

Submitted on Wed, 12/02/2020 - 14:13

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**Topic**

Accountable Care Organization

**Comment**

I am attaching a press release that five organizations released in September in opposition to the state renewing its contract with the ACO:

FOR IMMEDIATE RELEASE

September 28, 2020

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League of Women Voters of Vermont: Catherine Rader; 802-229-4737; [catherine.rader@myfairpoint.net](mailto:catherine.rader@myfairpoint.net)

Physicians for a National Health Program, Vermont Chapter: Betty Keller, MD; 802-748-1966; [bjkellermd@gmail.com](mailto:bjkellermd@gmail.com)

Vermont Health Care for All: Deb Richter, MD; 802-595-2820; [drdebvt@sover.net](mailto:drdebvt@sover.net)

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Nonprofits Ask State To End OneCare Affiliation;  
Urge Resources Be Shifted to Basic Health Care Needs

MONTPELIER, September 28. Five nonprofit organizations issued a joint statement today demanding that the Scott administration end the State's affiliation with OneCare Vermont, the accountable care organization (ACO) that now handles much of the money used to pay for Vermonters' health care. The State has an agreement with the federal government that has put OneCare—a for-profit company—in control of Vermont's health care system. The five groups asked that the state either immediately cancel that agreement, or at the very least, let the agreement expire in 2022 without renewal.

The five organizations are Justice for All, VT; League of Women Voters of Vermont; Physicians for a National Health Program, Vermont Chapter; Vermont Health Care for All and Vermont Workers' Center.

The joint statement is as follows:

“We ask the State to cancel or let expire its All Payer Agreement with the Centers for Medicare and Medicaid Services, which allows Medicare, Medicaid, and commercial insurance funds to pass through OneCare Vermont before being paid out to providers. We urge that the State concentrate instead on strategies to address the growing problem of health care access.

“This action is necessary because the State’s experiment with OneCare has taken essential resources from hospitals at a time when those resources are needed more than ever. In the latest misstep, One Care has severely reduced reimbursement for primary care physicians. This puts many practices at risk at a time when we need them most. OneCare cut reimbursement despite the fact that strengthening primary care is a key goal of the all payer agreement. In addition, OneCare’s intrusion into our health care system is expensive both for the Green Mountain Care Board to regulate and for the Agency of Human Services to administer.

“It is time to redirect wasteful administrative spending on the ACO to actually providing health care, especially as the coronavirus pandemic exposes and exacerbates inequities in our system.

“The number of uninsured Vermonters recently doubled to 7% as a result of employers laying off employees or dropping their insurance. The state’s clinics for the uninsured are seeing a surge in patients, particularly working people who are ineligible for Medicaid but for whom private insurance is unaffordable.

“Even prior to the pandemic, Vermonters faced difficulty accessing health care. High deductible plans and rising premiums made health care unaffordable for many. The pandemic has worsened those hardships.

“Therefore, State regulators, including the Green Mountain Care Board, must be relieved of the burden of trying to analyze OneCare’s complex and often meaningless data, and instead must begin working with hospitals and other providers to invest in primary care and to make improvements in health care access.

“Now is not the time to pour upwards of \$15 million a year into ACO administrative costs, adding layer upon layer of red tape onto an already administratively obese health care system.

“Of particular note is that annual salaries for the top five administrative positions at OneCare add up to almost \$1.5 million, a sum that could be used to hire at least seven primary care physicians at a time when Vermont is short about 70 primary care practitioners. Total elimination of OneCare administrative costs would yield enough savings to hire enough clinicians to completely end Vermont’s shortage of primary care doctors.

“In addition to OneCare’s direct administrative costs, the Green Mountain Care Board also incurs expense by hiring staff to regulate the ACO and to advance the state’s All Payer Model; and the Department of Vermont Health Access devotes staff and resources to administering OneCare’s involvement in Medicaid, all while the State budget faces a revenue shortfall. OneCare also adds administrative burdens to private health insurers and to Medicare.

“To fund this extra layer of administration, OneCare levies “dues” on participating institutions. Many of

Vermont's rural hospitals report a weakening of financial standing partly as a result of ACO dues payments and related information technology purchases. Springfield Hospital had to close its birthing center, forcing pregnant women to travel to Brattleboro, Rutland, or Lebanon, NH. Northwestern Medical Center had to close its addiction treatment center. Brattleboro Memorial Hospital closed its pediatric clinic. Other hospitals are laying off providers and scaling back services.

