VERMONT
GREEN MOUNTAIN CARE BOARD

144 State Street
Montpelier, VT 05633-3601
802-828-2177

MEMORANDUM

TO: Green Mountain Care Board Members

CC: Susan Barrett, Executive Director, GMCB; Michael Barber, General Counsel, GMCB

FROM: Marisa Melamed, Deputy Director of Health System Policy, Michelle Sawyer, Health Policy Project Director, Russ McCracken, Staff Attorney (GMCB)

RE: FY 2024 Certification Eligibility Verification for OneCare Vermont ACO

DATE: March 27, 2024

This memorandum provides a summary of the GMCB staff review of material changes relevant to OneCare's continued eligibility for certification in FY 2024.

Background

OneCare Vermont Accountable Care Organization, LLC (OneCare) was provisionally certified by the Green Mountain Care Board (GMCB or Board) on January 5, 2018 and was fully certified on March 21, 2018. The GMCB is required to review OneCare's continued eligibility for certification annually.[1] If the GMCB determines that OneCare is failing to meet one or more certification requirements, it may take remedial action, including requiring OneCare to implement a corrective action plan.[2] OneCare remains certified unless and until its certification is limited, suspended, or revoked by the Board.[3]

Vermont certified ACOs must annually submit a certification eligibility form that:

1. Verifies that the ACO continues to meet the requirements of the 18 V.S.A. § 9382 and Rule 5.000; and
2. Describes in detail any material changes to the ACO's policies, procedures, programs, organizational structures, provider network, health information infrastructure, or other matters addressed in sections 5.201 through 5.210 of Rule 5.000 that the ACO has not already reported to the Board.[4]

[1] GMCB Rule 5.000, § 5.305 (Annual Eligibility Verifications).
[2] *Id.* At § 5.504 (Remedial Actions; Corrective Action Plans).
[3] *Id.* At § 5.505 (Limitation, Suspension, and Revocation of Certification).
[4] *Supra* note 1.

The eligibility verification must be signed by an ACO executive with authority to legally bind the ACO, who must verify under oath that the information is accurate, complete, and truthful to the best of her or his knowledge, information, and belief.[5]

FY 2024 Certification Eligibility Verification Process

The *2024 Certification Eligibility Verification Form for OneCare Vermont Accountable Care Organization, LLC* requires OneCare to submit materials and answer questions determined by the Board to be necessary to verify continued eligibility for certification. In addition to the criteria in sections 5.201-5.210 of GMCB Rule 5.000 and consistent with prior years, the form requires OneCare to answer questions related to new criteria enacted by the Legislature in 2018 after the Rule was finalized and for OneCare to attest to its continued adherence to the Board's antitrust guidance.[6,7]

The *2024 Certification Eligibility Verification Form for OneCare Vermont Accountable Care Organization, LLC* was adopted by the Board on June 21, 2023 and was posted to the GMCB website and distributed to OneCare by July 1, 2023. The GMCB received OneCare's completed form submission on August 29, 2023. The GMCB staff responded to OneCare with follow-up questions on September 27, 2023. OneCare provided the ACO's corporate goals as adopted by their Board of Managers on December 28, 2023, which concluded the collection of necessary information in order for the staff to complete their review of the certification eligibility[8].

FY 2024 Staff Review

As in years past, OneCare's corporate goals were collected by the GMCB staff to ensure compliance with the GMCB Guidance re Rule 5.000, § 5.203(a), which states,

> To comply with § 5.203(a) of the Rule, an ACO must structure its executive compensation to achieve specific and measurable goals that support the ACO's efforts to reduce cost growth or improve the quality and overall care of Enrollees, or both.[9]

In OneCare's FY 2023 Certification Form submission, OneCare stated,

> Each year, OneCare's Board of Managers establishes corporate goals to align with the mission, vision, and strategic plan of the ACO. Under each goal, there are one or more strategies and associated metrics. Throughout the year, the status of each metric is assessed

