

State of Vermont: Agency of Human Services  
Global Commitment to Health 11-W-00194/1: Section 1115(a) Demonstration Waiver  
Extension Request (1/1/2014 – 12/31/2018)  
Posted for Comment: February 14- March 22, 2013  
Full Proposal: <http://dvha.vermont.gov/administration/2013-global-commitment>  
**Executive Summary**

Since 1995, Vermont and the Centers for Medicare and Medicaid Services (CMS) have partnered to reform health care delivery and financing in order to make coverage affordable and accessible for low and middle-income Vermonters. The Global Commitment (GC) to Health Section 1115 Demonstration, initiated in 2005, serves as the foundation for Vermont's health reform model, providing the State with the flexibility to improve access to health coverage and care based on an individual's and family's needs. The GC Demonstration enables Vermont to operate as a public managed care model for achieving the following objectives:

- Promoting universal access to affordable health coverage,
- Developing public health approaches for meeting the needs of individuals and families,
- Developing innovative, outcome- and quality-focused payment approaches,
- Enhancing coordination of care across providers and service delivery systems, and
- Controlling program cost growth.

Also in 2005, Vermont collaborated with CMS in development of the Section 1115 long-term care Choices for Care waiver. One of the primary goals of Choices for Care is to provide individuals with equal access to long-term care options in community and institutional settings, while preventing unnecessary use of nursing homes care by elders and adults with disabilities who have functional impairments. In partnership with CMS, Vermont has been a leader in promoting early intervention and prevention, equal access to institutional and community-based services, and person-centered services for individuals in need of long-term care.

As state and federal health reforms progress, Vermont is committed to building on the strengths of the current system, ensuring that the transition is seamless and transparent to the maximum extent possible, and does not result in any interruption in coverage.

#### **Extension and Consolidation of Section 1115 Demonstration Authority**

Vermont is requesting federal authority to extend the Global Commitment Demonstration beyond the December 31, 2013 expiration date, and further requests that it consolidates all existing programs and authorities, including Vermont's two Section 1115 Demonstrations (Global Commitment to Health and Choices for Care), Vermont's Children's Health Insurance Program (CHIP) and anticipated Dual-eligible project.

The Global Commitment Demonstration has proven to be a successful and integral component of the State's reform efforts. Under the Demonstration, the Department of Vermont Health Access (DVHA) operates as a managed care model and adheres to all applicable federal Medicaid managed care rules as defined in 42 CFR 438. The Agency of Human Services (AHS) and DVHA have collaborated to transform the Vermont Medicaid program to a public managed care model. Using that model, AHS and DVHA have responsibility for assuring that Vermont's comprehensive health reform initiatives are coordinated across state government and with other public and private partners, and for fostering a collaborative, inclusive approach to the implementation of health reform to ensure its consistency and effectiveness.

Like the Global Commitment to Health, the Choices for Care (CFC) Long Term Care 1115 Demonstration has been equally successful. The CFC Demonstration created fundamental changes to how long term services and supports are provided to low-income seniors and people with disabilities by providing an entitlement to both

home and community based services and nursing home care. Vermont was the first state to create such a program, and the first state to commit to a global cap (\$1.2 billion over five years) on federal financing for long term care services. The CFC Demonstration has led to a significant rebalancing of where individuals receive services and where the State spends its resources.

Additionally, all Vermonters who are dually eligible for Medicare and Medicaid are currently enrolled in either the Global Commitment or Choices for Care Demonstrations for accessing their Medicaid benefits. Currently Vermont is working with CMS to develop a system of care that integrates Medicare and Medicaid benefits for these individuals. Vermont seeks to include authorities for the integrated Medicare and Medicaid model as part of this single, consolidated Demonstration request.

