



State of Vermont
Department of Vermont Health Access
Office of the Commissioner
280 State Drive, NOB 1 South
Waterbury, VT 05671-1010
<http://dvha.vermont.gov>

Agency of Human Services
[Phone] 802-879-5900

April 27, 2020

Re: COVID-19-specific Sustained Monthly Retainer Payments

Dear Health Care Provider,

In order to respond to requests from the provider community for more predictable cash flow for the duration of the COVID-19-related State of Emergency, the Agency of Human Services is implementing an optional, temporary payment model for Vermont Medicaid that combines fee-for-service reimbursement with prospective monthly payments. The prospective payments are intended to reimburse eligible participating providers for the difference between their long-term average monthly Medicaid fee-for-service revenues and the actual amount of Medicaid fee-for-service claims payments issued to them for services they continue to provide.

Providers that meet the criteria in the attached guidance may opt into the COVID-19-specific Sustained Monthly Medicaid Retainer Payments Program (the "Program") by using the web-based [form](#) posted on the DVHA website. Questions about the Program should be submitted electronically to AHS.COVID19Financial@vermont.gov. Providers may opt into this program at any time. A timetable for payments can be found in the attached guidance document.

Once an opt-in form is received, DVHA will calculate a provider-specific Medicaid "budget" based generally on the provider's average monthly Medicaid fee-for-service reimbursement from July 2019 through March 2020. Provider-specific budget amounts and Program payment amounts will be calculated according to the guidance attached. Program prospective payments may be subject to partial recoupment after the State of Emergency. The amount of recoupment (if any) will depend on a variety of factors identified in the attached guidance, including provider performance on Program quality metrics, and will not exceed 10% of total Program prospective payments.

Subject to the availability of funds, the Program will remain in effect for the months of May and June, 2020, after which the Agency of Human Services will determine whether to extend it based on the status of the COVID-19 State of Emergency. Once a provider opts into the Program, monthly payments will flow to that provider for the duration of the Program unless the provider submits a written request to cease participation in accordance with the attached guidance.

Thank you for your work to care for Vermonters during this unprecedented public health crisis,

A handwritten signature in black ink, appearing to read "Cory Gustafson".

Cory Gustafson, Commissioner
Department of Vermont Health Access

COVID-19 Sustained Monthly Retainer Payments
Vermont Agency of Human Services – April 27, 2020

Objectives	<ol style="list-style-type: none"> 1. Respond to providers' requests for more predictable cash flow throughout the State of Emergency by implementing a payment model that combines fee-for-service reimbursement and prospective monthly payments. 2. Ensure access to care for Vermont Medicaid members by providing funding that may be used flexibly to respond to COVID-19-related expenses and to deliver services through alternative modes (e.g. telemedicine) during the State of Emergency.
Provider Organizations Ineligible for Sustained Monthly Retainer Payments	<p>All Medicaid-enrolled, Vermont-based (or border) provider organizations will be eligible to receive prospective monthly payments <i>in addition to</i> fee-for-service reimbursement, <u>except</u>:</p> <ul style="list-style-type: none"> • Pharmacies • Private Non-Medical Institutions (see here for information about COVID-19 rate restructure) • Nursing Homes (see here for information about COVID-19 financial relief options) • Children's Integrated Services fiscal agents • Success Beyond Six programs • Developmental Disabilities Services programs • Billing Providers enrolling with Vermont Medicaid on or after March 1, 2020 • Providers with <\$600 in Medicaid paid fee-for-service claims annually
Sustained Monthly Retainer Payment Process and Timeline	<ul style="list-style-type: none"> • Eligible providers will have to opt into having prospective payments issued by completing the web-based COVID-19-specific Sustained Monthly Retainer Payment Opt-In Form. Opt-in preferences will remain in effect until the end of the COVID-19 Sustained Monthly Retainer Payments <i>or</i> until provider opts out, whichever is sooner. • Beginning in May 2020, eligible provider organizations will receive a lump-sum payment equal to their average monthly Medicaid fee-for-service payments¹ (hereafter referred to as provider's "Medicaid budget") less the total value of Medicaid fee-for-service claims paid in the previous month. • Provider organizations will continue to bill Medicaid fee-for-service for any services rendered to Medicaid members; reimbursement will continue as usual <u>in addition to</u> the prospective monthly payment. • Subject to the availability of funds, the program will remain in effect for the months of May and June, 2020, after which AHS will determine whether to extend it based on the status of the COVID-19 State of Emergency.
Conditions of Sustained Monthly Retainer Payments	<p>Eligibility to receive COVID-19 Sustained Monthly Retainer Payments is conditioned on the provider's agreement to the following:</p> <ul style="list-style-type: none"> • Provider will continue participation with Vermont Medicaid and will continue to deliver services to Vermont Medicaid members throughout the State of Emergency unless otherwise directed. • Provider will continue to submit claims for services rendered on behalf of Vermont Medicaid members. • DVHA will assess provider, provider type, and system-level quality performance on the metrics listed on the following pages throughout the period of Sustained Monthly Retainer Payment implementation. • Up to 10% of the total Sustained Monthly Retainer Payments may be subject to recoupment after the COVID-19 State of Emergency. The amount subject to recoupment will be determined based on performance on the applicable access to care and financial impact metrics specified on the following page. Recoupment amounts, if any, will be determined as part of a program-wide financial reconciliation that will occur <u>no sooner than</u> six months after the conclusion of the State of Emergency. Program payments to providers who have been instructed by the State to cease service provision during the State of Emergency will not be subject to recoupment. • Provider's breach of program terms and conditions may result in additional recoupment of up to 100% of program prospective monthly payments issued, in DVHA's sole discretion.

