

ACO Oversight OneCare Vermont FY 2024 Revised Budget

GMCB Staff Presentation

May 8, 2024

Timeline

FY24 Initial Budget Submitted - 10/2/2023

FY24 Budget Order Issued - 2/29/2024

Revised Budget Submitted - 4/2/2024

OneCare Hearing - 4/17/2024

GMCB Staff Presentation - 5/8/2024

Revised Budget

Revised Budget
Purpose

Attribution

Payer Contracts

Budget Order Conditions

Revised Budget Submission

- ✓ a. Final payer contracts;
- ✓ b. Attribution by payer;
- ✗ c. A revised budget, using a template provided by GMCB staff;
- ✓ d. Final descriptions of OneCare's population health initiatives, including final care coordination payment model

Revised Budget Submission (cont.)



- ✓ e. Hospital dues for 2024 by hospital;
- ✓ f. Hospital risk for 2024 by hospital and payer;
- ⊖ g. Documentation of increasing the OneCare held risk in the amount ordered by the GMCB and any changes to the overall risk model for 2024;
- ✓ h. Source of funds for its 2024 population health management programs;

Revised Budget Submission (cont.)



- ✓ i. Revised benchmarking report pursuant to Condition 1;
- ✓ j. A report to the Board on OneCare's progress relative to its targets for commercial payer FPP levels;
- ✓ k. Statement of how the funds reduced from Operating Expenses were reallocated to population health and primary care programs;

Revised Budget Submission (cont.)



- I. Any other information the GMCB deems relevant to ensuring compliance with this order.

GMCB Rule 5.000, § 5.407



- The Board may review an ACO's performance under an established budget at any time
- Such review need not be limited to financial performance and may cover any matter approved as part of the ACO's budget
- If the Board determines that the ACO has varied substantially from its budget, it may initiate a process of adjusting the budget
- In addition, or as an alternative, the Board may take any actions within its power to compel compliance with an established budget

GMCB Rule 5.000, § 5.504



- If the Board finds that the ACO is failing to meet requirements of an order it may, at its discretion, take remedial action
 - E.g., Requiring a corrective action plan
- Before requiring remedial action the Board must provide the ACO a written explanation of any deficiencies
 - ACO has 30 days to respond
 - Board posts ACO response its website, accepts public comment, and may choose, at its discretion, to hold a public hearing
- Board decides whether to take remedial action and scope

18 V.S.A. § 9381(c)



“If an appeal or other petition for judicial review of a final order is not filed in connection with an order of the Green Mountain Care Board [...] the Chair may file a certified copy of the final order with the clerk of a court of competent jurisdiction. The order so filed has the same effect as a judgment of the court and may be recorded, enforced, or satisfied in the same manner as a judgment of the court.”

Revised Budget



	FY23			FY24		
	Budget	Revised	Δ	Budget	Revised	Δ
Program Target Revenue	974,663,796	526,004,685	(448,659,111)	543,704,548	543,704,548	-
Payer Program Support Revenue	448,739,073	451,133,516	2,394,443	437,730,015	437,730,015	-
Other Revenue	25,491,500	23,556,500	(1,935,000)	22,382,654	22,382,654	-
Total Revenue	1,448,894,369	1,000,694,701	(448,199,668)	1,003,817,217	1,003,817,217	-
Expenses	965,117,880	516,458,769	(448,659,111)	533,750,067	533,750,067	-
FPP	438,664,506	443,189,489	4,524,983	430,080,208	430,080,208	-
PHM	29,922,012	26,254,728	(3,667,284)	25,701,581	26,658,826	957,245
Operating Expenses	15,189,971	14,791,715	(398,256)	14,285,361	13,328,116	(957,245)
Total Expenses	1,448,894,369	1,000,694,701	(448,199,668)	1,003,817,217	1,003,817,217	-

- OneCare’s revised budget includes the Board ordered reduction to Operating Expenses / reallocation to PHM
- Apart from this change, the revised budget includes no other changes as a result of updated attribution.
 - This is inconsistent with prior years.

