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**DELIVERED ELECTRONICALLY**

June 28, 2023

Abraham Berman  
Chief Executive Officer  
OneCare Vermont Accountable Care Organization, LLC  
356 Mountain View Drive, Suite 301  
Colchester, VT 05446

RE: Information Relating To OneCare Executive Compensation

Dear Mr. Berman,

I write in response to your letter of June 26, 2023, refusing to comply with the Green Mountain Care Board's (GMCB) request for information relating to OneCare executive compensation and the executive compensation benchmarking it purportedly relied upon in setting such amounts. OneCare's efforts to block transparency and regulatory review of how it utilizes Vermont taxpayer and insurance ratepayer funds to compensate its executives is unacceptable.

As you know, the GMCB has authority to review, modify, and approve an ACO's budget, including any budgetary line item. In exercising this authority, the Board is required to "review and consider . . . information on the ACO's administrative costs as defined by the Board." 18 V.S.A. § 9382(b)(1)(M). The GMCB has further adopted rules specifically addressing executive compensation. Rule 5.403 requires ACOs to submit for GMCB review "information on . . . administrative costs, including wage and salary data." On May 12, 2021, the GMCB issued ACO guidance making clear that "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."

Since OneCare's FY23 budget was submitted to the GMCB on September 30, 2023, the organization has repeatedly failed to not only live up to its mission, but failed to comply with its December 21, 2022 budget order. Indeed, in the months since OneCare's budget was initially presented it:

- Lost Blue Cross and Blue Shield of Vermont as a participating payer, which substantially and materially altered OneCare's operations given the withdrawal of over 92,000 attributable lives;



- Failed to comply with its GMCB approved budget order by neglecting to make primary care provider support payments at approved levels. On February 9, 2023, I wrote OneCare directing it to comply with its budget order by funding primary care provider payments at the approved levels. At a special hearing on March 2, 2023, the GMCB unanimously indicated that OneCare’s final proposed budget needed to continue funding primary care at pre-BlueCross withdrawal levels. Only *after* the GMCB took such affirmative steps did OneCare commit to supporting primary care providers at the approved levels;
- Ignored GMCB counsel’s direction that OneCare was out of compliance with its budget order and needed to seek a budget amendment;
- On May 5, 2023, revealed that it was unsure whether or not tens of millions of dollars earmarked for supporting primary care were actually used by its network of hospitals for that intended purpose. In response to Board questioning, OneCare indicated that it does not track or require specific reporting to confirm whether its network of hospitals use primary care provider support funds as intended; and
- On May 17, 2023, was found out of compliance with its budget order due to its performance varying substantially from its approved budget.

Moreover, the GMCB received and reviewed long-sought benchmarking data comparing OneCare’s performance to that of other ACOs. OneCare’s performance not only fell short of median ACO performance on areas critical to Vermont’s healthcare system—including emergency department utilization and cost and primary care provider visits—but its performance on other key objectives has steadily *declined* as compared to peer ACOs from 2019-2021. Vermont is the lowest cost Medicare state in the country, yet OneCare’s Medicare total cost of care on a per member per month basis went from 13.8% below average in 2020 to 8% in 2021.

Despite these glaring deficiencies and deteriorating performance, last year OneCare awarded its CEO and each and every VP and Director 100% of potential variable pay. Those compensation packages were targeted to exceed the national median executive compensation targets according to OneCare’s own compensation benchmarks. OneCare does not provide its nonexecutives with the opportunity to earn variable pay. In fact, OneCare targets total non-executive compensation *below* the targets it uses for its executives. According to OneCare, nonexecutives are targeted for the 50<sup>th</sup> percentile in total compensation while its executives are targeted for the 65<sup>th</sup> percentile with variable compensation.

Accordingly, the Board has requested OneCare provide information relating to the executive compensation benchmarking OneCare purports to rely on and how OneCare’s executive compensation aligns with such benchmarking. The GMCB has broad authority to require the submission of data and analyses from an ACO under Rule 5.501(a). Moreover, the required executive compensation information will be used by the GMCB in connection with its consideration of establishing benchmarks in OneCare’s budget guidance. *See* Rule 5.402 (GMCB “may establish benchmarks for any indicators to be used by ACOs in developing and preparing their proposed budgets.”). Because of your refusal to provide the requested information, the Board has delayed voting on OneCare’s FY24 budget guidance. Transparency into Vermonter-funded healthcare executive salaries—particularly those that exceed national



median benchmarks—is critically important to ensure not only that Vermonters’ scarce healthcare dollars are appropriately deployed, but to promote good governance by ensuring executive compensation is structured to achieve specific and measurable goals that support the ACO’s efforts to reduce cost growth and achieve its mission.

Given your recalcitrance I am issuing documentary and/or testimonial subpoenas as necessary to procure the required information. *See* 18 V.S.A. § 9374(i). Failure to appear or produce records may result in imposition of administrative penalties of up to \$2,000.00 for each day of noncompliance. *Id.* at (j).

Sincerely,



Owen Foster, Chair  
Green Mountain Care Board

cc: Sarah Barry, OCV  
Tom Borys, OCV  
Amy Bodette, OCV  
Joan Zipko, OCV  
Rachel Pilcher, OCV  
Health Care Advocate Policy Team  
Green Mountain Care Board Members

Susan Barrett, GMCB  
Michael Barber, GMCB  
Marisa Melamed, GMCB  
Sarah Kinsler, GMCB  
Michele Degree, GMCB  
Jennifer DaPolito, GMCB  
Michelle Sawyer, GMCB  
Russ McCracken, GMCB  
Sarah Lindberg, GMCB

