VERMONT

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To: Vicki Loner, CEO OneCare VT; Sara Barry, COO; Tom Borys, Director of ACO Finance and Analysis
Cc: Spenser Weppler; Amy Bodette (OneCare Vermont)
From: Green Mountain Care Board ACO Oversight Staff
Date: November 12, 2019
Subject: Round 2 questions to OneCare on FY2020 Oversight (Budget and Certification)

The Green Mountain Care Board ACO oversight team requires responses to the following questions in follow-up to the OneCare budget hearing on October 30, 2019 and responses to our first round of questions received October 25, 2019. Reference to "GMCB follow-up questions" in this memo are the responses received from OneCare on October 25, 2019 and are posted on our website here: https://gmcboard.vermont.gov/content/2020-aco-oversight. Our questions also include several related to ACO certification eligibility review.

Please prepare written responses to the questions by end of business November 22, 2019 and submit them to the GMCB ACO team, copying the Health Care Advocate on your responses. Submit responses to:

Berube, Alena Alena.Berube@vermont.gov; Miles, Melissa Melissa.Miles@vermont.gov; Melamed, Marisa Marisa.Melamed@vermont.gov; Tewksbury, Sarah Sarah.Tewksbury@vermont.gov; Barber, Michael Michael.Barber@vermont.gov; hcapolicystaff@vtlegalaid.org

Budget Questions

Provider Network & Payer Programs

1. Referring to Question 3 in the GMCB follow-up questions, how would you break out the estimated number of lives per scale strategy using the data you have available? The table in the follow-up questions was developed based on the budget narrative describing 3 scale strategies. If you cannot provide a more detailed breakdown of attribution opportunity in the table format we provided, please describe how these attribution numbers were estimated and what weight we should place on the validity of these estimates.

2. How is the ACO, in partnership with ACO network providers, identifying efficiencies and scaling best practices to achieve short term savings while we wait for population health investments to pay off?

3. In your response to GMCB follow-up Question 4, in which OneCare is asked to discuss the number of key findings that came out of the piloted Medicaid geographic attribution concept with St. Johnsbury HSA, you cite only one finding: "that there is a material segment of the population that accesses healthcare but has no relationship with a primary care provider." Is this the only finding from the pilot? If not, please describe the other key findings from the pilot.

4. For the MVP commercial program, confirm that the quality measures will be in alignment with the other payer programs you are contracting with.

5. In your response to GMCB follow-up Question 9, and in the budget hearing, you describe 0.5% growth in Medicaid as modest. What assumptions lead you to believe that this is modest? Given your actual growth in expenditures in 2018 and your predicted growth in expenditures in 2019, please compare to the 0.5%, and comment on whether and why this seems like a realistic growth rate.

6. Referring to Question 9a, please provide your best estimate of when OneCare will be able to explain the reasons for the projected 2019 Medicaid loss reflected in your budget.

7. Please explain how you arrive at the 6.04% trend rate for Commercial QHP (Budget Submission Appendix 3.1 Trend Rates) from the GMCB approved rates. Please provide the breakdown between BCBS and MVP for the underlying Base Experience PMPM assumptions. Acknowledge if any assumptions are related to 2019 projected performance. Provide these projections. While we understand that you do not know how Vermonters will behave, please explain what assumptions you made that led you to predict an 11.1% decrease including but not limited to the following: a) assumptions about Vermonters purchasing MVP versus BCBSVT plans in 2020, and b) assumptions about MVP's attributed population versus their full population reflected in their 2020 QHP rate review filing.

8. When will your payer contract negotiations be finalized and how certain are you that the assumptions and estimates you've made in your budget will remain accurate?

9. In follow-up to Board Member Pelham's hearing question about the QHP benchmark plan, does OneCare plan to engage in any conversations with DVHA about the benchmark plan design to better understand how the plan design might better align with ACO programs and incentives?

10. Please provide a complete answer to Question 12 from the GMCB's follow-up questions. Provide further details that describe the risk-sharing arrangements with Commercial-QHP plans, disaggregated by insurer (i.e. what is the percentage of the arrangement that will be at risk?).

11. Please provide a complete answer to Question 13 from the GMCB's follow-up questions. Please provide further details that describe the risk-sharing arrangements with Commercial-Self Insured plans.

Risk Plan

12. Please give us a timeline by which you will be able to share your final risk mitigation plans for 2020. Have you identified specific criteria for offering risk mitigation to certain hospitals and what are they? Please describe any assumptions underlying the $4M of remaining risk reserves at OneCare and how this reserve amount was determined to remain appropriate. Please comment on your goals for your risk mitigation strategy and how you plan to balance hospital sustainability without over-reserving the system? You acknowledge in your presentation that you plan to improve your monitoring of hospitals in FY20, describe how do you plan to do this.

13. Given current program settlement projections, please answer GMCB follow-up question 6, "Is it correct to understand that OneCare estimates that it will carry forward a balance in its "Designated Risk Reserve" of $3.9 million from FY2019 to FY2020? Does OneCare anticipate covering any 2019 HSA overruns, and if so, will that result in a lower estimated Designated Risk

Reserve entering FY2020 than the $3.9 million identified? If so, do you intend to build the balance back up and how?"

