STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD

FY25 ACCOUNTABLE CARE ORGANIZATION BUDGET ORDER

In re:	Lore Health ACO LLC	)
	Fiscal Year 2025	)
		) Docket No. 24-002-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 Lore Health ACO, LLC (Lore), and present specific Findings and Conclusions in support of our Order approving Lore'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 Lore, "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 Lore's operations in Vermont, the Board's review of Lore'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.[1]

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 Lore'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.[2]
10.31.24: Lore submitted its proposed FY25 budget to the Board.
11.13.24: Lore presented its budget at a hearing before the GMCB.
11.19.24: Lore responded to questions from the Board regarding its proposed budget.
11.20.24: Board staff presented analysis and recommendations regarding Lore's proposed FY25 budget. The Board voted to approve Lore's FY25 budget subject to the conditions described in this Order.

[1] 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. Board presentations are available at gmcboard.vermont.gov/2024-meetings. Recordings of GMCB hearings and deliberations are available at orcamedia.net and youtube.com/@GreenMountainCareBoard.

[2] 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. Lore Health ACO, LLC (Lore) is a Delaware limited liability company. Prior to November 2022 Lore was named Gather Health ACO. *See* FY23 Lore Health ACO Budget Order, 21-002-A, Findings, ¶ 1.

2. Lore is participating in the Medicare Shared Savings Program (MSSP), which is run by the Centers for Medicare and Medicaid Services (CMS). *See* Lore Budget Submission, 2. Within the Shared Savings Program, Lore participates in the Enhanced risk track. *Id.*

3. In FY25 Lore projects that it will be accountable for approximately 3,600 attributed Medicare beneficiaries through its Vermont provider. *See* Lore Budget Presentation (Nov. 13, 2024), 3. Lore's Vermont provider is North Star Health, formerly Springfield Medical Systems, Inc., which has locations in both Vermont and New Hampshire. *See* Lore Budget Submission, App. A-1; *see also* GMCB Staff Presentation, FY25 Medicare Only ACO Budget Review (Nov. 20, 2024), 10.

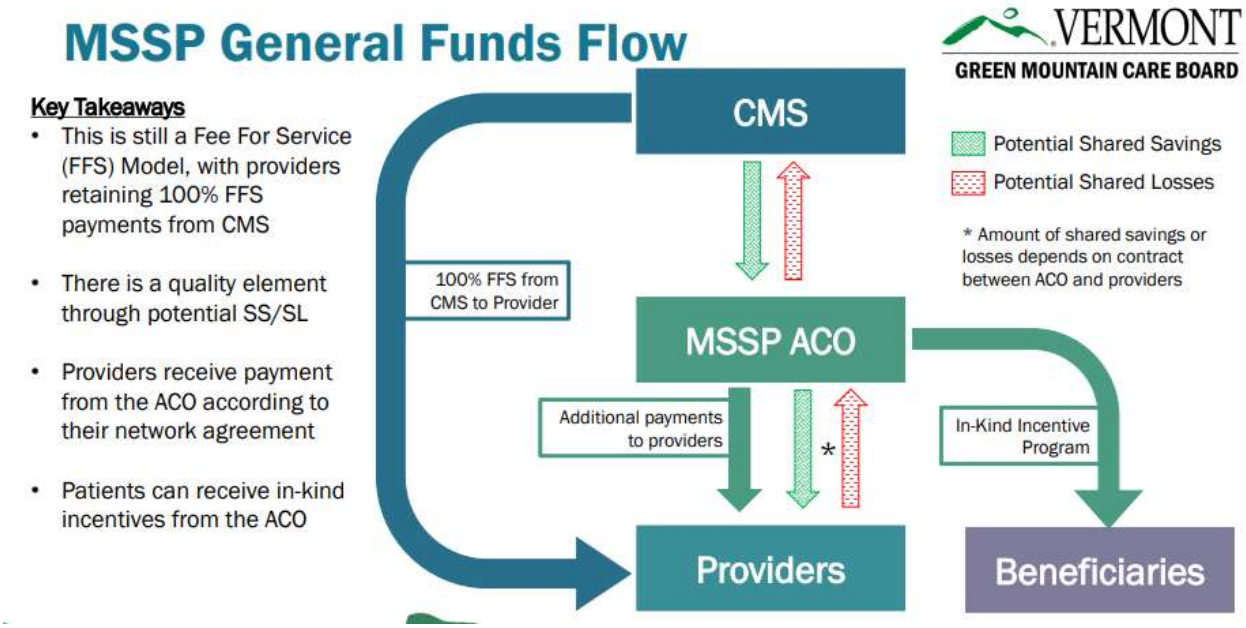
4. In addition to its operations in Vermont and New Hampshire, Lore operates in three other states. Approximately 28% of its attributed lives in FY25 are through its arrangement with North Star Health. *See* Lore Budget Submission, 3.

