Vermont

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1. Managed Care Opportunity Assessment (Updated 10-24-23)

Although Vermont does not contract with any Medicaid managed care plans, the Department of Vermont Health Access (DVHA) acts as a state-run, Medicaid prepaid inpatient health plan housed in the Vermont Agency of Human Services (AHS). DVHA operates under an 1115 waiver dubbed the Global Commitment to Health, complies with federal managed care regulations as if it were a managed care plan, and contracts with providers to serve the state's Medicaid population. DVHA was paid a per member per month capitation rate by AHS until 2011, when it shifted to being paid at cost.

The state recently submitted a five-year waiver extension to CMS, which includes plans to transition DVHA to a new risk-bearing entity that would accept capitated risk for the state's Medicaid population. If approved, DVHA would cover physical and mental health, prescription drugs, substance use disorder and long-term services and supports beginning January 2022. As a risk-bearing entity, DVHA and its contracted providers would be able to align incentives through innovative value-based payment mechanisms.

In addition, DVHA operates a statewide primary care case management program. Providers receive fees for case management and fee-for-service payments for providing care to assigned members.

Vermont had 203,726 Medicaid and CHIP members as of June 2021. DVHA serves nearly all Medicaid members in the state. CHIP is administered by DVHA, but separately from the managed care structure. In January 2015, long-term care members were added to the DVHA waiver population.

Other Vermont programs that involve Medicaid include Blueprint for Health, which is a patient-centered medical home initiative emphasizing prevention, wellness and chronic care management; the Vermont Chronic Care Initiative, which is a state-run care management program for high-cost Medicaid enrollees supported by a nurse-line vendor and analytics contractor; Choices for Care, a long-term care program funded through an 1115 waiver. Both Blueprint for Health and ACOs are part of Vermont's broader healthcare reform efforts and extend beyond Medicaid into commercial and Medicare lines.

HMA Managed Medicaid Opportunity Assessment for Vermont	
Positive Metrics	**Strong Indicators**
• Medicaid and CHIP enrollment in Vermont has increased 14 percent since 2014.	• The Dept. of Vermont Health Access acts as a state-run managed care organization. Vermont intends to transition the DVHA into a risk-bearing entity beginning January 2022 if federal regulators approve its five-year waiver extension.
Negative Metrics	**Weak Indicators**
• Vermont is a relatively small state, with just 182,446 Medicaid and CHIP members as of July 2023.	• Vermont shows little interest in contracting with full-risk Medicaid managed care plans.
Source: HMA	

In 2017, Vermont launched a voluntary all-payer Accountable Care Organization (ACO) pilot with OneCare, a network of providers and hospitals, through an 1115 waiver. OneCare serves individuals enrolled in Medicaid, Medicare, and commercial insurance. Vermont approved a $1.33 billion 2022 budget for OneCare to enact the state's healthcare reform efforts with the goal of keeping the average increase in costs between 3.5 percent and

4.3 percent. The state's Green Mountain Care Board proposed a 1.5 percent punitive cut to the organization's budget in December 2022, citing a lack of health-related performance measures.

While OneCare is expected to fall short of its enrollment goals in 2022, federal regulators said it would not penalize the state. OneCare's goal is to reach 70 percent of its target enrollment by December 2022; currently, it's at 53 percent. CMS has stated that the all-payer model has demonstrated savings for the Medicare program.

Smaller versions of this plan have been in place since 2014. In January 2014, the state launched a three-year, Medicaid shared-savings Accountable Care Organization program with the help of a $45 million State Innovation Model grant. A year later, the program had about 50,000 enrollees, including children, adults and aged, blind and disabled. The program did not include dual eligibles or anyone with partial Medicaid benefits or third-party liability.

Vermont issued a request for information (RFI) in February 2021 soliciting feedback from vendors on the redesign of the state's coordination of delivery of treatment and recovery services for individuals with substance use disorder. The state was expected to release a request for proposals (RFP) in 2021.

2. MEDICAID EXPENDITURES

The Vermont Agency of Human Services had total Medicaid medical expenditures of $1.63 billion in fiscal 2022, ended June 30, the latest full-year data available. The portion attributable to the Dept. of Vermont Health Access was $834 million in fiscal 2022.

The enrollment data reflected below does not address enrollment in Vermont Health Connect, the state-run marketplace. Certain individuals reflected here, in particular Catamount Health enrollees, should have moved into coverage through Vermont Health Connect subsidized through federal tax credits.

