

MEMORANDUM

TO: Green Mountain Care Board Members

CC: Susan Barrett, Executive Director, GMCB; Michael Barber, General Counsel, GMCB

FROM: Sarah Kinsler, Director of Health System Policy, Michelle Sawyer, Health Policy Project Director, Jennifer DaPolito, Senior Health Policy Analyst, Russ McCracken, Staff Attorney (GMCB)

RE: FY 2023 Certification Eligibility Verification for OneCare Vermont ACO

DATE: May 19, 2023

This memorandum provides a summary of the GMCB staff review of material changes relevant to OneCare's continued eligibility for certification in FY 2023.

Background

OneCare Vermont Accountable Care Organization, LLC (OneCare) was provisionally certified by the Green Mountain Care Board (GMCB or Board) on January 5, 2018 and was fully certified on March 21, 2018. The GMCB is required to review OneCare's continued eligibility for certification annually.¹ If the GMCB determines that OneCare is failing to meet one or more certification requirements, it may take remedial action, including requiring OneCare to implement a corrective action plan.² OneCare remains certified unless and until its certification is limited, suspended, or revoked by the Board.³

Vermont certified ACOs must annually submit a certification eligibility form that:

1. Verifies that the ACO continues to meet the requirements of the 18 V.S.A. § 9382 and Rule 5.000; and
2. Describes in detail any material changes to the ACO's policies, procedures, programs, organizational structures, provider network, health information infrastructure, or other matters addressed in sections 5.201 through 5.210 of Rule 5.000 that the ACO has not already reported to the Board.⁴

The eligibility verification must be signed by an ACO executive with authority to legally bind the ACO, who must verify under oath that the information is accurate, complete, and truthful to the best of her or his knowledge, information, and belief.⁵

FY 2023 Certification Eligibility Verification Process

¹ GMCB Rule 5.000, § 5.305 (Annual Eligibility Verifications).

² *Id.* At § 5.504 (Remedial Actions; Corrective Action Plans).

³ *Id.* At § 5.505 (Limitation, Suspension, and Revocation of Certification).

⁴ *Supra* note 1.

⁵ *Id.*

The 2023 Certification Eligibility Verification Form for OneCare Vermont Accountable Care Organization, LLC was adopted by the Board on June 23, 2022 and was posted to the GMCB website and distributed to OneCare by July 1, 2022⁶. The GMCB received OneCare's completed form submission on August 31, 2022. The GMCB staff responded to OneCare with follow-up questions on September 30, 2022. Following the review of OneCare's responses to the GMCB's follow-up questions, the GMCB staff submitted an additional set of follow-up questions and request for documents related to OneCare's executive compensation as outlined in Rule 5.000, § 5.203(a)⁷ on February 27, 2023.

The 2023 Certification Eligibility Verification Form for OneCare Vermont Accountable Care Organization, LLC requires OneCare to submit materials and answer questions determined by the Board to be necessary to verify continued eligibility for certification. In addition to the criteria in sections 5.201-5.210 of GMCB Rule 5.000 and consistent with prior years, the form requires OneCare to answer questions related to new criteria enacted by the Legislature in 2018 after the Rule was finalized and for OneCare to attest to its continued adherence to the Board's antitrust guidance.^{8,9}

FY 2023 Staff Review

During the FY 2023 Certification Eligibility Verification process, the staff identified two areas of interest that required additional information and monitoring¹⁰: executive compensation and the use of decision support tools.

Executive Compensation

The FY 2023 review required more information related to how OneCare is fulfilling requirements around executive compensation as outlined in the GMCB Guidance re Rule 5.000, § 5.203(a), which states,

To comply with § 5.203(a) of the Rule, an ACO must structure its executive compensation to achieve specific and measurable goals that support the ACO's efforts to reduce cost growth or improve the quality and overall care of Enrollees, or both.¹¹

In OneCare's FY 2023 Certification Form submission, OneCare stated,

Each year, OneCare's Board of Managers establishes corporate goals to align with the mission, vision, and strategic plan of the ACO. Under each goal, there are one or more strategies and

⁶ See FY 2023 Certification Eligibility Verification Form for OneCare Vermont Accountable Care Organization, LLC (June 22, 2022), available at [2023 ACO Oversight | Green Mountain Care Board \(vermont.gov\)](https://gmcboard.vermont.gov/sites/gmcb/files/documents/2023%20ACO%20Oversight%20Green%20Mountain%20Care%20Board%20(vermont.gov).pdf).