5. On November 13, 2024, Lore's leadership presented to the GMCB at a public meeting regarding its business model and operations in Vermont. *See* Lore Budget Presentation (Nov. 13, 2024).

Payer Program and Risk Model

6. Lore participates in the Medicare Shared Savings Program. *See* Lore 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 Lore specifically) is outlined below:



Id.

8. 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.

9. 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.[3] These tracks determine, in part, the potential savings or losses the ACO and its providers may incur.

10. Lore is participating in the Enhanced track. Lore 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. Lore's maximum potential shared savings will be equal to 20% of the total benchmark (i.e. the overall spending target for its attributed lives). Lore 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. Lore's maximum potential shared losses will be equal to 15% of the total benchmark. *See* Lore Budget Submission, 6-7, App. B; *see also* GMCB Staff Presentation, FY25 Medicare Only ACO Budget Review (Nov. 20, 2024), 9.

11. 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 Payment Program.[4] QPs are excluded from merit-based incentive payment system (MIPS)

[3] 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.
[4] https://qpp-cm-prod-content.s3.amazonaws.com/uploads/2180/2022%20and%202023%20Comprehensive%20List%20of%20APMs.pdf

reporting and payment adjustments. *See* CMS Advanced APMs Overview.[5] 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. Lore has established a repayment mechanism in accordance with CMS regulations that will allow CMS to collect the specified amount if Lore becomes liable for shared losses. *See* Lore Budget Submission, 6.

13. [redacted]

14. Lore's preliminary target for annual Vermont beneficiary expenditures, as reported to the GMCB, is $10,200 per beneficiary. *See* Lore Budget Presentation (Nov. 13, 2024), 3.

Financials (Revenues and Expenses)

15. FY25 represents Lore's third year of operation in Vermont. *See* Lore Budget Submission, 5. Lore's FY23 financial performance, FY24 projected performance, and FY25 budgeted performance are set out below:

Lore Health - Vermont Only	FY23 - Actuals	FY24 - Proj	FY25 - Budget
Traditional Medicare Beneficiaries	3,134	3,600	3,600
Annual Beneficiary Utilization and Expenditures per Beneficiary	$9,524	$9,750	$10,200
VT Provider/Supplier Medicare Benchmark	$29.85M	$35.10M	$36.72M
Shared Savings/Losses - ACO Wide	-0.26%	1.00%	1.00%
VT Shared Savings/Shared Losses	If Shared Savings: Shared Savings % x Medicare Benchmark x Quality Performance Score x (1 - CMS Share)		
	If Shared Losses: Shared Losses % x Medicare Benchmark x Quality Performance Score x (1 - CMS Share)		

GMCB Staff Presentation, FY25 Medicare Only ACO Budget Review (Nov. 20, 2024), 11.

16. [redacted]

17. In 2023 Lore experienced ACO-wide losses of 0.26%. MSSPs experienced median shared savings of 3.65% that year. Shared savings for MSSPs in their initial performance year was a median of 2.89%. *See* GMCB Staff Presentation, FY25 Medicare Only ACO Budget Review (Nov. 20, 2024), 12; *see also* CMS 2023 Performance Year Financial and Quality

[5] https://qpp.cms.gov/apms/advanced-apms

Results.[6] As such, Lore's losses of 0.26% in its first year of performance were lower than the median.

Model of Care

18. Lore is focused on the practice of lifestyle medicine to enable Medicare beneficiaries to take charge of health improvements. *See* GMCB Staff Presentation, FY25 Medicare Only ACO Budget Review (Nov. 20, 2024), 14.

19. Lore's model includes a beneficiary-facing mobile app through which it seeks to educate patients and enable patients to make positive health changes. *Id*.