Vermont Agency of Human Services Medicaid Caseload and Expenditures(1), Fiscal 2022, Ended June 30			
Eligibility Group	Caseload	Costs (000)	PMPM
General Child	61,833	$361,326	$486.97
New Adult Childless(2)	47,805	$290,569	$506.52
New Adult w/Child(3)	25,109	$147,482	$489.48
Dual Eligible	18,307	$241,468	$1,099.19
Vermont Premium Assistance(4)	12,471	$4,525	$30.23
Pharmacy Only	9,616	$6,393	$55.40
General Adult	16,159	$87,829	$452.94
ABD Adult	6,117	$154,699	$2,107.65
SCHIP	4,707	$14,596	$258.41
Choices for Care - Traditional(5)	4,589	$229,353	$4,164.52
Choices for Care - Acute(6)	4,448	$42,567	$797.42
Vermont Cost Sharing(7)	3,041	$985	$26.99
BD Child	1,535	$48,121	$2,612.83
Underinsured Child(8)	616	$1,219	$164.89
Sunsetted Programs(9)	0	NA	NA
Total(10)	**208,862**	**$1,631,132**	**$650.80**

(1) Includes Medicaid spend for the Dept. of Health Access.
(2) Beneficiaries age 19 or older and under 65; who are at or below 133% of the FPL who do not have dependent children.
(3) Beneficiaries age 19 or older and under 65; who are at or below 133% of the FPL who have dependent children.
(4) Individuals enrolled in qualified health plans (QHP) with incomes at or below 300% FPL.
(5) Vermont's Long-Term Care Medicaid Program for Vermonters in nursing homes, home-based settings, and/or enhanced residential care (ERC).
(6) Long-Term Care Medicaid for Vermonters who would otherwise qualify for Choices for Care (Traditional), but who are currently receiving a lower level of care.
(7) Individuals enrolled in qualified health plans (QHP) with incomes at or below 300% FPL.
(8) Beneficiaries under age 19 with household income 237-312% FPL with other (primary) insurance.
(9) Expenditures still being incurred for programs no longer active such as VHAP, VHAP ESI, and Catamount.
(10) Caseload total as reported by DVHA.
Source: Vermont Agency of Human Services, HMA

3. Medicaid Fee for Service vs. Managed Care Penetration

Total Medicaid enrollment in Vermont was 184,874 in 2021. Total Medicaid expenditures were $1.5 billion in 2021. Vermont is a fee-for-service state and does not have any managed care lives.

Vermont Expenditures and Enrollment for Total Medicaid vs. Medicaid Managed Care, 2014-21

Year	Total Medicaid Expenditures	Medicaid Managed Care Expenditures[1]	Medicaid Managed Care Expenditures as % of Total	Total Medicaid/CHIP Enrollment	Medicaid MCO Enrollment	Medicaid MCO Enrollment as % of Total
2021	$1,502,969,388	$0	NA	184,874	NA	NA
2020	$1,616,960,203	$0	NA	172,171	NA	NA
2019	$1,637,796,926	$0	NA	150,160	NA	NA
2018	$1,595,969,592	$0	NA	160,114	NA	NA
2017	$1,600,236,799	$0	NA	162,593	NA	NA
2016	$1,679,425,056	$0	NA	169,039	NA	NA
2015	$1,632,611,663	$0	NA	188,602	NA	NA
2014	$1,526,126,311	$0	NA	179,514	NA	NA

(1) Includes evaluation and management, vaccine codes, Community First Choice, and preventive services Grade A or B, ACIP vaccines and their administration, Prepaid Ambulatory Health Plans, and Prepaid Inpatient Health Plans.

Sources: CMS64 for expenditures. CMS for total Medicaid/CHIP enrollment. States, NAIC for Medicaid managed care enrollment.

4. RFP Calendar

Vermont issued an RFI seeking input from vendors on the redesign of the state's coordination of delivery of treatment and recovery services for individuals with substance use disorder. Responses were due April 29, 2021. The state is expected to release an RFP later this year.

Vermont released a request for proposal (RFP) to contract with one or more Accountable Care Organizations (ACOs) to provide certain state Medicaid services. In February 2017, OneCare was awarded the contract for the pilot year. Under the model, ACOs would take risk-based capitation payments and assume responsibility for paying their contracted network providers for Medicaid services. As of January 2020, OneCare remains the sole ACO operating under the model.

Vermont Medicaid RFP Calendar

Contract	Key Deadlines	# of Beneficiaries
Medicaid ACO	RFP Released: April 7, 2016 Proposals Due: June 8, 2016 Awards: February 2017	30,000 (Year 0)

Source: HMA

5. Special Needs Plans

There were no Special Needs Plans operating in Vermont as of March 2023.