



OneCare Vermont

November 16, 2022

Dear Green Mountain Care Board Members:

On behalf of the OneCare Board of Managers we are writing to clarify and provide context to some critical topics that were discussed at OneCare's November 9th budget hearing, and on which we believe there was some serious misunderstanding.

1. **Executive Compensation**

OneCare's leadership compensation is determined using current market research for benchmarking executive positions. This benchmarking is performed by the human resources department of the University of Vermont Medical Center (UVMCM), with whom OneCare contracts for this support. When setting base pay for executives, UVMCM targets the market median (50th percentile) rate. When setting total direct compensation (base pay plus variable pay) for executives, UVMCM targets the market 65th percentile. Variable pay, as a percentage of base pay is 0-25% for the CEO. Variable pay is a component of the CEO's total compensation package but it is paid only if pre-set goals are successfully achieved. OneCare's corporate goals are created and approved annually by the Board of Managers in alignment with the ACO's strategic plan and mission, vision, and values. It is the responsibility of the Executive Committee of the OneCare Board of Managers to review CEO performance and achievement of goals annually and make a recommendation to the full Board of Managers on compensation and performance. While executive compensation generally may be a fair topic for discussion as one small part of an overall ACO budget, it was entirely inappropriate to publicly question whether one of the few female CEOs working for healthcare organizations regulated by the GACB would agree to perform her job for less pay. We would be happy to answer further questions about how executive compensation is set in executive session.

2. **Cyber-attack**

As you are aware, UVMCM was the victim of a sophisticated criminal cyber-attack in October 2020. UVMCM did not suffer a "data breach" – a term that carries legal and other consequences – as a result of the criminal attack. UVMCM and OneCare data related to patients, payers, or other data was not accessed or breached. That fact that a breach did not occur has been confirmed by external experts and regulators. We respectfully request that you refrain from inaccurately and inappropriately characterizing the attack as a breach.

3. **Data Security**

OneCare takes data security and privacy seriously and follows CMS requirements and industry standards for secure protection of electronic information. OneCare is bound by Data Use

Agreements (DUA) and Business Associate Agreements (BAA) with payers and appropriate diligence must occur before data is received. When contracting with the UVMHN as a vendor for data and analytics services we secured outside legal counsel to ensure that the agreement meets the highest standards of data security, privacy, and contractual accountabilities required to meet an ACO's compliance and legal obligations and protect consumers. Physical separation, governance, and auditing/monitoring of the data are key elements of the agreement. OneCare and commercial proprietary data will be used only in OneCare-related work. No data is flowing in the new system and additional policies are in development to ensure the safety and appropriate use of the data.

4. Tax-payer dollars

It is important to clarify that OneCare Vermont's operational costs, including salaries, are funded by hospital participants in the OneCare network – not directly through tax payer dollars. Apart from the funds for OneCare operations, the health care dollars that flow through OneCare are Medicare, Medicaid, and commercial funds to be distributed to health care providers under OneCare's contracts with those payers.

OneCare management will respond separately to the follow-up questions that they received. Please reach out to us if you have questions related to our concerns.

Sincerely,



Anya Rader Wallack
Chair



Thomas W. Huebner
Vice Chair