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[5] *Id.*
[6] *See* 2018 Acts and Resolves No. 167, Sec. 13a; 2018 Acts and Resolves No. 200, Sec. 15; 2018 Acts and Resolves No. 204, Sec. 7.
[7] *See* Green Mountain Care Board Guidance re: Referrals of Potential Violations of State or Federal Antitrust Laws to the Vermont Attorney General (May 1, 2018), *available at* https://gmcboard.vermont.gov/sites/gmcb/files/GMCB%20Guidance%20re%20AGO%20Referrals_05.01.18.pdf.
[8] *See* FY 2024 Certification Eligibility Verification Submission materials for OneCare Vermont Accountable Care Organization, LLC (August 29, 2022), *available at* *2024 ACO Oversight | Green Mountain Care Board (vermont.gov)*.
[9] GMCB Rule 5.000, § 5.203(a) Guidance (May 12, 2021), *available at* *https://gmcboard.vermont.gov/sites/gmcb/files/documents/Rule%205.000%20Guidance%20re%20Compensation.pdf*.

> and updated quarterly. At the completion of the performance year, the Board of Managers has an opportunity to review and approve the status of goals. A portion of executive compensation is tied to successful attainment of these goals, strategies, and tactics on an annual basis. This is evaluated objectively by the next level of leadership and, for the CEO, reviewed and recommendations by the Executive Committee of the Board and approved by the full Board.[10]

Additionally, during the FY23 Certification Eligibility Verification process, OneCare stated, "variable pay is a component of each eligible employee's total compensation package but it is paid only if the ACO and its employee successfully achieve pre-set goals. Variable pay ranges, as a percentage of base pay, are the same as previous filings: 0-10% for Directors, 0-20% for VPs, and 0-25% for the CEO."[11]

The FY 2024 corporate goals were submitted as follows:

- Improve quality results to enhance population health outcomes and demonstrate organizational effectiveness. (weight 50%)
    - Meet or exceed target in primary care PHM program measures (weight 60%)
    - Increase utilization of waivers across the provider network (weight 20%)
    - One standardized SDoH screening tool selected for implementation of OneCare's Network (weight 20%)
- Support primary care and hospitals through advanced payment reforms and enhancing provider readiness for global budgets. (weight 25%)
    - Implement Medicaid Global Payment Program (GPP) for two or more hospitals (weight 60%)
    - Implement a Medicaid FQHC fixed payment pilot for two or more FQHCs (weight 20%)
    - Develop strategy to sustain CPR program benefits (weight 20%)
- Lay groundwork and provide alternatives and recommendations for OneCare for 2024 and beyond (weight 25%)
    - Deliver Medicare/AHEAD development plan to OneCare BOM by spring 2024 (weight 100%)[12]

In addition to the description of their corporate goals, OneCare shared what the threshold and target levels were for each goal. OneCare stated:

> Meeting Threshold indicates modest reward for good, "satisfactory performance" marked by substantial progress or improvement and noteworthy achievements.
> Meeting Target indicates reward for "strong performance" marked by achieving the target goal; multiple goals within each performance category may be weighted.[13]

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[10] *See* 2023 Certification Eligibility Verification Form for OneCare Vermont Accountable Care Organization, LLC (August 31, 2022), *available at* *FY23_ACO_Eligibility_Verification_Form_FINAL_1.pdf (vermont.gov)*.
[11] *Id.*
[12] *Supra* note 10
[13] *Id.*

Should the ACO meet the threshold level, executives would earn 50% of the budgeted bonus dollars for that specific result; if the target level is achieved, executives would earn 100% of the budgeted bonus dollars based on the weight of that specific result. Descriptions of the threshold and target levels for each result are described below:

- Meet or exceed target in primary care PHM program measures
  - Threshold: 2 of 5 continuing PHM measures meeting 2024 PHM target in aggregate
  - Target: 3 of 5 continuing PHM measures meeting PHM target in aggregate
- Increase utilization of waivers across the provider network
  - Threshold: Increase the number of patients benefiting from waivers by 5%
  - Target: Increase the number of patients benefiting from waivers by 10%
- One standardized SDOH screening tool selected for implementation across OneCare's Network
  - Threshold: Align screening tool with Blueprint AND OneCare's Network (via PHSC approval)
  - Target: Align screening tool across a minimum of three key stakeholders AND OneCare's Network (via PHSC approval)
- Implement Medicaid Global Payment Program (GPP) for two or more hospitals
  - Threshold: One hospital participates in GPP in PY24
  - Target: At least two hospitals participate in GPP in PY24
- Implement a Medicaid FQHC fixed payment pilot for two or more FQHCs
  - Threshold: One FQHC participates in Medicaid fixed payment pilot in PY24
  - Target: At least two FQHCs participate in Medicaid fixed payment pilot in PY24
- Develop a strategy to sustain CPR program benefits
  - Threshold: N/A
  - Target: Strategy delivered to and accepted by the OneCare BOM
- Deliver Medicare/AHEAD development plan to OneCare BOM by spring 2024
  - Threshold: N/A
  - Target: Report delivered to and accepted by the OneCare BOM[14]

GMCB staff regularly review the composition of OneCare's Board of Managers and OneCare's Operating Agreement to ensure compliance with statute and with Rule 5.000 § 5.202. OneCare must maintain a governance, leadership, and management structure that is transparent and that "reasonably and equitably represents the ACO's participating providers and its patients."[15] This governing body must have sole and exclusive authority to execute ACO functions and to make final decisions on behalf of the ACO.[16] The governing body must have ultimate authority and responsibility for the oversight and strategic direction of the ACO.[17]

[14] *Id.*
[15] 18 V.S.A. § 9832(a)(1); *see also* Rule 5.000 § 5.202(b).
[16] Rule 5.000 § 5.202(a).
[17] *Id.*

OneCare is a manager-managed limited liability company.[18] The University of Vermont Health Network (UVMHN) is the sole member of OneCare. It has the power to appoint three managers to OneCare's board.[19] The remainder of managers are nominated and elected by OneCare's existing board following procedures set forth in the Operating Agreement.[20] With regard to general matters, decisions are made by an affirmative vote of a majority of managers.[21] However, for certain actions requiring supermajority approval, two-thirds of managers including at least one UVMHN appointed manager must vote in the affirmative.[22] As sole member, UVMHN must also approve of any action to (1) amend the Articles of Organization; (2) admit a new member of the company; or (3) sell, merge, or consolidate with another entity, or agree to consolidate ACO activities with another entity.[23]

FY 2024 Staff Conclusion

Staff reviewed the materials OneCare provided and concluded that the certification eligibility requirements for FY 2024 are being met. OneCare is subject to ongoing monitoring and reporting requirements related to certification eligibility as summarized in the table at the end of this memo.

With respect to OneCare's executive compensation, GMCB staff concluded that there is sufficient basis to determine that OneCare's submission satisfies the requirements for maintaining certification. OneCare's goals are "specific and measurable" and the goals "support the ACO's efforts to reduce cost growth or improve the quality and overall care of Enrollees, or both".[24] *However, the staff does have some concern regarding the threshold and target levels for achievement of these goals.* To demonstrate, the first goal listed above is "Meet or exceed target in primary care PHM program measures." Some PHM measures from 2023 have been carried over to 2024.[25] In one such example, OneCare's 2023 PHM measure performance shows that they have already surpassed the goal for 2024 in one measure, and is within a single percentage point of meeting the target of another.[26] As mentioned previously, only two measures need to meet the target in order for 50% of the allotted bonus dollars available for this goal to be paid out to executives. The staff does not have insight into the baseline achievement of any new-to-2024 measures, and how far the baseline is from the target for 2024.

