

ACO Oversight OneCare Vermont FY 2025 Budget Guidance Overview and Proposed Changes

May 22, 2024

Public Comment



- Special public comment period open from May 15-20th
- No public comment received

Staff Process

1 FY24 Process Feedback

2 Statutory Alignment

3 Stakeholder Engagement

GOALS for FY2025 Guidance

- Right information in the right format
- Reduced administrative burden on ACO, staff, and Board
- Future focus – post-APM future

Timeline

ACO Budget Guidance released by July 1st each year

- Earlier timeline possible this year

Budget submission due October 1st each year

Board must vote on ACO Budgets by December 31st

Introduction



“Recognizing that BY2025 is the final year of this ACO payment model, the GMCB is focusing the budget guidance on ensuring appropriate final year ACO costs that reflect the value to Vermonters of the ACO, ensuring sufficient oversight of the ACO, and reporting data and information that will assist in future efforts while reducing reporting that will no longer be useful. As such, the approach to the guidance is to suggest that the ACO minimize costs to support only programs shown to yield positive financial returns for Vermonters and to finish out this Model while freeing up resources to be deployed to future purposes.”

Proposed Budget Targets 2024 vs 2025 Guidance



2024 Budget Target

Change for 2025

Commercial benchmark trend rates must be consistent with the ACO-attributed population and the GMCB approved rate filings.

Unchanged

FPP Goals

Removed

ACO must hold Medicare Advanced Shared Savings \$ as risk*

ACO has discretion to hold or disperse risk

*Modified in budget order

Proposed Budget Targets 2024 vs 2025 Guidance



2024 Budget Target

Change for 2025

Increase all risk corridors

Maintain FY23 risk corridors or elect new asymmetric risk from CMS

Ratio of operating expenses to PHM payments cap equal to 5-year average

Ratio cap equal to FY24 amount

Placeholders for two targets re: executive compensation

Removed

Proposed Budget Targets 2024 vs 2025 Guidance



2024 Budget Target

Change for 2025

Ratio of operating expenses to attributed lives at prior year minimum

Unchanged

Performance improvement plan for 3 metrics based on performance in Medicare ACO Performance Benchmarking Report

Unchanged (keep same 3 areas of focus)

Proposed Budget Targets



NEW for 2025:

- The ACO's administrative budget should not include expenses associated with programs not demonstrated to yield positive results for Vermonters; it should include only programs necessary and resources necessary for it to satisfy All-Payer Model requirements.
- Should the ACO choose to participate as a Medicare Shared Savings Program ACO in FY25 and leave Vermont's All-Payer Accountable Care Organizational Model Agreement, OCV must submit a new budget that reflects the fact that its value to the state is far more limited. Whether under the APM or MSSP, the ACO must account for its administrative budget by **providing a breakout of the budget by function** and must provide any and all additional information as requested by the Board.

Section 1 – Executive Summary

Focusing on network and programmatic *changes* from FY24
Lessons learned for the *future*

- Summary of the Full Accountability Budget (Non-GAAP);
- Summary of the Entity-Level Budget (GAAP);
- Summary of changes to ACO Network Programs, Population Health Programs, and Care Model; and
- Description of lessons learned through programmatic evaluation. Response should include how these lessons will influence the ACO's programs in the budget year and beyond.

Section 2 – Provider Contracts

Continuing to collect data re: ACO network participation

- Section largely unchanged

Section 3 – Payer Contracts

Focusing on *new* payer contracts, *changes* to current contracts

- Scale and Program alignment forms are only required for any *new* payer programs
- All contracts must still be submitted within 10 days of execution
- Description of new contracts, changes made to continuing contracts, and explanations for terminated contracts
- Removed questions around FPP targets, work with MA plans, work on risk-baring commercial plans, global payment pilot with DVHA

Section 4 – Total Cost of Care

Continuing to collect TCOC-related data via the workbook; less narrative

- Appendix 4.1 – TCOC Performance by Payer, Total ACO-Wide (2018-2015) unchanged
- Appendix 4.2 – Projected and Budgeted Trend Rates by Payer Program unchanged; shortened associated narrative
- Removed questions around drivers and assumptions for TCOC and descriptions of adjustment factors for settlement

Section 5 – Programs and Risk

Less granular risk data; more granular network settlement data

- Tied descriptions of programs to Rule 5.403 requirements
- Appendix 5.1 ACO Risk by Payer (no longer at HSA/RBE-level)
- New Appendix 5.2 Projected 2024 Accountability Pool Distribution and Network Settlement
- Removed narrative description of
 - Provider payment strategies and methodologies
 - Risk model and stratification methodology
 - Removed old Appendix 5.2 Shared Savings and Losses by Payer, HSA, Primary Care/Risk Bearing Entity; duplicative information

Section 6 – ACO Budget

New Appendices per Budget Order; less narrative overall

- Added Appendix 6.9 Net Assets (per FY24 Budget Order)
- Added Appendix 6.10 Budget by Function/Program
- Removed narrative descriptions of Adaptive and workbook submissions; reserved to descriptions of changes from previous year
- Removed narrative questions around executive compensation benchmarking methods; will continue to collect data in Appendix
- Moved IRS Form 990 requirement to Reporting Manual

Section 7 – Quality, Pop Health, and Model of Care

Focus on *changes* and lessons learned for the *future*

- Model of Care- reframing to focus on changes and lessons learned for the future
- Combined Clinical Focus Areas with Quality Improvement
 - Focusing on KPI performance
- Removed questions and appendices around care coordination, integration of social services, primary care incentive funds, PHE

Section 8 – Performance Benchmarking

Continued focus on ACO improvement activities

- Trimmed down questions to focus on Network Surveys from the current and budget year, how it's improving survey practices, and evaluation of population health management programs.
- ROI moved to reporting manual
- Benchmarking Report- how ACO is working to improve performance on the three metrics of focus as reporting in FY24 budget submission

Section 9: APM Questions

Single narrative question

- Eliminated Appendix 9.1
- Single question remains to keep pulse on ACO's efforts to align with the priorities of the All Payer Model extension

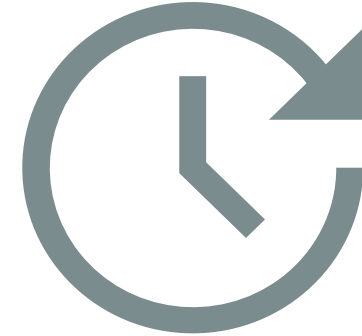
Summary



Updated timeline
for budget
guidance issuance



Right questions
in the right
format



Changes and
Future Focus

Sample Motion Language



“Move to approve the OneCare Vermont FY25 budget guidance presented today by GMCB staff, [with any changes discussed today by the Board].”