

VERMONT LEGAL AID, INC.

OFFICE OF THE HEALTH CARE ADVOCATE

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November 30th, 2021

Kevin Mullin
Chair, Green Mountain Care Board
144 State Street
Montpelier, VT 05602

RE: HCA Comments on FY2022 OneCare Budget Submission

Dear Chair Mullin and Members of the Green Mountain Care Board:

Thank you for considering the Office of the Health Care Advocate (HCA)'s comments on OneCare Vermont (OCV)'s 2022 Accountable Care Organization (ACO) Budget submission. In our capacity representing Vermonters, we have met regularly with the Green Mountain Care Board (GMCB)'s ACO Budget staff to provide feedback on the budget guidance documents, review information, and discuss the HCA's questions and concerns about the ACO Budget process. The HCA submitted written questions to OCV and met with members of their leadership and administrative team on November 8th, 2021. We also met with OCV's Patient and Family Advisory Committee. We thank GMCB ACO Budget staff, OCV staff, and OCV's Patient and Family Advisory Committee for taking the time for these meetings, which were helpful and informative. Below the HCA provides comments and on four areas related to OneCare's 2022 budget submission: population health, transparency, evaluation, and cost estimation for Vermonters.

The HCA recognizes that the challenge of both running and reforming health care systems has been made more difficult by the COVID-19 pandemic. The All-Payer Model (APM) is largely untested and inevitably will need adjustments. Our comments and recommendations reflect our hope that Vermont's health care reform efforts can benefit Vermonters as well as our concern that the positive outcomes envisioned by the APM cannot be achieved without effective resource allocation and reform.

Concerns Regarding OCV's Commitment to Population Health Investments and Outcome Evaluation

The HCA has several concerns related to OCV's level of investment and engagement in population health management (PHM). OCV has consistently maintained that it will take time to see significant cost savings and quality improvements from their PHM investments. Yet despite predicting modest population increases in 2022, OCV's FY2022 budget shows a cut in funding for PHM from \$30.6

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million in FY2021 to \$28.9 million in FY2022.¹ OCV stated that they reduced their PHM investments because they needed to “propose a model to the Board of Managers that aimed to meet the strategic goals of the company and its participants.”² This does not explain the proposed cuts. OCV’s PHM strategy should be based on a clear accounting of costs and an evaluation of savings and quality outcomes stemming from each investment. In other words, OCV needs to explain how and why they are making structural changes and establish a clear methodology so they can be accurately evaluated.

It was concerning to hear that OCV plans to transition away from population health management programs to instead prioritize a new program rooted in “clinical prevention.” This decision, based on oral testimony at the FY2022 budget hearing, was apparently made after “consulting with providers,” and without sufficient evaluation of the impact of PHM investments over time. It is of course important to seek provider input given they are stakeholders in the ACO model. However, it should also not come as a surprise that providers would recommend more funding be allocated in the clinical setting given that this is their area of expertise. The HCA has concerns about a consultation process that does not prioritize input from a diverse array of stakeholders both within and beyond the provider community and does not leverage a clear process for evaluating program outcomes. As a learning organization, one of OCV’s defining features should be the ability to seek feedback from a broad range of stakeholders who are both involved in the ACO and *impacted* by the ACO and the APM, which includes Vermonters, small businesses, clinics, critical access hospitals, federally qualified health centers, and community-based organizations.

OCV also appears to have deprioritized its ability to assess its performance both in its current and proposed FY2022 budgets. The HCA agrees with GMCB member comments during the FY2022 ACO Budget hearing that it seems problematic for OCV to have at least four staff member FTEs focused on public relations, while only a 0.5 FTE is dedicated to evaluation. Undoubtedly, the COVID-19 pandemic has made it difficult to draw conclusions about the current and future performance of the ACO model. It remains unclear what evaluative approaches can be leveraged to account for the pandemic, but this ongoing analytical challenge calls for more resources to be allocated to performance evaluation, not less.

¹ OneCare Vermont. October 28th, 2020. “OneCare Vermont 2021 Budget Presentation.” *Green Mountain Care Board Meeting*;

<<https://gmcboard.vermont.gov/sites/gmcb/files/documents/2021%20OneCare%20Budget%20Presentation%20Final.pdf>>; OneCare Vermont. November 10th, 2021. “OneCare Vermont 2022 Budget Presentation.” *Green Mountain Care Board Meeting*;

<<https://gmcboard.vermont.gov/sites/gmcb/files/documents/2022%20OneCare%20Budget%20Presentation%20DF2.pdf>>

² OneCare Vermont. “Redacted FY 2022 Budget Narrative.” 1 October 2021.