⁷ GMCB Rule 5.000, § 5.203(a) Guidance (May 12, 2021), available at <https://gmcboard.vermont.gov/sites/gmcb/files/documents/Rule%205.000%20Guidance%20re%20Compensation.pdf>.

⁸ See 2018 Acts and Resolves No. 167, Sec. 13a; 2018 Acts and Resolves No. 200, Sec. 15; 2018 Acts and Resolves No. 204, Sec. 7.

⁹ See Green Mountain Care Board Guidance re: Referrals of Potential Violations of State or Federal Antitrust Laws to the Vermont Attorney General (May 1, 2018), available at https://gmcboard.vermont.gov/sites/gmcb/files/GMCB%20Guidance%20re%20AGO%20Referrals_05.01.18.pdf.

¹⁰ See Memorandum re: 2022 Certification Eligibility Verification for OneCare Vermont (January 31, 2022) available at https://gmcboard.vermont.gov/sites/gmcb/files/documents/2022%20Certification%20Eligibility%20Verification%20Memo%20for%20OCV_FINAL.pdf.

¹¹ GMCB Rule 5.000, § 5.203(a) Guidance (May 12, 2021), available at <https://gmcboard.vermont.gov/sites/gmcb/files/documents/Rule%205.000%20Guidance%20re%20Compensation.pdf>.

associated metrics. Throughout the year, the status of each metric is assessed and updated quarterly. At the completion of the performance year, the Board of Managers has an opportunity to review and approve the status of goals. A portion of executive compensation is tied to successful attainment of these goals, strategies, and tactics on an annual basis. This is evaluated objectively by the next level of leadership and, for the CEO, reviewed and recommendations by the Executive Committee of the Board and approved by the full Board.¹²

In OneCare's response to the first round of the GMCB's follow-up questions, OneCare stated, "variable pay is a component of each eligible employee's total compensation package but it is paid only if the ACO and its employee successfully achieve pre-set goals. Variable pay ranges, as a percentage of base pay, are the same as previous filings: 0-10% for Directors, 0-20% for VPs, and 0-25% for the CEO." OneCare also provided FY 2022 corporate goals, as aligned with OneCare's current Strategic Plan¹³, and to which variable pay would be tied in FY 2022. The FY 2022 corporate goals were submitted as follows:

- Payment Reform: Evolve and enhance payment reform programs
 - Expand PHM and/or risk models to promote enhanced performance and sustainability under value-based contracts for future performance years
 - Develop a plan for revenue strategy for risk and reserves
- Network Performance: Ensure a high quality, equitable system that continuously strives to improve health care delivery and outcomes
 - Implement, support, and evaluate network performance on care coordination accountabilities
 - Prioritize diversity, equity, and inclusion (DEI) in OneCare's actions through governance, communications, and staff development
 - Develop and implement a plan that deepens network engagement in OneCare's communications
- Data and Analytics: Deliver actionable insights to network in support of better outcomes
 - Deliver and implement an ACO data strategic plan¹⁴

OneCare's Directors, VPs, and CEO are employees of the University of Vermont Medical Center (UVMMC), which is a member hospital of the University of Vermont Health Network. In OneCare's FY 2023 Certification Form submission, OneCare described how leadership compensation is determined by UVMMC. OneCare stated,

OneCare's leadership compensation is determined using current market research for benchmarking executive positions. When setting base pay for executives, The University of Vermont Medical Center (UVMMC) targets the market median (50th percentile) rate. When setting total direct compensation (base pay plus variable pay) for executives, UVMMC targets the market 65th percentile. Director level roles are benchmarked in-house using over 18 market surveys and utilizing software that aggregates all the survey data. For non-executive pay, UVMMC targets the market median (50th percentile).¹⁵

¹² See 2023 Certification Eligibility Verification Form for OneCare Vermont Accountable Care Organization, LLC (August 31, 2022), available at [FY23_ACO_Eligibility_Verification_Form_FINAL_1.pdf \(vermont.gov\)](#).

