

STATE OF VERMONT  
GREEN MOUNTAIN CARE BOARD

**FY25 ACCOUNTABLE CARE ORGANIZATION BUDGET ORDER**

In re: Aledade Accountable Care 205, LLC )  
Fiscal Year 2025 )  
\_\_\_\_\_)

Docket No. 24-004-A

**INTRODUCTION**

The Green Mountain Care Board (GMCB or Board) is charged with reviewing, modifying, and approving the budgets of accountable care organizations (ACOs). 18 V.S.A. § 9382(b). An ACO is an organization of health care providers that has a formal legal structure and agrees to be accountable for the quality, cost, and overall care of the patients assigned to it. 18 V.S.A. § 9571(1). Below, we outline the legal framework for the Board’s review of ACO budgets, identify the criteria we considered during our review of the FY25 budget of Aledade Accountable Care 205, LLC (Aledade), and present specific Findings and Conclusions in support of our Order approving Aledade’s FY25 budget.

**LEGAL FRAMEWORK**

The ACO oversight statute and GMCB Rule 5.000 require that the Board review, modify, and approve ACO budgets. 18 V.S.A. § 9382(b); GMCB Rule 5.000, § 5.405. The Board’s review of an ACO’s budget differs depending on the number of attributed lives the ACO is projected to have in Vermont. *Id.* For ACOs projected to have 10,000 or more attributed lives in Vermont, the Board reviews all budgetary factors outlined at 18 V.S.A. § 9382(b)(1). For ACOs projected to have fewer than 10,000 attributed lives in Vermont, such as Aledade, “the Board may consider as many of the factors described in 18 V.S.A. § 9382(b)(1) as the Board deems appropriate to a specific ACO’s size and scope.” 18 V.S.A. § 9382(b)(2); GMCB Rule 5.000, § 5.405(c)(2).

Considering the size and scope of Aledade’s operations in Vermont, the Board’s review of Aledade’s FY25 budget focused on the following factors from 18 V.S.A. § 9382(b)(1):

- information regarding utilization of the health care services delivered by health care providers participating in the ACO and the effects of care models on appropriate utilization, including the provision of innovative services;
- the character, competence, fiscal responsibility, and soundness of the ACO and its principals;
- any reports from professional review organizations;
- the ACO's efforts to prevent duplication of high-quality services being provided efficiently and effectively by existing community-based providers in the same geographic area, as well as its integration of efforts with the Blueprint for Health and its regional care collaboratives;

- public comment on all aspects of the ACO's costs and use and on the ACO's proposed budget;
- information gathered from meetings with the ACO to review and discuss its proposed budget for the forthcoming fiscal year;
- information on the ACO's administrative costs, as defined by the Board;
- the extent to which the ACO makes its costs transparent and easy to understand so that patients are aware of the costs of the health care services they receive; and
- the extent to which the ACO provides resources to primary care practices to ensure that care coordination and community services, such as mental health and substance use disorder counseling that are provided by community health teams, are available to patients without imposing unreasonable burdens on primary care providers or on ACO member organizations.

GMCB Staff Presentation, ACO Oversight FY25 Budget Review (Nov.13, 2024), 5-6.<sup>1</sup>

The Board's review of an ACO's budget must also consider any benchmarks the Board has established, the elements of the ACO's payer-specific programs, and any applicable requirements of 18 V.S.A. § 9551 or the Vermont All-Payer Accountable Care Organization Model Agreement between the State of Vermont and the Centers for Medicare and Medicaid Services (CMS). GMCB Rule 5.000, § 5.405(c).

The Board's annual ACO budget review is separate from its role in certifying ACOs. Certification is only required for an ACO "to be eligible to receive payments from Medicaid or commercial insurance through any payment reform program or initiative, including an all-payer model." 18 V.S.A. § 9382(a).

### **FY25 REVIEW PROCESS**

The review process for Aledade's FY25 budget is reflected in the following timeline:

- 06.20.24: The Board issued FY25 Budget Guidance and Reporting Requirements (FY25 Guidance) for Medicare-Only ACOs.<sup>2</sup>
- 10.01.24: Aledade submitted its proposed FY25 budget to the Board.
- 11.13.24: Aledade presented its budget at a hearing before the GMCB.
- 11.19.24: Aledade responded to questions from the Board regarding its proposed budget.
- 11.20.24: Board staff presented analysis and recommendations regarding Aledade's proposed FY25 budget. The Board voted to approve Aledade's FY25 budget subject to the conditions described in this Order.

