

DELIVERED ELECTRONICALLY

May 22, 2023

Leadership Team
OneCare Vermont Accountable Care Organization, LLC
356 Mountain View Drive, Suite 301
Colchester, VT 05446

RE: OneCare Vermont FY23 Budget

Dear OneCare Leadership Team,

At its meeting on May 17, 2023, the Green Mountain Care Board (GMCB) made a determination that OneCare Vermont Accountable Care Organization, LLC (OneCare)'s performance in FY23 varies substantially from OneCare's FY23 budget as approved by the GMCB. The GMCB's review under GMCB Rule 5.000, § 5.407 was based on OneCare's revised FY23 budget, submitted to the GMCB on March 31, 2023, staff presentations to the GMCB regarding OneCare's FY23 budgets at public meetings of the GMCB on May 3 and May 17, 2023, and OneCare's presentation to the GMCB at a hearing on May 5, 2023.

The GMCB's finding that OneCare's performance in FY23 differs substantially from its approved budget is based on the following:

- No BCBSVT Contract. The FY23 budget submitted by OneCare in the fall of 2022 and approved by the GMCB included an anticipated contract with BlueCross BlueShield of Vermont (BCBSVT). See GMCB FY23 Accountable Care Organization Budget Order, In re: OneCare Vermont Accountable Care Organization, LLC Fiscal Year 2023, Docket No. 22-001-A (FY23 Budget Order), Findings ¶¶ 3, 4. At the time the GMCB approved OneCare's FY23 budget, OneCare "remain[ed] hopeful that negotiations can resume and we can move forward for 2023." See FY23 Budget Order, ¶ 4. Not having a contract with BCBSVT resulted in the loss of a significant commercial payer program and a substantial decrease of more than 83,000 attributed lives in its commercial payer programs (including additional attributed lives from OneCare's new self-funded program). See OneCare Revised Budget Presentation (OneCare Presentation), PowerPoint Slide 4 (May 5, 2023). That decreased attribution represents approximately 81% of the commercial attribution and 28% of total attribution in OneCare's original budget. See *id.* OneCare identified not having a contract with BCBSVT as a "notable change" in its revised FY23 budget. See OneCare Presentation, 2.



- **New Self-Funded Program.** OneCare’s approved FY23 did not include a self-funded payer program or contract. See FY23 Budget Order, ¶¶ 3, 6. OneCare’s revised budget includes a new risk contract with the University of Vermont Health Network with an estimated total cost of care of approximately \$63 million. See OneCare Presentation, 5, 14. OneCare identified the new self-funded program contract as a “notable change” in its revised FY23 budget. See OneCare Presentation, 2.
- **Risk Model Change (Payer Program, Risk Corridors).** As a result of not having a BCBSVT contract, the addition of the new self-funded payer program, and changes in other risk corridors, OneCare’s risk model for FY23 is substantially different than the risk model in its approved budget. The graphic below summarizes the impact of the differences:

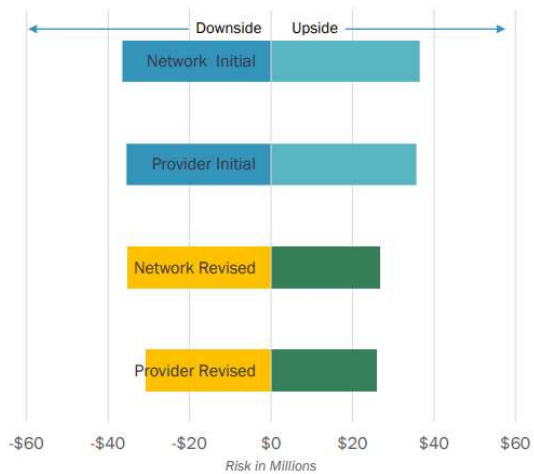
Initial FY23 Budget

- Network - \$36.5M up/down
- Provider - \$35.7M up/down

Revised FY23 Budget

- Network - \$26.7M up; \$35.1M down
- Provider - \$25.8M up; \$30.7M down

- Loss of BCBSVT risk
- Addition of UVMHN risk
- Changes in risk corridors for Medicaid and MVP



GMCB Staff Presentation, PowerPoint Slide 15 (May 17, 2023). See also FY23 Budget Order, ¶¶ 5, 6, 12, 14.

