

January 4, 2022

Dr. Elizabeth Fowler, PhD., J.D. Deputy Administrator and Director
Center for Medicare and Medicaid Innovation
Center for Medicare and Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244c

Dear Dr. Fowler,

We, the undersigned, strongly urge CMMI not to renew or extend the Vermont All Payer Accountable Care Organization Model Agreement with the State of Vermont. Instead, we respectfully request that you meet with us to discuss our concerns and hear our proposals for person-centered effective health reform that lowers costs and improves both access and quality. We believe such a system is attainable with your help.

We are disappointed and dismayed that over the past five years Vermont and the federal government have spent tens of millions of dollars to implement the model, yet Vermonters are not better off. Our health care system is not more affordable, more equitable, or more accessible. Indeed, the model and Vermont's sole ACO implementing the Agreement, OneCare Vermont, have failed in so many ways. Time that could have been devoted to effective and sustainable health care reform has been lost, and large sums of money have been squandered that could have been invested in initiatives that would have dramatically improved Vermont's health care delivery system.

There are numerous reasons the Agreement should not be renewed or extended:

- a. After five years of implementation, the model has failed to meet its stated goals, has failed to reduce health care expenditures and has failed to address the real drivers of high health care costs, including unnecessary bureaucracy and administrative costs, high hospital costs, specialist costs, and pharmacy costs.
- b. Taking into account the ACO's administrative costs and financial losses in Medicaid and commercial insurance, the cost of the model has far outpaced its savings. The Vermont Auditor of Accounts determined that [the model has cost Vermonters \\$30 million more than it has saved](#) - p.10.
- c. As you well know and have cited, the model has not met its targets for participation. Only 230,765 people,¹ comprising a mere 36% of Vermonters, are included in the model after four years of effort. This problem will soon worsen, because the University of Vermont Health Network (UVMHN) has just introduced, in partnership with a major private insurer, a Medicare Advantage program, rendering any future enrollees in this program ineligible to participate in the ACO. We want to be clear that even if the ACO were meeting its participation targets, we would not support renewal or extension because it is simply a flawed model that does not address the real causes of health care problems, including cost and access.
- d. In addition, the model is not achieving its stated goal of payment reform. [Less than 2% of Vermont's health care costs](#) are under true risk-bearing capitated arrangements (slide 10). The latest agreements with hospitals indicate they are currently bearing virtually no risk. The ACO has also confirmed that the major commercial insurer, Blue Cross Blue Shield of Vermont, is not bearing any risk at present.

¹ The most current [data on ACO participation](#) is from 2020 – page 6.

- e. There is no compelling evidence that the model has improved the quality of health care for the ACO's population. Additionally, not only have costs not been lowered, but [access to care has not improved](#).
- f. In the latest disturbing development, the state and federal government must pay OneCare over \$23 million because of reduced spending in Medicare and Medicaid in 2020. Yet everyone realizes that any underspending was due to patients and providers postponing care due to COVID. In addition, OneCare's quality measures declined in 2020. What sense does it make to pay a private entity more for doing less and doing it poorly?
- g. OneCare's most current [Organizational Chart](#) has five (5) full-time staff devoted to public affairs, marketing, and strategic communications, yet no clearly identified positions to monitor and evaluate this \$1.4 Billion initiative.
- h. In its recent budget presentation, OneCare announced it plans to redirect public health investments away from community resources that have promising approaches to address social determinants of health and instead focus on clinical approaches. We believe this is yet another mistake since prevention and keeping people healthy is key to true health reform.
- i. Those responsible for overseeing the model are not being fully transparent. At a recent virtual public hearing on the extension of the model, during which the state received many negative comments, state officials refused to answer questions about why Vermont is pursuing an extension of this model while, at the same time, also pursuing conversion of our Medicaid Agency to a Managed Care Organization (MCO). (Having both an ACO and a MCO is duplicative.) The officials also did not record the meeting, which is atypical and troubling.
- j. Most Vermonters do not know anything about the model, and of those who do, few understand it. The model itself and the language that describes it are overly and unnecessarily complex, despite repeated admonitions to the ACO to do a better job of communicating with Vermonters.
- k. Many people are concerned that the model is costing too much and accomplishing too little. There has been a recent surge of public comment against the model, some of which is attached to this letter – see Enclosures.
- l. The model is rife with conflicts of interest. Recently, the ACO has become a subsidiary of the University of Vermont Health Network (UVMHN), which constitutes a significant conflict of interest. How will the public interest be served by giving UVMHN expanded control over how the ACO determines and allocates payments to providers, of which UVMHN is the largest? We are alarmed that no one in a position to oversee healthcare, especially the Green Mountain Care Board, has seriously challenged this development or spoken out against it.
- m. In addition, there is a “revolving door” between state government and UVMHN, leaving Vermonters with no confidence that the whole endeavor is above board and operating in their best interests. Some examples include: Al Gobeille, former Chair of the Green Mountain Care Board and former Secretary of the Vermont Agency of Human Services, is now the Director of Operations for UVMHN; Anya Rader Wallack, former Chair of the Green Mountain Care Board, is now the lead spokesperson for UVMHN; Cory Gustafson, former Commissioner of the Department of Vermont Health Access (Medicaid), is now UVMHN's Director of Strategic and Business Planning.
- n. The growing consolidation of health care in Vermont led by UVMHN is approaching a monopoly. Market consolidation inevitably leads to decreased competition and higher prices and could lead to further reductions of services or closures of hospitals that provide vital services to communities in Vermont, a serious loss for a rural state with limited public transportation.