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<sup>1</sup> ACO FY25 budget materials, including GMCB guidance documents, ACO budget submissions, professional reports, and GMCB staff analyses are available on the GMCB website at [gmcboard.vermont.gov/aco-oversight](http://gmcboard.vermont.gov/aco-oversight). Board presentations are available at [gmcboard.vermont.gov/2024-meetings](http://gmcboard.vermont.gov/2024-meetings). Recordings of GMCB hearings and deliberations are available at [orcamedia.net](http://orcamedia.net) and [youtube.com/@GreenMountainCareBoard](https://youtube.com/@GreenMountainCareBoard).

<sup>2</sup> For FY25, all ACOs with fewer than 10,000 projected attributed lives in Vermont are "Medicare-only" ACOs, meaning they do not seek to receive payments from Medicaid or commercial insurance in Vermont and are not subject to certification under 18 V.S.A. § 9382(a). As such, the Board's FY25 Guidance concerns review for all ACOs operating in Vermont that are subject to budget review under 18 V.S.A. § 9382(b)(2).

## FINDINGS

### Overview

1. Aledade Accountable Care 205, LLC (Aledade) is a limited liability company incorporated in Delaware, with Aledade, Inc. as the sole member. *See* Aledade Budget Submission, 5. 2024 was Aledade's first performance year, with 2025 being its first year of operation in Vermont. *See* Aledade Budget Submission, 8, 10; *see also* Aledade Budget Presentation (Nov. 13, 2024), 3.
2. Aledade is participating in the Medicare Shared Savings Program (MSSP), which is run by the Centers for Medicare and Medicaid Services (CMS). *See* Aledade Budget Submission, 5. Within the Shared Savings Program, Aledade participates in the Enhanced risk track. *Id.*
3. In FY25 Aledade projects that it will be accountable for approximately 4,241 attributed Medicare beneficiaries in Vermont. *See* Aledade Budget Submission, App. A-1. Aledade's Vermont provider is the Richford Health Center, Inc. *See* Aledade Budget Submission, App. A-1.
4. In addition to its operations in Vermont, Aledade operates in Maine, New Hampshire, New York, Massachusetts, and Connecticut. *See* Aledade Budget Submission, 8.
5. On November 13, 2024, Aledade's leadership presented to the GMCB at a public meeting regarding Aledade's business model and operations in Vermont. *See* Aledade Budget Presentation (Nov. 13, 2024).

### Payer Program and Risk Model

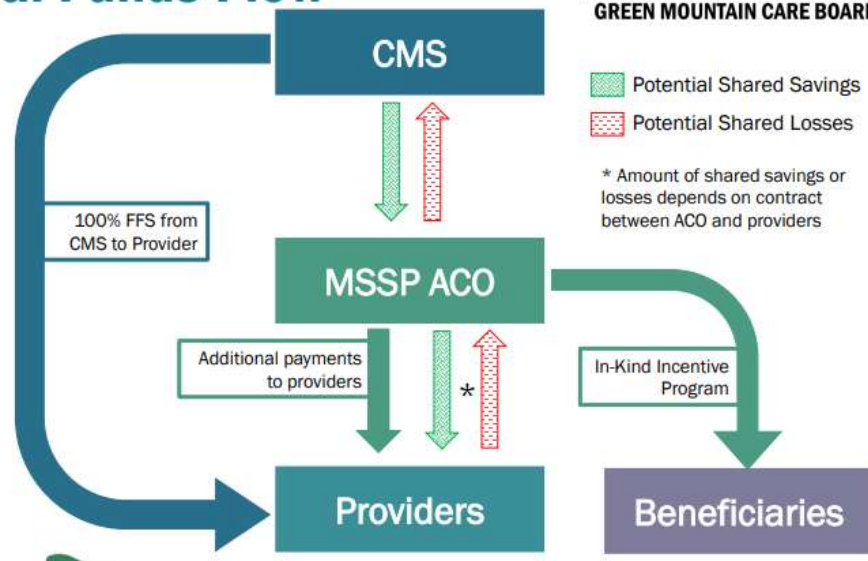
6. Aledade participates in the Medicare Shared Savings Program. *See* Aledade Budget Submission, App. B. The specific requirements for attribution to MSSP, which can be claims-based or voluntary, as well as the other parameters for participation in the program, are set by CMS.
7. MSSP is an ACO model in which CMS adjudicates claims and pays providers on a fee for service basis. *See* GMCB Staff Presentation, FY25 Medicare Only ACO Budget Review (Nov. 20, 2024), 7. For a given performance year, CMS calculates the expected cost of care for the ACO's attributed lives and shares in the savings or losses with the ACO. The ACO pays providers according to the terms of its network agreements, which may include a requirement to share losses. *Id.* An ACO may also provide in-kind incentives to patients directly. The general flow of payments for the MSSP model (not Aledade specifically) is outlined below:

## MSSP General Funds Flow



### Key Takeaways

- This is still a Fee For Service (FFS) Model, with providers retaining 100% FFS payments from CMS
- There is a quality element through potential SS/SL
- Providers receive payment from the ACO according to their network agreement
- Patients can receive in-kind incentives from the ACO



*Id.*

- In MSSP, CMS truncates claims experience at the 99th percentile in its calculation of an ACO's benchmark and its calculation of the ACO's performance. 42 C.F.R. § 425.652. By removing the top 1% of claims, the ACO's risk reflects less catastrophic claims expense.
- An ACO may participate in the Shared Savings Program under either the Basic track, which consists of a glide path with increasing levels of risk, or the Enhanced track.<sup>3</sup> These tracks determine, in part, the potential savings or losses the ACO and its providers may incur.
- Aledade is participating in the Enhanced track. Aledade will be eligible to earn first dollar savings at a shared savings rate of 75%, provided a minimum savings rate of 0.5% is exceeded. Aledade's maximum potential shared savings will be equal to 20% of the total benchmark (i.e. the overall spending target for its attributed lives). Aledade may also be liable for first dollar losses at a rate of between 40% and 75% based on its quality performance, provided a minimum loss rate of 0.5% is exceeded. Aledade's maximum potential shared losses will be equal to 15% of the total benchmark. *See* Aledade Budget Submission, Appendix B; *see also* Aledade Budget Presentation (Nov. 13, 2024), 7; *see also* GMCB Staff Presentation, FY25 Medicare Only ACO Budget Review (Nov. 20, 2024), 25.
- The Enhanced track of MSSP is considered an Advanced Alternative Payment Model (APM) under CMS's Quality Payment Program, allowing participating providers to seek Qualifying APM Participant (QP) status. *See* Alternative Payment Models in the Quality

<sup>3</sup> For general information about the Medicare Shared Savings Program, see <https://www.cms.gov/medicare/payment/fee-for-service-providers/shared-savings-program-ssp-acos>.

Payment Program;<sup>4</sup> *see also* Aledade Budget Presentation (Nov. 13, 2024), 7. QPs are excluded from merit-based incentive payment system (MIPS) reporting and payment adjustments. *See* CMS Advanced APMs Overview.<sup>5</sup> For 2025 and beyond, QPs are eligible for an increased physician fee schedule update. *Id.*

12. MSSP ACOs must establish a repayment mechanism in an amount set by CMS. Aledade has established a repayment mechanism in accordance with CMS regulations that will allow CMS to collect the specified amount if Aledade becomes liable for shared losses. *See* Aledade Budget Submission, 12.

13. Aledade's preliminary target for annual Vermont beneficiary expenditures, as reported to the GMCB, is \$13,605 per beneficiary. *See* Aledade Budget Submission, App. C.

#### Financials (Revenues and Expenses)

14. FY25 represents Aledade's first year of operation in Vermont. *See* Aledade Budget Submission, 8. As such, Vermont-specific actual financial performance has not yet been measured.

15. Although Vermont providers in Aledade's network are eligible for shared savings, Aledade assumes all risk of losses (i.e. downside risk), with no downside risk passed on to providers. *See* Aledade Budget Submission, 8.

#### Model of Care

16. Aledade's model of care prioritizes increases in annual wellness visits and improvements to transitional care management. *See* Aledade Budget Submission, 13. Aledade focuses on these areas, among others, with the goal of reducing overall healthcare costs and hospital readmissions for its attributed beneficiaries. *Id.*

17. Aledade provides resources to its network providers to support enhanced care coordination. The ACO compiles data to assist practices in identifying patients who are most in need of outreach and support. *See* Aledade Budget Submission, 14-15. Aledade works directly with network providers to solve practice-specific problems through practice transformation specialists. *Id.* For practices that opt in, Aledade offers resources to support care planning, appointment scheduling, and patient outreach efforts. *Id.*

18. MSSP ACOs may take advantage of certain waivers of Medicare payment rules. For 2025 Aledade is not offering any payment waivers to its network participants. *See* Aledade Budget Submission, 15.

19. Aledade reports that it will integrate data from the Vermont Health Information Exchange (HIE) into its current data tools. *See* Aledade Budget Submission, 18. As this is the ACO's

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<sup>4</sup> <https://qpp-cm-prod-content.s3.amazonaws.com/uploads/2180/2022%20and%202023%20Comprehensive%20List%20of%20APMs.pdf>

<sup>5</sup> <https://qpp.cms.gov/apms/advanced-apms>

first year in Vermont, it has not yet established other integration efforts with the Vermont Blueprint for Health.

Integration with Vermont All-Payer Model Initiative

20. Providers that participate in MSSP cannot participate in other Medicare ACO initiatives, which means they cannot participate in Vermont's Medicare ACO Initiative.

