FY 2022 OneCare Vermont ACO Budget Order Conditions
GMCB Staff Recommendations – Final for Board Meeting
December 22, 2021

*Highlighted material indicates information that will be required in the updated FY22 reporting manual or included in guidance development but are not budget order conditions.

CERTIFICATION: No necessary GMCB action on certification at this time. Note: Does not require a vote to re-certify.

1. Operating Agreement/Governance: *No recommendation – governance structure meets requirements included in GMCB Rule 5.000.*
2. Executive Compensation: *Separate from the ACO budget and certification process, staff are gathering information to confirm compliance with GMCB's* Guidance re Rule 5.000, § 5.203(a) (Leadership and Management; Executive Compensation) *issued May 12, 2021; if we find this is not the case, may recommend enforcement action.*
3. GMCB staff have additional questions related to OneCare's certification and will request additional information in January 2022.

BUDGET REVIEW

Note: Recommending 19 total conditions.

REGULATION TO FOSTER A HIGH-PERFORMING HEALTH SYSTEM

1. OneCare must implement a reputable and effective ACO benchmarking system to compare key quality, cost, and utilization metrics to national benchmarks, utilizing OneCare claims data and potentially clinical data, and acquiring data from third party sources as needed. The benchmarking system and data source must be approved in advance by GMCB staff, built for each payer program, and include national benchmarks (and regional, if available) and identify best-practices based on the data in five key areas: 1) utilization, 2) cost per capita, 3) patient satisfaction/engagement, 4) quality, and 5) evidence-based clinical appropriateness. The benchmarking system will:
    a. allow the ACO and the GMCB to assess OneCare's performance against peer ACOs or integrated health systems;
    b. enhance OneCare's ACO-level performance management strategy, including implementation of processes and programs that have been implemented at best practice sites, and integration of these priority opportunities in the OneCare Quality Evaluation and Improvement Program; and
    c. improve ACO regulatory reporting and performance assessment by providing the benchmarking comparisons to targets at least quarterly to the GMCB.

    Implementation of the benchmarking system shall start with the Medicare program in FY22 as a test year. OneCare must select and propose the Medicare benchmarking system for GMCB staff approval by March 31, 2021, and present the Medicare proposal, as well as a plan for Medicaid and commercial benchmarking systems, at the revised budget presentation in Spring 2022.

    Monitoring dashboards and targets will be developed by GMCB staff in collaboration with OneCare and specified in the updated ACO Reporting Manual. The updated ACO Reporting

Manual will be modified by GMCB staff to streamline reporting requirements to be focused more on results of the benchmark system.

2. Monitoring and Reporting:
    a. The GMCB will issue updated reporting requirements in the ACO Reporting Manual pursuant to GMCB Rule 5.501 to implement a data-driven monitoring approach relying on payer-specific national ACO benchmarking systems or datasets. OneCare Vermont will report on performance and benchmarking results at least quarterly. OneCare Vermont will work with GMCB staff to finalize reporting templates by June 30, 2022, with first quarterly reports (Q1 2022) due July 31, 2022.
    b. The FY 2023 ACO budget review guidance for OneCare Vermont should reflect this change in approach and introduce performance targets linked to national benchmarks, along with enforcement mechanisms where OneCare Vermont does not perform at the levels outlined in the guidance.

        FOR REPORTING MANUAL: OneCare Vermont will develop an Annual Performance Improvement Plan, including an ROI analysis which will meet criteria to be included in the updated ACO Reporting Manual.

PAYER PROGRAM AND RISK

3. To the greatest extent possible, OneCare must design payer programs to qualify as Scale Target ACO Initiatives (as defined by the All-Payer Accountable Care Organization Model Agreement) and to reasonably align in key areas, including beneficiary alignment methodology, ACO quality measures, payment mechanisms, risk arrangements, and services included for determination of any shared losses and shared savings. For each payer program OneCare enters into that does not qualify as a Scale Target ACO Initiative, and for each program element that is not reasonably aligned across payers, OneCare must provide a detailed justification to the GMCB. OneCare must report to the GMCB on its payer programs as specified in the ACO Reporting Manual.