Vermont’s position is that a single, consolidated Demonstration enables it to further the goals of:

- Building on the successes of both existing 1115 Demonstrations, using the current GC Demonstration model as the foundation.
- Advancing both federal and state health reform initiatives, including changes contemplated by the ACA and by Vermont Act 48 (2011).
- Ensuring a smooth transition for Vermonters whose health care coverage will change as a result of the ACA, and maintain affordability of the coverage options.
- Streamlining program administration, oversight and reporting.
- Managing, under one authority, all acute and long-term services and supports for people with developmental disabilities, traumatic brain injuries, physical disabilities and those who are aging.
- Continuing to expand the availability of flexible services and supports to assist beneficiaries with complex needs.
- Seamlessly integrating Medicare payments for dually eligible Vermonters into the existing managed care model and providing higher quality care for beneficiaries while achieving efficiencies through a single integrated administrative approach.

### Summary of Proposed Demonstration Changes

<b>Area</b>	<b>Proposed Change</b>	<b>Impact</b>
Eligibility Expansions	Eliminate VHAP, Catamount Health and ESI Expansion Populations and VScript, VScript expanded and VHAP pharmacy programs.	Persons under 133% will move to traditional Medicaid and receive a fuller benefit package; persons over 133% will move into commercial products through the Exchange.
ACA Transition	Adopting a “safe harbor” approach to transitioning current Medicaid beneficiaries: those who are due for eligibility recertification in the first three months of 2014 will be deferred for review and distributed throughout the remainder of the calendar year, and all beneficiaries due for review be held harmless until March 31, 2014 or their review date, whichever is later.	Current Medicaid beneficiaries would not be required to submit any new information until their anniversary date.
Modified Adjusted Gross Income	Use new MAGI rules for all eligibility determinations as long as it does not adversely impact optional or expansion populations.	Administrative efficiency in eligibility determinations.
Benefits	Within state budget restrictions, expansion of the current menu of services offered in the Long Term Care Moderate Needs Group.  Enhanced Hospice Benefits for persons within 12 month of end of life and allow delivery of both palliative and curative care.	Additional flexibility for current long term care service beneficiaries in available service options.
Affordability	Inclusion of a state based, sliding scale premium subsidy for persons purchasing on the Exchange up to 300% FPL.	To maintain affordability of Vermont programs at a level of expense substantially similar to former VHAP, Catamount and ESI programs.
Demonstration Consolidation	Consolidate Choices for Care, Dual Eligible Demonstrations and CHIP into GC under one demonstration.	Administrative simplification in the use of one federal regulatory structure for state and provider network.
Administrative	Streamline CMS reporting, state plan amendment, auditing and other processes as much as possible under the 42 CFR 438 regulatory structures.	Administrative simplification in the use of one federal regulatory structure for state and provider network.

**Over the first eight years of the Global Commitment and Choices for Care Demonstrations (FFY 2006 through December 31, 2013), total spending absent the waivers for these populations was projected to reach nearly \$11.8 billion; actual spending is projected to be approximately 15.2% less, representing a savings of \$1.8 billion.**

*Historical and projected caseload data are subject to validation and revision prior to final submission to CMS.*

Public hearings will be held on the following dates and locations. If you need special accommodations to participate in the public hearing, please notify Ashley Berliner at (802) 879-5603.

**Public Hearing 1:** February 19, 2013 3:30pm-5:30pm

Via Vermont Interactive Technology (VIT): Bennington, Brattleboro, Johnson, Lyndonville, Middlebury, Newport, Randolph Center, Rutland, Springfield, St. Albans, White River Junction, Montpelier, Originating in Williston.

**Public Hearing 2:** March 11, 2013 11:00am-1:00pm

Medicaid and Exchange Advisory Board (MEAB) Meeting.

VSAC Building, 1st floor Community Conference Room. 10 East Allen Street, Winooski.

Call in number: 213-289-0155, Conference room #4238242

Written comments on the draft are due 3/22/13 by 4:30pm. Comments received will be posted to the DVHA website for viewing by 4:30pm on 3/27/13. Copies of the draft extension request are available at: <http://dvha.vermont.gov/administration/2013-global-commitment>, or can be requested from local Department for Children and Families (DCF) offices or from DVHA at (802) 879-5603.

**Please submit written comments to:**

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