



State of Vermont  
OFFICE OF THE GOVERNOR

September 19, 2012

Michelle Feagins  
Grants Management Officer  
Office of Acquisition and Grants Management  
Centers for Medicare and Medicaid Services  
US Department of Health and Human Services  
Room 733H-02  
Washington, DC 20201

Dear Ms. Feagins:

I am writing to endorse the State of Vermont's Health Care Innovation Plan and the state's grant application to the Center for Medicare and Medicaid Innovation under the State Innovation Models (SIM) Initiative. The Plan and the grant application represent a giant leap forward in articulating Vermont's intentions for health system payment and delivery reform. We have a proud tradition of health reform in this state that involves public-private collaboration.

Vermont's State Innovation Plan includes a range of reforms that are diverse in both scope and breadth and are based on evidence-based approaches to achieving the three principle aims of the Affordable Care Act and Vermont's Act 48: better care for individuals, better health for populations and controlling growth in health spending. Our goal, as articulated in the State Health Care Innovation Plan, is to develop a high performing health system in Vermont that is governed by a coherent strategy and, from a person's perspective, achieves full coordination and integration of care throughout their lifespan.

I fully endorse pursuit of the testing models proposed in the grant application. They span a wide range of value-based approaches across payers and services and are designed to incent positive delivery system changes. The models fall into three broad categories: population-based models that involve integration of payment and services across an entire delivery system; collaborative models that involve integration of payment and services across multiple independent providers; and pay-for-performance models aimed at improving the quality performance and efficiency of individual providers.

In addition to support for implementation of the models described above, Vermont is seeking grant funding for key investments in “health system infrastructure” within the state that cuts across all the models. We propose six types of targeted improvements in Vermont’s health system infrastructure:

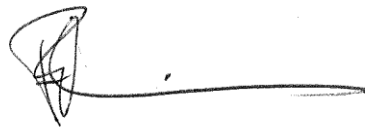
- Improved clinical and claims data transmission, integration, analytics and predictive modeling;
- Expanded measurement of consumer experience in the health system;
- Improved capacity to measure and address health care workforce needs;
- Targeted efforts to enhance Vermonters’ understanding and active management of their own health;
- Learning health system activities; and
- Provider training related to enhanced telemedicine capabilities.

Together, these initiatives could have a powerful impact on health care cost, quality, population health and quality of life in Vermont. I fully endorse these proposals.

The principle contacts for this grant are Mark Larson, Commissioner of the Department of Vermont Health Access (DVHA), and Anya Rader Wallack, Chair of the Green Mountain Care Board (GMCB). DVHA will be the grant recipient, if funds are awarded. I have instructed DVHA to share grant management and responsibility for the outcomes of grant-funded activities with the GMCB, Vermont’s independent health care regulatory board. DVHA and the GMCB will develop a memorandum of understanding to govern the division of responsibilities and assignment of accountabilities under the grant.

Thank you for consideration of our application. We, in Vermont, want to provide leadership to the country to develop a health system that is affordable and meets the needs of our citizens for high quality care. We look forward to a continued partnership with CMS and CMMI in pursuit of that mission.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter Shumlin", with a long horizontal line extending to the right.

Peter Shumlin  
Governor