¹³ See OneCare Vermont's Strategic Plan Summary 2021-2023 (May 2021), available at <https://www.onecarevt.org/wp-content/uploads/2021/06/2021-05-01-Strategic-Planning-Summary-Set-DI7.pdf>.

¹⁴ See FY23 Certification Responses to Follow-Up Questions (October 14, 2022), available at [FY23 Certification Responses to Follow-Up Questions 10-14-22.pdf \(vermont.gov\)](#).

¹⁵ See 2023 Certification Eligibility Verification Form for OneCare Vermont Accountable Care Organization (August 31, 2022), available at [FY23_ACO_Eligibility_Verification_Form_FINAL_1.pdf \(vermont.gov\)](#).

Following the review of the information above, the GMCB requested additional information and documents from OneCare to determine whether OneCare meets the requirements outlined in the GMCB Guidance re Rule 5.000, § 5.203(a). The GMCB requested the following information:

- Descriptions of the final FY 2023 corporate goals upon which executive variable pay is based, as approved by the OneCare Board of Managers.
- All metrics, both numerical and narrative, for each of these goals.
- A detailed description including any numerical scoring used to determine how the achievement or partial achievement of the goals are scored to correlate with the amount of variable pay awarded.
- Variable pay ranges as percentages of base pay for eligible executive positions for FY 2023 (enter into FY23 Revised Budget Workbook, tab 6.7)
- All UVM Health Network policies related to executive compensation and variable compensation.

OneCare's responses were provided to the GMCB and the Office of the Health Care Advocate on March 31, 2023. OneCare's FY 2023 corporate goals were submitted as follows:

- Develop a plan for future (2024+) value based care contracts, to include:
 - Payer contracts
 - CPR program
 - PHM Accountability advancements
- Integrate health disparities findings into PHM model for 2024 to align incentive structure to minimize health disparities
- Successfully transition to a new data platform
- Develop comprehensive OneCare evaluation strategy and action plan for CPR and PHM programs¹⁶

Use of Decision Support Tools

The use of decision support tools was also an area of interest in this year's certification eligibility verification. OneCare is not a clinically integrated organization, and this requirement is likely difficult/unreasonable at this stage. During a call between GMCB staff and members of OneCare leadership in the autumn of 2023, OneCare described that it provides collaborative opportunities to providers where education of evidence-based practices can be communicated and shared.

Staff will also encourage OneCare to collaborate with the Office of the Health Care Advocate on the issue of recruitment of vacancies in their Board of Managers for Enrollee members.¹⁷ Consultations with this Office in maintaining a complaints and grievances process is also required.¹⁸

FY 2023 Staff Conclusion

Staff reviewed the materials OneCare provided and concluded that the eligibility requirements for FY 2023 are being met. Staff presented a review to the Board at meetings in December 2022 and May 2023. OneCare is subject to ongoing monitoring and reporting requirements related to the certification eligibility requirements as summarized in the table at the end of this memo.

¹⁶ See Attachment A – 2023 Corporate Goals (March 31, 2023), available at [OneCare Vermont FY23 Materials | Green Mountain Care Board](#).

¹⁷ *Supra* note 1, at § 5.202(c) (Governing Body).

¹⁸ *Id.* At § 5.208 (Patient Protections and Support).

Executive Compensation

With respect to OneCare’s executive compensation, following review of the additional information and documents that OneCare submitted to the GMCB on March 31, 2023, GMCB staff have identified remaining questions about alignment between corporate goals and ACO oversight guidance. These questions include whether OneCare’s goals are “specific and measurable” and whether the goals “support the ACO’s efforts to reduce cost growth or improve the quality and overall care of Enrollees, or both”.¹⁹ The staff concluded that there is sufficient basis to determine that OneCare’s submission satisfies the requirements for maintaining certification. The staff understand interpretations of the Guidance re Rule 5.000, § 5.203(a) may differ, and the Board may wish to review and modify Guidance re Rule 5.000, § 5.203(a), or alternatively consider guidance related to executive compensation in the ACO budget process, either of which may be reflected in adjustments made to the applicable guidance in FY 2024. To assist the Board with review and consideration of the executive compensation guidance for FY 2024, staff have asked follow-up questions of OneCare as outlined below.