"Essential community health care services should not be sacrificed in order to finance a costly experiment in something that does nothing to improve access, and has little hope of saving money or improving quality. Instead of paying dues to OneCare, hospitals should be investing in primary care at the local level and increasing their support of clinics for the uninsured.

"Ultimately, all the costs of OneCare are borne by taxpayers and by people who are charged one way or another for health care or health insurance. During the current severe economic downturn, when funding is urgently needed for services to keep people healthy, the ACO has only added to the cost of health care. It has become an expensive and unnecessary drain on the system.

"We list 11 reasons why the ACO is a bad deal for Vermonters (see attached). These include OneCare's cost overruns, meaningless quality measures, and lack of any strategy to improve access to health care.

"Some of these reasons have been corroborated by the State Auditor of Accounts, who recently found that OneCare had not been transparent in reporting data to the Green Mountain Care Board. The Auditor also found that the ACO does not have a methodology for determining whether it has achieved any health system savings.

"We call on legislators, the Green Mountain Care Board, and the Scott administration to acknowledge the failings of the ACO initiative, to cancel or otherwise terminate the agreement underpinning the program, and to redirect the program's administrative costs to strengthening Vermonters' access to primary care."

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Regarding OneCare Vermont ACO  
Eleven Main Points  
September 28, 2020

1. The for-profit OneCare ACO by design does nothing to improve access to care; the uninsured are not included in the ACO, nor does it improve coverage for the underinsured. Due to the pandemic and job loss, the percent of uninsured Vermonters has risen to 7%.

2. The ACO was supposed to reduce costs. Instead, spending continues to rise even faster than established targets. OneCare had \$17.4 million in Medicaid cost overruns last year ; and health insurance rates grew by double digits in 2020.

3. There is little evidence of improvement in quality of care. In some cases, ACO performance is worsening. In others, the measures are meaningless because the goal was previously met.

4. The cost of ACO dues and administrative overhead often take away from essential health care services. One of Vermont's larger hospitals recently closed its Medication Assistance Treatment program

serving 400 opioid dependent patients because the program was considered too expensive (\$500,000). Yet this same hospital paid \$1.2 million in membership dues to the ACO. The money would have been better spent serving its opioid dependent patients.

5. OneCare's ACO cost overruns total \$90 million since 2014, with all three payers (Medicare, Medicaid, Blue Cross/Blue Shield).

6. The ACO's administrative costs have exceeded \$40 million over the last 3 years (2018-2020). OneCare's cumulative administrative costs are projected to surpass \$80 million over the course of the All Payer Model program. OneCare is unable to provide a net benefit to the system: administrative costs far outweigh savings. In 2020, the 3rd year of the 5-year All Payer Model Agreement, ACO participants total only 223,000 ; a little more than a third of all Vermonters.

7. The money spent on OneCare's administrative costs could be used to reinstate essential health care services that have recently been eliminated, and to bolster efforts by the state's clinics for the uninsured.

8. The CEO of OneCare earns over \$400,000 per year. The 2019 annual salaries of the top five OneCare administrators add up to nearly \$1.5 million . Given Vermont's lack of primary care practitioners, this money could be used to hire more primary care physicians.

9. OneCare promised it would strengthen primary care; however, the ACO has reduced upfront payments to primary care physicians for 2021. Vermont's shortage of primary care physicians continues to worsen and will be exacerbated by this reduction in primary care payments. Even though a core element of the All Payer Model is strengthening primary care, the Green Mountain Care Board tacitly supported the ACO's reduction in payments to primary care physicians at its September 9, 2020 hearing.

10. To date, the Green Mountain Care Board has no reliable method for determining if the ACO effort is cost effective.

11. A recent Auditor's report *The Growing Cost of Healthcare in Vermont: It's Time to Reel It In* concludes that Vermont could have saved roughly \$1 Billion in 2018 if it tracked the U.S. growth rate in per capita health care spending. Additionally, the report deduces that hospital market consolidation inevitably leads to decreased competition and higher prices.