

Policy Number & Title:	04-07 Program Settlement PY 2021
Responsible Department/s:	Finance
Author:	Tom Borys, Sr. Director, ACO Finance and Payment Reform
Date Implemented:	01/01/2021
Date Reviewed/Revised:	10/20/2020
Next Review Date:	04/01/2021

- I. **Purpose:** To document the principles guiding the annual settlement of the OneCare Vermont (OneCare) Programs with network Participants.
- II. **Scope:** This is applicable to all contracted Participants and Preferred Providers.
- III. **Definitions:** Commonly used terms have the same definition as defined in OneCare's *Policy and Procedure Glossary*.
- IV. **Policy**
 1. **General**
 - a. Savings/Losses amounts will be calculated separately for each Program and HSA.
 - b. The HSA calculations will be based on the lives attributed to that HSA as opposed to the entire ACO.
 - c. Maximum Losses (Risk) and Savings (Reward) Limits will be calculated separately for each Program and HSA.
 - d. Hospitals will serve as the Risk Bearing Entity (RBE) on behalf of their individual HSAs.
 - e. Each HSA will have a limit to the Maximum Losses and Savings they are eligible to receive or obligated to pay.
 2. **Financial Settlement of Program Performance**
 - a. For Programs with Savings/Losses opportunity held centrally by OneCare as approved by the Board of Managers for the performance year, no Savings or Losses will be owed to or from Participants. The settlement process will still include Other Monies Owed as described in this policy.
 - b. For Programs with Savings/Losses opportunity assigned to Participants as approved by the Board of Managers for the performance year:
 - i. If OneCare earns Savings in a Program, and after subtracting any component of settlement obligated to cover expenses per the Board-approved OneCare budget, 90% of those Savings will be allocated to the participating HSAs based on the proportion of lives attributed to that HSA throughout the Performance Year, as measured by member months. The remaining 10% will be allocated to a Performance Incentive Pool. The methodology for determining how the Performance Incentive Pool funds are awarded to HSAs will be decided upon by the Board of Managers and all RBEs will be notified. The combined amount owed to HSAs will be paid to eligible Participants & Preferred Providers according to the terms of the 04-15 Population Health Management Payments PY 2021 Policy. Any remaining Savings will be owed to the HSA's RBE.
 - ii. If OneCare owes Losses in a Program, and after subtracting any component of settlement obligated to cover expenses per the Board-approved OneCare budget, 100% of those Losses will be allocated to the participating HSAs based on the proportion of lives attributed to that HSA throughout the Performance Year, as measured by member months. Funds withheld or invoiced under the 04-15 Population Health Management Payments PY 2021 policy will be applied first to

satisfy the HSA Losses obligation. Any remaining Losses will be the responsibility of the HSA's RBE.

- iii. Final settlement calculations will be approved by the Finance Committee and Board of Managers

3. Other Monies Owed

- a. For Programs with unreconciled fixed payments:
 - i. Hospital Participants: Each hospital's fixed payment component for care provided to patients attributed to different HSAs will be globally reconciled to proportionately share the gain or loss resulting from care delivered by hospitals outside of an attributing HSA (referred to non-attributing-HSA care). For example if the ACO's total FFS equivalent value of care for non-attributing-HSA Care for the Performance Year is 2% less than the Fixed Payment allocation, the reconciliation will ensue that each hospital yields the same 2% benefit. This can result in an amount owed to the hospital or from the hospital to be accounted for in the PY settlement.
 - ii. Comprehensive Payment Reform (CPR) Practices: There will be no reconciliation of the fixed payments.
 - iii. If there is a fixed payment reconciliation between OneCare and a Payer, the reconciling amount will be applied to Participants & Preferred Providers in a manner that aligns as closely as possible with the nature of the ACO-level reconciliation.
- b. For Programs with reconciled fixed payments:
 - i. Hospitals: The fixed payment paid to the hospital will be reconciled in full to the FFS equivalent value. This can result in an amount owed to the hospital or from the hospital to be accounted for in the PY settlement.
 - ii. Comprehensive Payment Reform (CPR) Practices: There will be no reconciliation of the fixed payments. Any balance owed to or from the Payer will be allocated to hospitals accepting a fixed payment in the applicable Payer Program.

4. Cash Exchange

- a. Once settlement calculations have been approved by the Board, all RBEs owing money to OneCare must submit payment to OneCare within thirty (30) days from OneCare's date of invoice. This payment can be either through check or deduction from ongoing payments being made to the RBE.
 - i. OneCare reserves the right to deduct the amount owed from ongoing payments to ensure OneCare is able to meet its obligations to the Payer(s)).
- b. All RBEs, Participants and/or Preferred Providers owed money from OneCare will receive payments within thirty (30) days of final approval of settlement calculations, but payment will be contingent upon OneCare receiving payment from the Payer(s) and/or other network RBEs.

5. Ongoing Review


- a. Some Program Agreements allow for review of the results well after the final settlement has concluded. In the event that a Payer initiates this subsequent review, it will be considered a material change in circumstances to OneCare and the results will be brought to the Finance Committee and Board of Managers for review and direction as to the most appropriate resolution for all parties. The OneCare Board's action may supersede any/all methodologies outlined in this policy.

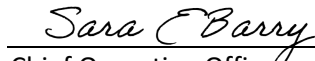
V. Related Policies/Procedures:

- 04-15 Population Health Management Payments PY 2021 Policy
 - Location: S:\Groups\Managed Care Ops\OneCare Vermont\Policy and Procedures\Policies


Location on Shared Drive: S:\Groups\Managed Care Ops\OneCare Vermont\Policy and Procedures\Policies

Management Approval:

	11/3/2020
Sr. Director, ACO Finance & Payment Reform	Date

	11/03/2020
Chief Operating Officer	Date

Board of Manager Approval:

	11/5/2020
Chair, OneCare Board of Managers	Date