



OneCare Vermont

June 20, 2024

Dear Green Mountain Care Board,

A FY24 Revised Budget, approved by the OneCare Board of Managers, has been input into the Adaptive system in accordance with the Explanation of Deficiency and Proposal for Remedial Action letter received on May 10, 2024. Thank you for the additional time to pursue governance approval prior to this submission.

As noted during GMCB meetings, the transition from FY23 to FY24 was the most seamless OneCare has experienced since the beginning of the All-Payer Model. That said, due to the nature of ACO business, there are expected changes to estimates of the total cost of care (TCOC) that stem from ordinary updates to projected member-months of attribution and payer targets. Because these funds either do not flow through OneCare at all, or are structured as dollar-for-dollar passthrough, these changes do not have a material impact on OneCare's operations, operating costs, or what participants can expect.

From an operational standpoint, the submitted FY24 Revised Budget includes updates to attribution-based components such as expected PMPM revenue from payers, and population health payments to providers. In general, these payments have increased modestly based on revised estimates of member-months, which is based on the attribution rosters received from payers. The OneCare business model relies upon hospital participation fees to balance the budget, and based on the revisions, a 1.8% increase is required. As always, OneCare will attempt to capture savings wherever appropriate and credit unused participation fee revenue back to the hospitals per policy.

The changes reflected in the FY24 Revised Budget are driven by ordinary and expected externalities and do not reflect performance-based variation. As such, we do not request any further changes to FY24 budget orders and are excited to continue supporting participating providers to deliver high quality care, improve efficiency, and help manage cost growth through the remainder of FY24.

Best Regards,

Tom Borys
Chief Financial Officer, OneCare Vermont