

[“We have an underperforming ACO...\[the budget\] as submitted feels wasteful.”](#)

[“A declining organization, with an uncertain future.”](#)

This was GMCB member Thom Walsh on two occasions in recent months expressing his discomfort approving a budget when he “can’t see what’s being done.” Mere months later, there is no indication in OneCare VT’s 2024 budget submission that the public has any further insight as GMCB presumably still desires. Instead, similarly the budget is replete with familiar high-level representations and even dismissive assertions about the types of accountabilities GMCB has worked hard to help instantiate:

10. Discuss the results from the 2021 OneCare vs. National ACO Peer Cohort Comparison results that show low specialty care visits and spend, as well as high utilization, length of stay, and costs in skilled nursing facilities. Has the ACO been able to determine the causality behind these trends, and if so, please describe the findings. (Max Word Count: 300)

While the benchmarking report supplies some interesting information, it is a better reflection of the macro-level dynamics and capacity issues statewide. As such it is a tool for a regulator, not for an ACO; yet significant expense is born by the ACO to produce it. The areas of opportunity and strength in the report were generally already known and the underlying dynamics of comparison to other “peer” ACOs has proven weak, at best, due to the wide variations in how care is organized and delivered in local settings. Thus, OneCare is dedicating its limited resources to drive impact in identified areas of focus and not to spending time on further analysis of these findings.

Moreover, OCV strategically neglects to include what performance they actually do have for quality and cost of care, which clearly shows mostly [abysmal quality outcomes](#) and [millions in Medicaid losses thus far in 2023](#) for hospitals.

And yet, OCV takes its mission funding down by \$500k+ in this budget submission, whilst level funding its own executive salaries far exceeding national median standards. These very salaries are the subject of a [Vermont Supreme Court appeal OCV has filed](#) as a further act of recalcitrance in defying GMCB’s mandating a reduction for same. Most egregiously, OCV additionally seeks to prevent GMCB from satisfying its budget condition that [OCV disclose retrospectively and prospectively the flow of PCP funding](#) to demonstrate this highly material funding achieved its aims rather than merely falling to hospitals’ bottom lines. In 2022 alone this amounted to a material \$10mm+.

This is yet one more instance of an “Accountable” Care Organization eschewing accountability. Worse still, in both OCV’s [Ernst and Young annual audited financial statements](#) and their 2024 ACO budget submission, the deny the existence of any legal actions:

18. Are there any actions, investigations, or findings involving the ACO or its agents or employees (Rule 5.403(a)(6))? If so, please provide any updates or additional information not previously provided to the GMCB.

There are no actions, investigations, or findings involving the ACO or its agents or employees (Rule 5.403(a)(6)). Through the GMCB annual certification, budget, and reporting processes, OneCare has provided all required documents, including Compliance Policies.

In fact, OCV faces perilous litigation commencing January 2nd in Chittenden Superior Court, subject to a jury trial where if found guilty, damages before the jury would even award punitive damages could perhaps approach 5% of their annual administrative budget of nearly \$15mm. This is highly material, and it is the reason audited financials and ACO budget submissions by design seek transparency around legal actions. Such a damages award would torpedo any budget GMCB approves for OCV. What little public good will remains to support this ACO would be destroyed, as the allegations get to the very heart of the ACO's purported activities and the principal culpable actor now leads the UVMHN analytics OCV will spend \$2mm contracting with.

And against this backdrop for an ACO with such an uncertain future, the public is told that hospitals are considering leaving the ACO after its biggest payer – BCBS VT, confirmed they would not be returning to OCV in 2024:

OneCare's 2024 network development strategy remains consistent with the approach submitted to the GMCB on June 30, 2023. There is a continued focus on retaining current network participation for organizations committed to ACO programs by aligning programmatic financial risk and opportunity with provider risk tolerance levels and making modest adjustments to programs in response to participant input.

Network development challenges have expanded since the June report. Specifically, several hospitals indicated their potential withdrawal from OneCare programs citing financial fragility, the regulatory environment, and the potential to "do better" under Medicaid fee-for-service. They also indicated some frustration with OneCare data reporting; an area OneCare has agreed to meet with them to address. Financially, the magnitude of risk and participation fees relative to anticipated hospital margins is of concern; provider organizations need time and manageable risk to facilitate their ability to recover from the pandemic combined with historic labor and supply cost inflation. Additionally, there is dissatisfaction with fixed payment models that reconcile back to fee-for-service. In the regulatory alignment arena, there is need for proactive regulatory support to educate and

And yet as GMCB enjoined OCV to do in the 2023 budget, there has been no zero-based budgeting exercise, no diminishment in executive pay, no justification provided as [Chair Foster requested that outcomes for the Analytics transition be provided](#) so this budget season they can evaluate the Analytics investments Vermonter's will be making to the UVMHN monopoly. We have only this recalcitrant, litigious ACO's word that the \$15mm in tax and premium payer expended funds will be put to good use.

The public would call upon GMCB as follows:

1. Require a public accounting in the Income Statement pro-forma of potential projected financial impairments that could be incurred because of previously undisclosed litigation.

- a. Require contingency planning for how this projected amount would be satisfied without causing a material change to OCV's 2024 budget submission, particularly to ensure programmatic investments aren't written down.
 - b. Require the ACO to update and resubmit its annual audited financial statements.
2. Pause the ACO budget submission process until the Vermont Supreme Court rules on OCV's compliance with statute to reduce executive salaries and disclose fund flows for all PCP reform payments retrospectively and prospectively. Such funds flows are one of the few functions Member Walsh could identify this organization performs as a "pass through". If GMCB cannot even confirm funds flow as intended, what value is this organization actually providing?

Failure to perform these measures can only result in continued failure and accountability to the Vermont tax and premium payers who fund this organization. As well, failure to account and provide plans for potentially material financial impairments in January 2024 would result in the ACO having a material change in their 2024 budget submission and there must be a plan in place for how that will be properly resolved pre-emptively so that Vermonter's scarce health care dollars do not merely accrue to gratuitous executive salaries whilst funding for their stated mission is potentially reduced.