


ACO Oversight FY 2023 Budget OneCare Vermont

1/30/2023 Budget Resubmission

Impact of Blue Cross Blue Shield of VT Withdrawal

GMCB Staff Presentation & Board Deliberation

March 2, 2023

A dark green silhouette of a mountain range spans the bottom of the slide.

Context

BCBSVT Participation for FY23



- BCBSVT announced on 12/20/22 that it did not plan to continue participation with OneCare in FY23
 - [BCBSVT Press Release](#)
- On 12/21, OneCare notified GMCB of this change; notification left an open door for negotiations to resume
- GMCB's 12/21 vote included a requirement that OneCare resubmit budget by January 30, 2023
 - Guidance required that OneCare “reflect the budget assumptions *at this time* on the effects of the withdrawal of BCBSVT from OneCare programs”
- **The budget resubmission is not the final budget for FY23**
 - Budget amendment request from OneCare is expected by 3/31/23

Public Comment



- The Board received public comments that express concerns about the impact that the BCBSVT withdrawal from OneCare will have on Vermont's payment reform efforts and on primary care providers:
 - Loss of fixed monthly payments, for BCBSVT lives, to independent primary care practices through OneCare's Comprehensive Payment Reform (CPR) program
 - Reduced alignment in payer programs such as quality measures and goals
 - Reduced population health management and preventative care initiatives
 - Loss of value-based incentive payments

BCBSVT Withdrawal Impacts

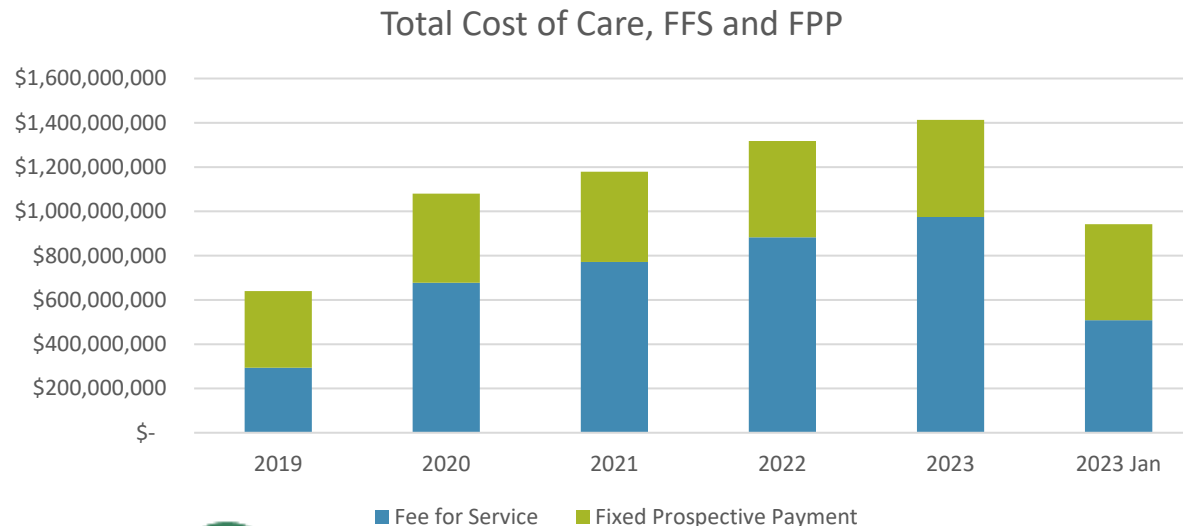


- Reduction in lives tied to an ACO cost and quality accountability framework
- Reduction in risk and opportunity for shared savings
- Reduction in Population Health Management Per Member Per Month (PHM PMPM) payments committed to Primary Care Providers in the OneCare network
- Reduction in fixed payments to independent primary care providers through the Comprehensive Payment Reform (CPR) Program and loss of fixed prospective payment pilot (FPP).

