

## MEMORANDUM

TO: Vicki Loner, CEO; Sara Barry, COO; Tom Borys, VP of Finance; Joan Zipko, Director ACO Operations

FROM: Sarah Kinsler, Director of Health Systems Policy; Patrick Rooney, Director of Health Systems Finance; Marisa Melamed, Associate Director Health Systems Policy

RE: Round 2 Questions to OneCare Vermont ACO on the FY 2022 Budget Submission

DATE: November 19, 2021

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Green Mountain Care Board (GMCB) staff have prepared the following questions in response to OneCare's Round 1 Responses to GMCB questions received on November 5, 2021, and presentation at the November 10, 2021, Board meeting.

In addition, we are submitting a question from the Office of the Health Care Advocate as a separate file.

Please submit written responses to the questions by December 1, 2021. If you need more time to prepare any of the responses, please contact us to discuss the timing by November 23, 2021.

Responses are to be submitted to the GMCB ACO oversight team, copying the Office of the Health Care Advocate, at the following email addresses: [Sarah.Kinsler@vermont.gov](mailto:Sarah.Kinsler@vermont.gov); [Patrick.Rooney@vermont.gov](mailto:Patrick.Rooney@vermont.gov); [Marisa.Melamed@vermont.gov](mailto:Marisa.Melamed@vermont.gov); [Michele.Degree@vermont.gov](mailto:Michele.Degree@vermont.gov); [Michelle.Sawyer@vermont.gov](mailto:Michelle.Sawyer@vermont.gov); [Julia.Boles@vermont.gov](mailto:Julia.Boles@vermont.gov); [Russ.McCracken@vermont.gov](mailto:Russ.McCracken@vermont.gov); [hcapolicystaff@vtlegalaid.org](mailto:hcapolicystaff@vtlegalaid.org).

### Questions

1. The slides presented by OneCare Vermont at the November 10 hearing in some cases did not clearly match the submitted budget documents. Please resubmit the slides, clarifying the following areas:
  - Slide 10: VBIF total (\$2.2M) does not align with budgeted VBIF amount for FY22.
  - Slides 35, 37, 41, and 42: Total OneCare administrative budget amount (\$44.1M, per slides) and total population health management spending amount (\$28.9M) do not match the budget submission.
2. Referencing OneCare's response to Round 1 Question 19:
  - In the Financial Workbook, Appendix 6.1-6.3 "Variance Analysis – Line Item Explanation" states that the 16% increase (cell C9) in funds "Due to UVMC" (cell A9) "Reflects updates to shared resource model" (cell D9). This alludes to a change in the shared resource model whereas OneCare's response to the GMCB's round 1 questions



states: “The 2022 budget reflects the continuation of the shared resource model between UVMMC and OneCare.” Please clarify what updates were made to the shared resource model or update documentation, as necessary.

3. Referencing OneCare’s response to Round 1 Q21:
  - OneCare’s response to Round 1 Q21 states: “The change in membership prompted a review of the appropriate treatment of Dartmouth’s \$25,000 initial capital investment. The review is underway at the time of this submission.” Please provide an update on the status of this review if an update is available, or indicate when you expect this review to be complete.
4. Referencing OneCare’s response to Round 1 Q22.c:
  - Provide a table showing the refunded participation fee amount broken down by hospital. List the hospital, and the amount refunded to and received by each hospital (see example chart below). The total amount refunded should tie to the amount listed in the FY20 audited financial statements (\$3,137,167).

Hospital Name	FY20 Par Fee Amount Refunded

5. Referencing OneCare’s response to Round 1 Q22.d:
  - OneCare’s response to Round 1 Q22.d states: “No plan has been made regarding any participation fee adjustments for 2021. Whether or not credits are issued will be based on an evaluation of issues such as the status of contract negotiations, outcomes from the budget process, accounting best practices, and the financial condition of the hospitals.” How is the financial condition of the hospitals evaluated? What is the process for making this assessment and what factors are considered?
6. Referencing OneCare’s response to Round 1 Q25.a:
  - OneCare’s response to Round 1 Q25.a states: “Savings resulting from compensation cuts (salary reductions and loss of 403b contribution) related to COVID was \$123,471. In addition, the short term incentive program was cancelled for 2020. There was no back-pay in 2021 to make up for the compensation reductions.” What caused the change in the \$123,471 in compensation cuts related to COVID-19 provided in OneCare’s response to the GMCB’s Round 1 questions compared to the \$595K discussed during last year’s budget process?
7. Referencing OneCare’s response to Round 1 Q25.b.i:
  - OneCare’s response to Round 1 Q25.b.i states: “Despite making some FTE changes in a prior year budget submission, other positions that remained in the staffing model were vacant and under recruitment. As such, the difference between the FTE adjustment figure and the total vacancies, amongst other staffing modifications, reflected continuing positions that were unfilled at the point in time. Note that the 5.62 FTE adjustment was just one component of the staffing shifts mentioned in the December 15, 2020 document.” Please clarify the comment “Note that the 5.62 FTE adjustment was just one component of the staffing shifts mentioned in the December 15, 2020 document.” See the



excerpt below from OneCare’s budget submission on October 1, 2020. Did the filled positions or the budgeted vacant positions cost the estimated \$666k, or were there savings here? Please also identify what positions on the organizational chart that are currently listed as vacant will not be filled.

Income Statement	2020 ~ Budget		2021	2020B - 2020P \$ Change
	Approved	Projected	Budget Submitted	
FTEs - Prorated for Time of Hire ^^^^	59.03	59.03	64.65	5.62
FTEs - Based on Positions	67.25	67.25	64.65	

8. REVISED: Referencing OneCare’s response to Round 1 Q25.b.iii: OneCare’s response to Round 1 Q25.b.iii includes a chart showing changes in FTEs by area/department.

- Please amend table to show categories of FTE changes and the associated dollar values. Categories could include, for example: new hires, terminations, promotions, demotions, reclassifications, and other reconciling items like cost-of-living increases, compensation cuts, etc.

9. Referencing OneCare’s response to Round 1 Q29:

- OneCare’s response to Round 1 Q29 states: “OneCare is in the process of preparing an updated year-end projection [for FY21] and will submit it with the Q3 financial filing. At this point there are many variables that will affect any participation fee adjustment decision.” Please provide the updated projection for FY2021 financial statements if an update is available, or indicate when you expect this review to be complete and provide updated statements as soon as possible within 5 business days. In addition, please inform the Board about the decision regarding participation fee adjustments as soon as possible within 5 business days.