OneCare’s revised budget reduced its total risk by approximately \$10 million, reflected in the following breakdown:

	Corridor Risk			Blueprint/SASH Risk *		
	Original Budget	Revised Budget	Change	Original Budget	Revised Budget	Change
Medicare	\$16,873,874	\$15,019,419	(\$1,854,455)	\$9,545,916	\$9,545,916	\$0
Medicaid - Traditional	\$7,922,865	\$10,495,437	\$2,572,572	\$0	\$0	\$0
Medicaid - Expanded	\$839,791	\$0	(\$839,791)	\$0	\$0	\$0
Commercial Programs	\$10,895,617	\$1,221,228	(\$9,674,389)	\$0	\$0	\$0
Total	\$36,532,145	\$26,736,084	(\$9,796,061)	\$9,545,916	\$9,545,916	\$0

* Risk that the advanced shared savings needs to be refunded to CMMI. OneCare now to hold \$3.9M of this risk.



OneCare Presentation, 7.

- PHM Payment Changes. OneCare’s revised budget includes a decrease of approximately \$3.7 million in PHM expenses from its approved FY23 budget, which is reduced to \$1.7 million with \$2 million paid directly by the Department of Vermont Health Access (DVHA) to providers, as set forth in the following table:

PHM Expenses

- Fewer attributed lives leads to less PHM Program expense
- Incorporation of DVHA funding model

- Incorporation of CPR modification
- New MH Screening and Follow-Up initiative

	Original Budget	Revised Budget	Change	Notes
PHM Base Payments - PCP	\$13,156,767	\$9,733,548	(\$3,423,219)	Fewer BCBSVT lives
PHM Base Payments - HH	\$882,300	\$882,300	\$0	
PHM Base Payments - DA	\$1,065,050	\$640,050	(\$425,000)	Change in DVHA funding model
PHM Base Payments - AAA	\$170,000	\$170,000	\$0	
PHM Bonus Potential - PCP	\$2,030,995	\$1,537,459	(\$493,536)	Fewer BCBSVT lives
PHM Bonus Potential - PCP (DVHA Funding)	\$0	(\$912,514)	(\$912,514)	Change in DVHA funding model
PHM Bonus Potential - HH	\$124,560	\$124,560	\$0	
PHM Bonus Potential - HH (DVHA Funding)	\$0	(\$8,719)	(\$8,719)	Change in DVHA funding model
PHM Bonus Potential - DA	\$150,360	\$590,360	\$440,000	Change in DVHA funding model
PHM Bonus Potential - DA (DVHA Funding)	\$0	(\$589,456)	(\$589,456)	Change in DVHA funding model
PHM Bonus Potential - AAA	\$24,000	\$24,000	\$0	
Longitudinal Care	\$399,000	\$399,000	\$0	
DULCE	\$145,366	\$145,366	\$0	
CPR Program Cost	\$1,510,492	\$2,106,823	\$596,330	MVP transition into CPR
CPR Program Cost (DVHA Funding)	\$0	(\$489,310)	(\$489,310)	Change in DVHA funding model
Specialist Fund	\$150,000	\$150,000	\$0	
Innovation Fund	\$69,667	\$69,667	\$0	
MH Screening and Follow-Up Program	\$0	\$1,638,140	\$1,638,140	New Initiative
SNF Initiative	\$201,299	\$201,299	\$0	
Quality Improvement Initiatives	\$296,240	\$296,240	\$0	
PCMH Payments	\$2,163,158	\$2,062,850	(\$100,308)	Updated to reflect info from State
Community Health Team Payments	\$2,874,062	\$2,974,370	\$100,308	Updated to reflect info from State
SASH	\$4,508,696	\$4,508,696	\$0	
Total	\$29,922,012	\$26,254,729	(\$3,667,284)	

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See OneCare Presentation, 9. See also FY23 Budget Order, ¶¶ 54-56; GMCB Staff Presentation, PowerPoint Slide 16 (May 17, 2023).

This letter is provided to OneCare as written notice under GMCB Rule 5.000, § 5.407(a) of the GMCB’s determination that OneCare’s FY23 performance varies substantially from OneCare’s FY23 budget as approved by the GMCB. As OneCare is currently not operating in compliance with the FY23 budget approved by the GMCB, OneCare should request that the GMCB modify its approval of OneCare’s FY23 budget to reflect OneCare’s actual FY23 operations, per GMCB Rule 5.000, § 5.407(b), in order to avoid the need for the GMCB to pursue remedial action under GMCB Rule 5.000, § 5.504.



Sincerely,

GMCB Board Members

cc: Vicki Loner, OCV
Sara Barry, OCV
Tom Borys, OCV
Amy Bodette, OCV
Joan Zipko, OCV
Rachel Pilcher, OCV
Aaron Perry, OCV
Health Care Advocate Policy Team

Susan Barrett, GMCB
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