FY 2022 Revised Budget

Narrative Responses to Budget Order Conditions 9.d., 9.g., and 9.j.

9.d. Final descriptions of OneCare's population health initiatives, including final care coordination payment model

Following are final descriptions of OneCare's population health initiatives including enhancements defined after October 1, 2021 budget submission.

1. **Population Health Management Payments**: OneCare's population health management payments are primary care investments aimed at encouraging participation in ACO programs with a focus on population health, high quality care delivery, and providing input in ACO program development. There have been no changes to this program as of OneCare's October 1, 2021 FY 2022 Budget submission. OneCare submitted policy 04-15-PY21&22 Population Health Management Payments PY 2021 and 2022 to the GMCB on February 25, 2021 detailing these payments.

2. **Complex Care Coordination Program**: OneCare's care coordination program is designed to enable providers across the health care continuum to better manage the care of the highest risk individuals attributed to the ACO. OneCare provides an evidence based framework on which care coordination interventions are based. With precise areas of focus through early identification of at risk individuals in defined subpopulations and the elimination of burdensome documentation requirements, the 2022 program allows providers more time for the provision of high quality care coordination for Vermonters who need it most. The care coordination program emphasizes person centered care planning, cross organizational collaboration, and timely connection to primary care and mental health services. OneCare drives these essential components through delivery of workforce education, targeted regional technical assistance, and data insights including newly refined, actionable social determinants of health information. Documentation requirements in Care Navigator are optional and alternative care coordination engagement reporting (to and from participating organizations) is available. Accountabilities for care coordination include such actions as:
    - ongoing subpopulation panel review and outreach;
    - participation in cross organizational collaboration and shared care planning;
    - engagement with OneCare in data driven process improvement;
    - submission of triannual reports; and
    - attendance at education sessions.

    Base payments are tied to these value-add accountabilities with additional opportunity for incentive/bonus payments based on organization-specific performance measures. The incentive payment for Primary Care is based on risk-adjusted and truncated total cost of care performance as compared to peers. For Home Health, it is based on inpatient admission within 60 days of home health services. For Designated Agencies and Area Agencies on Aging, it is

based on Primary Care Engagement rate. Section 7 of the narrative portion of OneCare's October 1, 2021 FY 2022 Budget submission accurately describes components of the program. Since this submission, performance measures and reporting requirements have been solidified and communicated to the network. OneCare submitted policies 02-04-PY22 Community Care Coordination Program PY 2022 and 04-16-PY22 Community Care Coordination Payments PY 2022 to the GMCB on February 28, 2022 detailing these changes.

Value-Based Incentive Fund (VBIF): OneCare's VBIF is designed to reward strong performance on ACO quality measures. The model is described in Section 7 of the narrative portion of OneCare's October 1, 2021 FY 2022 Budget submission. For Program Year 2022, the OneCare VBIF has a Board-approved budget of $1M, is designed to measure all-payer quality results, and is funded and administered by OneCare. A change has been made in the Medicaid portion of this program: pursuant to the 2022 OneCare program agreement with DVHA, the DVHA VBIF must be segmented from the other payer programs (i.e. not all-payer). Under this new arrangement, DVHA will make available $2M of funding. OneCare will administer the program separately for Medicaid performance and these VBIF payments will be distributed by DVHA directly to ACO network providers. OneCare will provide DVHA with a report instructing distribution of incentive payments including all supporting raw quality scores, twice annually: (1) in approximately September 2022 on the basis of quality results for individuals demonstrating measure eligibility during the second quarter of Program Year 2022; and (2) in approximately April 2023 on the basis of quality results for individuals demonstrating measure eligibility during Program Year 2022. The report will instruct payment amounts by individual and/or group National Provider Identifier (NPI). OneCare submitted policy 04-13-PY22 Value Based Incentive Fund PY 2022 to the GMCB on March 25, 2022 detailing these changes.

