OneCare Vermont

Revised 2024 Budget

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Overview

- OneCare received its 2024 budget orders on 2/29/2024
- The OneCare Board of Managers took action to accommodate the orders accordingly
- This presentation is structured to provide the informational updates required in the 2024 budget orders, and show the strategies that will be used to comply with the orders
- **OneCare makes no requests related to the approved 2024 budget or 2024 budget orders**

a. Final Attribution and Finalized Payer Contracts

Attribution

	FY24 Original Budget		Updated Projection	
Payer	**Starting Attribution Estimated** *Used to Measure APM Scale**	**Settlement Attribution Estimated** *Should match data provided in Tab 5.1*	**Starting Attribution Actual** *Used to Measure APM Scale*	**Settlement Attribution Actual** *Should match data provided in Tab 5.1*
Medicare	67,870	49,550	66,736	49,281
Medicaid	113,575	86,129	116,088	103,620
UVMHN Self-Funded				
MVP QHP				
Total				

- Initial attribution from the public payer programs came in very close to budget estimates
- Settlement attribution for Medicaid expected to be higher than estimated due to changes to redetermination pace and policy
- Commercial attribution expected to be slightly higher than estimated

Finalized Payer Contracts

- All contracts submitted to the GMCB
- Negotiations yielded very similar structures to those included in the budget
- Most significant change was an increase to the Medicare risk corridor as ordered by the GMCB

b. Revised Budget, Based on Final Attribution

	2024 Budget	2024 Budget - Modified	Change
Payer Program Support	$7,649,807	$7,649,807	$0
Adv. Shared Savings	$9,954,481	$9,954,481	$0
Fixed Payment Allocation	$2,599,717	$2,599,717	$0
Deferred Revenue	$1,821,788	$1,821,788	$0
Other Revenues	$317,662	$317,662	$0
Hospital Dues	$17,595,423	$17,595,423	$0
Total Revenue	**$39,938,877**	**$39,938,877**	**$0**
PHM Base Payments	$8,731,119	$8,731,119	$0
PHM Bonus Potential	$3,353,192	$4,060,437	$707,245
Longitudinal Care	$399,000	$399,000	$0
DULCE	$68,162	$68,162	$0
Value-Based Incentive Fund	$0	$0	$0
Primary Care Payment Reform	$1,323,900	$1,323,900	$0
MH Screening and Follow-Up Program	$1,671,727	$1,671,727	$0
SNF Support	$0	$0	$0
Waiver Implementation Funding	$200,000	$200,000	$0
Blueprint	$9,954,481	$9,954,481	$0
Regional Clinical Representatives	$0	$250,000	$250,000
Total PHM Expenses	**$25,701,580**	**$26,658,825**	**$957,245**
Wages & Fringe	$8,191,655	$8,191,655	$0
Purchased Services	$4,327,955	$4,327,955	$0
Software	$494,951	$494,951	$0
Other	$1,222,736	$1,222,736	$0
GMCB Reduction	$0	($957,245)	($957,245)
Total Operating Expenses	**$14,237,297**	**$13,280,052**	**($957,245)**
Total Expenses	**$39,938,877**	**$39,938,877**	**$0**
Gain (Loss)	**$0**	**$0**	**$0**

- The budget was modified by the GMCB in two ways:
  - Reduced operating expenses by $957k
  - Order to reallocate the reduction to population health and primary care programs that will achieve the best return on investment
- The OneCare Board of Managers authorized reinvestment in two initiatives:
  - $250,000 for restoration of the Regional Clinical Representative model
  - $1,178,741 increase to the PHM bonus pool
    - Payments of $707,245 expected after applying 60% payout rate
- No other changes have been made to OneCare's budget

c. Final Description of Population Health Initiatives

All population health initiatives remain in the form initially presented, with the following exceptions:

