



OneCare Vermont

2021 Budget Update Presentation

Green Mountain Care Board

5/26/2021



OneCare Vermont

onecarevt.org

Business Updates

OneCare 501(c)(3) Recognition

Application Process

- In October 2020, OneCare filed an application with the IRS seeking 501(c)(3) status in recognition of its commitment to supporting Vermont's health care delivery and payment reform efforts.
- In April 2021, the IRS granted OneCare recognition as a 501(c)(3) organization operated for not-for profit purposes, retroactive to the application filing date.

Charitable Purpose

OneCare Vermont meets the charitable purposes of a 501(c)(3) by:

- Lessening the government's burden, specifically through its partnership in the All-Payer Accountable Care Organization Model (APM).
- Promotion of health through transition to value-based care, improved primary care delivery supports, health care innovation, and primary prevention programs.

“OneCare has always operated in the spirit of a non-profit organization in alignment with its non-profit founders and many of its participating organizations. We are pleased that our status will accurately reflect our operations and our commitments to the system changes that are necessary to achieve better health outcomes for Vermonters.” **- Vicki Loner, RN.C, CEO**

Strategic Planning Process

In the first half of 2021, OneCare staff and its board of managers engaged in a strategic planning process to define a focused direction for the next three years.

Stakeholder Input

- **40** structured stakeholder interviews representing participants, collaborators, associations, and the business community
- Interviewees sought out input from other vested stakeholders in their organization in advance of the interview
- Interviews conducted and results presented by outside consultant

Employee Engagement

- Survey mirrored stakeholder input questions
- **71%** of employees completed the survey
- Thematic findings shared at the Board Planning Retreat and at a OneCare full staff meeting

National ACO Data

- National data on ACO trends and capabilities to provide a perspective on best practices of ACOs presented by McKinsey Associates

Mission, Vision, Values

- Workgroup made up of a subset of the board and representative team members from each department at OneCare met to review and refresh the organization's mission, vision, and values

OneCare Mission, Vision, and Values

Developed by OneCare Board representatives and employees

Mission

OneCare partners with local health care providers to transform Vermont's health care system to one that focuses on health goals by providing actionable data and innovative payments that foster better outcomes for all.

Vision

A trusted, equitable health care system where patients and providers work together to achieve optimal health and an exceptional care experience for all.

Values

- **Collaboration:** We actively build a culture of partnership & teamwork.
- **Excellence:** We passionately pursue excellence using data-driven results and a quality focus.
- **Innovation:** We lead through innovation, use courage to challenge existing systems, and act as a catalyst for reform.
- **Equity:** We seek out and attend to health disparities so that everyone can attain their full health potential.
- **Communication:** We share information and ideas directly and clearly.
- **Integrity:** We are honest, ethical, and transparent in all that we do.



Strategy Focus #1:

OneCare and its health care provider partners will work together to continuously improve health outcomes.



ACO Core Capability: Network Performance Management

Deliver System Core Capabilities (providers in OneCare):

Care Coordination and Clinical Practice

Objectives:

- Provide targeted support to enhance care coordination efforts and performance.
- Establish clear expectations and resources for participating delivery system to assure focus on common critical areas.

Together the capabilities support the state's APM improvement goals of improving collaboration and strengthening integration to improve health outcomes.



Strategy Focus #2:

OneCare will elevate data and analytics capabilities to support health care provider partners.



ACO Core Capability: Data and Analytics

Deliver System Core Capabilities (providers in OneCare):

Optimized provider performance

Objectives:

- Provide more focused, actionable data and insights to network and evolve cost, quality, and utilization reports to primarily push information to meet advanced network needs.

Together the capabilities support the state's APM improvement goals of delivering actionable data that bring about activities to drive better care.

Strategy Focus #3:

OneCare and its health care provider partners will work together to move toward a system that pays for value.



ACO Core Capability: Payment Reform

Deliver System Core Capabilities (providers in OneCare):

Redesigned and improved systems of care

Objectives:

- Increase the proportion of value based contracts that have true fixed payments in 2022 and beyond.
- Increase the proportion of independent primary care practices in true capitated programs (CPR) in 2022 and beyond, while building programs for other primary care

Together the capabilities support the state's APM improvement goals of increasing the percentage of Medicare & commercial payments tied to value.