4. OneCare must ensure that its payer contracts are consistent with the following 2022 benchmark trend rates and related conditions:
    a. Vermont Medicare ACO Initiative: The trend factors proposed by the GMCB and approved by CMS;
    b. Medicaid Next Generation ACO Program: The trend factors that are consistent with the GMCB's recommendations in the Medicaid advisory rate case.
    c. Commercial:
        i. The 2022 benchmark trend rates for commercial programs must be consistent with the ACO-attributed population and the GMCB approved rate filings, if any; and
        ii. OneCare must provide the GMCB with (a) actuarial certifications for each of its commercial (including self-funded) benchmarks stating that the benchmark is adequate but not excessive; (b) an explanation of how its overall rate of growth across all payers fits within the overall APM target rate of growth and, if its overall rate of growth exceeds the APM target, how it plans to achieve the target for the term of APM Agreement; and (c) a revised budget based on the finalized benchmarks on the dates specified in Conditions 8 and 9.

5. OneCare shall work with Medicare Advantage plans operating in Vermont – with a special focus on Vermont-based plans offered by BCBSVT and UVMMC-MVP – to develop scale target qualifying programs for FY23.

    FOR FY23 GUIDANCE: Provide an update on OneCare's work to develop scale target qualifying programs with Medicare Advantage plans operating in Vermont – with a special focus on Vermont-based plans offered by BCBSVT and UVMMC-MVP – for FY23 in the FY23 budget submission (to be added to FY23 guidance).

    FOR REPORTING MANUAL: OneCare to report on impact of changes in Medicare Advantage enrollment on Medicare risk scores and any impact on OneCare's programs as required in updated ACO Reporting Manual.

6. OneCare must implement the risk model that it described in its budget proposal and must request and receive approval from the GMCB prior to making any material changes thereto. OneCare must:
    a. Submit to the GMCB copies of the contracts that bind each of the risk bearing entities to OneCare's risk sharing policy no later than 10 days after all contracts have been executed;
    b. Notify and seek approval from the GMCB as early as possible of any proposed changes to the risk model and, for any proposed changes determined by Board staff to be material, provide the GMCB with detailed information, including effects by risk bearing entity and parent organization.

    FOR REPORTING MANUAL: Submit any relevant policies or underlying risk model methodologies for distribution of shared savings or losses (SS/SL), including mechanics of the 10% performance incentive pool, any market factor adjustments, or any other potential adjustments to SS/SL on or before March 31, 2022.

ACO BUDGET & FINANCIALS

7. OneCare must notify the GMCB of any material changes to the budget as approved by the OneCare Board of Managers/Finance Committee/Leadership. Include what line items changed, the dollar value, and the impact on the bottom line as part of quarterly financial reporting, according to specifications to be issued in the updated ACO Reporting Manual.

    FOR REPORTING MANUAL: OneCare to provide updated projections for FY2022 budget on a quarterly basis in conjunction with quarterly reporting as described in the updated ACO Reporting Manual.

8. No later than March 31, 2022, OneCare must provide GMCB staff with the supporting documentation relevant to the topics identified in Condition 9. Among the supporting documentation, OneCare must submit:
    a. Final payer contracts;
    b. Attribution by payer;
    c. A revised budget, using a template provided by GMCB staff;

d. Final descriptions of OneCare's population health initiatives, including final care coordination payment model;
e. Hospital dues for 2022 by hospital;
f. Hospital risk for 2022 by hospital and payer;
g. Documentation of any changes to the overall risk model for 2022;
h. Source of funds for its 2022 population health management programs;
i. Documentation on the selection and proposal of the ACO benchmarking system for the 2022 Medicare program and status of potential options for benchmarking systems for Medicaid and commercial payer programs for 2023; and
j. Any other information the GMCB deems relevant to ensuring compliance with this order.

