

ACO Oversight
FY 2023 OneCare Revised Budget
Public Comment and Potential Vote

June 14, 2023

Agenda

- Timeline
- Public Comment
- Revised Budget Review
- Budget Amendment Request
- Staff Recommendation

Timeline for FY23 Budget



2022 – Initial FY23 Budget

- 10/1 – Budget Submission received
- 11/6 – OCV Budget Hearing
- 12/7 and 12/14 – Staff Analysis and Recommendations Presentations
- 12/21 – OCV Budget Vote

2023

- 1/30 – Resubmitted Budget received
- 2/9 – Letter to OCV from Board Chair

Revised Budget

- 3/31 – Revised Budget Submission received
- 5/3 – Staff Review presentation
- 5/5 – OCV Revised Budget Hearing
- 5/17 – Staff Analysis and Recommendation
- 5/22 - Letter sent to OCV re: amendment request
- 5/30 - Budget amendment request received
- 6/14 – Potential Board vote

Public Comment



- Five Comments Received as of 6/13
 - Executive Compensation
 - Primary Care Funds Flow
 - Sources for OneCare's administrative costs
 - Reduction of Operating Budget
 - Triggering Event

OneCare Vermont ACO Revised FY23 Budget



- Substantial variations from OneCare approved FY23 budget to revised FY23 budget:
 - No BCBSVT Contract
 - New Self-Funded Program
 - Risk Model Change (Payer Program, Risk Corridors)
 - PHM Payment Changes

OneCare Vermont ACO Revised FY23 Budget



- Budget Amendment Request Received on 5/30 from OneCare Vermont.
- Requested that the GMCB modify its approval of OneCare's budget to reflect the revised budget submitted on March 31, 2023.

Hospital PCP Payments



PHM Program	Original	Revised			Change	
	OneCare Pmts.	OneCare Pmts.	Plus DVHA Pmts. *	Plus BCBSVT Pmts. **		Total
Hospital/Hospital PCP	\$10,250,510	\$8,667,414	\$383,118	\$1,500,000	\$10,550,532	\$300,022
Independent PCP	\$5,618,833	\$5,062,679	\$709,963	\$800,000	\$6,572,642	\$953,809
FQHC	\$6,143,165	\$5,198,308	\$308,743	\$1,100,000	\$6,607,051	\$463,886
Specialist	\$185,549	\$185,549	\$0	\$0	\$185,549	\$0
Designated Agency	\$1,297,404	\$722,947	\$589,456	\$0	\$1,312,403	\$14,999
Home Health	\$1,423,634	\$1,414,915	\$8,719	\$0	\$1,423,634	\$0
Area Agency on Aging	\$211,774	\$211,774	\$0	\$0	\$211,774	\$0
SASH	\$4,508,696	\$4,508,696	\$0	\$0	\$4,508,696	\$0
Other / TBD	\$282,445	\$282,445	\$0	\$0	\$282,445	\$0
	\$29,922,010	\$26,254,726	\$2,000,000	\$3,400,000	\$31,654,726	\$1,732,716

* Paid directly to providers in alignment with OneCare initiatives

** Rounded estimate of the amount BCBSVT has committed to providers through 2023 (rounded for confidentiality protections)

OneCare Vermont 2023 Revised Budget Presentation to GMCB, May 5, 2023, slide 46.

Hospital PCP Payments (cont'd)



To ensure that funds approved in the OCV budget to strengthen primary care are reaching the intended purpose, suggested approach:

1. Require OCV to collect an affidavit/attestation from hospitals in OCV network that receive PCP funds that those funds go to primary care providers and primary care transformation as additional payments
 - Compliance deadline – provide affidavit/attestation to GMCB by [Oct.1]
2. Include affidavit/attestation requirement for FY24 and beyond
 - Similar requirement included in draft of FY24 guidance
3. Collect from hospitals a flow of funds or accounting for use of funds

Staff Recommendation for budget



Suggested motion language:

Move to amend OneCare Vermont's FY23 budget approval to reflect the revised budget submitted by OneCare on March 31 and presented to the GMCB on May 5, with condition that OneCare obtain affidavits/attestations from its applicable hospital network participants regarding use of PCP funds as presented today by staff.

