

Julie Wasserman, MPH

Health Policy Consultant

TO: Green Mountain Care Board

RE: Additional Comments on OneCare Vermont's 2023 *Revised* ACO Budget

FROM: Julie Wasserman, MPH

DATE: May 22, 2023

---

Vermont's All Payer ACO Model began in 2017 and utilizes the state's sole ACO, OneCare Vermont, as the vehicle to implement health care reform. Concerns exist regarding payments both to and from the ACO. The following describes public funds DVHA has paid OneCare for the ACO's "administrative" costs. OneCare's questionable pattern of payment allocations intended for physicians is also addressed.

The yearly contract between DVHA and OneCare delineates DVHA's Per Member/Per Month (PMPM) monthly payments to the ACO for the health care services of its Medicaid attributed lives. For the years 2017 through 2021, this monthly payment included a \$6.50 PMPM for the ACO's administrative costs - see tables on page 3-4, "Administration" column. (The column titled "PCCM" refers to the Primary Care Case Management care coordination payment and is separate and distinct from administrative payments.)

OneCare was a for-profit corporation from its inception in 2013 until [2021](#). Private for-profit corporations are generally expected to pay for their own administrative functions. But not in this case. Millions of dollars of public tax-payer money subsidized this for-profit corporate entity's administrative work. Any analysis of OneCare's Return on Investment for the All Payer Model needs to account for DVHA's nearly \$13 Million\* in administrative payments to OneCare.

2017:	\$1,038,885
2018:	\$1,542,310
2019:	\$2,698,553
2020:	\$3,897,306
2021:	\$3,779,016
<b>Total:</b>	<b>\$12,956,070</b>

\* Data from yearly DVHA [reports](#) "Vermont Medicaid Next Generation ACO Program Performance". See Financial Performance/Year-End Reconciliation table, "Administrative Fee".

It was not until last year (2022) that DVHA discontinued these administrative payments to OneCare. The DVHA-OneCare contracts for [2022](#) and [2023](#) have renamed these PMPM monthly payments (now at \$4.75) as “Provider Reform Support Payments” to be distributed by OneCare “*in total*” to “*Participating Practices*” and “*Preferred Providers*”. Do these payments, intended for physicians and practitioners, actually benefit physician practices, the majority of whom are employed by hospitals? Or do these payments contribute to the hospitals’ overall budgets? OneCare’s Revised 2023 Budget states it will serve 142,410 Medicaid enrollees which will total more than **\$8 Million** in State-funded Provider Support Payments. (142,410 x \$4.75 x 12 mo. = \$8,117,370)

DVHA understood the importance of holding OneCare accountable for these Provider Support Payments and requires OneCare to submit quarterly reports on the distribution of its payments to Participating Practices and Preferred Providers. The DVHA contract further stipulates that any undistributed funds be returned to DVHA. If OneCare distributed these payments to hospitals but the funds did not directly benefit the physician practices or preferred providers who work for these hospitals, this money may need to be returned to DVHA.

OneCare employed a similar approach with its Population Health Management payments for Primary Care Physicians where we witnessed alternate uses of this targeted physician funding. If OneCare were truly “accountable”, it would ensure that its \$10.5 Million in PHM payments for 2023 actually benefits primary care physicians, not the hospitals who employ them. How many years have PHM Primary Care payments subsidized hospitals, and at what cost? Will this be corrected for 2023? Will this be corrected for prior years? Does Vermont’s hospital-centric ACO exhibit a repeating pattern of misappropriation of earmarked funds? Do these instances of misallocation necessitate some level of legal scrutiny?

Do DVHA’s Population Health Management payments for Primary Care Physicians go directly to hospital-based Primary Care Physicians or instead to the hospitals?

Will OneCare’s new \$1.6 Million Mental Health Primary Care initiative (paying Primary Care Physicians \$9.72 per attributed life for Mental Health Screening and Follow-up) be yet another instance of funneling money to the hospitals’ bottom line?