The state is currently pursuing a one-year extension of the All-Payer Model. Why for only one year if the model, as frequently asserted, has been successful and transformative? The response to that question so far has been muddled, to say the least.

Many Vermonters are committed to true health care reform. Many strongly prefer a universal system of care that is publicly funded. While that may not be achievable in the near future, there is much that can

and should be implemented now to improve health care in Vermont. Certainly, there is an opportunity for effective payment reform, making finances more flexible and less bureaucratic, contrary to the current model's approach. There is an urgent need to strengthen primary care by attracting more physicians, so that every Vermonter can have regular and timely access to primary care. In fact, Vermont's primary care physician workforce has been weakened because of ACO initiatives (e.g., reduced upfront 2021 payments.) There is also a great need to strengthen and expand access to mental health services since mental health needs cause or exacerbate many health problems, yet OneCare has dramatically cut funding for Vermont's Community Mental Health Centers in its 2022 Budget. Also, reform needs to address the social determinants of health. The growth of hospital costs needs to be reduced and more stringently regulated so that insurance premiums can be lowered. The current All Payer Model and ACO have done little in the way of addressing these issues.

Respectfully, we urge you to deny any extension of the All-Payer Model. Moreover, CMS should compel the State of Vermont to listen to Vermonters about what they need and how best to achieve it. By adhering to the principles of Vermont's [Act 48](#), passed in 2011, and working creatively with CMS, Vermont can achieve the very best health care system in the nation and demonstrate to other states how to do the same.

We stand willing to help, but we need your support to change direction. Please let us know when we can discuss these concerns directly and offer our alternative ideas for health reform.

Please direct all communication to Patrick Flood at pflood001@aol.com.

Sincerely,

Don Tinney, President, Vermont National Education Association

Deb Snell, RN, President, Vermont Federation of Nurses and Health Professionals

American Federation of Teachers, Vermont

Betty J. Keller, MD President Vermont Physicians for a National Health Program

Avery Book, President, Vermont Workers' Center

Sarah Launderville, Executive Director, Vermont Center for Independent Living

President, Vermont Coalition for Disability Rights

Karen Topper, Administrative Director, Green Mountain Self-Advocates

Mollie Wills, Rural Vermont

Kirsten Murphy, Director, Vermont Developmental Disabilities Council

Deb Richter, MD, President, Vermont Health Care for All

Julie Wasserman, MPH

Patrick Flood, Former Deputy Secretary of the Vermont Agency of Human Services

Cc: Senator Patrick Leahy

Senator Bernie Sanders

Congressman Peter Welch

Governor Phil Scott

Michael Smith, Secretary, VT Agency of Human Services

Attorney General Thomas J. Donovan

Auditor of Accounts Douglas Hoffer

Lt. Governor Molly Gray

House Speaker Jill Krowinski

Senate Pro Tem Becca Balint

Senator Jane Kitchel, Chair, VT Senate Appropriations

Representative Mary Hooper, Chair, VT House Appropriations

Senator Virginia Lyons, Chair, Senate Health and Welfare

Representative William Lippert, Chair, House Health Care

Hon. Kevin Mullin, Chair, Green Mountain Care Board

Janelle Gingold, Acting Director, State Innovations Group, Prevention and Population Health Group

Katherine J. Sapra, PhD, MPH, Acting Division Director, Division of All-Payer Models, State Innovations Group, CMMI

Fatema Salam, MPH, Health, Insurance Specialist, Division of All-Payer Models, State Innovations Group, CMMI

Enclosures:

[The Slow-Motion Implosion of Vermont's Health Care System](#)

[OneCare Vermont 2022 Budget Comments](#)

[OneCare Vermont Financial Performance](#)