BCBSVT Withdrawal Impacts



- Reduction in lives tied to an ACO cost and quality accountability framework
 - >30% reduction from original budget
 - ~88,000 attributed lives budgeted for BCBSVT
 - \$471.3 million in Total Cost of Care (FFS & FPP) in an ACO arrangement



BCBSVT Withdrawal Impacts



- **Reduction in lives tied to an ACO cost and quality accountability framework**
 - >30% reduction from original budget
 - ~88,000 attributed lives budgeted for BCBSVT
 - \$471.3 million in Total Cost of Care (FFS & FPP) in an ACO arrangement
- **Reduction in risk and opportunity for shared savings**
 - OneCare anticipated an increase in the risk sharing arrangement

BCBSVT Withdrawal Impacts



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Primary Care Provider Impact



- This is a problem caused by OneCare's and BCBSVT's failure to reach an agreement
- Primary care providers suffer the most immediate impact
- Investments to strengthen primary care, including providing resources to expand capacity in existing practices and to recruit additional providers, is a consideration for ACO budget review. 18 VSA 9382 (b)(1)(G).

Primary Care Provider Impact



- **Reduction in Population Health Management Per Member Per Month (PHM PMPM) payments committed to Primary Care Providers in the OneCare network**
 - PHM PMPM payments are based on attribution. For each attributed life, the payer commits to a PMPM payment and OneCare commits to a PMPM payment (Note: All goes to providers, not administrative costs).
 - Attribution is based on an agreement between OneCare and the payer
 - The PMPM is a “match” of \$3.25 from the payer; \$1.50 from OneCare (Base) + \$1.00 from OneCare (Bonus)
 - Primary care providers pay into the Accountability Pool which covers their portion of any risk. They pay in the equivalent of \$1.50 PMPM, so this essentially leaves \$3.25 as their monthly PMPM.
 - Providers must meet reporting and performance requirements to earn the PMPM and Bonus
 - Absent the payer contract, the \$ budgeted by OneCare for the PMPMs is not tied to any attributed lives and therefore, those lives are not included in the cost and quality accountability framework of OneCare and OneCare does not get data on those lives.

Primary Care Provider Impact



	AvgAttrib	MemMos	Payer Rev	OneCare Base	OneCare Bonus	Payer Rev		OneCare Rev		Total PC PHM PMPM Exp	
						Min	Max	Min	Max	Min	Max
Payer*	88000*	1056000*	\$3.25	\$1.50	\$1.00	\$3,432,000*	\$1,584,000*	\$2,640,000*	\$5,016,000*	\$6,072,000*	
	0	0	\$3.25	\$1.50	\$1.00	\$ -	\$ -	\$ -	\$ -	\$ -	

*Example data for illustrative purposes.

- OneCare budgeted \$1.8 million in PHM PMPM payment expenses for the BCBSVT contracted lives.
- The revenue source for that investment is hospital participation fees.

Note: Attribution is a rounded total of publicly available average attribution budgeted for BCBSVT. Available at:

https://gmcboard.vermont.gov/sites/gmcb/files/documents/REDACTED%20FY%202023%20Budget%20Responses%20to%20Round%201%20Questions_0.pdf

Primary Care Provider Impact



- Reduction in fixed payments to independent primary care providers through the Comprehensive Payment Reform (CPR) Program and loss of fixed prospective payment pilot program (FPP).



FPP/CPR



- BCBSVT withdrawal removes FPP pilot, so commercial FPP is at 0%
- FFS/FPP ratio overall increases because commercial lives are removed from the model
- Change in policy for CPR Program to include MVP attributed lives
 - OneCare indicates that they have modeled MVP attributed lives into the program and approved the inclusion of MVP attributed lives in the CPR framework for 2023

Payment Models and FPP/CPR

OneCare's Comprehensive Payment Reform Program



- This program is designed to move participating independent primary care practices away from a fee-for-service payment model to a value-based payment model with a fixed per member per month (PMPM) payment. This PMPM is a blend of dollars from Medicare, Medicaid, and (previously) BCBS QHP plus an investment from OneCare. The PMPM replaces FFS for these payer programs.
- Includes a capitated PMPM payment and PMPM payments for both core and non-core services.
- With the BCBS QHP program no longer contributing to CPR, providers will not receive payments for their BCBS QHP patients. Additionally, hospital dues (OneCare's contribution) portion of the program is equivalent to \$178,837 (-12%)
- Capitated payments from CPR program will decrease depending on practice payer mix
- As mentioned previously, OneCare is exploring adding MVP attributed lives to the program and we expect to hear more from them on that.