Attribution, TCOC & Risk

Attribution Update

- Medicare attribution started high, but over 7k lives dropped off prior to the start of the performance year (more than normal)
- Medicaid Expanded attribution higher than estimated, but was offset by higher than expected attrition as experienced in 2020
- BCBSVT Primary – Non-Risk was lower than expected due to fewer health plans

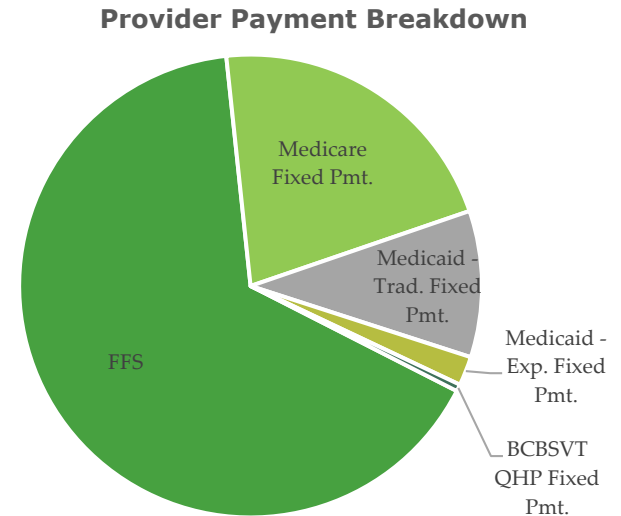
Program	Starting Attribution			Average Attribution *		
	Original Budget	Revised Budget	Change	Original Budget	Revised Budget	Change
Medicare	59,571	61,932	2,361	58,403	49,593	(8,810)
Medicaid - Trad	85,665	83,685	(1,980)	80,011	76,924	(3,087)
Medicaid - Expanded	21,602	27,847	6,245	20,176	19,524	(652)
BCBSVT QHP	19,817	16,964	(2,853)	18,112	13,827	(4,285)
MVP QHP	10,633	10,236	(397)	9,718	8,637	(1,081)
BCBSVT Primary - Risk	41,181	41,634	453	40,011	36,136	(3,875)
BCBSVT Primary - Non-Risk	49,743	27,724	(22,019)	48,330	24,063	(24,267)
Total	288,210	270,022	(18,188)	274,762	228,704	(46,058)

* Average attribution incorporates attribution attrition and can be thought of as the July 1st level. This perspective is the basis for most of the OneCare budget figures.

Program Total Cost of Care Targets

- The public health emergency continues to result in new and evolving cost patterns
- Overall total cost of care (TCOC) accountability down; due to lower than estimated average attribution and benchmarks
- 34% of the TCOC has been converted to a fixed payment model
 - Unchanged from the original submission

TCOC	Original Budget	Revised Budget	Change
Medicare TCOC	\$645,122,160	\$518,507,155	(\$126,615,005)
Medicare Blueprint	\$8,401,660	\$8,767,133	\$365,473
Medicaid TCOC	\$322,522,714	\$268,379,941	(\$54,142,773)
Commercial - QHP	\$184,821,171	\$163,845,524	(\$20,975,647)
Commercial - Self-Funded	\$259,869,615	\$240,729,930	(\$19,139,685)
Total	\$1,420,737,320	\$1,200,229,683	(\$220,507,637)



Total Program Risk / Reward

- Programmatic risk down in alignment with TCOC changes
- Public Payer programs have adjustments related to the pandemic:
 - Covid-19 episodes removed
 - Max downside risk prorated down for each month the public health emergency (PHE) is in effect

Program	Downside Estimate			Upside Estimate		
	Original Budget	Revised Budget	Change	Original Budget	Revised Budget	Change
Medicare	\$13,070,476	\$10,545,486	(\$2,524,990)	\$13,070,476	\$10,545,486	(\$2,524,990)
Medicaid - Traditional	\$5,251,740	\$4,471,980	(\$779,760)	\$5,251,740	\$4,471,980	(\$779,760)
Medicaid - Expanded	\$599,357	\$447,809	(\$151,548)	\$599,357	\$447,809	(\$151,548)
BCBSVT QHP						
MVP QHP						
BCBSVT Primary – Risk						
BCBSVT Primary – Non-Risk						
Total	\$19,046,573	\$15,590,275	(\$3,456,298)	\$20,616,847	\$16,809,993	(\$3,806,854)

