VERMONT
GREEN MOUNTAIN CARE BOARD

ACO Oversight
FY 2022 OneCare Revised Budget

Staff analysis and potential vote

May 11, 2022

Agenda

VERMONT
GREEN MOUNTAIN CARE BOARD

1. Revised budget process (reviewed last week)
2. Key areas of staff review
3. FY22 Budget Order status
4. Board discussion
5. Public comment
6. Potential vote

OneCare Vermont ACO Revised FY22 Budget

VERMONT
GREEN MOUNTAIN CARE BOARD

- Budget guidance and budget order require a revised ACO budget to be presented in the spring of the budget year
  - Revised budget to include elements described in the FY22 Budget Order
- Budget adjustment process established in Rule 5.000, §5.407:
  - Staff will review and come back to the Board with any performance that has “varied substantially from its budget”
  - If performance has “varied substantially” from ACO’s budget, then, upon application of ACO, Board may adjust ACO’s budget
  - Potential vote noticed for May 11 because OneCare has requested a modification to its budget order.

OneCare Vermont ACO FY22 Budget – Revised Budget, Conditions 9-10

VERMONT
GREEN MOUNTAIN CARE BOARD

At its presentation of the revised budget OneCare must present to the GMCB on the following topics:

a. Final FY2022 attribution and finalized payer contracts;
b. Revised budget, based on final attribution;
c. Final description of population health initiatives;
d. Expected hospital dues for 2022 by hospital;
e. Expected risk for 2022 by risk bearing entity and by payer;
f. Any changes to the overall risk model for 2022;
g. Source(s) of funds for OneCare's 2022 population health management programs;
h. Status of the ACO benchmarking system by payer program;
i. Update on the results of evaluations as described in the FY22 budget submission (including care coordination and analysis of variations in care by HSA);
j. Update on the partnership between OneCare and the University of Vermont to explore additional partnerships around evaluation;
k. OneCare's progress relative to its targets for commercial payer FPP levels that OneCare set in accordance with its FY21 budget order, condition 15, and any FPP targets set according to conditions in this order; and
l. Any other information the GMCB deems relevant to ensuring compliance with this order.

§5.407 Budget – Performance Review and Adjustment

VERMONT
GREEN MOUNTAIN CARE BOARD

a) The Board may conduct an independent review of an ACO's performance under an established budget at any time. Such a review need not be limited to financial performance and may cover any matter approved by the Board as part of the ACO's budget. The Board may request, and an ACO must provide, information determined by the Board to be necessary to conduct the review. If, after conducting a review, the Board determines that an ACO's performance has varied substantially from its budget, the Board shall provide written notice to the ACO. The notice shall set forth the results of the Board's review, as well as a description of the facts the Board considered.

b) After determining that an ACO's performance has varied substantially from its budget, and upon application of the ACO, the Board may adjust the ACO's budget. In considering an adjustment of an ACO's budget, the Board will consider the financial condition of the ACO and any other factors it deems appropriate.

c) An ACO must request and receive an adjustment to its budget under subsection (b) of this section prior to executing a Risk Contract that would cause the ACO to exceed a Risk Cap established by the Board as part of the ACO's budget.

d) The Board may take any and all actions within its power to compel compliance with an established budget.

Revised budget areas of staff review

VERMONT
GREEN MOUNTAIN CARE BOARD

- ACO benchmarking solution
  - Budget Order adjustment request from OneCare
- Fixed Prospective Payments (FPP) targets and strategy
- Variance review
  - Financial model
  - Care model
- Budget Order status update

Condition 1
ACO Benchmarking

VERMONT
GREEN MOUNTAIN CARE BOARD

- Amendment request
- Key OneCare Proposed Changes
  - Focus benchmark reporting on utilization, cost, and quality; remove patient satisfaction/engagement and evidence-based clinical appropriateness due to lack of available benchmarks. Staff recommendation: Include all five domains, as available and appropriate.
  - Flexibility to work with selected vendor to identify specific measures (cost, utilization, quality) based on available data; collaborative process with GMCB staff to determine reporting templates. Consistent with the intent and staff recommendation. Continue to pursue five domains as available and appropriate.
  - Eliminate requirement for Medicaid and commercial benchmarking as vendors report lack of industry standards, low data availability & consistency, and high costs. Staff recommendation: Do not eliminate this requirement entirely. Accept OneCare proposal to amend FY22 requirement to be Medicare only, and OneCare will work with GMCB to continue to pursue feasibility of options for benchmarking Medicaid and commercial programs.

