Vermont Health Care Transformation

Health Reform Oversight Committee (HROC)
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Today's Presentations

- Rural Health Transformation Program (RHTP) Update
- Act 167 Hospital Transformation Update

Rural Health Transformation Program (RHTP) Update

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Key RHTP Program Details

Dates:

- Notice of Funding Opportunity (NOFO) released: 9/15
- Application due: 11/5
- Application determinations made by: 12/31
- Funding starts: Early January 2026

- **Opportunity:** A $50 billion Centers for Medicare and Medicaid Services (CMS) initiative (FFY 2026–2030) to help *states* modernize rural health systems — improving access, quality, and sustainability through infrastructure, workforce, and care model transformation.
- **Goals:** Strengthen rural access, modernize care delivery, grow and retain the workforce, expand innovative care and payment models, and advance technology and data interoperability.
- **Funding Design:** Half of funds ($25 billion) are distributed equally among approved states; the other half ($25 billion) is weighted by rural population, state policies, need, and quality of application.

Vermont's RHT Proposal Overview

Build Stronger Rural Health Networks: Strengthen primary care, support transfers, enlist the EMS in a new way, create new mobile health and dental options, build out mental health urgent care, expand access to complex care in nursing facilities, expand recovery housing implement pharmacy "test-to-treat"

Technology and Shared Operations: Shared EHR for interested providers, remote patient monitoring, "closed-loop" referrals, shared HR systems, support for AI transcription

Strengthen the Rural Health Workforce: Housing, training programs at clinical sites across the continuum, financial incentives for education

Planning: Exploring strategies to expand insurance options and a reinsurance model, consumer-facing price and quality transparency tools, data and expert support to regionalize some services

Ongoing Public Engagement

- AHS has maintained its RHT Program page on the Office of Health Care Reforms website, including a public contact form, and will continue to do so throughout the life of the RHT Program.
- We have publicly posted the project narrative and summary on the HCR website as well. The budget is not publicly posted, pending negotiations with CMS.

Funding Clarification

CMS has provided clarification through their RHT Program FAQ:

Question 16: Can a State be approved for baseline funds but not workload funds?

Answer: "No. There is one application and one approval process that covers both baseline and workload funding. **All approved awardee States will receive the baseline funding, distributed equally, as well as workload funding, distributed according to the formula described in the NOFO"** [emphasis added].

This clarification **does not** guarantee that Vermont will receive the full $200M a year that the NOFO required each state budget for. The scoring criteria used within the formula referenced is on pages 64 – 97 of the NOFO. The final amount Vermont receives per year will be determined through CMS's evaluation of the various scoring criteria and negotiations with CMS.

RHT Program Related Legislation

Potential RHT Program related legislation for **Calendar Year (CY) 2027**:

1) **SNAP Food Restriction Waiver** (page 53): "The Governor has directed AHS to pursue submission of a USDA SNAP Food Restriction Waiver that will prohibit the purchase of non-nutritious items. The state will provide an update on the legislative timeline as part of continuing collaboration and will pursue completion of policy actions by the end of the CY 2027 to align with CMS."

2) **Scope of Practice** (page 55) "The state is planning to make changes to expand the pharmacist and EMS scope of practice per the initiatives described above. The state is also pursuing policy change to opt out of the Medicare supervision requirement for CRNAs. No additional scope of practice changes are planned at this time." It is important to note that EMS scope of practice is still being assessed.

Act 167 Hospital Transformation Update

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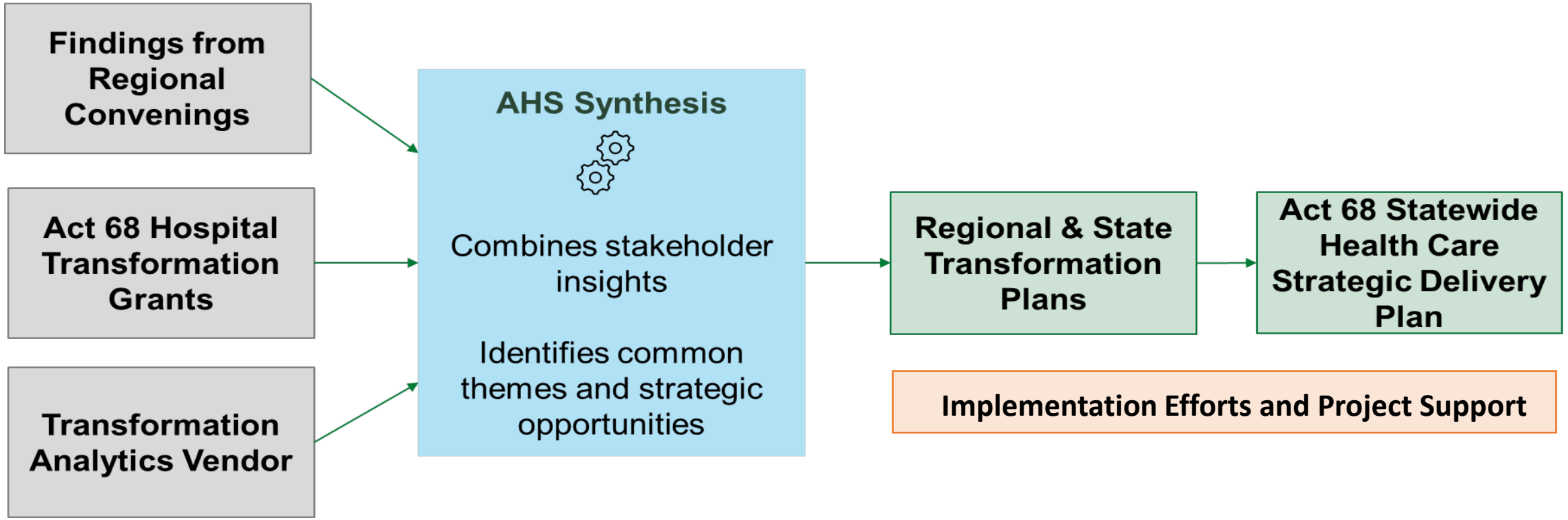
Agenda