Downside Risk	Revised Budget	Current Proration
Medicare	\$10,545,486	\$4,393,952
Medicaid - Traditional	\$4,471,980	\$1,863,325
Medicaid - Expanded	\$447,809	\$186,587
BCBSVT QHP		
MVP QHP		
BCBSVT Primary – Risk		
BCBSVT Primary – Non-Risk		
Total	\$15,590,275	\$6,568,865

Current proration figure calculated with PHE in effect through July

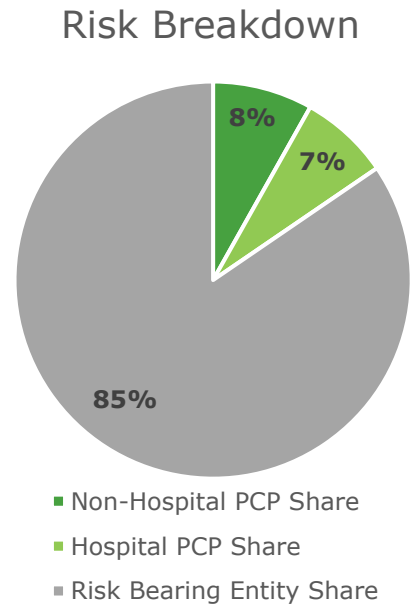
Risk Sharing Model Update

- No changes to the model presented last fall
- Accountability is now spread to all attributing primary care
 - \$1.50 PMPM contribution either monthly, or deferred for potential invoice at the time of settlement
 - \$1.50 PMPM of shared savings if earned

	Downside			Upside		
	Primary Care Share	Risk Bearing Entity Share	Total Risk/Reward	Primary Care Share	Risk Bearing Entity Share	Total Risk/Reward
Medicare	\$970,920	\$9,574,566	\$10,545,486	\$970,920	\$9,574,566	\$10,545,486
Medicaid - Traditional	\$1,439,532	\$3,032,448	\$4,471,980	\$1,439,532	\$3,032,448	\$4,471,980
Medicaid - Expanded	\$0	\$447,809	\$447,809	\$0	\$447,809	\$447,809
BCBSVT QHP						
MVP QHP						
BCBSVT Primary						
Total	\$2,410,452	\$13,179,823	\$15,590,275	\$2,580,300	\$14,229,693	\$16,809,993

Total Risk Breakdown* by HSA

HSA	Non-Hospital PCP Share	Hospital PCP Share	Risk Bearing Entity Share	Total Risk/Reward
Bennington	\$60,007	\$133,391	\$1,177,569	\$1,370,967
Berlin	\$33,162	\$224,799	\$1,719,209	\$1,977,171
Brattleboro	\$41,407	\$73,119	\$677,438	\$791,965
Burlington	\$398,314	\$306,670	\$4,175,493	\$4,880,477
Lebanon	\$38,739	\$28,710	\$305,953	\$373,402
Middlebury	\$48,964	\$74,858	\$727,706	\$851,529
Morrisville	\$60,241	\$0	\$76,506	\$136,747
Newport	\$0	\$78,492	\$191,293	\$269,784
Randolph	\$61,514	\$0	\$144,183	\$205,697
Rutland	\$269,627	\$0	\$988,232	\$1,257,859
Springfield	\$75,705	\$0	\$183,301	\$259,006
St. Albans	\$128,497	\$105,162	\$1,328,285	\$1,561,944
St. Johnsbury	\$53,773	\$57,781	\$258,416	\$369,970
Townshend	\$0	\$0	\$0	\$0
Windsor	\$901	\$56,618	\$373,736	\$431,256
OneCare	\$0	\$0	\$852,502	\$852,502
Total	\$1,270,851	\$1,139,601	\$13,179,823	\$15,590,275



* Breakdown by payer and HSA can be found on the submitted budget templates

Quality Accountability

One of the strategies to help manage hospital participation fees was to shift quality accountability to settlement

- Historically hospitals “pre-funded” the quality accountability into the Value Based Incentive Fund
 - As a result, the participation fees grew significantly in tandem with overall program and accountability growth

