



# Northern Counties

HEALTH CARE

Administrative Office

November 1, 2019

Kevin Mullin, Chair  
Green Mountain Care Board  
144 State Street, Montpelier, VT 05602

Dear Chairman Mullin,

I write to offer Northern Counties Health Care's support for OneCare Vermont's Calendar Year 2020 budget. Northern Counties Health Care is Vermont's oldest federally qualified health center (FQHC), a non-profit organization serving the Northeast Kingdom of Vermont with a rural network of five community health centers, three dental practices, and a home care and hospice division. Northern Counties Health Care is a member of OneCare Vermont's provider network, and I serve as the FQHC representative on OneCare Vermont's Board of Managers.

OneCare Vermont provides valuable support to our organization. Specifically, OneCare offers Northern Counties Health Care three major benefits:

- Significant population health funding that supports both primary care and home health, which we invest in increased care coordination.
- Timely and useful population health data through WorkBench One, OneCare's analytic platform.
- The opportunity to work on payment and delivery system reform every day with our peers in the OneCare provider network.

OneCare Vermont's support is important, timely, and consistent with national trends that likely make the future of health care more data driven, integrated, and value based. Furthermore, it is unlikely that our FQHC could make these investments, and support them, without OneCare Vermont's support.

Given my experience in Vermont's health care reform efforts, I am the first to acknowledge that health care reform is challenging. I can think of five major obstacles to reform:

- Public and private insurers seek both transformative change to the health care system and annual savings. Promoting non-linear change while demanding linear savings creates an obstacle to making necessary reform investments, a problem exacerbated by the decision not to fully use the Delivery System Reform (DSR) investment capacity given to the State in the Global Commitment to Health Medicaid Waiver.

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*Compassionate Care in Our Home or Yours*

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Care & Hospice

Concord  
Health Center

Danville  
Health Center

Hardwick Area  
Health Center

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- A model not yet at full scale means that our organization, and presumably others, is forced to run two business models simultaneously, one for ACO attributed patients and another for everyone else. Running two businesses simultaneously makes it burdensome to change our care model and business operations.
- Delivery system reform changes lag behind payment reform changes. Leaders must make sure that we are focusing equally on changing both the care model and payment model.
- Federally mandated reimbursement methodologies for FQHCs create weak incentives for reform. CMS, the State Medicaid program, private insurers, and FQHCs will need to address the fee for service bias within FQHC payment models or it will hinder reform.
- Provider organizations will be wary of making the changes necessary to accept downside financial risk if the federal government and state government continue to send mixed messages about their commitment to reform.

These are but a few of the challenges in reform; however, there is a fundamental point that must be acknowledged by critics of this budget and model: all of these same challenges would apply to any serious reform effort. Simply put, the ACO could wind down operations today and the next reform effort would need to address these exact same challenges. Only, they would do so without alignment between Medicare, Medicaid, and commercial payers, a robust provider network, and years of progressively responsible experience designing, implementing, administering, and regulating accountable entities.

I urge the Board to support this budget and allow health care providers to continue to work collaboratively through the difficult issues facing our health care system. Thank you in advance for your consideration.

Sincerely,

Michael Costa, CEO

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