- Background & Overview of Care Transformation Priorities
- Act 68 Hospital Transformation Grants: Hospital Transformation Plans
- Regional and Statewide Transformation Planning

AHS Process for Care Transformation

Progress as of 12/4/2025



Act 68 of 2025 Hospital Transformation Grants

- All 13 eligible hospitals submitted applications
- 10 have received notice of award, 3 are reworking their applications to meet the goals of transformation with guidance from AHS.
- 5 of the funded grants are being used for Resources for Hospital and Regional Planning with many building on work with existing consultants like Kaufman Hall to go deeper into what they should do next.
- The remaining 5 funded grants are being used to address Capacity and Acuity Management which have been identified as a top priority for transformation in regional meetings.
- Hospitals are moving through the process of moving to full grant agreements and starting on transformation planning.

Hospital Transformation Plans

- Hospitals have been provided with a structured document to create their draft plan and work with the HCR team to ensure we get all the information we need for final plans and outcome analysis by **January**. Final plans will be complete by **March**.
- Plans include:
  - Hospital Information
  - Planned Transformation
  - Risk Mitigation
  - Communication Strategy
- We are working directly with hospitals to ensure all planned transformation:
  - Clearly contributes to Act 68 transformation goals
  - Can be monitored and data is available to measure progress
  - Statewide and regional considerations are included in every goal

Transformation Support

Our goal is to ensure the transformation planning is a helpful process for hospitals that allows them to meaningfully engage around transformation activities.

- Individual hospitals meetings
- Open office hours offered weekly with HCR staff
- Regional goals and connecting groups on regional themes
- Analytics support for measuring progress, impact and prioritization support
- Technical assistance and additional supports as needed

Regional Transformation

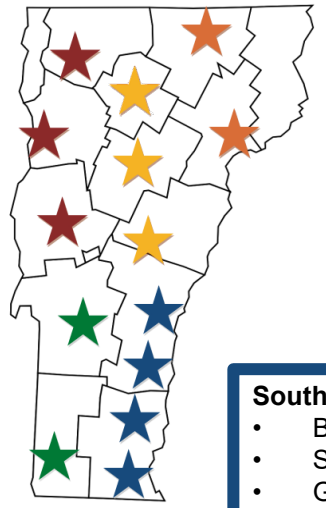
- Groups of hospitals have been meeting to determine what collective goals can be set to improve health outcomes for a larger population and improve efficiency for participating stakeholders.

Northwest
- University of Vermont Medical Center
- Northwestern Medical Center
- Porter Medical Center

Central
- Gifford Medical Center
- Central Vermont Medical Center
- Copley Hospital

Southwest
- Southwestern Vermont Medical Center
- Rutland Regional Medical Center

Northeast
- North Country Hospital
- Northeastern Vermont Regional Hospital



Southeast
- Brattleboro Memorial Hospital
- Springfield Hospital
- Grace Cottage Hospital
- Mount Ascutney Hospital

Regional Transformation

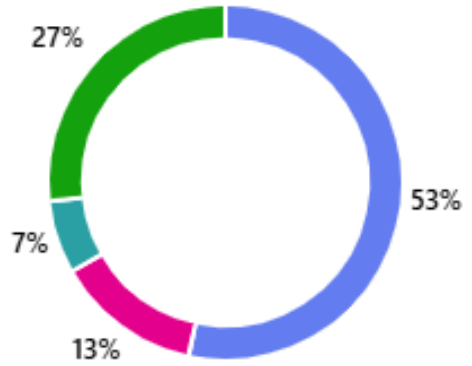
- Geographic regions are determining priorities and goals that can improve outcomes and/or reduce costs through collaboration:
  - Clinical specialties staffing, coverage, and services
  - Shared purchasing arrangements
- An acuity, capacity, and transfer workstream has focused on movement of patients between Critical Access/Rural Hospitals and Tertiary Hospitals, focusing on:
  - Patient acuity management
  - Communication
  - Capacity management, and
  - Logistics (i.e., transportation)

