



December 10, 2024

Owen Foster  
Chair, Green Mountain Care Board  
144 State Street, Montpelier, VT 05602

**RE: Office of the Health Care Advocate Comments on FY2025 OneCare Budget Submission**

Dear Chair Foster and Members of the Green Mountain Care Board:

The FY25 budget guidance adopted by the Board is rightly focused on “ensuring appropriate final year ACO administrative expenses that reflect the value to Vermonters and Vermont community providers of the ACO.”<sup>1</sup> It is well-established in the field that successfully winding down an organization includes identifying key personnel within each department to run operations<sup>2</sup> and reducing administrative costs – particularly labor and purchased services.<sup>3</sup>

The HCA therefore recommends that the Board significantly reduce OneCare’s purchased services and labor costs by at least 30%<sup>4</sup> of its current proposed budget and reallocate these funds to non-hospital owned, independent primary care providers (PCPs). Additionally, the HCA recommends that the Board order OneCare to redistribute all costs associated with advertising, lobbying, public relations, and travel to independent PCPs. As is well-documented, these PCPs remain in a financially precarious position and currently stand to lose significant funding after OneCare closes operations. There is also a broad consensus that primary care remains under supported relative to its impact on community health. This redistribution could be allocated to PCPs through a block payment or PMPM increase – whatever is preferred by the providers.

It is not credible for OneCare to maintain – and in some cases increase - its administrative costs given their decision to shut down. It is also not appropriate in the context of the affordability and access crisis impacting Vermonters and Vermont’s health care system.

Signed,

The HCA Policy Team

s\ Mike Fisher, Chief Health Care Advocate

s\ Sam Peisch, Health Policy Analyst

s\ Eric Schultheis, Staff Attorney

s\ Charles Becker, Staff Attorney

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<sup>1</sup> Green Mountain Care Board. “GMCB FY 2025 Budget Guidance.” 29 May 2024.

<sup>2</sup> AAFCPAs. “Company Wind Down Practices.” Sept 2024.

<sup>3</sup> Freeman, K. “The Right Way to Close an Operation.” *Harvard Business Review*. 2008.; Bruder L. “Non-profit Dissolution: What to Do When Closing the Doors.” *Nonprofit Quarterly*. 2017.

<sup>4</sup> Coyne K., et al. “When You Have to Cut Costs Now.” *Harvard Business Review*. 2010.