Will the GMCB insist on more rigorous accounting and oversight of OneCare’s payment allocations given Vermont’s current crisis in access and affordability?

Can we depend on the ACO to do the right thing? If not, we should consider instituting other models of health care reform.

**2017**

2. DVHA agrees to pay to OneCare prospectively on a monthly basis a Net AIPBP that includes covered services that are billed by a defined list of ACO-contracted providers for each person that is attributed to OneCare (Fixed Prospective Payment), an administrative fee, and a Primary Care Case Management fee. This payment is set out in column G below.

	A	B=C+D	C	D	E	F	G=D+E+F
MEG	AIPBP	Risk Corridor Benchmark or Expected TCOC	Allocation of FFS	Allocation towards AIPBP or FPP	Administration	PCCM	Monthly Net AIPBP to OCVT
			36.03%	63.97%			
ABD	\$616.07	\$607.07	\$218.73	\$388.34	\$6.50	\$2.50	\$397.34
Consolidated Adult	\$376.49	\$367.49	\$132.41	\$235.08	\$6.50	\$2.50	\$244.08
Consolidated Child	\$120.97	\$111.97	\$40.34	\$71.63	\$6.50	\$2.50	\$80.63

**2018**

	A=B+C+D	B	C	D
MEG	AIPBP	Risk Corridor Benchmark or Expected TCOC	Administration	PCCM
ABD	\$618.40	\$609.40	\$6.50	\$2.50
Consolidated Adult	\$362.93	\$353.93	\$6.50	\$2.50
Consolidated Child	\$121.38	\$112.38	\$6.50	\$2.50

**2019**

	A=B+C	B	C
MEG	AIPBP PMPM	ETCOC PMPM	Administration
ABD	\$547.46	\$540.96	\$6.50
Consolidated Adult	\$355.63	\$349.13	\$6.50
Consolidated Child	\$121.30	\$114.80	\$6.50

**2020**

	<b>A=B+C</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E = C + D</b>
<b>MEG</b>	<b>ETCOC</b>	<b>Allocation for FFS</b>	<b>Allocation for FFP</b>	<b>Admin</b>	<b>Monthly Value-Based Care Payment to Contractor</b>
ABD	\$ 645.02	\$ 295.42	\$ 349.60	\$ 6.50	\$ 356.10
New Adult	\$ 377.58	\$ 148.77	\$ 228.81	\$ 6.50	\$ 235.31
Non-ABD Adult	\$ 476.93	\$ 187.91	\$ 289.02	\$ 6.50	\$ 295.52
Consolidated Child	\$ 127.29	\$ 67.72	\$ 59.57	\$ 6.50	\$ 66.07

**2021**

	<b>A=B+C</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E = C + D</b>
<b>MEG</b>	<b>ETCOC</b>	<b>Allocation for FFS</b>	<b>Allocation for FFP</b>	<b>Admin</b>	<b>Monthly Value-Based Care Payment to Contractor</b>
ABD	\$565.09	\$277.69	\$287.40	\$6.50	\$293.90
New Adult	\$325.97	\$133.06	\$192.91	\$6.50	\$199.41
Non-ABD Adult	\$427.43	\$136.99	\$290.44	\$6.50	\$296.94
Consolidated Child	\$113.10	\$62.70	\$50.40	\$6.50	\$56.90

**2022**

	<b>A=B+C</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E = C + D</b>
<b>MEG</b>	<b>ETCOC</b>	<b>Allocation for FFS</b>	<b>Allocation for FFP</b>	<b>Provider Reform Support Payment</b>	<b>Monthly Value-Based Care Payment to Contractor</b>
ABD	\$613.98	\$306.99	\$306.99	\$4.75	\$311.74
New Adult	\$355.60	\$151.13	\$204.47	\$4.75	\$209.22
Non-ABD Adult	\$430.21	\$228.01	\$202.20	\$4.75	\$206.95
Consolidated Child	\$119.85	\$63.52	\$56.33	\$4.75	\$61.08
SCHIP Child	\$100.60	\$49.29	\$51.31	\$4.75	\$56.06