OneCare Vermont

FY25 Budget
Round 2 Staff and Board questions

Question from Board Hearing 11/13

1) **Since changing the PHM base/bonus ratios in FY23 and FY24, have practices, on average, been receiving a larger or smaller amount of PHM funding from OneCare?**

   The average PHM program payments to providers increased from $5.33 PMPM in 2023 to $5.51 PMPM in 2024 (projected). Importantly, the standard deviation of payments jumped from $0.13 PMPM in 2023 to $1.70 PMPM in 2024. This shows that there is now a greater variation in payment between those that do and do not achieve outcome targets, which was a desired result when this strategy was developed.

2) **Please provide the projected FY24 and budgeted FY25 amounts for the following categories:**
   a. **Advertising**

"Advertising" line in Adaptive	2024 Projection	2025 Budget
Healthcare Partnerships	$4,000	$5,000
Consumer Board Member Recruitment	$2,340	$5,000
Total	**$6,340**	**$10,000**

   Healthcare Partnerships includes collaborative events that support and highlight healthcare issues and opportunities (ex. renal grand rounds, suicidality). Consumer Board Member Recruitment includes placements to fill board or committee seats.

   b. **Lobbying**

Lobbying	2024 Projection	2025 Budget
Government Relations Contract	$53,400	$26,700
Total	**$53,400**	**$26,700**

   Note that the Government Relations Contract was budgeted to naturally conclude at the end of June.

Questions regarding OneCare Vermont's decision to discontinue the ACO at the end of 2025

The decision to close OneCare after 2025 is relatively new. While the following questions are similar to those contemplated by OneCare management, thus far, many decisions have not yet been made. 2025 will be a dynamic year, and in many cases, management will need to respond to the decisions of others, particularly employees. OneCare's overarching goal is to maintain operations as planned to the best of our ability, and the answers below reflect current thinking and assumptions. We respectfully request flexibility to navigate these challenging topics throughout the year and commit to doing so in a manner that is mindful of the impact on employees, providers, patients, and overall healthcare affordability.

Thinking ahead to 2026, OneCare will need to maintain a certain level of staffing to complete runout tasks such as quality abstraction, final PHM performance calculations, PHM bonus payments, final CPR reconciliations, final hospital fixed payment reconciliations, financial statement audit, payer settlements, settlement distributions/collections from the provider network, tax return preparation and filing, and numerous other business activities germane to a company ceasing operations. It is anticipated that there will be a significant amount of work in the first three to six months of the year, and tasks will become more periodic or specialized thereafter. OneCare's sole member, UVMHN, may need to take responsibility for lingering tasks that extend deeper into 2026 or trail into 2027. While the specific details will be determined throughout 2025 in collaboration with the OneCare Board of Managers (BOM), the current thinking is that operating expense savings through 2025 can be used to fund the 2026 expenses. As a fallback, OneCare reserves could be used to fund runout expenses. Note that appropriate reserves must be maintained for any potential risk obligations, but remaining funds can be used for ongoing runout expenses before being distributed to participants as directed by the OneCare BOM.

3) **How has the decision to discontinue OneCare at the end of 2025 affect the 2025 expense budget line items?**

   Regarding staffing, OneCare expects that some staff will choose to move to other employment opportunities throughout the year. While OneCare will support the decision of each employee, it is critically important that a workforce is maintained to generate positive results for patients and fulfill contractual obligations with both payers and providers. Because employment decisions are highly personal, it is difficult to predict which employees may move on and when they will choose to do so. That said, OneCare is happy to keep the GMCB apprised throughout the year.

   Additionally, through ongoing evaluation in 2025, other expenses may be reduced or shed early if they are deemed unnecessary as the company winds down operations. As always, OneCare is mindful of the resources afforded by hospitals to support healthcare system enhancement and will credit any unspent funds according to policy.

   Lastly, in the submitted budget narrative, OneCare requested consideration of the prior evaluation and benchmarking orders. With OneCare closing after 2025, the combined $468,638 expense could be cut entirely from the administrative budget or redirected to primary care, at the discretion of the GMCB.