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[18] *See* Eleventh Amended and Restated Operating Agreement of OneCare Vermont Accountable Care Organization, LLC ("Operating Agreement"), *available at* https://gmcboard.vermont.gov/sites/gmcb/files/documents/5.202%20OneCare%2011th%20Amended%20and%20Restated%20Operating%20Agreement%20%281%29%20%281%29.pdf

[19] Operating Agreement, Article IV § 4.1(a)(i)

[20] *Id.* at § 4.1(a)(ii)

[21] *Id.* at § 4.1(b)

[22] *Id.* at § 4.2

[23] *Id* at § 4.6

[24] GMCB Rule 5.000, § 5.203(a) Guidance (May 12, 2021), *available at* *https://gmcboard.vermont.gov/sites/gmcb/files/documents/Rule%205.000%20Guidance%20re%20Compensation.pdf.*

[25] *See* Green Mountain Care Board FY 2024 Budget Submission OneCare Vermont Accountable Care Organization (October 2, 2023) *available at* *https://gmcboard.vermont.gov/document/ocv-fy24-budget-narrative*

[26] *See* Public Session Materials for February 20, 2024, *available at* *https://www.onecarevt.org/event/board-meeting-feb-2024/*

These concerns are not applicable to the ACO's certification eligibility; however, the Board may consider a review of this use of administrative funds during OneCare's FY24 revised budget process and OneCare's FY25 budget process. To assist the Board with review and consideration of the executive compensation for FY 2024 and FY 2025, staff have asked additional questions of OneCare as part of the revised budget process:

- Provide a list of waivers offered by OneCare and the number of Vermonters covered by each of those waivers at this time and additional narrative context as warranted;
- Provide a status update for the achievement of each of OneCare's corporate goals for FY24.

Additional information provided as part of OneCare's revised budget submission will be reviewed and may inform the Board's consideration for executive compensation as a subset of OneCare's administrative budget for FY 2024 and FY 2025. Staff also note that information about the salary benchmarks used by OneCare to establish its executive compensation is, at the time of this memo, in the process of being produced by OneCare following litigation to enforce the Board's subpoena to OneCare, and that additional information will also inform the Board's review of OneCare's budgeted administrative costs.[27]

With respect to OneCare's management structure, the composition of its Board of Managers meets the requirements set out in statute and at Rule 5.000 § 5.202. While there is no rule limiting the number of managers employed by one ACO participant, staff note that a considerable number of managers are associated with UVMHN. Staff will continue to monitor the composition of the Board of Managers throughout 2024.

Ongoing Monitoring and Reporting Requirements

The ongoing monitoring and reporting requirements relating to OneCare's certification are summarized in the following tables. Staff will integrate these monitoring and reporting requirements into the overall ACO oversight monitoring and reporting plan that includes FY 2024 ACO budget order conditions imposed by the Board on December 20, 2023.[28][29]

[27] *See* GMCB Subpoena to OneCare Vermont (June 28, 2023), *available at: https://gmcboard.vermont.gov/document/gmcb-subpoena-onecare-vermont-06282023*
[28] *See* FY2024 OneCare Vermont Reporting Manual (February 26, 2024), *available at: https://gmcboard.vermont.gov/document/fy24-onecare-vermont-reporting-manual*
[29] *See* FY2024 OCV Budget Order (February 29, 2024), *available at https://gmcboard.vermont.gov/document/fy24-onecare-vermont-budget-order*