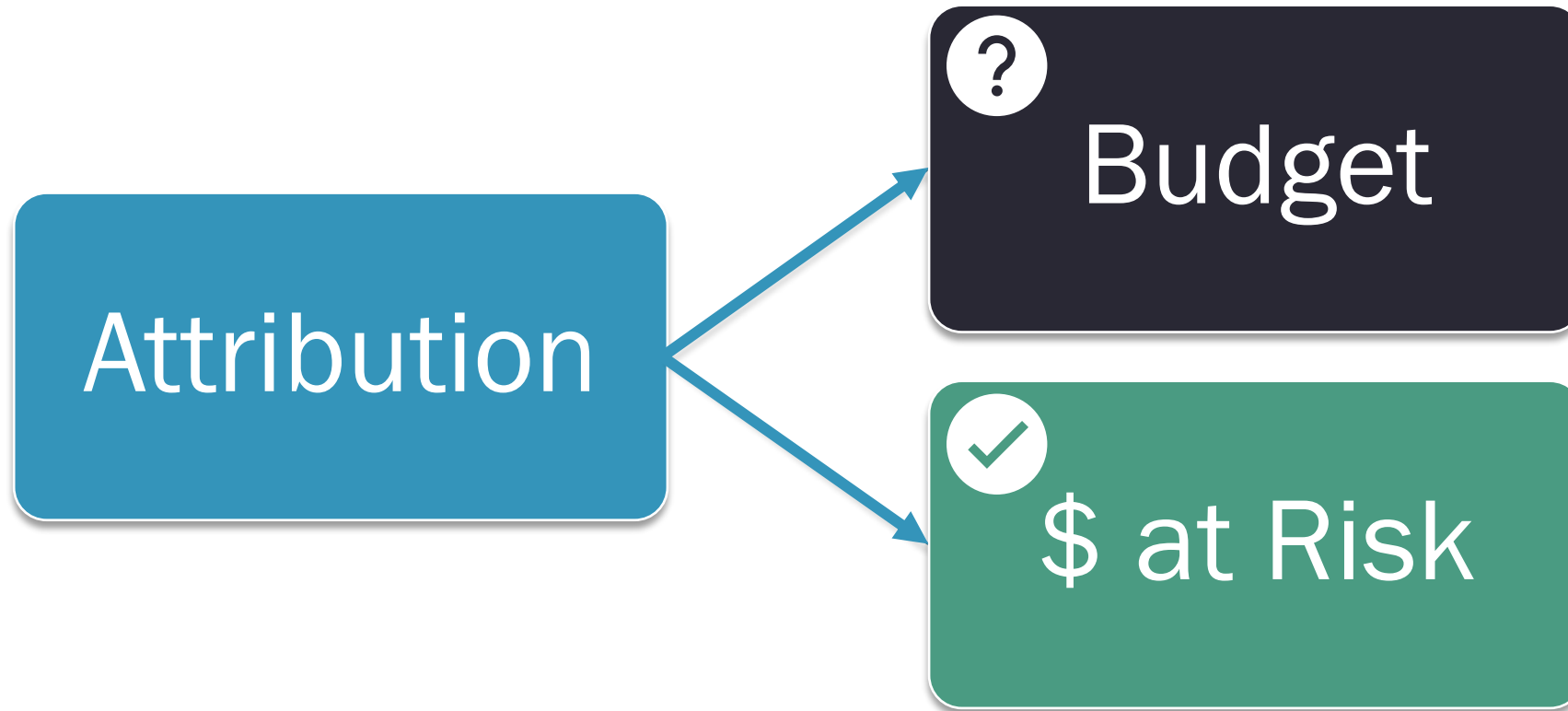
Revised Budget



- OCVT has previously testified that, **“the OneCare business model itself scales with attribution.** Most things flow with that; total cost of care, the risk, the spending that we make. There are some, probably on the operations side, which is a relatively small portion of the whole budget, that are fixed costs and not so dependent on attribution, but even contracts we have with our software vendors for informatics flow with attribution.”
- **“We are not asking for any revisions to OneCare’s approved 2024 budget or 2024 budget orders and assert that the updated attribution figures are not material and do not affect the overall budget or programs.** As a result, the figures in Adaptive still appropriately reflect OneCare’s GMCB-approved FY24 budget.”

No way for the Board to judge materiality without knowing how attribution changes affect programs.