Budget and Financial Plan

14. Describe any cash flow and balance sheet concerns. When is your lowest projected point of cash availability during the year and what is the amount? What are your contingency plans if one of the payers is late on reimbursement and they need to pass through funds to the hospitals? You discussed that if a hospital does not pay their settlement OneCare may pay. Explain how OneCare would fund this and what would be the approvals by the Board of Managers?

15. Slide 8 of the October 30 presentation describes your financial results from 2018. What are the main drivers of your 2018 savings? How do you plan to achieve results going forward?

16. What is the total salary and benefits dollars associated with vacancies identified in your organizational chart?

17. Slide 12 shows that 35% of OneCare's provider reimbursement reflects a capitated payment. What is the maximum percentage of the total provider reimbursements that you estimate could be a capitated payment? What is OneCare's plan to achieve greater uptake of capitated payments?

18. If the structure of your revenues change, how will you restructure the population health programs? Identify any reallocation of resources, including the elimination of any programs?

19. How much are you getting for the Robert Wood Johnson Foundation Grant and how does it factor into your budget?

20. Provide details on your plans for "new programs" that will be paid for with $6 million of state support dollars mentioned in your October 25, 2019 response to Board Question #16.

21. Please provide a complete answer to Question 21 from the GMCB's follow-up questions. If OneCare does not use industry benchmarks because they do not exist, how does OneCare monitor its financial performance monthly? What metrics do you look at and how do you determine the financial health of OneCare?

Population Health and Quality

22. The 100% Quality result for Medicare is scored for reporting. What was the actual performance? If you are not able to calculate, please explain why. What worked well, what didn't work, and what did you learn about improving or maintaining quality across all payers?

23. How do provider network changes year over year affect quality outcomes given a shifting population?

24. How do you ensure that you are not duplicating efforts with the Blueprint for Health?

25. In the answer to GMCB follow-up Question 33, you described trends and data on a partial set of Medicaid measures for the four communities that participated since 2017. For these four communities, please provide the numerator and denominators for all Medicaid clinical measures for 2017 and 2018.

26. In the answer to Question 29 from GMCB follow-up questions, OneCare states, "Not all Population Health Investments are based on attribution." We acknowledge that may be the case for some programs; however, the GMCB FY19 ACO budget order requires OneCare to maintain a minimum PHM investment ratio proportional to total revenue. How will OneCare maintain, or even increase, the PHM ratio as it increases scale?

27. Please explain whether your FY20 PHM investments take into consideration any potential lag in spending into the next fiscal year due to the time it takes to award the grants, hire staff, and bring the pilots to fruition. Which line items in your budget are impacted by this timing issue? Based on your submission, we have identified $1.4 M in the Specialist program and $618 K in the innovation fund that were FY19 dollars that will be spent in FY20. Are these the only programs that spillover across fiscal years? If there are further spillovers, please identify the line items and how much of the budgeted FY19 investments are projected to be spent in FY20 and if all these dollars are reflected in your budget.

28. In response to GMCB follow-up Question 19, you state, "OneCare's Population Health Strategy Committee monitors programs and evaluation of their impact as well as recommending new programs and discontinuation of programs." What is your monitoring and evaluation plan for each program, including a description of any metrics?

29. How did OneCare choose its risk stratification strategy across payers? Why does BCBS VT have a lower rate of engagement in care management than other payers?

30. Please share the breakdown of specific population health investments, by amount and specific program, separately for each service area. Then, please show, again by HSA, how OneCare's specific population health investments 1) align with the clinical priorities of each HSA and 2) how these specific investments work to reduce the relative disparities in **cost** and/or **quality** as evidenced in OneCare's variations in care analyses. Please submit the most recent variations of care analysis to support your assessment.

Certification Questions

1. How does OneCare provide education to its Board members on the ACO regulatory process, particularly to its Enrollee members? 5.202(d)

2. In OneCare's responses to the GMCB follow-up questions for certification (10/16/19), OneCare states, "*Every decision that the Board makes related to payments and programs is supported by financial analysis that originates with OneCare staff, is shared with the appropriate committees such as Finance or Population Health and/or Executive, is revised (if necessary) according to the guidance of the committees and is then presented to the Board in meeting materials and then considered at a Board meeting. In other words, financial risk assessments are a part of most Board decision making.*" If OneCare does not produce a financial risk assessment or risk analysis as a report, please explain how you can report any findings of your risk analysis process to the GMCB, are these assessments available in the BOM meeting minutes posted online? 5.204(a)(b)

3. Please provide the Hospital risk addendum for Porter Medical Center and any others that need to be updated in GMCB records.

4. How are you working with AHS to ensure that the investments made by OneCare to social service providers (e.g. Designated Agencies) are complimentary to broader state initiatives?

5. What are the priorities for 2019 and 2020 for the Pediatric Subcommittee?
    a. Do subcommittees have charters?