Program	Pre-Funded VBIF	Settlement	Total Quality Accountability
Medicare	\$0	\$2,636,371	\$2,636,371
Medicaid	\$2,235,990	\$2,235,990	\$4,471,980
Commercial Programs	\$0	\$1,444,718	\$1,444,718
Total	\$2,235,990	\$6,317,080	\$8,553,070

- In 2020 quality accountability was \$5.6M

Revenues

Funding

- No major changes in overall payer contribution model
 - Reduction in revenues linked to attribution
- Added \$1M of HIT funding (thought to be unavailable in first round of budget)
- DSR reduced from \$3.9M to \$2.9M
 - Offset by \$1M of HIT
- Blueprint Self-Management program did not launch
- Deferred revenue change related to programmatic delays due to the public health emergency

Revenue Line	Original Budget	Revised Budget	Change
Payer Program Support	\$12,074,039	\$10,923,620	(\$1,150,418)
DSR	\$3,900,000	\$2,900,000	(\$1,000,000)
Health Information Tech.	\$0	\$1,000,000	\$1,000,000
Fixed Payment Allocation	\$3,780,835	\$3,354,110	(\$426,725)
Blueprint Self-Management	\$861,000	\$0	(\$861,000)
Deferred Revenue	\$2,400,036	\$3,860,990	\$1,460,954
Other	\$338,178	\$115,000	(\$223,178)
Total	\$23,354,088	\$22,153,719	(\$1,200,368)

PHM Investments Breakdown *

- **Main changes:**
 - Shifts due to attribution updates
 - Timing related to the public health emergency (PHE)
 - Self-Management contract

Investment Area	GMCB Budget	Revised Budget	Change	Notes
Base OCV PMPM	\$9,694,801	\$8,489,937	(\$1,204,864)	Attribution based
Complex Care Coordination Program	\$7,275,652	\$7,259,185	(\$16,468)	
Value-Based Incentive Fund	\$2,000,000	\$2,235,990	\$235,990	Based on % of TCOC
Quality Initiatives	\$74,000	\$295,776	\$221,776	
Self-Management Payments	\$600,000	\$0	(\$600,000)	Program did not launch
RiseVT Payments	\$350,000	\$390,000	\$40,000	
CPR Program Payments	\$1,200,000	\$1,200,000	\$0	
Specialist and Innovation	\$305,097	\$807,408	\$502,311	Timing related to PHE
RCRs	\$0	\$0	\$0	
PCP Engagement	\$657,760	\$644,285	(\$13,475)	
SASH	\$3,968,246	\$4,140,865	\$172,619	
Blueprint PCMH	\$1,993,092	\$1,993,092	\$0	
Blueprint CHT	\$2,440,322	\$2,633,176	\$192,854	
Total	\$30,558,970	\$30,089,714	(\$469,257)	

* Breakdown of “sources and uses” can be found on the submitted budget templates

Operating Costs

Operating Expenses	Original Budget	Approved Budget	Revised Budget	Change	Notes
Wages & Fringe	\$9,823,181	\$9,823,181	\$9,646,062	(\$177,120)	Revised hiring dates
Contracted	\$938,250	\$938,250	\$1,147,448	\$209,198	Increased legal
Software	\$3,578,979	\$3,578,979	\$3,604,919	\$25,940	
Ins./Marketing/Travel/Supplies	\$514,884	\$514,884	\$524,304	\$9,420	
Other Operating Expenses	\$656,000	\$429,111	\$424,111	(\$5,000)	
Professional Development	\$78,593	\$78,593	\$78,593	\$0	
Occupancy	\$542,661	\$542,661	\$480,222	(\$62,439)	Reduced rent
Total	\$16,132,547	\$15,905,658	\$15,905,658	\$0	

- Spending budgets have been updated
- No substantive changes to the overall business configuration

Participation Fee Breakdown

- Small overall increase
- Increases/decreases by hospital due to attribution and PHM updates

