

Budget Adjustment:
DVHA Budget - Delivery System Reform Investments Proposal
 JFO DRAFT 1/14/20

Delivery System Reform investment funding in 2020 BAA:

- Last year, DVHA proposed removing \$1.875M (gross) in DSR investment funding from “the base budget and addressing them, if at all, on an ad hoc basis at the conclusion of the annual contracting process and if needed, in a future budget adjustment.”¹ This proposal is the Administration follow through on this.
- These are one-time funding investments (although an activity can be funded more than once).
- DSR Investments end after FY 2021
 - The current Global Commitment agreement is for 1/1/17 to 12/31/2021
- OneCare VT’s 2020 budget includes approximately \$43M towards population health management (including the \$3.9M request from the state for plan year 2020).
- OneCare’s initial 2020 budget proposal asked for \$7.8M. The administration is proposing half (\$3.9M).
- It is anticipated that future DSR investments funding requests will be in Budget Adjustment (rather than the budget), largely due to timing.

| | <u>Gross</u> | <u>State \$'s</u> |
|--|------------------------------|--------------------|
| Remainder of Plan Year 2019 | \$1,805,019 | \$832,655 |
| Population Health Management & Care Coordination | \$973,769 | \$449,200 |
| Advanced Community Care Coordination | \$281,250 | \$129,740 |
| RISE VT | \$550,000 | \$253,715 |
| Proposed Amount for Plan Year 2020 | \$3,900,000 | \$1,799,070 |
| Activities to be funded fall into one of three categories: | | |
| 1) Care Coordination | <i>Programs and specific</i> | |
| 2) Mental Health | <i>funding amounts</i> | |
| 3) RISE VT | <i>to be determined</i> | |
| TOTAL DSR INVESTMENT BAA REQUEST | \$5,705,019 | \$2,631,725 |

More detail is provided on the next page

¹ Quoted directly from last year’s DVHA budget document. See page 120.
<https://dvha.vermont.gov/budget-legislative/2dvha-annual-report-and-sfy-2020-budget-recommendation.pdf>

Delivery System Reform Payments

("Strategic Budgeting")

| Initiative | Brief Description | Gross | State Funds | Note: |
|--|---|--------------------|--------------------|---|
| Enhanced tools for population health management and care coordination | Analytic tool to help providers see costs, utilization, and quality performance of panel | \$973,769 | \$449,200 | Remainder of contracted amount is for Plan Year 2019 |
| Advanced Community Care Coordination | "Community Capacity Payments" by OneCare to community / health services area organizations for care coordination project management | \$281,250 | \$129,740 | |
| RISE VT | Implementing RISEVT in 5 new health services areas (in 2019 performance year). Working with other stakeholders to develop and monitor local initiatives. Support statewide marketing campaign to increase physical activity, improve diet and reduce screen time. | \$550,000 | \$253,715 | |
| TOTAL DSR INVESTMENTS FOR PLAN YEAR (CY) 2019 CONTRACTS | | \$1,805,019 | \$832,655 | |
| <u>Continuation</u> of existing DSR activities and <u>new</u> DSR activities to be supported with DSR investment funding | <p>Activities to be funded will fall into one of three categories:</p> <ol style="list-style-type: none"> 1) Care Coordination 2) Mental health 3) RISE VT <p>Examples of activities that <u>may</u> be supported in CY 2020:</p> <ul style="list-style-type: none"> - Mental health navigators - SASH mental health program - Home health pilot to reduce ED admissions/readmissions - Embedding clinical pharmacists in primary care settings - Expanding RISEVT to new counties. | \$3,900,000 | \$1,799,070 | <p>Proposed amount for Plan Year 2020.</p> <p><i>Scope of activities and deliverables will be developed before funds distributed</i></p> |
| PROPOSED DSR INVESTMENTS FOR PLAN YEAR 2020. | | \$3,900,000 | \$1,799,070 | |
| TOTAL BAA DSR INVESTMENTS | | \$5,705,019 | \$2,631,725 | |

10. Delivery System Reform (DSR) Investment Reduction to Base Budget

(\$1,875,000) gross (\$937,500) state

Vermont's ACO program runs on a calendar year to align with federal ACO programs. Each year, DVHA negotiates a set price for the care of members attributed to the ACO. The contract makes some of this price dependent on quality benchmarks and places the ACO at financial risk if overspending occurs. Also, each year thus far, DVHA has funded a limited number of DSR investments within the ACO contract, which are designed to accelerate the progress of reform as permitted by Vermont's Global Commitment to Health 1115 Medicaid Waiver. Thus far, investments included in the budget have focused on technology tools. Given the temporary nature of these investments, DVHA proposes removing the investment funding from its base budget and addressing them, if at all, on an ad hoc basis at the conclusion of the annual contracting process and, if needed, in a future Budget Adjustment Act.