Revised Budget



Revised Budget

Overall Risk Levels

Downside risk:
from \$42.1M to \$44.4M

Upside risk:
from \$32.2M to \$34.6M

OneCare-Held Risk

Downside risk
from \$1.84M to \$7.93M

Upside risk
\$961k to \$7.07M

Revised Budget Attribution



Key Takeaway:
Revised Budget not
updated for attribution

- Requirements outlined in:
 - Budget Order
 - Reporting Manual
 - Revised Budget Workbook

Admin Budget: Budget By Function

Objective

- Insight into the admin costs of core functions of the ACO
- Necessary to determine ROI at program/function level

Background

- Recommended* to help the GMCB assess OCV performance through benchmarking to core capabilities of high-performing ACOs
- Requested multiple time since mid-2023

*[Core Competencies of High-Performing Accountable Care Organizations \(ACOs\)](#)

[Recommendations to the Green Mountain Care Board: Accountable Care Organization \(ACO\) Oversight](#)

Admin Budget

Budget by Function



Key Takeaway:
Submission not completed; no indication of planning to comply in the future

- Requirements outlined in:
 - Revised Budget Workbook Appendix “Budget by FuncProg”

Budget Order Condition 17: Verification on Oath

According to [February Memo](#), OneCare Board of Managers does not feel that directing hospitals to expend funds in this manner is necessary or advisable.



Budget Order Condition 17

Verification on Oath



Key Takeaway:
Submission not completed; no indication of planning to comply in the future

- Requirements outlined in:
 - FY24 Budget Order

Key Takeaways from FY24 Revised Budget Submission

Attribution
Revised Budget not updated for attribution

Budget by Function
Submission not completed;
no indication of planning to
comply in the future

Verification on Oath
Submission not completed;
no indication of planning to
comply in the future

Compliance History



- FY23 Budget Order
 - Support for Primary Care (outlined in [February 2023 Letter](#))
- 2023 Executive Compensation Benchmarking information
 - Subpoena process
- FY23 Amended Budget Order
 - Executive compensation cut
 - Hospital attestation re: use of PCP-earned funds

Options Available to Board

- Take no action
- Determine that OneCare is failing to meet requirements of the FY24 Budget Order (§ 5.504)
 - Initiates remedial action process
 - Could lead to a corrective action plan
 - Could lead to other remedial measures (e.g. monitoring or auditing plan)
- File this and/or future budget orders with a court of competent jurisdiction for the purpose of enforcement (18 V.S.A. § 9381(c))

REFERENCE SLIDES

§ 5.504 Motion Template

Move that the Board hereby determine that OneCare has failed to meet requirements of the FY24 Budget Order. The Board shall provide OneCare with a written explanation of the deficiencies it has identified along with supporting data. OneCare shall respond to the Board's explanation and any proposal for remedial action in the manner and timeframe required pursuant to GMCB Rule 5.000, § 5.504.

Budget Order Conditions Status



Condition		Status as of May 8, 2024	Board Action
1	ACO Benchmarking	Under review	Monitor
2	Reporting Manual	Reports submitted throughout year	Monitor
3	Scale Target Initiatives and Alignment	Contracts and forms submitted	None
4	Payer contracts	Contracts submitted	None
5	FPP for FY25	First of two reports submitted	Monitor
6	BCBSVT and UVMHC- MVP Medicare- Advantage Plans	Ongoing	Monitor

Budget Order Conditions Status



Condition		Status as of May 8, 2024	Board Action
7	Medicare-risk corridor increased to 4%	Awaiting Settlement Policy	Monitor
8	Notify of any material change to budget	Under review	Monitor
9	Document relevant to condition 10	Incomplete	Potential Action
10	Documentation for revised budget	Incomplete	Potential Action
11	Financial Statements for accumulated Net Assets	To submit in the fall	Monitor
12	Operating expense reduction	Under review	Monitor

Budget Order Conditions Status



Condition		Status as of May 8, 2024	Board Action
13	Notify GMCB if OCV uses its reserves, adjusts participation fees, or uses its line of credit	Ongoing	Monitor
14	Population Health Management and Payment Reform Programs	Ongoing	Monitor
15	Blueprint and SASH funding	Complete	None
16	Reconciliation of all FY24 PHM Payments	Due at the end of the fiscal year	Monitor
17	GMCB Verification of Population Health Payments to Primary Care	Incomplete	Potential Action
18	Administrative expenses must be less than health care savings (ROI)	Ongoing	Monitor