Condition 1
ACO Benchmarking

VERMONT
GREEN MOUNTAIN CARE BOARD

OneCare must implement a reputable and effective Medicare ACO benchmarking system to compare key quality, cost, and utilization metrics to national benchmarks, utilizing OneCare claims data and potentially clinical data, and acquiring data from third party sources as needed. The benchmarking system and data source must be approved in advance by GMCB staff~~, built for each payer program,~~ and include national benchmarks (and regional, if available) and identify best-practices based on the data in five key areas, as available and appropriate: 1) utilization, 2) cost per capita, 3) patient satisfaction/engagement, 4) quality, and 5) evidence-based clinical appropriateness. The benchmarking system will:

a. Allow the ACO and the GMCB to assess OneCare's performance against peer ACOs or integrated health systems;
b. Enhance OneCare's ACO-level performance management strategy, including integration of best practices and priority opportunities identified through benchmarking and peer networking into the OneCare Quality Evaluation and Improvement Program; and ~~Enhance OneCare's ACO-level performance management strategy, including implementation of processes and programs that have been implemented at best practice sites, and integration of these priority opportunities into the OneCare Quality Evaluation and Improvement Program; and.~~
c. Improve ACO regulatory reporting and performance assessment by providing the benchmarking comparisons to targets at least ~~quarterly~~ semiannually to the GMCB.

Implementation of the Medicare benchmarking system shall start ~~with the Medicare program~~ in FY22 as a test year. OneCare must select and propose the Medicare benchmarking system for GMCB staff approval by March 31, ~~2021~~ 2022 and present the Medicare proposal~~, as well as a plan for Medicaid and commercial benchmarking systems,~~ at the revised budget presentation in Spring 2022. Monitoring dashboards and targets will be developed by GMCB staff in collaboration with OneCare and specified in the updated ACO Reporting Manual. The updated ACO Reporting Manual will be modified by GMCB staff to streamline reporting requirements to be focused more on results of the benchmark system. OneCare will gather additional information on the feasibility of expanding benchmarking for Medicaid and commercial population and will provide a written update to the GMCB on Medicaid and commercial benchmarking systems by October 1, 2022.

Condition 1
ACO Benchmarking

VERMONT
GREEN MOUNTAIN CARE BOARD

- Next steps for ACO performance benchmarking
  - GMCB vote on amended language
  - OneCare in active contracting
  - GMCB working with OneCare to develop reporting template
  - First report by July 31, 2022

Condition 3a
FPP Levels and Targets – Reporting

VERMONT
GREEN MOUNTAIN CARE BOARD

- The GMCB Director of Health Systems Policy will specify and determine a methodology for the ACO to report data about ACO FPP levels and targets in the updated ACO Reporting Manual. Based on the additional reporting about ACO FPP levels and targets that GMCB staff will specify in the ACO Reporting Manual, GMCB Director of Health Systems Policy will approve, or modify and approve, a commercial FPP target and seek twice annual reporting from OneCare on progress toward this target.

Condition 3a
Background

VERMONT
GREEN MOUNTAIN CARE BOARD

- There have been different ways of reporting FPP
- Through this condition, staff are working to align reporting and ensure a shared understanding of the inputs:

$$\frac{\text{Total FPP + CPR}}{\text{Total Cost of Care}} = \text{Percent}$$

$$\frac{\text{Only Unreconciled FPP + CPR}}{\text{Total Cost of Care}} = \text{Percent}$$

Terms:
FPP – Fixed Prospective Payments
CPR – Comprehensive Payment Reform Program

