

DELIVERED ELECTRONICALLY

February 9, 2023

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

RE: OneCare FY23 ACO Budget Resubmission

Dear Ms. Loner,

This letter is in response to OneCare's updated FY23 ACO budget submission, received by the Green Mountain Care Board (GMCB) on January 30, 2023. The GMCB approved OneCare's FY23 budget, with conditions, on December 21, 2022. OneCare has been operating under that approved budget, which required OneCare to fund primary care at a total of \$14.7 million to \$16.7 million, comprised of \$13.2 million in PHM base payments, up to \$2 million in PHM bonus potential, and \$1.5 million in the comprehensive payment reform program, which were the amounts submitted by OneCare in its FY23 budget submission and approved by the GMCB. *See OneCare FY23 Budget Submission, Appendix 7.3.* This level of financial support to primary care providers was an important component of OneCare's budget, and indeed a factor relied on in considering OneCare's administrative budget.

The GMCB learned just prior to approving the budget that BlueCross BlueShield of Vermont (BCBSVT) did not intend to contract with OneCare for FY23, and accordingly required OneCare to submit an updated FY23 budget reflecting the effects of BCBSVT's decision not to participate with OneCare in FY23. OneCare's updated FY23 budget not only fails to comply with its primary care provider funding obligations, but did not propose solutions sufficient to satisfy this critical funding gap.¹

Support for primary care is critical to Vermont's healthcare system and the success of an ACO model in improving quality and outcomes, and it is a statutory criterion that the GMCB reviews when evaluating an ACO's budget.² Primary care practices are not to blame for OneCare's failure to contract with BCBSVT—indeed, they are an entirely innocent party and yet bear the brunt of this situation. This is unacceptable. Equally troubling is the negative impact Vermonters will suffer due to the failure to fund primary care practices at the GMCB-approved levels.

¹ Nor did OneCare request a budget modification which would be required should OneCare seek to decrease its primary care provider funding obligations based on its failure to contract with BCBSVT. GMCB Rule 5.407.

² 18 V.S.A. § 9382(b)(1)(G).



Given OneCare is out of compliance with its approved FY23 budget, OneCare should submit to the GMCB on or before February 17, 2023 a letter that (1) indicates how OneCare will comply with its approved budget and satisfy its primary care funding obligations; or, alternatively, requests a modification of its approved budget that includes OneCare's best efforts to fully fund its primary care obligations, (2) explains how payments are flowing between OneCare and primary care providers in its network during the first quarter of FY23, and (3) reflects the conditions in the GMCB's approval of OneCare's budget, including:

- In FY23, OneCare's Operating Expenses must not exceed \$14,886,172, which is a 2.0% reduction from OneCare's submitted Operating Expenses of \$15,189,971. OneCare's Operating Expenses for FY23 are subject to adjustment reflecting the withdrawal of BCBSVT in FY23 and pending the GMCB review of OneCare's planned transition of its data analytics platform to UVMHN, provided, however, that the total maximum amount of OneCare's Operating Expenses shall be as set forth in this paragraph.
- In FY23, OneCare must fund SASH in the amount of \$4,508,696, which is equivalent to the 2022 budgeted amount of \$4,285,795 plus an inflationary factor of 5.2%, contingent on the increase in funding being used to enhance programs or expand access to Medicare beneficiaries. In 2023 OneCare must fund the Blueprint for Health (PCMH and CHT) investments in the amount of \$5,037,220, which is equivalent to the 2022 budgeted amount of \$4,788,187 plus an inflationary factor of 5.2%, consistent with the medical home and community health team program payment design approved by the Agency of Human Services. OneCare shall hold at least \$3.9 million of the risk associated with Medicare Advanced Shared Savings Payments and not pass that amount of the risk on to any OneCare network participant.

The portion of PHM payments funded by OneCare's hospital participation fees should, at a minimum, remain static or increase to cover any shortfall caused by BCBSVT's decision not to contract with OneCare. OneCare's updated budget shows a bottom-line variance of approximately \$1.9 million, which OneCare explains is in the interim budget while OneCare decides how to make other budget adjustments. While OneCare's updated FY23 budget did not suggest utilizing these funds to support and stabilize primary care providers, I urge OneCare to use that funding to begin reducing the impact of the loss of payments from the BCBSVT contract. Moreover, OneCare should, amongst other things, consider apportioning the \$303,799 GMCB mandated reduction of OneCare's administrative budget to primary care providers. You may also consider whether further reductions in OneCare's administrative budget would be better utilized supporting primary care. Lastly, OneCare should explain how any such funding can best and most equitably be distributed to its primary care practices.

The Board will closely scrutinize any failure to comply with OneCare's approved budget or obtain a modification. Moreover, OneCare is required to submit a final FY23 budget not later than March 31, 2023, and OneCare's efforts to strengthen and support primary care will remain top of mind.

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
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