

FY 2024 Budget Targets

The Board may add targets to guide the development or implementation of the ACO's Budget. Such targets set in the past have included an administrative expense ratio and a population health investment ratio, among others. Please see prior years' Budget Orders for examples.

If the ACO's proposed budget varies from the budget targets below, the Board will review the ACO's proposed budget and its support for varying from these targets in its FY24 budget submission using the factors and criteria set out in statute and rule.

Proposed budget targets for FY24:

1. The FY24 commercial benchmark trend rates must be consistent with the ACO-attributed population and the GMCB approved rate filings.
2. The ACO ~~shall~~ must use best efforts to meet or exceed the goals for reconciled and unreconciled FPP as adopted by the GMCB as seen below and identify and report specific obstacles to achieving the goals and action steps required (by OCV or others) to overcome those obstacles: • ~~Medicare: 53%~~ • Medicaid 55% • Commercial 24%
3. The ACO ~~shall~~ must hold 100% of the Medicare Advanced Shared Savings dollars as risk at the entity-level and not pass this risk along to the provider network.
4. Increase risk corridors for all payer programs above FY23 levels.
5. Ratio of operating expenses to PHM/payment reform payments (including FPP and budgeted bonus payments) ~~shall~~ must not exceed the 5-year average of 3.25%.
6. ~~The ACO shall cap the total compensation in FY24 for the ACO's executives, VP level and above, at the 50th percentile of the benchmark used by the ACO to establish its executives' compensation.~~
7. The ACO ~~shall~~ must structure the variable portion of executive compensation so that some portion at least 40% is tied to OCV's FY24 achievement of specific and measurable goals related to the ACO provider network performance in cost and quality metrics. Quality metrics ~~should align with any payer program quality priorities or must align with the~~ ACO clinical focus areas as long as those ~~priorities or~~ focus areas are consistent with the APM quality framework and at least some of the metrics include areas identified in the March 2023 Benchmarking Report as needing improvement.
8. The ratio of population health management funding to number of attributed lives must be at a minimum of the FY23 revised budget amount; specific line items may vary based upon any internal evaluation of the effectiveness of individual PHM programs. The ACO must propose a plan to increase the accountability of its provider network for quality. Examples for increased accountability could include adding in an adjustment to hospital fixed payments for quality or increasing the ratio of the bonus payments to base payments for primary care and community providers.
9. March 2023 Medicare Benchmarking Report: Where OCV ranks below the 10th percentile among the national ACO cohort OR for metrics where the trend has shown a decrease in performance between the years of 2019 and 2021, choose three metrics that the ACO will address through the Quality Evaluation and Improvement plan. The ACO should use metrics on which the ACO's provider network has the most influence on the outcomes and should justify their choice of said metrics.

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