Board Discussion



Reference



OneCare Vermont ACO Revised FY23 Budget



5.407 Budget Performance Review and Adjustment

- (a) The Board may conduct an independent review of an ACO's performance under an established budget at any time. Such a review need not be limited to financial performance and may cover any matter approved by the Board as part of the ACO's budget. The Board may request, and an ACO must provide, information determined by the Board to be necessary to conduct the review. If, after conducting a review, the Board determines that an ACO's performance has varied substantially from its budget, the Board shall provide written notice to the ACO. The notice shall set forth the results of the Board's review, as well as a description of the facts the Board considered.
- (b) After determining that an ACO's performance has varied substantially from its budget, and upon application of the ACO, the Board may adjust the ACO's budget. In considering an adjustment of an ACO's budget, the Board will consider the financial condition of the ACO and any other factors it deems appropriate.
- (c) An ACO must request and receive an adjustment to its budget under subsection (b) of this section prior to executing a Risk Contract that would cause the ACO to exceed a Risk Cap established by the Board as part of the ACO's budget.
- (d) The Board may take any and all actions within its power to compel compliance with an established budget.

Executive Compensation



- Board issued guidance regarding Rule 5.000, § 5.203(a) on May 12, 2021.

"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."

- Additional materials requested:
 - Final FY23 corporate goals upon which executive variable pay is based
 - All metrics associated with these goals
 - A description of any numerical scoring used to determine how the achievement or partial achievement of goals are scored to correlate with the amount of variable pay awarded
 - Variable pay ranges for eligible executive positions for FY23
 - All UVM Health Network policies related to executive compensation and variable compensation

Executive Compensation



FY 2023 corporate goals upon which executive variable pay is based:

- 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 programs

Executive Compensation

Variable Pay Ranges



- Variable pay ranges, as a percentage of base pay
 - 0-10% Directors
 - 0-20% VPs
 - 0-25% CEO
- Determination of the attainment of these goals is made by the next level of leadership. In the case of the CEO, the Executive Committee of the OneCare Board of Managers (BOM) reviews and makes recommendations to the OneCare BOM and the full OneCare BOM must approve the attainment of these goals.

Executive Compensation FY 2023 Corporate Goals and Metrics

Payment Reform Priority: Evolve and enhance payment reform program

Network Performance Management Priority: Ensure a high quality, equitable system that continuously strives to improve health care delivery and outcomes

Data & Analytics Priority: Deliver actionable insights to network in support of better outcomes

Domain(s)	Goal	Weight	Metrics/Measurement*	
			Threshold**	Target***
All	Financial Management	Gate	Manage within the FY23 administrative budget and meet quality reporting requirements	N/A
Payment Reform; Network Performance Management	Develop a plan for future (2024+) value based care contracts, to include: <ul style="list-style-type: none"> • Payer contracts • CPR program • PHM Accountability advancements 	40%	Engage network and key stakeholders to inform strategic planning process. Research and present draft findings of public and private value based future program options to the Board	Complete strategic planning with 75% or more of identified stakeholders completing structured interview and survey. Board approved 3-5 year strategic plan to begin 2024. Plan will include viable value based programs for execution and business structures needed to execute on any new or enhanced value based care program offerings
Network Performance Management	Integrate health disparities findings into PHM model for 2024 to align incentive structure to minimize health disparities	10%	A report to the Board on how OneCare has incorporated disparities scorecards findings into HSA Consultations	All HSAs select and incorporate selected areas of focus in QI efforts. OneCare reports to the Board on HSA engagement in focused QI efforts.
Data & Analytics	Successfully transition to a new data platform	30%	New baseline population health data reports are created and socialized with participants	By Q3, foundational population health reports are generated in the new analytics platform and pushed to the network electronically
Data & Analytics	Develop comprehensive OneCare evaluation strategy and action plan for CPR and PHM programs	20%	Evaluation Plan approved by governance committees	Evaluation findings incorporated into program planning and budget for 2024. Key findings made available publicly.