Primary Care Provider Impact



- Agreements with self-funded plans
- OneCare indicates in their January 30 submission:
 - Signed a memorandum of understanding (MOU) with the University of Vermont Medical Center to have a direct contract for self-funded plans that would be retroactive to January 2023. Through this contract we regain attribution and restore healthcare dollars in accountable care arrangements for 10-14,000 self-funded patients.

Primary Care Provider Impact



- **So, what is the bottom line?**

- \$1.8 million in budgeted hospital dues no longer tied to attributed lives
- +\$97,809 modest decrease in operating expenses
- =\$1.9 million bottom line to be evaluated in final budget

The submitted documents reflect changes to attribution, the total cost of care, risk/reward, payer support revenue, population health management expenses, and operating expenses that are linked to attribution. In total, and all else equal, these changes result in a net reduction to funds that would ordinarily be asked of the hospitals through participation fees. However, because the participation fee amount needs to be thoroughly and holistically evaluated by OneCare governance, no change has been incorporated at this time. This approach results in a bottom-line profit of roughly \$1.9M in the submitted materials. **For clarity, the fact that the submitted templates show a profit in no way reflects a plan to generate a profit, nor does it reflect a decision to reduce participation fees by the full amount. Any change to the participation fee amount, and the resulting bottom-line, or changes in CPR and/or additional contracts will be incorporated into the revised budget due later this spring when we also have final numbers for all other programs. (FY23 ACO Budget Resubmission Context Memo submitted by OneCare 1/30/2023)*

BCBSVT in 2023



- BCBSVT \$3.25 PMPM payments to primary care practices
 - On January 20, 2023, BCBSVT sent a letter to providers confirming the \$3.25 PMPM will continue through June 30, 2023. [On Monday, February 27th BCBSVT committed to continuing these payments for all of 2023.](#)
 - Payments will be made based on current attribution, meaning based on January 2023 active enrollment for each quarter.
 - Providers will receive quarterly payments (April, July etc.) paid by BCBSVT directly to the practice. Previously, payments were made quarterly to OneCare who then distributed the \$3.25 PMPM to the practices.
 - The purpose of the payments, Primary Care Support Funding, remains unchanged; there are no restrictions or requirements for the practices to receive the payments.
 - The payments are made for Qualified Health Plan beneficiaries, fully-insured large group, self-insured health plans including for employers who chose not to participate in the risk program

Process

1. After OneCare's January 30 interim submission, [Chair Foster requested additional information from OneCare on February 9](#) to address the immediate impact faced by primary care providers; [OneCare responded on February 17](#)
2. OneCare leadership and governance is re-evaluating the ACO budget and will submit a revised budget based on final contracts/attribution and any budget amendment requests by March 31
3. Bringing the issue before the full Board for deliberation

Discuss: GMCB's Preferred Approach



AMOUNT: \$1.8M in budgeted hospital participation fees; could include \$98K in operational savings (does not include GMCB ordered 2% admin reduction)

POTENTIAL APPROACHES: Note that all funds must be “reasonably related to ACO Activities” to be compliant with federal law.

- 1. Reduce fees based on the loss of attributed lives**
 - Accurately reflects loss of attributed lives but does not provide relief to impacted primary care practices
- 2. Reinvest fees into existing OneCare primary care programs. Some possible examples:**
 - Raising Base PMPMs in other payer programs (provides timely relief for impacted primary care providers in 2023 but could lead to reduction in base PMPMs in 2024)
 - Raising Bonus payment amounts in other payer programs (provides relief for impacted primary care practices and avoids reduction to base PMPM in 2024; bonus payments are paid later after quality measures are final)
- 3. Reinvest fees into other ACO programs (e.g., other ACO PHM activity)**
 - May not go to primary care providers; increases investment in population health; potential reduction in 2024

PUBLIC COMMENT