AHS Hospital Regionalization Survey Results

- Hospital Leaders were asked to complete a Hospital Regionalization Survey to better inform regional planning readiness and determine follow up needed to plan for potential HR.1 investments:
  - Moving to a common electronic health record platform
  - Participating in a statewide approach to managing acuity, capacity, and transfer services
  - Engaging in clinical service redesign (legal structures, service line modifications, telehealth specialty capacity)
  - Implementing a social needs closed loop referral platform

Common Electronic Health Record Platform

Very interested	8
Interested	2
Neutral	1
Disinterested	0
Already use a common EHR platform	4 *

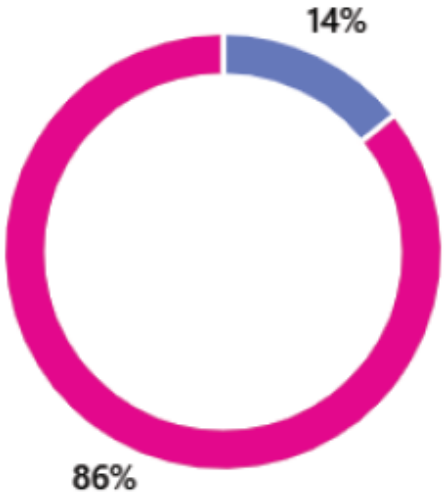


- **Next:** Discussions with anchor organization around logistics of hosting a shared instance of an Electronic Health Record

*Multiple responses allowed; one respondent provided two answers ("very interested" and "already use a common EHR")

Managing Acuity, Capacity, and Transfers

Establish a new independent coordinating center	2
Expand existing capabilities and coordination at UVMHN and DHMC	12
Other	0



- **Next:** Discussions with UVMHN and DH regarding feasibility and needs for expanding and coordinating capabilities

Clinical Service Redesign

- 64% of hospitals have an existing approach for sharing providers and staffing with other hospitals, with most hospitals who do not have an existing structure preferring to form a Management Services Agreement or Joint Venture
- Hospitals indicated that with a funded telehealth consultation model, prioritized services would include psychiatry, neurology, cardiology, and dermatology

- **Next:** Hospital 1:1 and regional discussions to define specialty needs and potential service line change implications

Social Needs Closed Loop Referral Platform

- **Next:** If awarded funding by RHTP, a Request for Proposals of a social needs closed loop referral platforms would be issued.

Primary Care Transformation

- Primary Care Technical Assistance
- Purpose:
  1) provide consultative expertise, tools, and training to improve financial sustainability
  2) navigate complex payment systems
  3) build capacity to improve overall operations
  4) recognize opportunities for cost efficiency and cost containment
- $120K total per year for SFY 26 and SFY 27; supports up to 24 Patient-Centered Medical Homes

Thank you!

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AGENCY OF HUMAN SERVICES

Appendix

AHS State Funding for Care Transformation

Appropriation	Statutory Language	Status	(Anticipated) Use of Funds
2025 Budget Adjustment Act (BAA)			
$2.75M of Global Commitment Investment Funding	N/A	Spent or Obligated	A portion of these funds was spent to support work with the Rural Health Redesign Center (RHRC). The remaining funds are obligated to support a new contract with a care transformation analytics vendor.
Act 68 of 2025			
$2M of General Fund	"feasibility analysis and transformation plan development with hospitals, designated agencies, primary care organizations, and other community-based providers"	Spent, Obligated, or Appropriated	• A portion of these funds was spent on a Health Care Workforce Leadership Summit and is spent or obligated for contracted transformation support from Manatt, Phelps and Phillips LLP • Remaining appropriated funds will provide technical assistance to hospitals and other providers to support the development of regional plans that will inform the Health Care Delivery Strategic Plan.
$100K of General Fund	"for development of quality and access measures, targets, and monitoring strategies for the Statewide Health Care Delivery Strategic Plan"	Appropriated	Development of evaluation and monitoring strategy for the Health Care Delivery Strategic Plan.
$100K of General Fund	"to support the development of alternative payment models"	Appropriated	Support implementation of Medicaid hospital global budgets.
$2M of Health IT-Fund	"for grants to hospitals for the collaborative efforts to reduce hospital costs in accordance with Secs. 11a and 11c of this act and to expand access to health care services, such as by enhancing telehealth infrastructure development"	Appropriated, soon to be obligated	Hospital transformation grants; all 13 eligible hospitals applied for grants, 10 hospitals have received Notices of Award, 3 hospitals are revising their applications to realign with care transformation goals.
$6.95M Total			