* Metric completion is determined by validating completion of each component of measurement in each category (i.e. Threshold completion = 50% x Weight). The Board has latitude to adjust goals and weights if circumstances or priorities change during the year.

**Meeting Threshold indicates modest reward for good, “satisfactory performance” marked by substantial progress or improvement and noteworthy achievements. P50 represents median salary within pay band.

*** Meeting Target indicates reward for “strong performance” marked by achieving the target goal; multiple goals within each performance category may be weighted. P65 represents competitive salary (e.g. 65th %ile) within pay band.

Executive Compensation

FY 2023 Corporate Goals Q1 Update



- Throughout the year, the status of each metric is assessed and updated quarterly.
 - FY 2023 Quarter 1 Update as presented in OneCare's April Board of Managers Meeting packet (on the following slide)

Domain(s)	Goal	Weight	Metrics/Measurement*		Q1, 2023 Update		
			Threshold**	Target***	Status	% Complete/Measure	Briefly describe current state, risks, mitigations and next steps
All	Financial Management	Gate	Manage within the FY23 administrative budget and meet quality reporting requirements	N/A	In Progress	25%	Board approved 2023 revised budget. Annual quality abstraction delayed by payer, new deadline May 2023. Monitoring PHM performance against targets to assess budgetary risk.
Payment Reform; Network Performance Management	Develop a plan for future (2024+) value based care contracts, to include: - Payer contracts - CPR program - PHM Accountability advancements	40%	Engage network and key stakeholders to inform strategic planning process. Research and present draft findings of public and private value based future program options to the Board	Complete strategic planning with 75% or more of identified stakeholders completing structured interview and survey. Board approved 3-5 year strategic plan to begin 2024. Plan will include viable value based programs for execution and business structures needed to execute on any new or enhanced value based care program offerings	In Progress	25%	Strategic planning engagement completed by stakeholders: Network (100%), key stakeholders (100%), and staff (85.1%). Initial themes presented to Board of Managers on 3/21/22. Work proceeding to develop resulting strategic plan.
Network Performance Management	Integrate health disparities findings into PHM model for 2024 to align incentive structure to minimize health disparities	10%	A report to the Board on how OneCare has incorporated disparities scorecards findings into HSA Consultations	All HSAs select and incorporate selected areas of focus in QI efforts. OneCare reports to the Board on HSA engagement in focused QI efforts.	In Progress	25%	HSA consultations in process for March and April to include HSA-level disparity insights. This report is expected to be presented to the Board of Managers in May.
Data & Analytics	Successfully transition to a new data platform	30%	New baseline population health data reports are created and socialized with participants	By Q3, foundational population health reports are generated in the new analytics platform and pushed to the network electronically	In Progress	25%	Arcadia go-live date revised to October 2023 due to extenuating circumstances. Recommend Board consider adjusting target timeline to end of Q4. Management is working to mitigate delays through close management of the rollout plan.
Data & Analytics	Develop comprehensive OneCare evaluation strategy and action plan for CPR and PHM programs	20%	Evaluation Plan approved by governance committees	Evaluation findings incorporated into program planning and budget for 2024. Key findings made available publicly.	In Progress	25%	The Board approved plan to hire external national evaluation contractor. Vendor selection hampered by complexity (limits the pool) and existing potential and/or perceived conflicts of interest. Final vendor selected late March and contract negotiations underway.