Condition 3a and 9j
FPP Levels and Targets - Reporting

VERMONT
GREEN MOUNTAIN CARE BOARD

Progress on Commercial Fixed Payments

Previously Submitted Milestones/Targets – FPP as a % of contracted TCOC

Program	Baseline	PY22	PY23	PY24	PY25
Medicare	0.0%	0.0%	53.4%	53.9%	54.4%
Medicaid	50.4%	50.7%	58.2%	58.5%	58.8%
Commercial	0.00%	2.9%	23.9%	44.9%	65.9%

2022 Targets vs. Actual

Program	PY22 Target	PY22 Actual
Medicare	0.0%	0.48% *
Medicaid	50.7%	52.24%
Commercial	2.9%	0.16% *

* For CPR only, hospitals cover reconciliation making it a true fixed payment for those participants.

- Actual 2022 results are relatively close to the established targets, however, we have not received indications suggesting Medicare is ready to convert to a true fixed payment in 2023 (which would result in a material variation)
- Commercial unreconciled fixed payments were not secured in 2022
- OneCare and the commercial partners continue to discuss an unreconciled fixed payment concept for potential implementation in 2023
  - Main focus remains on hospitals and independent primary care, but OneCare is open to other provider types as well (ex. FQHCs)

Payment Models and FPP (FY22 Revised)

Fixed Payments as Percent of Expected TCOC and HCP-LAN Categories

VERMONT
GREEN MOUNTAIN CARE BOARD

	Attribution (Jan. 1)	Expected TCOC (ETCOC)[1]	Total Fixed Payments (FPP + CPR)[2]	Total Fixed Payments (FPP + CPR) as % of Expected TCOC	HCP-LAN Category *For more information, see HCP-LAN Alternative Payment Model Framework, slide 136)*
Medicare	62,711	$507,561,372[3]	$266,365,003	52%	4B (*reconciled* to FFS)
Medicaid – Trad.	95,725	$275,105,429	$142,142,755	52%	4B (*unreconciled* to FFS)
Medicaid – Expand.	30,563	$44,959,054	$25,070,985	56%	4B (*unreconciled* to FFS)
BCBSVT	97,205	$424,476,173	[redacted]	1.1%	BCBSVT General: 3B[4] BCBSVT FPP Pilot: 4B (reconciled)
MVP QHP	10,692	$64,219,054			MVP: 3A[4]
TOTAL	296,896	$1,316,321,082	$438,968,088	33%	

1. Projected (Expected) TCOC: FY22 Revised Budget (3/30/22) Tab 5.1 ACO Risk by Payer and Tab 6.5 PMPM Rev by Payer. 2. FPP and CPR lines in FY22 Revised Budget (3/30/22) Tab 6.4 Sources Uses. 3. Medicare TCOC: Includes Blueprint/SASH at $9,073,983 for FY22 Revised. 4. BCBSVT and MVP payment model HCP-LAN categorizations according to filings from the GMCB's review of plans' Qualified Health Plan (QHP) premiums for 2022.

FPP Levels and Targets - Reporting
Key Takeaways

VERMONT
GREEN MOUNTAIN CARE BOARD

- Report both reconciled and unreconciled FPP
- Include numerator/denominator tied to financial sheets
- Adjust targets, if needed
- GMCB staff will issue the Reporting Manual as specified in the budget order

- No Board action required

ACO Budget & Financials

Funds Flow

VERMONT
GREEN MOUNTAIN CARE BOARD

- OCV's Full Accountability (non-GAAP) budget is an "all-in" financial perspective which captures Expected TCOC pass-through, Contract revenues (incl. FPP), and organizational revenues and expenses. The Full Accountability budget is not in line with US GAAP as most of the revenues are the responsibility of third-party fiduciaries.
- OCV's Entity-Level (GAAP) budget captures only the revenues and expenses derived from and incurred by the organization's operating activity in line with US Generally Accepted Accounting Principles (GAAP). *

*OCV presented a FY22 budget of $44.2 million. This is an amalgamation of the entity-level budget plus Medicaid NextGen-Added (TCOC) and confidential contract revenues as well as full responsibility for Medicaid Admin (Trad. & Exp.) revenues. These are offset by PHM/PMT Reform Program and Operating Expenses.

