

DSR Investments Frequently Asked Questions
December 12, 2016

1. Can you confirm that this is **all** new money negotiated in the GC and/or APM agreements that CAN'T be used for traditional Medicaid purposes, and that none of it is existing Medicaid funding being repurposed?

Answer: We cannot confirm that at this time; we expect that some applications for DSR Investments may actually be eligible for funding through other vehicles such as allowable Medicaid program match or enhanced match for qualifying IT initiatives. The State will shift qualifying applications to other funding vehicles as appropriate.

2. How much money is allocated in each of the two agreements? And how does this relate to the SIM funding that is available for sustainability?

Answer:

- There is \$9.5m available for 2017 through the All-Payer Model Agreement. This funding is to support SASH and the Blueprint for Health as well as ACO Infrastructure. These are Medicare funds.
- Depending on State and Federal funds availability, there is up to \$209m over six years available through the Medicaid 1115 Waiver. In the Medicaid waiver this is capacity for funds, subject to availability of State match and federal approval.
- There is approximately \$1.2m in available SIM funds. The Core Team for SIM will determine how the remaining SIM funds will be expended.

3. And finally, how much state funding will be required to draw down the federal funds?

Answer: This depends on the type of initiative being proposed. The Agency of Human Services will review all applications and determine which federal funds are available to support those activities. We have different match rates depending on the type of service, program, or investment – ranging from 90/10 for some IT expenditures to our standard match rate of 54/46.

4. Will this process be tied to the SIM Sustainability Plan to guide investments?

Answer: The AHS Secretary might look to the Sustainability Plan as one way to build on and align with past efforts.

5. Can we confirm that this is meant to build capacity to support better parity within our current system?

Answer: Not necessarily. The application process is a way for the State to identify how providers view integration in a system where we're prioritizing provider-led reform and alignment. These investments cannot solve every problem within the current system. Alignment is a critical piece, and successful applications will highlight connections across the system. In addition, the application contains detail around demonstrating either one-time use or a sustainability path for activities (this is one-time funding capacity).

6. Will some applications be very short-term and others longer-term, with rolling application processes as ideas develop over time?

Answer: Yes, applications are meant to be short-term, developmental and start-up in nature. Investment applications may range in intended distribution timeframes from a one-time payment request up to a 5 year maximum term. Based on availability of funds, there will be continued opportunities to apply for new investments through calendar year 2020. There may be no new investment applications in calendar year 2021, however, existing investments may go through 2021.

7. All State dollars spent on investments are match dollars, and decrease the State's ability to fund provider rate increases. How will the selection process take this into account?

Answer: Investment funding is meant to be time-limited , however, state-proposed capacity for delivery system reform included consideration of potential need for base program funding, outside of the investment category. The new Administration will determine how to take this into account.

8. If applications are approved for 1-3 years, how will funds be appropriated?

Answer: In all contracts, funds are subject to appropriation and federal approval. Historically, funds have been identified to support agreements that last longer than one state fiscal year. This is subject the AHS Secretary's approval. We don't want to discourage long-term planning.

9. In the AHS review and deliberation and Secretary consideration, is there a formal process by which to assess proposals and unintended consequences throughout the system?

Answer: We hope to achieve this through the review by AHS leadership, which will inform the Secretary's decision-making. AHS leadership will consider not just what the investment hopes to achieve, but how it fits within the larger system. There is existing uncertainty about how investments and payment changes could impact providers across the care continuum, which is one reason services provided by many Medicaid community providers are excluded from the APM's financial caps.

10. Will there be a process by which advocates and providers can provide input into deliberations?

Answer: AHS seeks to be as transparent as possible regarding this process. We cannot commit to a specific process without consulting the new Administration.

11. We won't know about matching funds until the budget is approved in May, but is there a target amount we're hoping for? What are we requesting in the budget for match? What range of applications we are looking for?

Answer: The \$209 million is capacity for everything the State asked for in the APM and Global Commitment negotiation process over six years. The State is hoping to receive a mix of applications in terms of size, both big applications to fuel transformation and smaller investments. There is potential to work with applicants post-submission to adjust scope.

12. Are there ways to do this without spending any money at all? E.g., St. Johnsbury providers raised the possibility of getting a global budget for physical and mental health last year but were unsuccessful – is this an opportunity to open that door?

Answer: Proposals should provide solid justification, both for requested funds and conceptually. We wouldn't prohibit any application that's compelling, as long as it meets technical specifications outlined in the application.

13. Is there a possibility, to earmark funds for future years (as Transportation does)?

Answer: The new Administration and Secretary could treat these investments like a capital plan if they chose to, but this funding isn't dependent on a new State funding approach.

14. Where can applicants find information on the Substance Use Disorder Treatment waiver?

Answer: The SUD Treatment Waiver opportunity has information posted online at this link: <https://www.medicaid.gov/federal-policy-guidance/downloads/SMD15003.pdf>. The Global Commitment Waiver speaks to our intention to apply for authorities under that waiver.

15. Where can applicants find a list of Category 1 and 2?

Answer: Category 1 investments are only available for an ACO. Any non-ACO provider application falls automatically under category 2. Investments are intended to support readiness and implementation of ACO-based delivery reform. Providers that are currently affiliated with an ACO and applying for funding under Category 2 are recommended to explain clearly how the request is complementary to planned ACO reforms.

16. Where can applicants find examples of payment models that move away from fee-for-service that have involved school health services?

Answer: Investments for non-Medicaid school-based are an unallowable category according to federal terms – this is not unique to Vermont, and we'll have to be careful of this in our technical review. There are allowable Medicaid services in schools. California, New York, or Massachusetts may have activity in this area.