensation.

All three models have the potential to encourage better coordination of care/services across providers, improved quality and better cost-management. In addition to support for implementation of the payment models, the grant will support key investments in “system infrastructure” within Vermont, including:

- Improved data transmission and integration across providers;
- Expanded measurement of consumer experience;
- Improved capacity to measure and address provider workforce needs;
- Improved data analytics and predictive modeling to support monitoring system costs and quality; and
- Enhanced telemedicine/health capabilities.

Table 1 provides a summary of the categories of expenditure approved in Vermont’s grant award over the four-year grant period.

Table 1: Model Testing Budget and Expenditure Plan 2012-2016

| ESTIMATED COST TO BUDGET | | | | | | |
|--------------------------|----------------|---------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | Implementation | Year 1 | Year 2 | Year 3 | Total | |
| Personnel | \$ | 801,511.43 | \$ 1,621,093.63 | \$ 1,703,161.50 | \$ 1,789,382.57 | \$ 5,915,149.14 |
| Fringe Benefits | \$ | 371,500.55 | \$ 751,376.90 | \$ 789,415.35 | \$ 829,378.82 | \$ 2,741,671.63 |
| Travel | \$ | 39,375.00 | \$ 78,750.00 | \$ 78,750.00 | \$ 78,750.00 | \$ 275,625.00 |
| Equipment | \$ | 67,882.00 | \$ 34,875.00 | \$ 34,875.00 | \$ 34,875.00 | \$ 172,912.50 |
| Supplies | \$ | 1,125.00 | \$ 2,250.00 | \$ 2,250.00 | \$ 2,250.00 | \$ 7,875.00 |
| Other | \$ | 79,312.50 | \$ 158,625.00 | \$ 158,625.00 | \$ 158,625.00 | \$ 555,187.50 |
| Overhead | \$ | 320,604.57 | \$ 648,437.45 | \$ 681,264.60 | \$ 715,753.03 | \$ 2,366,059.66 |
| Contractor | \$ | - | \$ 12,001,667.00 | \$ 11,063,330.00 | \$ 9,910,003.00 | \$ 32,975,000.00 |
| Total: | \$ | 1,681,310.55 | \$ 15,297,074.99 | \$ 14,511,671.45 | \$ 13,519,017.43 | \$ 45,009,074.92 |

¹ Use of these grant funds is subject to approval of the Joint Fiscal Committee, which has not yet been obtained.

The Chair of the Green Mountain Care Board (GMCB) and the Commissioner of the Department of Vermont Health Access (DVHA) are the official co-leads of the SIM project. Overall project direction will be provided by a SIM Core Team that includes the GMCB Chair, DVHA Commissioner, Secretary of Human Services, and Director of Health Care Reform. A Steering Committee that is broadly representative of external stakeholders and relevant agencies and departments of state government will advise the Core Team on all aspects of the project.

Grant-funded staff (3.25 FTE at the GMCB and 19.25 FTE at the Agency of Human Services) account for almost \$9 million of the budget. These positions are detailed in Table 2. The two Payment Reform Directors are current State of Vermont staff and the grant will support 25% of their time. GMCB staff will be focused on Medicare and commercial payer payment reforms, stakeholder coordination, and evaluation. AHS staff will support an array of payment reform and integration activities: 1) ensure consistency across multiple program areas, 2) develop fiscal analysis, data analysis, and reimbursement models, 3) engage providers in testing models, and 4) ensure the models encourage higher quality of care. Several staff will be responsible for SIM-specific activities such as stakeholder outreach and grant management, project management and evaluation.

Table 2: Staff Detail

| Location of Position (s) | Title and Name |
|--------------------------|---------------------------------------------------------------------|
| AHS/DVHA | Payment Reform and Reimbursement Director |
| GMCB | Payment Reform Director |
| AHS | Payment Initiative Director, Shared Savings |
| AHS | Payment Initiative Director, Payment Pilots and Pay-for-Performance |
| AHS | Fiscal Manager/Modeler |
| AHS | Fiscal Manager/Modeler |
| AHS | Four Payment Program Managers |
| AHS | Four Medicaid Data Analysts |
| AHS | Four Quality Monitoring and Evaluation Managers |
| AHS | Payment and Policy Specialist |
| AHS | Service Delivery Specialist |
| AHS | Service Delivery Specialist |
| GMCB | Grants Program Manager and Stakeholder Coordinator |
| GMCB | Project Manager for Evaluation |
| GMCB | Project Manager |

Anticipated contracts account for about \$33 million of the grant budget. Table 3 below is a summary of the contractual costs approved as part of the grant.

Table 3: Contract Summary

| Project | Total Grant Period |
|--------------------------------------------------------------------------------------------------------------------------|---------------------------|
| <i>Advanced Analytics</i> : Policy and data analysis to support system design and research for all payers | \$6,350,000 |
| <i>Advanced Analytics</i> : Financial and other modeling for all payers | \$600,000 |
| <i>Evaluation</i> : Independent Evaluation | \$1,500,000* |
| <i>Evaluation</i> : Internal Evaluation | \$1,515,000* |
| Interagency Coordination | \$330,000 |
| State Staff Training and Development | \$300,000 |
| <i>Workforce Assessment</i> : Survey Development | \$160,000 |
| Workforce Data Analysis | \$300,000 |
| <i>Workforce Assessment</i> : System-wide capacity | \$1,640,000 |
| <i>Model Testing</i> : Bundled payments and shared interest models | \$700,000 |
| <i>Model Testing</i> : Integration of mental health into patient centered medical home | \$150,000 |
| <i>Model Testing</i> : Blueprint practice facilitators | \$510,000 |
| <i>Model Testing</i> : Service Delivery to support enhancement and maintenance of best practice as payment models evolve | \$1,600,000 |
| <i>Technical Assistance</i> : Learning Collaboratives | \$1,300,000 |
| <i>Technical Assistance</i> : Practice Transformation & Data Quality Facilitation Teams | \$2,570,000 |
| <i>Technical Assistance</i> : Technical assistance to providers implementing payment reforms | \$2,800,000 |
| <i>Technology and Infrastructure</i> : Expanded connectivity of HIE infrastructure | \$2,500,000 |
| <i>Technology and Infrastructure</i> : Enhancements to centralized clinical registry & reporting systems | \$1,400,000 |
| <i>Technology and Infrastructure</i> : Integrated Platform & Reporting System | \$2,000,000 |
| <i>Technology and Infrastructure</i> : Telemedicine | \$1,250,000 |
| <i>Technology and Infrastructure</i> : Expanded connectivity between State of Vermont data sources and ACOs/providers | \$2,500,000 |

* these contracts were required as part of the grant