Rule 5.000 & Statute	Key Criteria	FY24 Ongoing and New Monitoring & Reporting
Legal Governing Body, Leadership, & Management 5.201-5.203 § 9382(a)(1) § 9382(a)(13)	• ACO as a separate legal entity • Authorization to do business in Vermont • Governance, organizational leadership & management structure • Transparency of governing processes • Mechanism for consumer input	• Certificate of Good Standing from the Vermont Secretary of State • Operating Agreement • Compliance Plan • Conflict of Interest policy • Governance, leadership, and organizational charts • Patient and Family Advisory Committee Charter • Code of Conduct • Compliance, Communication, Reporting and Investigation Policy • Corporate Goals • OneCare's Website
Solvency & Financial Risk 5.204 § 9382(a)(15) § 9382(a)(16)	• Mechanisms/processes for assessing legal and financial risks • Financial stability/solvency	• Financial audit • Quarterly financial statements • Finance Committee Charter • Code of Conduct • Compliance, Communication, Reporting and Investigation Policy
Provider Network 5.205 § 9382(a)(4)	• Written agreements with ACO Participants • Criteria for accepting providers • Provider appeals	• Provider/participant agreements • Network Development and Composition Policy • Participant, Preferred Provider, and Collaborator Appeals Policy • Provider Appeal of Denial of Participation in ACO Policy
Population Health Management & Care Coordination 5.206 § 9382(a)(1) § 9382(a)(2) § 9382(a)(5) § 9382(a)(6) § 9382(a)(9)	• Coordination of services among Payers, Participants, and non-Participant providers, including community-based providers • Care coordination	• Care Coordination Guidance Document • Participant Population Health Model and Payments Policy • Preferred Provider and Collaborator Population Health Model and Payments Policy

Rule 5.000 & Statute	Key Criteria	FY24 Ongoing and New Monitoring & Reporting
§ 9382(a)(11)		• Care Coordination and Training & Responsibilities Procedure • Utilization Management Plan • Patient and Family Advisory Committee Charter
Performance Evaluation & Improvement 5.207 § 9382(a)(5) § 9382(a)(7)	• A Quality Improvement Program actively supervised by the ACO's clinical director or designee that identifies, evaluates, and resolves potential problems and areas for improvement.	• Quality Improvement and Management Policy • Utilization Management Review • Clinical and Quality Advisory Committee Charter
Patient Protections & Support 5.208 § 9382(a)(8) § 9382(a)(10) § 9382(a)(12) § 9382(a)(14)	• Enrollee freedom to select their own health care providers • ACO may not increase cost sharing or reduce services under enrollee health plan • Patients are not billed on the event an ACO does not pay a provider • ACO maintains grievance and complaint process	• Code of Conduct Policy • Complaint, Grievances, and Appeals for Attributed Lives Policy • Records Retention Policy • Bi-annual complaint and grievance reporting to GMCB and HCA • Beneficiary notification letters • OneCare's website
Provider Payment 5.209 § 9382(a)(3)	• Administer provider payments • Alternative payment methodologies coupled with mechanisms to improve or maintain quality/access • Alignment of ACO-payer incentives and ACO-provider incentives • Provider appeals	• Program Settlement Policy • Hospital Fixed Payments Policy • Participant Population Health Model and Payments Policy • Preferred Provider and Collaborator Population Health Model and Payments Policy • Participant, Preferred Provider, and Collaborator Appeals Policy • Quality Improvement and Management Policy

Rule 5.000 & Statute	Key Criteria	FY24 Ongoing and New Monitoring & Reporting
Health Information Technology 5.210 § 9382(a)(2) § 9382(a)(5) § 9382(a)(6)	• Data collection and integration • Data analytics • Integration of clinical and financial data system to manage risk	• Care Coordination Training & Responsibilities Procedure • Participant Population Health Model and Payments Policy • Preferred Provider and Collaborator Population Health Model and Payments Policy • Utilization Management Review • Data Use Policy • Privacy Policy • Security Policy
Mental Health Access § 9382(a)(2)	• ACO role vs. payer role in supporting access to mental health care • Financial incentives • Care coordination • Programs or initiatives • Use of data, quality measurement, and clinical priorities	• Performance on mental health related quality measures in payer contracts • Quality Improvement Plan • Clinical Priorities
Minimize payment differentials or "payment parity" § 9382(a)(3)	• ACO role vs. payer role in fair and equitable payments and minimizing payment differentials • ACO's steps to minimize payment differentials	• Interim and annual monitoring of Comprehensive Payment Reform program
Addressing Childhood Adversity § 9382(a)(17) § 5.403(a)(20)	• Connections among ACO providers • Collaboration on quality outcome measures • Incentives for community providers	• Plan and timeline • Social determinants risk scores • Screening tools • Program expansion • Analytics