Executive Compensation (cont'd)



Part 6. ACO Budget				
Appendix 6.7: ACO Management Compensation (FY 2023 projected) [updated]				
Position Title	Base Pay/Benefits	Variable Pay	Variable Pay Range (% of base pay)*	Budgeted Gross Compensation
Board Chair	\$0	\$0	n/a	\$0
Board Trustees (18)	\$0	\$0	n/a	\$0
CEO	\$387,979	\$96,094	0% - 25%	\$484,072
CCO	\$163,404	\$16,189	0% - 10%	\$179,593
VP/COO	\$305,834	\$60,599	0% - 20%	\$366,432
VP/Finance	\$255,727	\$50,670	0% - 20%	\$306,398
VP/CMO	\$199,993	\$39,627	0% - 20%	\$239,620
Chief Legal Officer	\$178,995	\$11,963	0% - 10%	\$190,958
Director, ACO Operations	\$178,815	\$17,715	0% - 10%	\$196,530
Director, Strategy/Planning	\$178,814	\$17,715	0% - 10%	\$196,530
Director, Value Based Care	\$175,875	\$17,424	0% - 10%	\$193,299
Director, Payment Reform	\$168,149	\$16,659	0% - 10%	\$184,808
Director, Finance and Accounting	\$157,463	\$13,000	0% - 10%	\$170,463
Director, Public Affairs	\$162,375	\$16,087	0% - 10%	\$178,462
Total Compensation Reported			n/a	\$2,887,165
* Please note that the actual percentage of Variable Pay to Base Pay is slightly less than the maximum pay range noted. This is due to timing between the variable pay year (October - September) and OneCare's fiscal year (January - December).				

Executive Compensation



Potential approaches

- FY2024 ACO budget guidance (draft)
 - *The ACO shall structure the variable proportion of executive compensation so that at least 40% is tied to OCV's FY24 achievement of specific and measurable goals related to performance in cost and quality metrics. Quality metrics should align with any payer program quality priorities, or clinical focus areas.*
- FY2024 ACO budget guidance and additional scrutiny of FY2023 variable compensation determined by OCV's Board of Managers to ensure that any awarded pay reflects the loss of a payer contract, reduced attribution, and OCV's performance.
- Require that no FY2023 variable compensation be awarded.