Gross Participation Fees	Original Budget	Approved Budget	Revised Budget	Original vs Revised	Approved vs Revised
Bennington / SVMC	\$1,176,344	\$1,161,165	\$1,255,882	\$79,538	\$94,717
Berlin / CVMC	\$1,918,788	\$1,899,578	\$2,047,342	\$128,554	\$147,764
Brattleboro / BMH	\$659,260	\$651,494	\$647,510	(\$11,750)	(\$3,984)
Burlington / UVMMC	\$6,460,348	\$6,341,573	\$6,363,683	(\$96,665)	\$22,111
Lebanon / DH	\$750,998	\$737,629	\$720,684	(\$30,314)	(\$16,945)
Middlebury / Porter	\$617,993	\$614,629	\$561,078	(\$56,915)	(\$53,551)
Morrisville / Copley	\$106,070	\$103,276	\$106,157	\$87	\$2,881
Newport / NCH	\$453,513	\$450,297	\$567,940	\$114,427	\$117,643
Randolph / Gifford	\$82,128	\$80,113	\$81,154	(\$973)	\$1,041
Rutland / RH	\$895,559	\$871,965	\$896,291	\$733	\$24,326
Springfield / Springfield	\$71,371	\$69,490	\$71,429	\$58	\$1,939
St. Albans / NMC	\$878,841	\$868,539	\$942,219	\$63,378	\$73,680
St. Johnsbury / NVRH	\$499,666	\$496,311	\$431,328	(\$68,338)	(\$64,983)
Townshend / Grace Cottage	\$0	\$0	\$0	\$0	\$0
Windsor / Mt. Ascutney	\$364,890	\$362,823	\$363,822	(\$1,069)	\$999
TOTAL	\$14,935,770	\$14,708,881	\$15,056,520	\$120,750	\$347,639

Summary P&L

Revenues	Budget - Submitted	Budget - Approved	Budget - Revised	Variance - Budget vs Revised
External TCOC	946,318,501	946,683,974	792,975,361	(153,708,613)
Contract Revenue	494,173,692	494,173,692	425,432,052	(68,741,640)
Other Revenue	3,599,214	3,599,214	3,993,990	394,775
Hospital Participation Fees	14,935,770	14,708,881	15,056,520	347,639
Total Revenue	1,459,027,177	1,459,165,761	1,237,457,922	(221,707,839)
External Healthcare Costs	937,916,841	937,916,841	784,208,228	(153,708,613)
PHM Program Expenses	504,977,789	505,343,262	437,344,036	(67,999,226)
Operating Expenses	16,132,547	15,905,658	15,905,658	-
Total Expenses	1,459,027,177	1,459,165,761	1,237,457,922	(221,707,839)
Net Income	-	-	-	-

- Changes largely stem from updates to benchmarks and attribution

Balance Sheet

BALANCE SHEET	FY2021 Budget- Submitted	FY2021 Budget - Approved	FY2021 Budget - Revised	Variance- Budget vs Revised
Cash	20,525,564	20,525,564	20,525,564	
Restricted Cash	3,900,000	3,900,000	3,900,000	
Total Cash, Investments, & Reserves	24,425,564	24,425,564	24,425,564	
Accounts Receivable	1,950,000	1,950,000	1,950,000	
Accounts Receivable from Participants - Contract Risk Settlement				
Accounts Receivable from Payers - Contract Risk Settlement				
Prepaid Expenses and other current assets	250,000	250,000	250,000	
Total Current Assets	26,625,564	26,625,564	26,625,564	
Property, Plant And Equipment, net	31,853	31,853	31,853	
Total Assets	26,657,416	26,657,416	26,657,416	
Accrued Expenses/NW Payable	16,429,320	16,429,320	16,429,320	
Due to UVMMC	3,521,163	3,521,163	3,521,163	
Deferred Revenue	1,020,508	1,020,508	1,020,508	
Total Current Liabilities	20,970,991	20,970,991	20,970,991	
Long Term Liabilities - Deferred Revenue	-	-	-	
Long Term Liabilities - Other	-	-	-	
Total Liabilities	20,970,991	20,970,991	20,970,991	
Capital Contributions	50,000	50,000		(50,000)
Retained Earnings	5,636,426	5,636,426		(5,636,426)
OneCare Net Assets			5,686,426	5,686,426
Total Equity	5,686,426	5,686,426	5,686,426	
Liabilities and Equities	26,657,417	26,657,417	26,657,417	

- No significant changes to balance sheet forecast
- Changes to equity configuration stem from the 501(c)3 change

Questions