



July 13, 2023

Dear Russ:

This response addresses your July 11, 2023 request for additional information related to the subpoena (“Subpoena”) to OneCare Vermont Accountable Care Organization, LLC (“OneCare”).

The members of OneCare’s Board of Managers — as representatives of local health care providers — and OneCare’s management team are deeply committed to transforming Vermont’s health care system to one that is equitable, provides exceptional care and patient experience, and aligns payments with high quality care. This commitment aligns with the mission of the Green Mountain Care Board (GMCB): improving the health of Vermonters through a high-quality, accessible, affordable, and sustainable health care system. We share the belief that appropriate financial and operational support for primary care, along with collaboration through the ACO model, are key strategies to maximize the health of Vermonters at an appropriate cost. OneCare is working to continuously improve our **Population Health Model (PHM)** and the **Comprehensive Payment Reform (CPR) Programs** to accomplish this goal. We also are utilizing our resources and energy to maintain a provider-led and data-driven process to:

- Establish provider expectations and clearly identify OneCare supports available to achieve these goals with our participant network, which includes 127 organizations and 5,119 providers spanning primary care, acute care, mental health and long-term care.
- Design and evolve performance measures and expectations to drive cost reductions and quality improvement; and
- Continue to advance provider payment models and incentives to support this work.

Although the above is only a portion of the work in which OneCare is engaged as an ACO, it is a significant body of work, and one which we know will advance the shared goals of OneCare and the GMCB in achieving the best possible outcomes for the approximately \$6.5 billion we spend on health care annually in Vermont. It’s unfortunate that we’ve spent the better part of the last few months engaged in a protracted dispute with the GMCB about executive compensation and not the material issues above. This does not serve Vermonters’ interests.

Based on our conversations with Chairman Foster last week, we understood that the documents OneCare produced on July 7, 2023 were fully responsive to the needs of the GMCB in issuing 2024 budget guidance, and therefore to the subpoena. Specifically, we understood that the GMCB was not looking for benchmark information at the specific position level, aside from the Chief Executive Officer, and that aggregate information at the Vice President and Director levels was sufficient. Thus, we were surprised by our meeting and your follow-up email received on July 11th, seeking yet more information about how OneCare’s Board of Managers and Chief Executive Officer (CEO) carry out their responsibilities to set compensation benchmarks for OneCare’s employees.

In response to your email, we are nonetheless able to provide the following information on the short timeline you have set:

Questions 1 and 2: In order to ensure that the compensation benchmarks for OneCare’s senior leaders are set as objectively as possible, the OneCare Board of Managers and CEO rely upon multiple surveys available from four separate, proprietary third-party market survey providers. Those surveys have been approved for use by the UVM Health Network’s volunteer Board of Trustees Compensation Committee, and the relevant data is provided to the OneCare Board of Managers by the UVM Health Network’s compensation professionals to set CEO salary, and to the CEO for other senior leaders’ salaries. Those surveys, each of which contains multiple “cuts” of data, include the following:

1. Gallagher/Integrated Healthcare Strategies
 - a. National Healthcare Staff Compensation Survey
 - b. National Healthcare Leadership Compensation Survey
 - c. National Nursing Compensation Survey
 - d. National Advanced Practice Provider Compensation Survey
 - e. New England and Boston Teaching Hospitals
 - f. Northern New England Healthcare Organization Survey
 - g. UNC Academic Medical Center Survey
2. Mercer
 - a. US IHN Healthcare System and Hospital Compensation Suite (includes around 10 surveys)
3. Sullivan Cotter
 - a. Healthcare Workforce Survey Suite Bundle (includes 4 surveys)
4. Willis Towers Watson
 - a. Healthcare Executive Compensation Survey
 - b. Healthcare Middle Management, Professional and Support Compensation Survey

In addition to the above, UVM Health Network participates in numerous salary planning surveys and “instant surveys” for particular positions.

For some of the positions at OneCare, many of these surveys contain comparable, if varying, benchmarks. For other positions, only one or two surveys may contain comparable benchmarks. In every instance in which comparable external benchmarks are available, the UVM Health Network’s compensation professionals utilize all of them to provide the most accurate and objective benchmark for a position. In those instances in which no comparable external benchmarks are available (usually for positions at the director level), the compensation professionals match the OneCare position to the most comparable position at the UVM Medical Center/Health Network and utilize the applicable benchmarks for that position. In every case, the compensation professionals work closely with the supervisor of the relevant position to understand the position’s duties and responsibilities, and determine the most appropriate benchmark, or set of benchmarks. In the absence of such a process, as well as a team of skilled and experienced health care human resources professionals to carry it out, the benchmarks themselves are of little value in setting any individual’s compensation.