20. Lore also provides in-kind incentives, which can be earned by patients aligned with the ACO. *See* Lore Budget Submission, 9. In particular, Lore identifies distribution of cards with funds for grocery store purchases as an in-kind incentive offered by the ACO. *See* Testimony of Mark Atalla, Lore Budget Hearing Transcript (Nov. 13, 2024), 27:12-10.

21. In an effort to prevent the duplication of services and integrate its efforts with the Blueprint for Health, Lore attended an orientation led by the Blueprint for Health in 2024. *See* FY24 Lore Health ACO Budget Order, 23-002-A, Order, ¶ 6.

22. In 2023 Lore had an ACO-wide quality score of 65.76%. The 2023 median MSSP quality score was 83.07%. The median quality score for MSSPs in their initial performance year was 80.4%. *See* GMCB Staff Presentation, FY25 Medicare Only ACO Budget Review (Nov. 20, 2024), 12; *see also* CMS 2023 Performance Year Financial and Quality Results.[7]

Data Collection and Use

23. Lore does not sell data gathered through its mobile platform, including from patient queries made to its AI chatbot. *See* Lore Budget Submission, App. 1, 12. Lore has previously stated that it will not sell or share beneficiary data collected from its mobile platform. *See* FY23 Lore Health ACO Budget Order, 21-002-A, Findings, ¶ 16. Lore has both a Terms of Use and Privacy Policy that are publicly available.[8]

Integration with Vermont All-Payer Model Initiative

24. Providers that participate in MSSP cannot participate in other Medicare ACO initiatives, which means they cannot participate in Vermont's Medicare ACO Initiative. *Id*. at ¶ 17.

Public Comments

25. The Board did not receive any written public comments regarding Lore's FY25 budget. *See* GMCB Staff Presentation, FY25 Medicare Only ACO Budget Review, 3.

[6] https://data.cms.gov/medicare-shared-savings-program/performance-year-financial-and-quality-results/data
[7] https://data.cms.gov/medicare-shared-savings-program/performance-year-financial-and-quality-results/data
[8] https://community.lorehealthcare.com/terms-of-use; https://community.lorehealthcare.com/privacy

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 Lore's limited size in Vermont, with approximately 3,800 attributed lives projected for FY25, and considering that much of Lore's model of care 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. Lore bears the burden of justifying its proposed budget. GMCB Rule 5.000, § 5.405(a).

In 2023, its first performance year, Lore experienced ACO-wide losses of 0.26%. Findings, ¶ 15. This was Lore's first performance year, with most of its attributed lives residing outside of Vermont. Findings, ¶¶ 4, 15. As such, we make no adverse finding as to Lore's competence or fiscal responsibility in its Vermont operations. [redacted] Lore is projecting savings of 1% for FY24 and is budgeting for savings of 1% for FY25. Findings, ¶ 15.

We similarly make no adverse findings as to Lore's competence or soundness of principles in improving patient outcomes or coordinating patient care. Lore had an ACO-wide quality score of 65.76% in 2023, which was less than the median MSSP quality score of 83.07% and the median quality score of 80.4% for MSSPs in their initial performance year. Findings, ¶ 22. However, this being Lore's first year of operations, we would expect quality improvements to develop over time as the ACO works with its network providers. Although we make no finding as to the efficacy of Lore's mobile platform, we find that Lore does not sell or share the data it collects. Findings, ¶ 23.

ORDER

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

1. Lore shall provide the GMCB its MSSP quality reporting, segmented for Vermont, with appropriate restrictions to protect patient confidentiality.

2. Following three performance years in Vermont, Lore shall provide to the 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, Lore 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. Lore shall additionally provide any follow-up communications from the ACO and CMS regarding the pre-termination action, at the discretion of the GMCB and with authority delegated to GMCB's Health Policy Project Director.

4. Within 14 days of receipt, Lore shall provide the GMCB and Office of the Health Care Advocate notice of any legal action taken against the ACO or its parent company. Lore shall additionally provide any additional information at the discretion of the GMCB and with authority delegated to GMCB's Health Policy Project Director.

5. 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/ Owen Foster, Chair)
)
s/ Jessica Holmes) GREEN MOUNTAIN
) CARE BOARD
s/ Robin Lunge) OF VERMONT
)
s/ David Murman)
)
s/ Thom Walsh)

Filed: December 31, 2024

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

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