3. **Comprehensive Payment Reform (CPR) Program**: OneCare's CPR program is designed to transition participating independent primary care practices from a fee-for-service payment model to a value based payment model with a fixed per member per month payment across payers. There have been no changes to this program since OneCare's October 1, 2021 FY 2022 Budget submission. OneCare submitted policy

4. **Specialist/Innovation Funds**: These initiatives for specialty providers promote flexible care delivery and a greater focus on population health and funding for innovative care delivery pilots proposed by participating OneCare providers. Investments in 2022 reflect projects continuing into the fiscal year. While the timing of expenses has been updated to reflect the OneCare's best estimates, no new initiatives are planned relative to the initial budget submission.

9.g. Documentation of any changes to the overall risk model for 2022

There have been no changes to the overall risk model as presented in the FY 2022 Budget submitted to the GMCB on October 1, 2021.

9.j. A report to the Board on OneCare's progress relative to its targets for commercial payer FPP levels that OneCare set in accordance with its FY21 budget order, condition 15, and any FPP targets set according to conditions in this order.

Current (baseline) contract revenue in the form of fixed prospective payments (FPP), as well as targets for further directing fee-for-service (FFS) contract revenue to fixed prospective payments are as follows:

Table 1: Percentage of Contract Revenue in FPPs

Program (TOTAL $)	Hospital Under FPP	CPR Program (FPP)	TOTAL Contract Revenue in Fixed Prospective Payments*	Previously Reported TOTAL Revenue in FPP
Medicare ($498M)	0.0%	0.48%	0.48%	0.30%
Medicaid Traditional ($275M)	50.07%	1.60%	51.67%	50.4%
Medicaid Expanded ($45M)	54.88%	0.88%	55.76%	
Commercial ($489M)	0.0%	0.16%	0.16%	0.50%

*Program year 2019 utilized as the baseline to avoid the impacts of Covid-19.

Table 2: Previously Set Targets and Milestones for Contract Revenue in FPPs

Program	Baseline	PY22	PY23	PY24	PY25
Medicare	0.0%	0.0%	53.4%	53.9%	54.4%
Medicaid	50.4%	50.7%	58.2%	58.5%	58.8%
Commercial	0.00%	2.9%	23.9%	44.9%	65.9%

Please see Section B, below, for detailed explanation of targets/timing. Note that these figures are illustrative of targets and milestones based on the 2019 network configuration. Changes to program offerings and network configuration may affect these targets.

<u>Commercial Payer FPP Levels</u>

There continues to be significant opportunity for conversion to fixed payments within commercial payer programs. However, similar to the Medicare program, the OneCare network of providers has limited interest in fixed payment models that reconcile to fee-for-service.

OneCare is in active discussions regarding fixed payments, both with Blue Cross Blue Shield and MVP. Within the commercial space, the primary focus is on reaching fair total cost of care (TCOC) targets upon which we can then layer fixed payment programs and/or expanding risk. In hopes of continued commercial program offerings in 2023, OneCare has already engaged in active discussions with Blue Cross Blue Shield and MVP regarding the target setting methodologies. These conversations have expressly included reference to the need for fair targets in order to consider expansion of fixed payment offerings.

As is also the case with Medicare and Medicaid, further enhancement of the CPR program and expansion of its network of participants aim to shift commercial health care dollars toward fixed

prospective payments for primary care services. While development of a CPR-like fixed payment program for FQHCs was initially a focus in the PY22 budget development, OneCare learned that FQHCs needed more time to prepare for fixed payments and thus, they will more realistically come into focus for PY23 or PY24. OneCare continues to examine offering a fixed payment to FQHCs and work will continue throughout PY22 to scope this initiative. OneCare has also engaged in ongoing discussions with its Finance Committee and network hospital finance leadership and hopes to offer participation in the CPR program to hospital-owned primary care practices beginning in PY23.

Currently, OneCare has not made any adjustments to its FPP targets in response to any conditions set in the PY22 Budget Order.