ACO FY22 Revised Budget & Financials

Entity Level (GAAP) & Total Accountability (Non-GAAP)

Summary Income Statement

VERMONT
GREEN MOUNTAIN CARE BOARD

	GAAP					NON-GAAP				
Entity Level (GAAP)	**2021 Actual**	**2022 Budget**	**2022 Revised**	**2022 Variance**	**Variance %**	**2021 Actual**	**2022 budget**	**2022 Revised**	**2022 Variance**	**Variance %**
Expected Total Cost of Care Target (External)	$ -	$ -	$ -			$ 776,354,347	$ 884,356,005	$ 880,713,433	$ (3,642,573)	
Fixed Prospective Payment/Funded CPR	$ -	$ -	$ -			$ 407,618,099	$ 445,882,154	$ 435,607,649	$ (10,274,504)	
Other Contract Revenue	$ 6,963,700	$ 3,360,439	$ -	$ (3,360,439)		$ 10,476,117	$ 7,371,394	$ 10,460,595	$ 3,089,201	
Participation Fees	$ 16,738,432	$ 19,231,028	$ 20,415,985	$ 1,184,957		$ 16,738,432	$ 19,231,028	$ 20,415,985	$ 1,184,957	
Administrative Revenue	$ 3,779,019	$ 4,175,496	$ -	$ (4,175,496)		$ 7,558,032	$ 7,978,014	$ -	$ (7,978,014)	
Settlement Revenue	$ -	$ -	$ -	$ -		$ 5,941,844			$ -	
Consulting Revenue	$ 18,000	$ -	$ -			$ 18,000	$ -	$ -	$ -	
Other Revenues (incl. Settlement)	$ 254,704	$ 527,247	$ 4,601,560	$ 4,074,312		$ 254,704	$ 527,247	$ 4,601,560	$ 4,074,312	
Total Revenues	**$ 27,753,855**	**$ 27,294,211**	**$ 25,017,545**	**$ (2,276,666)**	**-9.1%**	**$ 1,224,959,575**	**$ 1,365,345,843**	**$ 1,351,799,222**	**$ (13,546,621)**	**-1%**
Expected Health Care Spend (External)	$ -	$ -	$ -			$ 758,044,635	$ 875,282,023	$ 871,639,451	$ (3,642,572)	
Contractual Risk Limitations						$ 3,905,131				
Fixed Prospective Payments	$ 11,097	$ -	$ -			$ 407,629,196	$ 445,882,154	$ 435,607,649	$ (10,274,504)	
Population Health Management Payment	$ 2,297,778	$ 1,644,348	$ 1,946,334	$ 301,986		$ 8,959,978	$ 9,457,821	$ 9,512,724	$ 54,903	
Population Health Management Program	$ 10,359,064	$ 10,362,325	$ 7,633,673	$ (2,728,652)		$ 19,755,429	$ 19,436,307	$ 19,601,860	$ 165,552	
Settlement Exp	$ 12,026	$ -	$ -	$ -		$ 11,591,317				
Operational Expenses	$ 13,173,351	$ 15,287,538	$ 15,437,538	$ 150,000		$ 13,173,351	$ 15,287,538	$ 15,437,538	$ 150,000	
Total Expenses	**$ 25,853,315**	**$ 27,294,211**	**$ 25,017,545**	**$ (2,276,666)**	**-9.1%**	**$ 1,223,059,037**	**$ 1,365,345,843**	**$ 1,351,799,222**	**$ (13,546,621)**	**-1%**
Net Income	**$ 1,900,540**	**$ (0)**	**$ (0)**	**$ 0**		**$ 1,900,538**	**$ 0**	**$ (0)**	**$ 0**	
Administrative Ratio	**45.53%**	**56.01%**	**61.71%**			**1.26%**	**1.12%**	**1.14%**		
PHM Ratio with Blueprint	**54.47%**	**43.99%**	**38.29%**			**2.92%**	**2.12%**	**2.15%**		
PHM Ratio without Blueprint	**54.47%**	**43.99%**	**38.29%**			**2.17%**	**1.45%**	**1.48%**		
Operating Margin	**0.00%**	**0.00%**	**0.00%**			**0.00%**	**0.00%**	**0.00%**		
Total Margin	**0.00%**	**0.00%**	**0.00%**			**0.00%**	**0.00%**	**0.00%**		
FTEs - Fiscal Year (budgeted)	**60**	**61.4**	**62.9**			**60**	**61.4**	**62.9**		