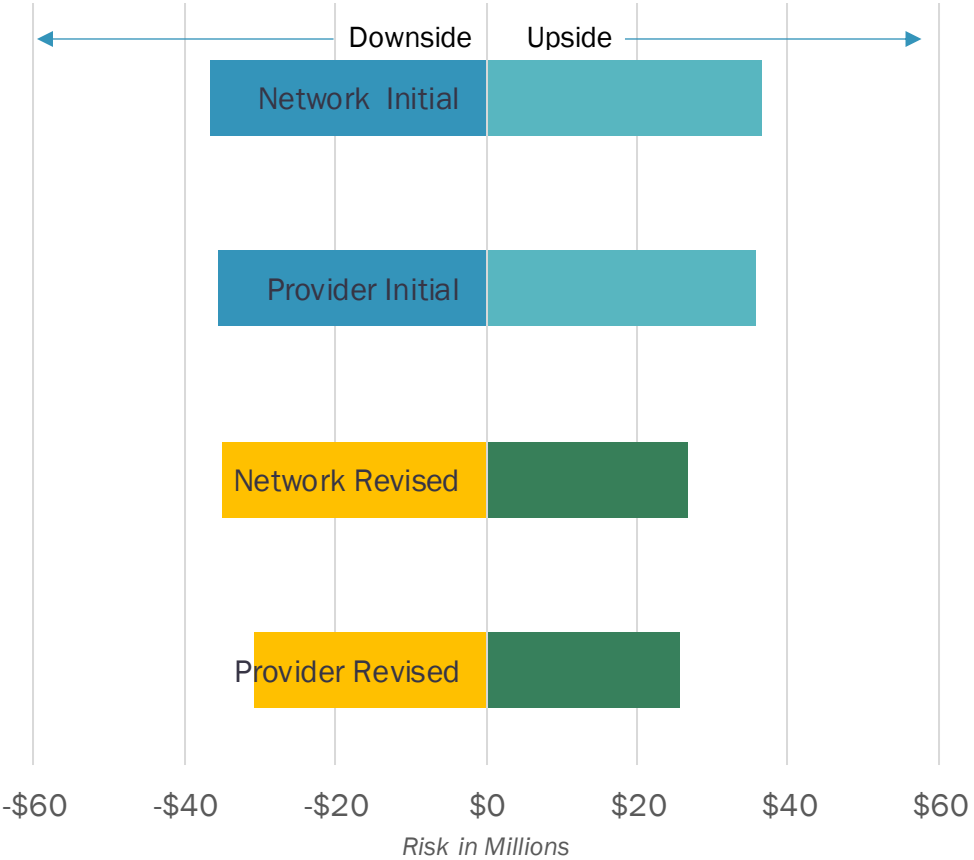
Changes to Risk Model

Initial FY23 Budget

- Network - \$36.5M up/down
- Provider - \$35.7M up/down

Revised FY23 Budget

- Network - \$26.7M up; \$35.1M down
- Provider - \$25.8M up; \$30.7M down
- Loss of BCBSVT risk
- Addition of UVMHN risk
- Changes in risk corridors for Medicaid and MVP



PHM Expenses



- Fewer attributed lives leads to less PHM Program expense
- Incorporation of DVHA funding model
- Incorporation of CPR modification
- New MH Screening and Follow-Up initiative

	Original Budget	Revised Budget	Change	Notes
PHM Base Payments - PCP	\$13,156,767	\$9,733,548	(\$3,423,219)	Fewer BCBSVT lives
PHM Base Payments - HH	\$882,300	\$882,300	\$0	
PHM Base Payments - DA	\$1,065,050	\$640,050	(\$425,000)	Change in DVHA funding model
PHM Base Payments - AAA	\$170,000	\$170,000	\$0	
PHM Bonus Potential - PCP	\$2,030,995	\$1,537,459	(\$493,536)	Fewer BCBSVT lives
PHM Bonus Potential - PCP (DVHA Funding)	\$0	(\$912,514)	(\$912,514)	Change in DVHA funding model
PHM Bonus Potential - HH	\$124,560	\$124,560	\$0	
PHM Bonus Potential - HH (DVHA Funding)	\$0	(\$8,719)	(\$8,719)	Change in DVHA funding model
PHM Bonus Potential - DA	\$150,360	\$590,360	\$440,000	Change in DVHA funding model
PHM Bonus Potential - DA (DVHA Funding)	\$0	(\$589,456)	(\$589,456)	Change in DVHA funding model
PHM Bonus Potential - AAA	\$24,000	\$24,000	\$0	
Longitudinal Care	\$399,000	\$399,000	\$0	
DULCE	\$145,366	\$145,366	\$0	
CPR Program Cost	\$1,510,492	\$2,106,823	\$596,330	MVP transition into CPR
CPR Program Cost (DVHA Funding)	\$0	(\$489,310)	(\$489,310)	Change in DVHA funding model
Specialist Fund	\$150,000	\$150,000	\$0	
Innovation Fund	\$69,667	\$69,667	\$0	
MH Screening and Follow-Up Program	\$0	\$1,638,140	\$1,638,140	New initiative
SNF Initiative	\$201,299	\$201,299	\$0	
Quality Improvement Initiatives	\$296,240	\$296,240	\$0	
PCMH Payments	\$2,163,158	\$2,062,850	(\$100,308)	Updated to reflect info from State
Community Health Team Payments	\$2,874,062	\$2,974,370	\$100,308	Updated to reflect info from State
SASH	\$4,508,696	\$4,508,696	\$0	
Total	\$29,922,012	\$26,254,729	(\$3,667,284)	

Change of \$3.7M, but addition of \$2M from DVHA for PHM Bonus Payments results in a reduction of \$1.6M from the approved budget.

New Mental Health Screening and Follow-up Initiative

Addition of MVP lives into CPR