

ACO Oversight FY 2023 Budget and Certification OneCare Vermont

GMCB Deliberations and Vote

December 21, 2022



Agenda

- Process to date
- Updates since 12/14
 - BCBSVT FY23 Participation
 - OCV 12/20 letter
- Continued deliberations
 - Risk Model and Medicare Advanced Shared Savings
 - Operating Budget
- Final conditions
- Potential vote

Process to Date



- The Board deliberated on proposed conditions for OneCare’s FY23 budget approval (or approval with modification) on December 7 and December 14
 - See companion document with proposed conditions posted with today’s meeting materials
- Significant new proposed conditions for FY23 include:
 - Updated condition on the ACO Performance Benchmarking tool
 - Compliance with GMCB review of data analytics platform transition to UVM
 - FPP goals set for FY24
 - Condition requiring submission of updated budget January 30
 - [Potential condition limiting delegation of risk for Medicare Advanced Shared Savings to OneCare network participants] – *area for continued deliberation*
 - [Potential condition related to maximum operating expenses] – *area for continued deliberation*
- Annual certification eligibility verification will continue into 2023 as discussed on December 7 and 14

Update

BCBSVT Participation for FY23



- BCBSVT announced on 12/20 that it does not plan to continue participation with OneCare in FY23
- [BCBSVT Press Release](#)
- The BCBSVT announcement represents a material change to the submitted FY23 OneCare budget
 - BCBSVT represents over 30% of expected TCOC (\$471 million) and estimated starting attribution (92,940 lives)
 - BCBSVT press release states that it will continue to pay PMPM value-based payments to providers for attributed lives during the transition period; no additional detail available at this time
 - The submitted budget does not include information on operating costs by payer program
- Proposed next step: Require OneCare to resubmit budget by January 30, 2023, if the parties do not come to agreement

FY23 Budgeted Payer Programs

BCBSVT Participation



Payer Program	# of HSAs Participating	# and type of hospital			FY23 Starting Attribution Estimated
		CAH	Acute Care	AMC	
Medicare	9	3	5	1	67,558
Medicaid	14	7	5	2	Medicaid – Traditional: 95,175 Medicaid – Expanded: 30,563
BCBSVT	12	5	5	2	*92,940
MVP	13	6	5	2	10,422
Any Payer Program	14	7	5	2	296,658