OneCare’s FY 2022 and FY 2023 corporate goals are procedural in nature rather than tied to operational performance or outcomes for participating providers and/or attributed individuals. Similarly, the metrics that OneCare has attested to using to measure FY 2023 corporate goals remain tied to procedural outcomes. For example, thresholds and targets associated with OneCare’s FY 2023 goals identify activities such as engaging network and stakeholders in planning processes, researching and presenting findings to OneCare’s Board of Managers, completion of strategic planning, approval of plans by governance committees, and making key findings available publicly.²⁰ The GMCB staff would like to better understand how these procedural corporate goals “support the ACO’s efforts to reduce cost growth or improve the quality of overall care of Enrollees, or both”²¹ and how OneCare measures the way in which these goals do so.

On December 21, 2022, BlueCross BlueShield of Vermont (BCBSVT) announced it would not contract with OneCare in FY 2023.²² This change is reflected in OneCare’s FY 2023 Revised Budget submission. The GMCB staff would like to further understand if and how the loss of roughly 1/3 of its enrollees factored into the variable pay awarded to OneCare’s executives in FY 2022 or if OneCare will consider BCBSVT’s withdrawal in variable pay awarded for FY 2023. OneCare’s FY 2023 Revised Budget submission currently projects nearly full variable pay for each of its executive positions for FY 2023.²³ The GMCB staff would like to understand if OneCare’s FY 2022 variable pay was awarded as projected

¹⁹ GMCB Rule 5.000, § 5.203(a) Guidance (May 12, 2021), available at <https://gmcboard.vermont.gov/sites/gmcb/files/documents/Rule%205.000%20Guidance%20re%20Compensation.pdf>.

²⁰ See FY23 Certification Follow-up: Executive Compensation Attachment A 2023 Corporate Goals (March 31, 2023) available at [Microsoft Word - 2023 Corporate Goals FINAL for BOM \(vermont.gov\)](#) and Attachment B - FY23 Corporate Goal Variable Compensation Scoring Methodology (March 31, 2023), available at [Attachment B - FY23 Corporate Goal Variable Compensation Scoring Methodology | Green Mountain Care Board \(vermont.gov\)](#).

²¹ GMCB Rule 5.000, § 5.203(a) Guidance (May 12, 2021), available at <https://gmcboard.vermont.gov/sites/gmcb/files/documents/Rule%205.000%20Guidance%20re%20Compensation.pdf>.

²² See [Blue Cross Will Pause Relationship with OneCare Vermont in 2023 | BlueCross BlueShield of Vermont \(bluecrossvt.org\)](#).

²³ See OCV_FY23-Revised-Budget_REDACTED-Revised-Budget-Workbook_Sent-03-31-2023 (March 31, 2023), available at [OCV_FY23-Revised-Budget_REDACTED-Revised-Budget-Workbook_Sent-03-31-2023.xlsx \(live.com\)](#).

in its original FY 2023 Budget Submission in its Budget Guidance Workbook, Tab 6.7 ACO Mgt Salaries.²⁴

GMCB staff have therefor requested additional information about OneCare's FY 2022 corporate goals, the Board of Managers' and the Executive Committee of the Board's review and approval of FY 2022 executive compensation, base pay and variable pay awarded for all years that OneCare has been certified, and the salary and compensation benchmarks used by OneCare.

The GMCB requested that OneCare submit the following information:

- All metrics, both numerical and narrative, for each of OneCare's FY 2022 corporate goals.
- A detailed description including any numerical scoring used to determine how the achievement or partial achievement of the goals are scored to correlate with the amount of variable pay awarded for FY 2022.
- Any materials or reports related to OneCare's Board of Managers review and approval of the FY 2022 corporate goals.
- Any materials or reports related to OneCare's Board of Managers' and the Executive Committee of the Board's review, evaluation, any recommendations, and approval of the variable pay awarded for FY 2022 as referenced in OneCare's FY 2023 Certification Form submission.²⁵
- The GMCB seeks to understand how base pay and variable awarded to eligible executive positions compares to that of non-executive positions. Please submit:
 - The actual amount of base pay and variable pay available to all OneCare eligible executive positions by position type (e.g., for CEO, VPs and Director-level positions) and non-executive positions for all years that OneCare has been certified (FY 2018 – FY 2022), and the percent of variable pay awarded out of the maximum amount of variable pay possible for these positions.
 - The salary and compensation benchmarks used by OneCare for all OneCare non-executive positions for FY 2022.
 - Please explain the basis for the salary and compensation benchmarks used by OneCare for eligible executive positions by position type (e.g., for CEO, VPs, and Director-level positions) and non-executive positions, and why those benchmarks are appropriate for OneCare.
 - Any data OneCare relies on to determine the salary and compensation benchmarks used by OneCare for eligible executive positions by position type (e.g., for CEO, VPs and Director-level positions) and non-executive positions.
 - The projected base pay and variable pay for FY 2023 for all non-executive positions.

The staff have requested that OneCare submit responses by May 19, 2023. Additional information provided will be reviewed and may inform recommendations around guidance related to executive compensation for FY 2024.

Use of Decision Support Tools

The section of Rule 5.000 regarding the decision support tools requirement (5.206(i)2) has provoked Board and staff discussion regarding both the effectiveness of decision support tools if providers have not

²⁴ See OCV_FY23-Budget_REDACTED-ACO-Budget-Guidance-Workbook_Sent-09-30-2022 (September 30, 2022), available at [OCV_FY23-Budget_REDACTED-ACO-Budget-Guidance-Workbook_Sent-09-30-2022.xlsx \(live.com\)](#).

²⁵ See 2023 Certification Eligibility Verification Form for OneCare Vermont Accountable Care Organization, LLC (June 27, 2022), available at [FY23_ACO_Eligibility_Verification_Form_FINAL_1.pdf \(vermont.gov\)](#).

been specifically trained to use them appropriately, and whether or not requiring an ACO to provide these tools or support providers in using these tools should be a requirement for certification. Complete resolution of this issue was not obtained; this is an area the Board may wish to explore in the future.

Ongoing Monitoring and Reporting Requirements

The ongoing monitoring and reporting requirements relating to OneCare's certification are summarized in the following tables. Staff will integrate these monitoring and reporting requirements into the overall ACO oversight monitoring and reporting plan that includes FY 2023 ACO budget order conditions imposed by the Board on December 21, 2022.²⁶

²⁶ See FY2023 OCV Budget Order (March 30, 2023), available at [FY2023 OCV Budget Order | Green Mountain Care Board \(vermont.gov\)](#).

Rule 5.000 & Statute	Key Criteria	FY23 Ongoing and New Monitoring & Reporting
Legal Governing Body, Leadership, & Management 5.201-5.203 § 9382(a)(1) § 9382(a)(13)	<ul style="list-style-type: none"> • ACO as a separate legal entity • Authorization to do business in Vermont • Governance, organizational leadership & management structure • Transparency of governing processes • Mechanism for consumer input 	<ul style="list-style-type: none"> • Certificate of Good Standing from the Vermont Secretary of State • Operating Agreement • Compliance Plan • Conflict of Interest policy • Governance, leadership, and organizational charts • Patient and Family Advisory Committee Charter • Code of Conduct • Compliance, Communication, Reporting and Investigation Policy
Solvency & Financial Risk 5.204 § 9382(a)(15) § 9382(a)(16)	<ul style="list-style-type: none"> • Mechanisms/processes for assessing legal and financial risks • Financial stability/solvency 	<ul style="list-style-type: none"> • Financial audit • Quarterly financial statements • Finance Committee Charter • Code of Conduct • Compliance, Communication, Reporting and Investigation Policy
Provider Network 5.205 § 9382(a)(4)	<ul style="list-style-type: none"> • Written agreements with ACO Participants • Criteria for accepting providers • Provider appeals 	<ul style="list-style-type: none"> • Provider/participant agreements • Network Development and Composition Policy • Participant, Preferred Provider, and Collaborator Appeals Policy • Provider Appeal of Denial of Participation in ACO Policy
Population Health Management & Care Coordination 5.206 § 9382(a)(1) § 9382(a)(2) § 9382(a)(5) § 9382(a)(6) § 9382(a)(9) § 9382(a)(11)	<ul style="list-style-type: none"> • Coordination of services among Payers, Participants, and non-Participant providers, including community-based providers • Care coordination 	<ul style="list-style-type: none"> • Care Coordination Guidance Document • Participant Population Health Model and Payments Policy • Preferred Provider and Collaborator Population Health Model and Payments Policy • Care Coordination and Training & Responsibilities Procedure • Utilization Management Plan • Patient and Family Advisory Committee Charter
Performance Evaluation & Improvement 5.207 § 9382(a)(5)	<ul style="list-style-type: none"> • A Quality Improvement Program actively supervised by the ACO's clinical director or 	<ul style="list-style-type: none"> • Quality Improvement and Management Policy • Utilization Management Review

