

OneCare Shows Higher Costs and Poorer Outcomes

Vermont Would Make More Progress on Health Care Reform Without OneCare

A recent letter to the editor by Abe Berman, Interim CEO of OneCare Vermont, attempted to make the case that OneCare was driving down the cost of care. The reality is that OneCare had worse results than the rest of the state, meaning Vermonters would have been better off without the ACO. Let me explain.

CMS engaged the NORC research team at the University of Chicago to evaluate Vermont’s All Payer ACO Model. NORC recently published its Third Evaluation [report](#) titled, “*Evaluation of the Vermont All-Payer Accountable Care Organization Model*”. A [summary](#) of this evaluation is found at “*CMS Findings at a Glance*”.

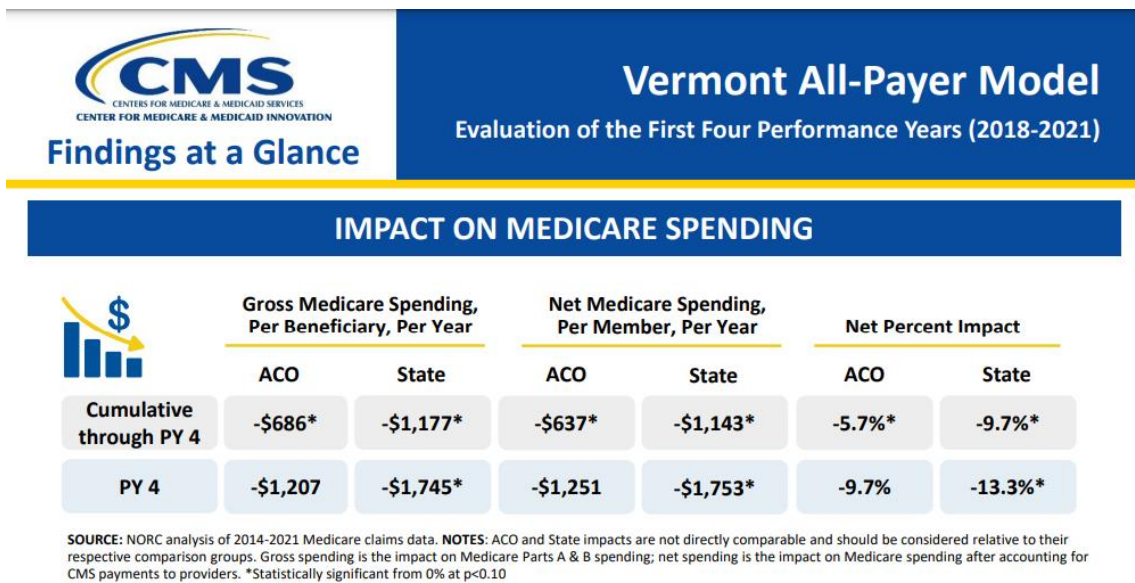
The focus of these reports is on Vermont’s Medicare spending and utilization. The results[^] indicate that Vermont’s sole ACO, OneCare Vermont, had higher costs and poorer outcomes than did the *state as a whole*.

In savings, utilization, and quality, Medicare Beneficiaries Statewide had better outcomes than Medicare beneficiaries served by OneCare.

SAVINGS

CMS’s *Findings at a Glance* shows that spending was far less for Medicare Beneficiaries Statewide (“State”) than it was for OneCare Medicare beneficiaries. During the All Payer Model’s four cumulative years, net spending for Medicare Beneficiaries Statewide was **\$1,143 less** per member per year while spending for OneCare Medicare beneficiaries was only \$637 less. (See table below.)

CMS also found that net Medicare spending for Beneficiaries Statewide showed a **9.7% reduction** over the four-year period. This is a much greater reduction than OneCare’s 5.7%. Also note the State’s remarkable **13.3% reduction** in PY 4. (See “Net Percent Impact” below.)



[^] As compared to their respective comparison groups.

UTILIZATION AND QUALITY OF CARE

The NORC research findings on utilization and quality show that Medicare Beneficiaries Statewide (“State-Level”) outperformed or performed similarly to OneCare Medicare beneficiaries in almost every category. Acute care hospital stays for Medicare Beneficiaries Statewide were down 18.7% compared to OneCare’s 10% reduction. The State-Level reduction in Acute care hospital days is even more impressive. Annual wellness visits increased for Medicare Beneficiaries Statewide but *decreased* by 21.5% for OneCare’s Medicare beneficiaries. (See table below.)

Medicare Utilization and Quality of Care^{^^}

Exhibit ES.3. Impact of the VTAPM on Utilization and Quality of Care, PY 4 (2021)

	ACO-Level	State-Level
Acute care hospital stays	-10.0%	-18.7%**
Acute care hospital days	-9.4%	-20.0%*
ED visits and observation stays	2.2%	-0.6%
Total evaluation & management (E&M) visits	-6.3%	-6.4%
Primary care E&M visits	17.3%	17.0%
Specialty care E&M visits	-27.2%***	-25.8%
Hospice days	-2.4%	-36.3%
Imaging, procedures, and tests	1.5%	0.2%
Annual wellness visits	-21.5%	2.8%
Ambulatory care-sensitive hospitalizations	3.3%	-0.6%
Unplanned 30-day readmissions	-27.1%	-20.0%

NOTE: Asterisks denote significance at *p<0.10, **p<0.05, ***p<0.01.

^{^^} See NORC Third Evaluation [Report](#) - page 8.

Absent from these research findings is an acknowledgment that Statewide performance was superior to OneCare’s performance. Also absent is any tally of the ACO’s high administrative costs totaling ≈ \$100 Million to date. These administrative costs are not accounted for in the NORC / CMS analyses. In sum, Vermont would have lower costs and make better progress without OneCare.

The Vermont All Payer ACO Agreement with CMS states the following:

“Termination by the State. *The State may terminate this Agreement at any time for any reason with at least 180 calendar days written advance notice to CMS.”*

It is time to abandon the ACO and begin Vermont’s reform efforts anew by building on our successful “Statewide” results, coupled with a laser-sharp focus on affordability and access.

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