- $250,000 has been added for restoration of the Regional Clinical Representative model
- $1,178,741 has been added to the PHM bonus pool
  - Payments of $707,245 expected after applying 60% payout rate
- The Mental Health Screening and Follow-Up policy now requires participants to meet a 70% screening rate to earn the second payment, and 25% of the program funding pool is earmarked for investment in virtual mental health services for those with positive screening results

d. Expected Hospital Dues for 2024 by Hospital

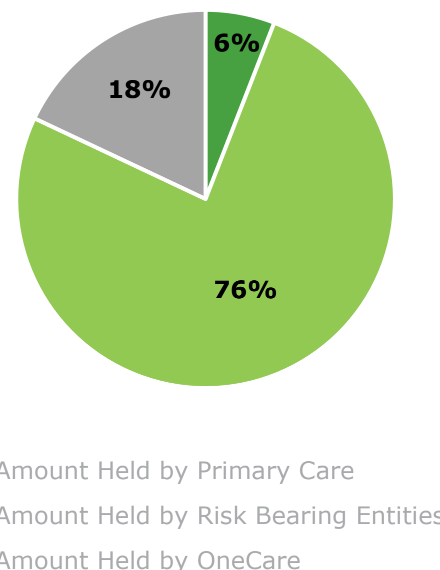
Because the operating expense reduction is offset by investment in population health initiatives, and there have been no other changes to the budget, there is no change to expected hospital dues

HSA / Hospital	Gross 2024 Contribution
Bennington / SVMC	$1,313,430
Berlin / CVMC	$2,071,507
Brattleboro / BMH	$677,940
Burlington / UVMMC	$8,506,175
Lebanon / DH	$975,150
Middlebury / Porter	$482,275
Morrisville / Copley	$191,068
Newport / NCH	$441,256
Randolph / Gifford	$115,718
Rutland / RH	$1,388,236
Springfield / Springfield	$117,430
St. Albans / NMC	$534,698
St. Johnsbury / NVRH	$519,056
Townshend / Grace Cottage	$0
Windsor / Mt. Ascutney	$309,548
TOTAL	**$17,643,487**

e. Expected Risk for 2024 by OneCare Held Risk, Risk Bearing Entity and by Payer

Please see Tab 5.1 Risk Payer RBE (rev) tab in the submitted workbook for detailed maximum risk/reward estimates

Component	Amount
Total Program Risk	$32,177,204
Advanced Shared Savings Risk *	$9,954,481
Amount Held by Primary Care	$2,489,828
Amount Held by Risk Bearing Entities	$32,063,813
Amount Held by OneCare	$7,578,044



* Occurs if cash settlement with Medicare exceeds risk corridor limit

f. Any Changes to the Overall Risk Model for 2024

Other than the order to increase the Medicare risk corridor to 4%, and for OneCare to hold the incremental 1%, there have been no changes to the overall risk model

- The program settlement policy edits reflecting 1% Medicare risk held at the OneCare entity level will be reviewed during OneCare’s April governance cycle
- Final policy will be submitted to the GMCB promptly following approval

g. Source(s) of Funds for OneCare’s Population Health Management Programs

There have been no substantive changes to the sources of funds used for population health initiative or operations