Public Comments

21. The Board did not receive any written public comments regarding Aledade's FY25 budget. However, at its meeting on November 20, 2024, the Board received one public comment expressing concern about a False Claims Act suit filed against Aledade's parent company, Aledade, Inc., in federal court in March of 2021. In its FY25 budget submission, Aledade disclosed this qui tam action, explaining that the complaint was amended in 2024 to remove all False Claims Act counts after the Department of Justice declined to intervene. See Aledade Budget Submission, 7.

**CONCLUSIONS**

This Board does not have authority to certify or deny Vermont operations for an ACO that does not accept payment from Medicaid or commercial insurance. 18 V.S.A. §9382(a). Instead, our role is to approve or modify the proposed budget of the ACO each year that it operates in the state. 18 V.S.A. § 9382(b). When considering the budget of an ACO with less than 10,000 attributed lives in Vermont, we may consider as many of the criteria at 18 V.S.A. § 9382(b)(1) as we deem appropriate, considering the ACO's scope and size. 18 V.S.A. § 9382(b)(2); GMCB Rule 5.000, § 5.405(c). Considering Aledade's limited size in Vermont, with approximately 4,241 attributed lives projected for FY25, and considering that much of Aledade's model as an MSSP is established by CMS, we focus our review on the factors set out in the Legal Framework above. Findings, ¶¶ 2-3, 6. Aledade bears the burden of justifying its proposed budget. GMCB Rule 5.000, § 5.405(a).

2025 is Aledade's first performance year in Vermont and its second performance year as an ACO. Findings, ¶ 1, 4. As a participant in the Enhanced risk track, it can obtain greater savings if its participants achieve significant performance results; however, to the same end, the ACO can incur greater losses, up to 15% of its total benchmark, should the total cost of care for its attributed lives exceed the benchmark by that amount. Findings, ¶ 10. Aledade expects only one participant in Vermont for FY25. Findings, ¶ 3. Because the ACO assumes all risk of losses, with no downside risk passed on to providers, its financial performance will not result in shared losses incurred by network participants. Findings, ¶ 15.

Considering that 2025 is Aledade's first year in Vermont, we conclude that it is appropriate to establish a performance baseline for its operations in the state. To that end, we include conditions for Aledade to provide MSSP quality reporting, segmented for Vermont, to the GMCB, and require Aledade to collect data specific to its Vermont operations for the purpose of reporting to the GMCB after three performance years in the state. Furthermore, to foster Aledade's early coordination with the Blueprint for Health, we require that Aledade attend a Blueprint for Health orientation within

the first quarter of 2025. Finally, we include reporting requirements should Aledade or its parent company receive any notice of legal action, or a pretermination notice issued by CMS.

**ORDER**

Based on our Findings and Conclusions above, and pursuant to 18 V.S.A. § 9382, we hereby approve Aledade’s FY25 budget as submitted and subject to the conditions set forth below:

1. Aledade shall provide the GMCB Aledade’s MSSP quality reporting, segmented for Vermont, with appropriate restrictions to protect patient confidentiality.
2. Following three performance years in Vermont, Aledade shall provide to GMCB reporting for those years on GMCB-specified metrics, which may include the categories of inpatient medical, inpatient surgical, emergency department, professional office visits, ambulatory sensitive admissions, and any additional metrics. GMCB’s Health Policy Project Director is delegated responsibility to develop templates and metrics and set deadlines for this reporting.
3. Within 14 days of receipt, Aledade shall provide the GMCB and the Office of the Health Care Advocate a copy of any pretermination notice from CMS, including but not limited to a warning regarding noncompliance with Shared Savings Program requirements, a request for a corrective action plan, or a notice of a special monitoring plan. Aledade shall additionally provide any follow-up communications from the ACO and CMS regarding the pretermination action, at the discretion of the GMCB and with authority delegated to GMCB's Health Policy Project Director.
4. Within 14 days of receipt, Aledade shall provide the GMCB and Office of the Health Care Advocate notice of any legal action taken against the ACO or its parent company. Aledade shall additionally provide any additional information at the discretion of the GMCB and with authority delegated to GMCB’s Health Policy Project Director.
5. A representative from Aledade must engage in an orientation led by Blueprint for Health within the first quarter of 2025.
6. After notice and an opportunity to be heard, the GMCB may make such further orders as are necessary to carry out the purposes of this Order and 18 V.S.A. § 9382.

**So ordered.**

Dated: December 31, 2024 in Montpelier, Vermont

s/ Jessica Holmes )  
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s/ Robin Lunge )  
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s/ David Murman )

GREEN MOUNTAIN  
CARE BOARD  
OF VERMONT

s/ Thom Walsh \_\_\_\_\_ )  
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Filed: December 31, 2024

Attest: s/ Jean Stetter  
Green Mountain Care Board  
Administrative Services Director

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