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**State of Vermont**  
**Agency of Human Services**  
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Vikki Wachino, Director  
Centers for Medicare and Medicaid Services  
7500 Security Boulevard  
Baltimore, Maryland 21244-1850

RE: Vermont Global Commitment to Health Demonstration Extension – Project Number 11-W-00194/1


November 18, 2016

Dear Ms. Wachino,

Please consider this letter as Vermont's written acceptance of the Special Terms and Conditions and associated documents that accompanied your office's October 24<sup>th</sup>, 2016 approval of the extension of Vermont's 11-W-00194/1 Global Commitment to Health Demonstration, including technical revisions that are attached to this letter of acceptance.

We greatly appreciate your time, effort and partnership with Vermont staff in completing the extension. We look forward to continuing our work together and on the innovations and promotion of health delivery system and payment reform enabled through this Demonstration.

Sincerely,



Hal Cohen  
Secretary  
Agency of Human Services

Cc: Richard McGreal, Associate Regional Administrator, Region 1  
Steven Costantino, VT AHS, Commissioner, Department of Vermont Health Access  
Selina Hickman, VT AHS, Director of Operations, Compliance & Improvement  
Sarah Clark, VT AHS, Chief Financial Officer

## Attachment- Technical Corrections to Special Terms and Conditions

1. Waiver Attachment I, page 76. Conforming edit to the demonstration year -

**“Category #1: Accountable Care Organization (ACO) Infrastructure Improvement Program**

Project funding under category #1 is limited to development costs only. Category #1 projects are only allowed from demonstration year 1 through demonstration year ~~3~~ 4 of the extension period.”

2. Waiver Attachment I, page 77. Clarifying edit regarding timing of Accountable Care Organization agreement-

“Eligibility: To be eligible to receive any funding under category #1, the ACO must meet the following criteria:

- Once the Green Mountain Care Board full certification and budget review process is implemented (expected by January 1, 2018), meet the state certification standards set by the Green Mountain Care Board under Vermont Act 113 (2016);
- Sign an agreement with the state consistent with the state’s All Payer Model Accountable Care Organization agreement with the Centers for Medicare & Medicaid Services; and
- By January 1, 2017, sign either a shared savings program agreement or Next Generation ACO agreement with at least one other payer. Beginning in 2019, sign a Vermont Medicare ACO Initiative agreement with at least one other payer consistent with the state’s All Payer Model Accountable Care Organization agreement.”

3. STC 83d edit to include the letter designation of the referenced Appendix. Should be Appendix “T”:

“Vermont may include one-time, development start-up funding for its ACO and “Medicaid Pathways” program as an investment as long as the projects meet the criteria in Appendix I. For such projects, Vermont will follow the new investment notification requirements in STC 84 below.”

4. Edit to correct the Demonstration Approval Period in the footer, starting on page 1 of the Expenditure Authority through page 83 of Attachment M:

“Approval Period: January 1, 2017 through December 31, ~~2017~~2021”