- All adjustments stem from GMCB budget orders

	YTD TOTAL	Medicare AIPBP (FPP/CPR)	Medicare Adv SS	Medicaid Blended FPP/CPR	Medicaid Blended PRSP	Medicaid VBIF	MVP PMPM	UVMHN SF PMPM	Interest Income	Deferred Revenue	Medicare Participant Supplemental Funding	Hospital Dues - CY
INCOME/INFLOWS	**$470,067,149**	**$286,528,147**	**$9,954,481**	**$143,552,061**	**$4,909,353**	**$2,000,000**	**$283,647**	**$456,807**	**$317,662**	**$1,821,788**	**$2,599,717**	**$17,643,487**
EXPENSE/OUTFLOWS												
OneCare Fixed Payments	$418,796,341	$282,989,419		$135,806,922								$0
OneCare CPR Program T1 Core/NonCore	$10,071,057	$3,191,390		$6,879,668								$0
CPR Program cost - Adv Tiers Funded by FPP	$1,212,809	$347,338		$865,472								$0
CPR Program Cost $5 addon + Adv Tiers funded by $2M	$1,323,900				$703,574	$114,498						$505,829
PHM Program - Base Pmts	$8,731,119				$4,205,779		$283,647	$456,807				$3,784,886
PHM Program - Bonus Pmts	$4,060,437					$1,885,503						$2,174,934
DULCE	$68,162											$68,162
Longitudinal Care	$399,000											$399,000
Innovation Fund	$0											$0
PCMH Legacy Payments	$2,223,276		$2,223,276									$0
CHT Block Payment	$3,029,537		$3,029,537									$0
SNF Support	$0											$0
RCR	$250,000											$250,000
Waiver Implementation Fund	$200,000									$150,061		$49,939
MH Screening and Follow-Up Program	$1,671,727									$1,671,727		$0
Specialist (VBIF Backfill)	$0											$0
VBIF Reinvestment	$0											$0
SASH	$4,701,668		$4,701,668									$0
Total PHM/Payment Reform Programs	**$456,739,033**	**$286,528,147**	**$9,954,481**	**$143,552,061**	**$4,909,353**	**$2,000,000**	**$283,647**	**$456,807**	**$0**	**$1,821,788**	**$0**	**$7,232,749**
Salaries and Benefits	$8,191,655								$317,662		$2,599,717	$5,274,277
Purchased Services	$4,327,955											$4,327,955
Software/Informatics	$494,951											$494,951
Other Expenses***	$313,554											$313,554
Total Operational Expenses	**$13,328,116**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$317,662**	**$0**	**$2,599,717**	**$10,410,737**
Total Expenses	**$470,067,149**	**$286,528,147**	**$9,954,481**	**$143,552,061**	**$4,909,353**	**$2,000,000**	**$283,647**	**$456,807**	**$317,662**	**$1,821,788**	**$2,599,717**	**$17,643,486**

h. Status of the Medicare ACO Performance Benchmarking System

OneCare met with GMCB staff in March 2024 to discuss new statistical significance analysis requirement described in Condition 1 of the Budget Order.

- Clarifying questions raised; various approaches discussed.
- Mutual agreement reached that further discussion was warranted.

First bi-annual benchmarking report, due date extended to April 30, 2024, is on track for timely submission and will include new beneficiary risk levels.

Second semi-annual report, due Sept 30, 2024, will include the new statistical significance analysis.

- Additional meetings with GMCB staff to further align on statistical significance analysis will be arranged in Q2 following first report submission.

i. Update on the Results of Evaluations as Described in the FY24 Budget Submission

OneCare is actively engaged with a third party vendor to perform a 2024 evaluation of it’s 2023 Population Health Model (PHM)

- Framework contains methods for quantitative and qualitative analysis
- OneCare’s network has been notified and encouraged to participate in the qualitative analyses
- Reports on the two analyses will be delivered to OneCare in the summer and fall timeframes. Evaluation recommendations for 2025 and beyond will be delivered at the end of 2024.

j. Update one the Partnership between OneCare and the University of Vermont to Explore Additional Partnerships Around Evaluation

The contract with the University of Vermont concluded on 12/31/2022. There are no planed engagements at this time.

k. OneCare's Progress Relative to Targets for Commercial Payer FPP Levels

There have been no significant changes to the payer contracting landscape that have materially impacted the fixed payment progress relative to the FPP report submitted 7/31/23

Other OneCare Fixed Payment Developments

- Launched a fixed payment expansion (Global Payment Program or GPP) with the CPR practices in January
- Ready to launch the GPP initiative with five hospitals in July, pending DVHA funding appropriations
- In conversations with several FQHCs for a Medicaid fixed payment initiative
  - Targeting a 7/1 start date

I. Statement of How the Funds Reduced from Operating Expenses Were Reallocated to Population Health and Primary Care Programs

The $957,245 operating expense reduction was apportioned to population health and primary care programs as follows:

- $250,000 has been added for restoration of the Regional Clinical Representative model
- $1,178,741 has been added to the PHM bonus pool
  - Payments of $707,245 expected after applying 60% payout rate