Rule 5.000 & Statute	Key Criteria	FY23 Ongoing and New Monitoring & Reporting
§ 9382(a)(7)	designee that identifies, evaluates, and resolves potential problems and areas for improvement.	<ul style="list-style-type: none"> • Participant Population Health Model and Payments Policy • Preferred Provider and Collaborator Population Health Model and Payments Policy • Care Coordination and Training & Responsibilities Procedure
Patient Protections & Support 5.208 § 9382(a)(8) § 9382(a)(10) § 9382(a)(12) § 9382(a)(14)	<ul style="list-style-type: none"> • Enrollee freedom to select their own health care providers • ACO may not increase cost sharing or reduce services under enrollee health plan • Patients are not billed on the event an ACO does not pay a provider • ACO maintains grievance and complaint process 	<ul style="list-style-type: none"> • Code of Conduct Policy • Complaint, Grievances, and Appeals for Attributed Lives Policy • Records Retention Policy • Bi-annual complaint and grievance reporting to GMCB and HCA • Beneficiary notification letters
Provider Payment 5.209 § 9382(a)(3)	<ul style="list-style-type: none"> • Administer provider payments • Alternative payment methodologies coupled with mechanisms to improve or maintain quality/access • Alignment of ACO-payer incentives and ACO-provider incentives • Provider appeals 	<ul style="list-style-type: none"> • Program Settlement Policy • Hospital Fixed Payments Policy • Participant Population Health Model and Payments Policy • Preferred Provider and Collaborator Population Health Model and Payments Policy • Participant, Preferred Provider, and Collaborator Appeals Policy
Health Information Technology 5.210 § 9382(a)(2) § 9382(a)(5) § 9382(a)(6)	<ul style="list-style-type: none"> • Data collection and integration • Data analytics • Integration of clinical and financial data system to manage risk 	<ul style="list-style-type: none"> • Care Coordination Training & Responsibilities Procedure • Participant Population Health Model and Payments Policy • Preferred Provider and Collaborator Population Health Model and Payments Policy • Utilization Management Review • Data Use Policy • Privacy Policy • Security Policy

Rule 5.000 & Statute	Key Criteria	FY23 Ongoing and New Monitoring & Reporting
Mental Health Access § 9382(a)(2)	<ul style="list-style-type: none"> • ACO role vs. payer role in supporting access to mental health care • Financial incentives • Care coordination • Programs or initiatives • Use of data, quality measurement, and clinical priorities 	<ul style="list-style-type: none"> • Performance on mental health related quality measures in payer contracts • Quality Improvement Plan • Clinical Priorities • Report on collaboration with Designated Agencies on 42 CFR Part 2
Minimize payment differentials or “payment parity” § 9382(a)(3)	<ul style="list-style-type: none"> • ACO role vs. payer role in fair and equitable payments and minimizing payment differentials • ACO’s steps to minimize payment differentials 	<ul style="list-style-type: none"> • Interim and annual monitoring of Comprehensive Payment Reform program
Addressing Childhood Adversity § 9382(a)(17) § 5.403(a)(20)	<ul style="list-style-type: none"> • Connections among ACO providers • Collaboration on quality outcome measures • Incentives for community providers 	<ul style="list-style-type: none"> • Plan and timeline • Social determinants risk scores • Screening tools • Program expansion • Analytics