ACO Revised Budget & Financials

Key Takeaways

VERMONT
GREEN MOUNTAIN CARE BOARD

- Full Accountability (Non-GAAP): Overall variance is $(13.5)M, a 1% reduction from original budget. Updated attribution and associated TCOC is the greatest variance driver; this type of variance is expected.
- Entity-Level (GAAP): Overall variance is $(2.3)M, a 9% reduction from original budget. Final contract terms are the greatest variance driver.
- Medicaid contract changes:
  - Original FY22 budget assumed FY21 contract terms:
    - Monthly payment to OCV = FPP + Administrative Payments
    - Administrative payment = Care Coordination, PHM programs, VBIF and OCV administrative costs
    - $7.9M PMPM funding + $3.6M Care Coordination
    - $3.9M in Delivery System Reform (DSR) payments were NOT assumed for FY22
  - Revised FY22 budget reflects final contract terms:
    - Monthly payment to OCV = FPP + Payment Reform Support Payments
    - Payment Reform Support Payment = Care Coordination, PHM programs (cannot be used to fund OCV operations)
    - $6.5M in Payment Reform Support Payments + $2M DVHA VBIF
    - Less $ overall in contract; all goes to providers
  - Difference to fund operations is offset by hospitals
    - $927K in participation fees + $3.36M in fixed payment offsets
    - Not a 1-for-1 difference due to other adjustments

ACO Budget & Financials

Key Takeaways

VERMONT
GREEN MOUNTAIN CARE BOARD

- Medicaid contract changes
- Operating budget adds the cost of the ACO benchmarking tool, as ordered
- VBIF funded as ordered

- Staff recommendation: Continue to monitor financial terms of the budget order through Quarterly reporting
  - No Board action required

Condition 9d
Population Health Initiatives

VERMONT
GREEN MOUNTAIN CARE BOARD

- Initial budget described that the care coordination model would be shifting after network feedback.
- With stakeholder engagement, a revised model was being developed: Care Coordination payments would be decoupled from use of Care Navigator, and instead payments would be tied to accountabilities.
- At the time, the specifics were being finalized and would be communicated in the near future.

Condition 9d

PY21 vs PY22 Care Coordination Program

VERMONT
GREEN MOUNTAIN CARE BOARD

PY2021 and prior

- Available to Participants, Preferred Providers, and Collaborators (HHAs, DAs, AAAs, and SASH)
- Monthly PMPM for care coordinated lives, and ad hoc care conference payments
- Earned based upon completion of care coordination tasks/use of Care Navigator based on risk stratification
- Amounts dependent on care team member position

PY2022

- Available to Participants, HHAs, DAs, and AAAs
- Two types of payments
  - monthly PMPM for full panel (85%)
  - annual bonus payment (up to 15%)
- PMPM earned based upon completion of care coordination accountabilities.

Condition 9d

PY22 Care Coordination Payments

VERMONT
GREEN MOUNTAIN CARE BOARD

- Primary Care Providers (Participants)
  - 85% of budgeted funds: monthly $1.50 PMPM payments as a capacity payment based on member months
  - 15% of budgeted funds: available as an annual performance bonus tied to risk-adjusted TCOC
- Home Health Agencies
  - 85% of budgeted funds: monthly payments based on the proportional share of 2021 care coordination payments earned by HHAs through their use of Care Navigator.
  - 15% of budgeted funds: available as a performance bonus tied to each HHA's rate of inpatient admissions for attributed lives after a home health visit