Question 3: In response to request for “documentation sufficient to understand why the rolled-up chart (Attachment A response) doesn’t align with the base salary and variable compensation that OneCare provided as part of its revised budget,” we note that Attachment A of the Subpoena Response (“Attachment A”) was developed as a standalone document that most accurately compared current compensation to benchmarks as directed by GMCB in the June 29, 2023 subpoena. As such it was not intended, nor was OneCare directed, to reconcile Attachment A to its revised budget submission. With this new intent made clear by GMCB, we are happy to provide additional information detailing the variances and demonstrating the reconciliation between the two documents.

In brief, all information provided in the revised budget and in Attachment A is accurate and complete. However, Attachment A did not forecast changes that may occur as the year progresses nor did it apportion expenses for the salaries of two VP-level employees to different legal entities, whereas these factors were taken into account in the revised budget. In order to accurately compare these two documents, there are several factors that need to be accounted for, including:

1. Two VP-level employees have positions with both OneCare and UVMHN. The revised budget reflects their actual apportioned FTE with OneCare, while Attachment A listed them as if they were fully aligned with OneCare in order to provide an accurate comparison to the benchmarks, as the GMCB requested. This reconciliation between Attachment A and the revised budget is labeled “VP-Partial FTEs” in Table A below.
2. In both the VP and Directors categories, some employees were only eligible for prorated variable pay due to the timing of their entrance into their respective positions. This reconciliation between the Attachment A and the revised budget is labeled “VP-Proration” and “Directors-Proration” in Table A below.
3. In the request for reconciliation of Attachment A and the revised budget, GMCB referenced total base pay and variable pay amounts which appears to have misclassified a position as eligible for VP variable pay when it is, in fact, eligible for Director variable pay. This position was correctly classified in OneCare’s submissions of Attachment A and the revised budget and is noted in *Appendix 6.7 ACO Management Compensation (FY2023 Projected)*. The classification is noted in Table A under the rows “VP-Classification” and “Directors-Classification.”
4. OneCare’s revised budget includes an anticipated cost of living adjustment (COLA) effective October 1, 2023, however this COLA was not included in Attachment A, which was based on current salary information. This reconciliation between Attachment A and the revised budget is labeled “VP-COLA” and “Directors-COLA” in Table A below.

In order to demonstrate that these four issues resolve the variances, we include Table B which reconciles the totals in Table A with the numbers provided in your email. We hope this additional information resolves any outstanding concerns; however, we would be happy to set up time for a call to review any of this information, if desired.

Table A. Detailed Reconciliation of Attachment A to OneCare’s Revised Budget

Category of Reconciliation	Base Pay	Potential Variable Pay
VP - Partial FTEs	(\$314,135)	(\$52,681)
VP - Proration		(\$32,987)
VP – Classification	\$163,408	\$16,189
VP – COLA	\$12,044	
Directors - Proration		(\$2,600)
Directors – Classification	(\$163,408)	(\$16,189)
Directors-COLA	\$11,006	
TOTAL	(\$291,085)	(\$88,268)

Table B. Summary of Reconciliation of Attachment A to OneCare’s Revised Budget

		Base Pay	Potential Variable Pay
VP-Level Employees	Attachment A, Subpoena Response	\$1,242,636	\$248,527
	Revised Budget	\$1,103,953	\$179,048
Director-Level Employees	Attachment A, Subpoena Response	\$1,173,890	\$117,389
	Revised Budget	\$1,021,491	\$98,600
Total	Attachment A, Subpoena Response	\$2,416,526	\$365,916
	Revised Budget	\$2,125,444	\$277,648
	Difference	\$291,082	\$88,268

Question 4: OneCare’s volunteer Board of Managers, which is comprised of representatives of OneCare’s many participants and constituents, properly conducts all conversations regarding employee performance and compensation, including the award of variable pay, in executive session, consistent with applicable rules and with best practices utilized by all of the private, non-profit boards of which we are aware. The minutes taken during those executive sessions are summary in nature and will not provide the GMCB with any of the substantive information it seeks. Nevertheless, we have enclosed the relevant portion of the executive session minutes of the OneCare Board of Managers. Based on our research to date, OneCare has now provided all relevant documents and communications related to awarding FY22 variable compensation to OneCare executives.

Respectfully,



Abraham Berman
Interim Chief Executive Officer, OneCare Vermont

Enclosure: Excerpt from Executive Session Minutes from November 15, 2022