4) **How has this decision to discontinue OneCare at the end of 2025 impacted revenue?**

The decision to discontinue after 2025 has no direct impact on the revenue budget line items. However, if there is significant expense reduction due to factors articulated above, a reduction to hospital participation fees during the year to reduce the magnitude of accrued credits will be considered.

5) **Has OneCare developed a transition plan through the end of operations that includes the identification of unique issues, risks, contingency plans, and an operating plan?**

This work is underway and will be treated as a "living" plan as it will need to be modified regularly throughout 2025. The most notable risks identified thus far are staffing and network engagement. Regarding staffing, an adequate workforce must be maintained to fulfill the operational and contractual commitments of the organization (see question 6 for contingency plans). Regarding network engagement, with the end of OneCare nearing and new initiatives in development, it is possible participant focus shifts away from OneCare's programmatic efforts. Maintaining a workforce that is present and engaged with participants is an important strategy to mitigate this risk.

6) **Has OneCare developed contingency plans if employees leave critical functional areas? For example, has OneCare identified outside contractors that can provide key services if employees resign? Has OneCare considered contracting with an ACO consulting and management firm to manage OneCare in 2025 and/or beyond?**

No specific contingency plans have been made at this point in time, but they are certainly being explored. If employees leave critical functional areas, some options are to leverage UVMHN resources, or resources from other participants in the OneCare network, if possible. Should the organization face a significant loss of staffing, there are companies that offer to manage such a closeout process. While this is comforting as a fallback plan, the strong preference is to conclude business with the OneCare team. All of the OneCare contracts are tailored to Vermont and often developed in partnership with other local entities (ex. DVHA). This means there would be significant educational and relational effort needed to hand off the work. Additionally, OneCare is proud to be a locally operated company and prefers to sustain business in Vermont rather than outsourcing to an out-of-state entity.

7) **Is OneCare going to discontinue any specific functions in 2025 that will not be necessary due to the discontinuation of operations (such as strategic planning, marketing, public affairs, contracting, central administration, etc.)? Has a timetable been developed?**

There are currently no plans to entirely discontinue any specific operational functions in 2025. However, some activities that ordinarily focus on the following performance year are expected to abate during 2025. [redacted] Lessening of these administrative tasks will allow for meaningful reallocation of resources in a manner that supports cost and quality improvement goals, thoughtful and thorough winddown of the organization, and supporting providers in the transition to 2026.

8) **Are any employees being paid retention bonuses or being provided with other guarantees to remain with OneCare until the end of operations? Can you share those arrangements and the impact on costs in 2025 and beyond?**

9) **Will any services be transitioned to the UVMHN Population Health Services Organization (PHSO) during 2025? If so, please describe the services and the timeline.**

There are no plans to migrate services to the PHSO during 2025 at this time.

10) **Does OneCare intend to offer bonus compensation for its executives in 2025? Please share any internal documentation pertaining to potential goals, assuming that the Board of Managers will be voting on said goals in December.**

There are no plans to change or modify the Variable Pay Program (VPP) design for eligible OneCare employees. Considering the recent decision to sunset the organization after 2025, the corporate goals will likely need to combine both programmatic outcomes and targets for successful operations throughout 2025. That said, goal approval and VPP payments are decisions made by the OneCare board, and the board has not yet met to discuss or make decisions on these matters.

11) **Is OneCare planning to work with primary care physicians to assist them to join another ACO for 2026 in order to have a coordinated transition for both physicians and patients?**

OneCare is willing to educate primary care physicians on various governmental models and help current participants understand their options should they have an interest in continued ACO participation; however, OneCare is not in a position to broker or arrange transitions or transactions on behalf of independent provider organizations.

12) **How does OneCare plan to support Vermont in the potential transition to the AHEAD model?**

One of the organization's primary goals articulated in the 2025 budget presentation is to ensure consistency for the provider network. In addition to financial consistency, this also includes maintaining the forward cost and quality progress achieved in prior years to enhance provider readiness as the launch of the AHEAD program nears. If there are other ways OneCare can be of service, please let us know.