CAH – Critical Access Hospital

AMC – Academic Medical Center

* Includes 28,829 lives that do not qualify for Vermont scale targets

Risk Model/Medicare Advanced Shared Savings

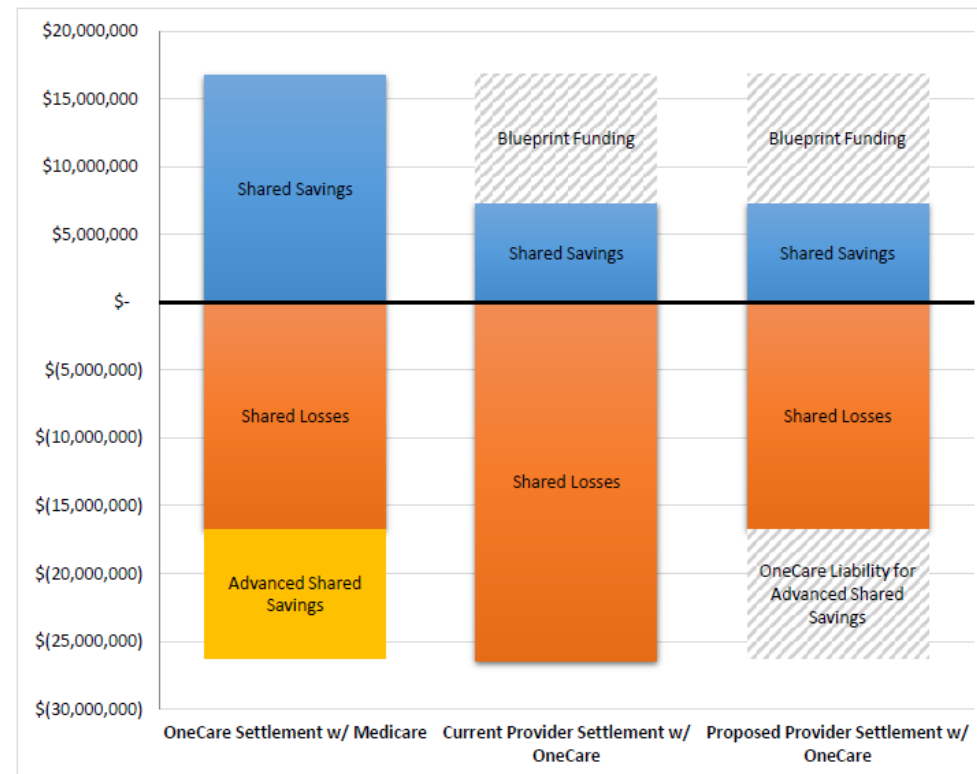
12/20 Letter from OneCare Vermont



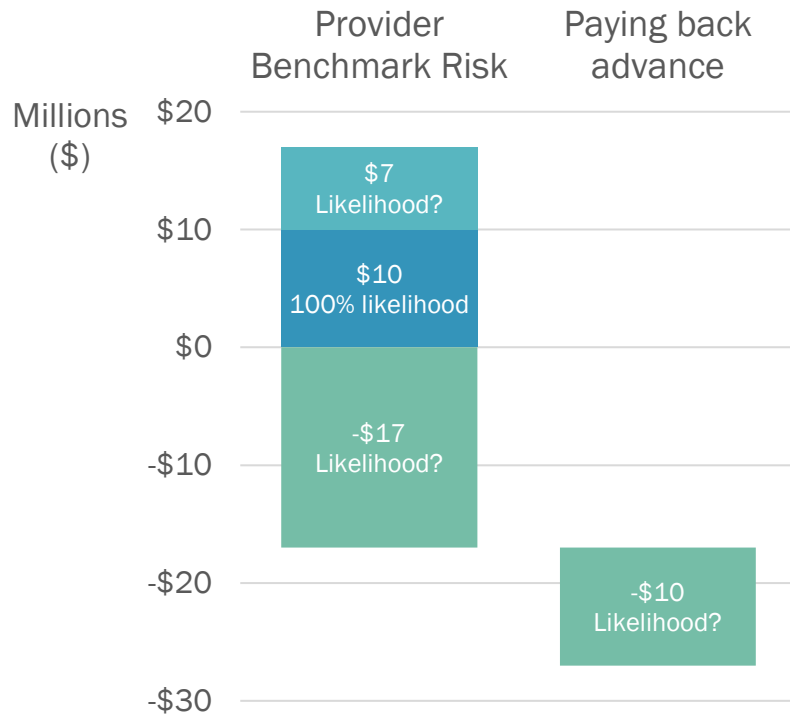
- GMCB acknowledges the concerns OneCare articulates in its [12/20 letter](#), though we disagree with some of OneCare’s conclusions
 - Concerns touch on cost of evaluation (operating expenses) as well as risk model and Medicare Advanced Shared Savings
 - Net effect of hospital-held risk vs. participation fees/withheld savings
 - Need to maintain reserves for administration of payment models
 - Perceived asymmetric risk related to Advanced Shared Savings (see following slides)
 - “Risk cap” language in GMCB Rule 5.000
 - Historical risk corridor selections
- Recommend that OneCare hold \$3.9M of risk associated with the Medicare Advanced Shared Savings, delegating the remaining \$5.6M to risk-bearing entities as OneCare proposed.
 - \$3.9M = amount of OneCare-held reserves

Medicare Advanced Shared Savings: *OneCare Perspective*

- OneCare sees the Advanced Shared savings as a disproportionate liability that creates asymmetric risk:



Medicare Advanced Shared Savings: *Alternate Perspective*



The BP programs and SASH payments are guaranteed to be paid in advance with federal dollars, which have demonstrated to be effective