¹ Based on Remittance Advices dated 7/5/2019 through 3/27/2020, weighted for utilization seasonality and adjusted for Medicaid rate changes that have occurred during SFY20. Excludes periodic payments such as Blueprint PCMH and Women's Health Initiative payments, etc.

Medicaid Sustained Monthly Retainer Payment Program – Payment Schedule

Payment Month	Provider Opt-in (or Cancellation)* Deadline	Date of Fund Availability (in Provider Remittance Advice)
May (1 st round)	April 28, 2020 – 11:59 PM	May 8, 2020
May (2 nd round)	May 5, 2020 – 11:59 PM	May 15, 2020
June	May 19, 2020	May 29, 2020

*To withdraw from the Program after opting in, providers should send a written cancellation request to AHS.COVID19Financial@vermont.gov by the dates specified above.

Table 1: Potential Performance Measures (reconciliation based on provider or regional performance)

Measure Description	Units of Measure	Level of Measurement	Currently Measured by AHS?	Source of Specifications	Potential Data Source
1. Adults' Access to Preventive/Ambulatory Health Services -OR- Ambulatory Care Utilization	Percentage of adult members	All adult members, county of member residence	Yes	NCQA	Claims
2. Services Provided	<ul style="list-style-type: none"> # of unique members, # of services/encounters, and/or # of claims 	Provider, provider type, and all members, for: <ul style="list-style-type: none"> Telemedicine Telephone/audio only In-person 	No	TBD; Custom measure	Claims
3. Children's and Adolescents' Access to Primary Care Practitioners	Percentage of child members	All child members	Yes	NCQA	Claims
4. Percentage of total expenditures allocated to Sustained Monthly Retainer Payments	Percentage of total expenditures	By provider, provider type, and all providers (target rates will vary by provider type)	No	TBD; Custom measure	Claims, DXC Payment Records

Overview of Scoring, Reconciliation, and Recoupment Methodology

Up to 10% of the total Sustained Monthly Retainer Payments may be subject to recoupment after the COVID-19 State of Emergency. DVHA may decide to implement a graduated percentage that decreases as the provider's proportion of total Vermont Medicaid revenues resulting from the Retainer Payments increases. Specifically, if a provider's ability to provide remote service delivery is limited, resulting in a greater proportion of revenue provided by Sustained Monthly Retainer Payments, DVHA may reduce the percentage of funding subject to recoupment. Providers that have been ordered to close and cannot provide remote services will not have any funding at risk. The recoupment amount for each provider will be calculated based on provider, provider type, regional, and/or system-level performance on the applicable access to care and financial impact metrics in Table 1. Some metrics will not be applicable to all provider types. Reconciliation will occur no sooner than six months after the conclusion of the State of Emergency, to allow for adequate claims runoff, calculation of results and recoupment amounts, and review by AHS and providers.

AHS recommends the following principles for scoring, reconciliation, and recoupment:

1. Whenever possible, performance will be evaluated at the provider level.
2. Because of the uncertainty surrounding realistic targets for service delivery during the State of Emergency, targets for each measure will be directional (e.g., increase, decrease) rather than numerical.
3. Applicable measures for each provider will be weighted equally, with each measure assigned a maximum number of points that can be earned by the provider (e.g., 2 points).
4. Provider administrative burden must be minimal. Data will be retrieved from claims, and DVHA (on behalf of AHS) will calculate and communicate results to providers. Providers will be asked to review the results.

Table 2: Potential Scoring, Reconciliation, and Recoupment Methodology

Measure	Target	Points for Each Measure	Example 1: Pediatric Primary Care Practice Able to Provide Extensive Remote Services (10% of Sustained Monthly Retainer Payments at Risk)			Example 2: Non-Primary Care Provider Able to Provide Limited Remote Services (5% of Sustained Monthly Retainer Payments at Risk)		
			Measure Weight	Provider's Result	Points Earned	Measure Weight	Provider's Result	Points Earned
Children's and Adolescents' Access to Primary Care Practitioners	Increase	2 points for improvement 1 point for no change 0 points for decline	33.3%	Improved	2	Not Applicable	--	--
Services Provided	Increase		33.3%	Declined	0	50%	No change	1
Percentage of total expenditures allocated to Sustained Monthly Retainer Payments	Decrease		33.3%	No change	1	50%	Improved	2
Impact of Score on Distribution of Reconciliation Funds			0-2 points: AHS recoups 100% of funds subject to recoupment 2-3 points: Provider and AHS split evenly 4 points: Provider retains 75% and AHS recoups 25% 5-6 points: Provider retains 100% of funds subject to recoupment			0-1 points: AHS recoups 100% of funds subject to recoupment 2 points: Provider and AHS split evenly 3 points: Provider retains 75% and AHS recoups 25% 3-4 points: Provider retains 100% of funds subject to recoupment		
Percentage Retained by Provider			50% (total points earned = 3)			75% (total points earned = 3)		

In order to improve understanding of member and provider impacts of changes in service delivery during the State of Emergency and beyond, DVHA will monitor provider, provider type, regional, and/or system level results for additional measures. Performance on these measures will not impact reconciliation, and providers will not need to collect any additional data for monitoring to occur.