Condition 9d

PY22 Care Coordination Payments

VERMONT
GREEN MOUNTAIN CARE BOARD

- Designated Agencies
  - 85% of budgeted funds: monthly payments based on the proportional share of the total dollar value of claims for care provided by DAs to Attributed Lives in Medicaid Program.
  - 15% of budgeted funds: available as a performance bonus tied to PCP engagement for Attributed Lives being actively care managed
- Area Agencies on Aging
  - 85% of budgeted funds: monthly payments based on the proportional share of 2021 care coordination payments earned by AAAs through their use of Care Navigator.
  - 15% of budgeted funds: available as a performance bonus tied to PCP engagement for Attributed Lives being actively care managed

Condition 9d

Population Health Initiatives – Key Takeaways

VERMONT
GREEN MOUNTAIN CARE BOARD

- Continue to monitor population health initiatives and revised care coordination model.
- Seek information regarding evaluation of care coordination efforts to be completed in summer of 2022.
- No board action required at this time.

FY22 Budget Order Conditions

VERMONT
GREEN MOUNTAIN CARE BOARD

Condition		Status as of May 11, 2022	Board Action
1 & 2	ACO Benchmarking System	OneCare received GMCB approval of selected Medicare benchmarking vendor and is in active contract negotiations. Next step is developing templates for an initial report due by July 31, 2022.	Vote needed on budget order language amendment
3	FPP levels and targets	Reporting Manual to incorporate updated template.	Monitor
4	Scale Target Initiatives and Alignment	Contracts and forms submitted. Note: GMCB APM Scale report (2021 and preliminary 2022 scale results) due June 30, 2022.	Monitor
5	Benchmark Trend Rates	Contracts submitted.	Monitor
6	Work with MA plans in Vermont to develop scale qualifying programs for FY23	No update at this time.	Monitor

Note: Dates may be subject to change.

FY22 Budget Order Conditions

VERMONT
GREEN MOUNTAIN CARE BOARD

Condition		Status as of May 11, 2022	Board Action
7	Risk Model, seek approval if changes	No changes reported in revised budget.	Monitor
8	Notify of any material changes to budget	Revised budget reviewed.	None
9	Revised budget documentation	Completed.	None
10	Revised budget presentation	Completed.	None
11	FY22 operating expenses not to exceed $15.3 million plus cost of benchmarking system	Revised budget is in line with this condition; continue to monitor through quarterly financial reporting.	Monitor

FY22 Budget Order Conditions

VERMONT
GREEN MOUNTAIN CARE BOARD

Condition		Status as of May 11, 2022	Board Action
12	Notify GMCB within 15 days if OneCare uses reserves, adjusts participation fees, or uses its line of credit	Ad hoc, no update at this time.	Monitor
13	Submit audited financials as soon as they are available	Anticipated August 2022.	Monitor
14	Submit most recent IRS Form 990 as soon as it is available	Anticipated in Summer 2022.	Monitor
15	Submit revised proposal for PHM programs if not fully funded as detailed in FY22 Budget	$2M DVHA VBIF. No other PHM changes reported in revised budget.	Monitor

FY22 Budget Order Conditions

VERMONT
GREEN MOUNTAIN CARE BOARD

Condition		Status as of May 11, 2022	Board Action
16	Fund VBIF or other pre-funded clinical quality incentive program at minimum of $2.24 million	Up to $3 million dollars available for VBIF, reflected in revised budget; $3M total includes $2M DVHA-funded, $1M OCV-funded.	Monitor
17	Blueprint and SASH Funding	Budgeted as ordered.	Monitor
18	OneCare's administrative expenses must be less than health care savings across duration of APM Agreement	Assessment due from OCV to GMCB in 2023.	Monitor

Discussion & Potential Vote

VERMONT
GREEN MOUNTAIN CARE BOARD

- Board discussion/questions
- Public comment
  - No written public comment received
- Potential vote

Suggested Motion Language

VERMONT
GREEN MOUNTAIN CARE BOARD

- Amendment of Budget Order Condition 1:

  Move to amend OneCare Vermont's FY22 Budget Order by modifying Condition 1 as recommended by GMCB staff to limit the benchmarking tool to Medicare data and make other changes as outlined today by GMCB staff.