9. At its presentation of the revised budget and no later than April 30, 2022, OneCare must present to the GMCB on the following topics:
    a. Final FY2022 attribution and finalized payer contracts;
    b. Revised budget, based on final attribution;
    c. Final description of population health initiatives;
    d. Expected hospital dues for 2022 by hospital;
    e. Expected risk for 2022 by risk bearing entity and by payer;
    f. Any changes to the overall risk model for 2022;
    g. Source(s) of funds for OneCare's 2022 population health management programs;
    h. Status of the ACO benchmarking system by payer program;
    i. Update on the results of evaluations as described in the FY22 budget submission (including care coordination and analysis of variations in care by HSA);
    j. Update on the partnership between OneCare and the University of Vermont to explore additional partnerships around evaluation;
    k. Any other information the GMCB deems relevant to ensuring compliance with this order.

10. In FY22, OneCare's Operating Expenses must not exceed $15.3 million, plus the cost of the third-party benchmarking system as required in Condition 1 following approval by GMCB staff.

11. If OneCare uses its reserve, adjusts its participation fees (i.e., invoicing a risk bearing entity for additional fees or refunding fees), or uses its line of credit, it must notify the GMCB within 15 days of such use. Notification must include the reason for the change and, for any use authorized under this condition, a corresponding cash flow analysis. For refunded participation fees, OneCare must provide the date of the BOM decision and documentation of the amounts refunded to each risk bearing entity.
    a. The use of reserves, additional participation fees, or funds drawn from OneCare's line of credit shall be limited to:
        iii. Additional funding for population health investments;
        iv. Financial backing for risk incurred by participating providers;
        v. Maintaining ACO-wide risk on behalf of participating providers;
        vi. Temporary cash flow issues associated with payer revenue delays; and
        vii. Other uses pre-approved by the GMCB.

12. OneCare must submit its audited financial statements as soon as they are available and must submit information as required by the GMCB to monitor OneCare's performance. OneCare must

crosswalk submitted actuals per its budget submission to audited financial statements for FYs 2018-2022.

13. OneCare to provide the GMCB with the most recent version of the ACO's IRS Form 990 as soon as it is available.

POPULATION HEALTH AND QUALITY

14. If population health management and payment reform programs are not fully funded as detailed in OneCare's FY22 budget submission, OneCare must submit a revised proposal no later than March 31, 2022, to the GMCB. This should include any requests for budget revisions, for changes to OneCare programs, including any funding shortfalls, changes in program scope, and an analysis for each program line item as to whether and why the funding is appropriately scaled by attribution, or some other factor.

15. In FY22, OneCare must fund the VBIF or other pre-funded clinical quality incentive programs at a minimum of $2.24 million, to be reflected in the final budget submission due in Spring of 2022.

16. In FY22, OneCare must fund SASH in the amount of $4,285,795 equivalent to the 2021 budgeted amount of $4,140,865 plus an inflationary factor of 3.5%, contingent on the increase in funding being used to enhance programs or expand access to Medicare beneficiaries. In 2022 OneCare must fund the Blueprint for Health (PCMH and CHT) investments in the amount of $4,788,187, equivalent to the 2021 budgeted amount of $4,626,268 plus an inflationary factor of 3.5%, consistent with the medical home and community health team program payment design approved by the Agency of Human Services.

17. Over the duration of the APM Agreement, OneCare's administrative expenses must be less than the health care savings, including an estimate of cost avoidance and the value of improved health, projected to be generated through the Model.

***PROVIDER PAYMENT MODELS: No recommended conditions at this time. Continue staff-level work to refine reporting and start rulemaking as previously instructed by the Board**.
FOR REPORTING MANUAL: GMCB staff will specify a format and methodology for collecting data about current ACO FPP levels and targets in the updated ACO Reporting Manual. Based on this reporting, GMCB staff will approve, or modify and approve, a commercial FPP target and seek twice annual reporting from OneCare on progress toward this target.

GENERAL

18. The GMCB's Director of Health Systems Policy may adjust the dates in this order after consulting OneCare.

19. After notice and an opportunity to be heard, the GMCB may make such further orders as are necessary to carry out the purposes of this Order and 18 V.S.A. § 9382.