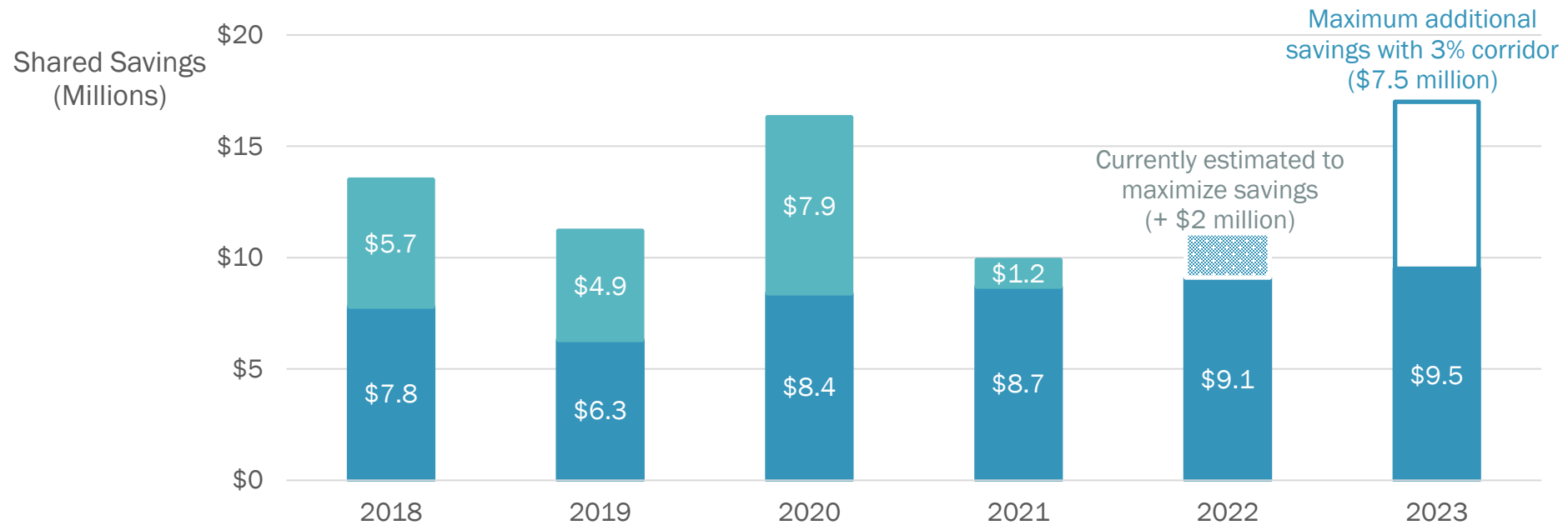
Providers could be held accountable for the full downside risk associated with the risk target.

If the downside risk exceeds the corridor, 100% of the advanced savings would need to be repaid.

To reserve for this risk, the likelihood of its possibility should be weighed with the liability. Reserving for 100% of potential downside risk is not a standard practice. The ACO could keep this unlikely risk and not pass it onto providers.

Evaluating the solvency of providers is a key issue in GMCB's financial oversight of Vermont's health system and will be incorporated into its regulatory redesign effort.

Medicare Advanced Shared Savings: *Low Likelihood of Full Loss in 2023*



The ACO has been receiving more dollars in advanced savings in recent years.

The ACO received additional shared savings on top of the advance from Medicare every performance year. They received maximum potential savings in each performance year except 2019 (45% of maximum possible, 4% effective risk corridor).

Suggested Motion Language

- Suggested motion language:

Move to modify the staff recommended condition regarding risk of repayment of Medicare Advanced Shared Savings Payments to require that OneCare hold [\$3.9] million of the risk of repayment.

Operating Budget



- In the interest of fiscal responsibility, OneCare to find savings for Vermonters in the administrative budget
- Operating expenses are expected to be adjusted in the revised budget
- Recommend administrative budget modification of (2.0%), subject to further reduction in the revised budget
- Possible areas of achieving savings
 - Base and variable compensation and vacancy savings
 - Marketing and communications
 - Contracted services
 - Supplies/occupancy/travel expenses
 - Underutilized data and analytics products
 - Administrative and/or contractual costs associated with withdrawal of BCBSVT
 - E.g., actuarial costs associated with finalizing rates, legal, and operational costs
 - Subject to further analysis based on OneCare's submission of a revised budget in January

Suggested Motion Language

- Suggested motion language:

Move to modify the staff recommended condition regarding OneCare's FY23 operating expenses to require OneCare to reduce its Operating Expenses [2.0%] from its submitted budget.

Suggested Motion Language

Remaining conditions: See companion document

- Suggested motion language:

Move to approve OneCare Vermont's FY23 budget subject to the conditions as presented today by GMCB staff, with the modifications proposed and approved today by the Board.