<<https://gmcboard.vermont.gov/document/ocv-fy22-aco-budget-narrative>>

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The proposed cuts to PHM in the FY2022 budget also do not align with the stated goals of the Vermont Blueprint for Health and the All-Payer Model, which clearly commits the state to prioritizing community-led approaches to improving population health.³ OCV's FY2022 budgetary allocation of \$50,000 to community entities does not seem to support this commitment.⁴ Increasing funding to community-based organizations would be in the best interest of the State and Vermonters as a whole. More broadly, OCV's decision to shift resources away from public-health focused investments during a pandemic appears to disregard one of the widely published lessons from the pandemic itself – that a lack of investment in public health makes our society deeply vulnerable. This vulnerability inevitably leads to higher system costs and most importantly – greater preventable loss of life.⁵⁶

Finally, a similar issue related to lack of evidenced-based evaluation arose during the FY2020 ACO Financial Settlement and Quality Performance presentation to the GMCB on November 22nd, 2021, where it was highlighted that it remains difficult to determine if there are significant differences in quality performance measures between members attributed to the ACO versus those that are not. This is an important question for Vermont to answer as it evaluates the future of the APM. We understand that OCV may not be able to conduct this evaluation, but the state should work on reasonable ways to conduct this comparison.

Concerns Regarding OCV's Commitment to Transparency to Vermonters

As a non-profit, OCV is legally obligated to serve the public good. As the National Council of Non-Profits stipulates: "America's charitable nonprofits rely on the public trust to do their work. That is why it is so important that charitable nonprofits continuously earn the public's trust through their commitment to ethical principles, transparency, and accountability."⁷ The HCA has particular concerns about OCV's level of commitment to transparency. A clear example is OCV's continued failure to provide direct and complete answers to both the GMCB and HCA during the budget hearing process.

³ Vermont Blueprint for Health. 2021. <<https://blueprintforhealth.vermont.gov/>>.

⁴ OneCare Vermont, Slide 42.

⁵ Y. Natalia Alfonso, NY et.al. "US Public Health Neglected: Flat Or Declining Spending Left States Ill Equipped To Respond To COVID-19." *Health Affairs* 2021 40:4, 664-671.

⁶ Martin EG, Bekemeier B. "Investing in Evidence to Inform Practice: Reimagining the US Public Health System." *Health Affairs*. 6 April 2021.

⁷"Ethics and Accountability for Nonprofits." *National Council of Non-Profits*. 2021.

<<https://www.councilofnonprofits.org/tools-resources/ethics-and-accountability-nonprofits>>.

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Here are two examples:

- GMCB Round 1 Question 36: “UVMHN has become the sole parent organization for OneCare. What are the specific cost savings and quality improvements resulting from this change?”
 - OCV Response: “OneCare continues to receive the same cost savings from the services and infrastructure that UVMHN provides, including human resources, payroll, and IT. If OneCare had to independently purchase these services and resources the cost would be passed onto OneCare participants. OneCare also shares positions with UVMHN, such as Director of Care Coordination and Chief Medical Officer, which results in lower salary costs. Administrative efficiencies will continue to be achieved, such as streamlined internal processes including securing a banking (debt) guarantor and approval process for risk sharing backstop.”

The GMCB asked OCV about *specific* cost savings and OCV did not provide any dollar figures or even an estimate in its response.

- HCA Question: “Please specify, how will OCV’s model increase healthcare affordability for Vermonters on commercial plans in the next five years?”
 - OCV Response: “OneCare facilitates payer contracts on behalf of its participants that are designed to transfer accountability for health care cost and quality. Through the “shared savings/losses” concept, either a share of the savings or a share of the losses are retained/paid to the insurer. As a result, an ACO model can increase healthcare outcomes and affordability over any duration.”

The HCA asked OCV a direct and critical question about its model and received a e sentence, high-level response which provides no clarity about how OCV will improve affordability for Vermonters. OCV’s answers repeatedly showed an unwillingness to seriously engage with the GMCB and the HCA on important policy topics.

These responses are important because OCV must be accountable to Vermonters. It is a major health system vehicle with a charge to improve the health of Vermonters. Vermonters deserve honest, transparent, and understandable answers to questions posed by the regulatory and advocacy agencies that have been designed to safeguard their interests. Vermonters are also due an explanation of what return they are receiving on their investment. After all, whether the money is filtered through insurers or hospitals, OCV is spending Vermonters’ money.

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Comments on NORC Evaluation of APM Performance

The HCA would like to thank the NORC team for their evaluation of the APM and provide comment on several of the major conclusions from the report, which have not been widely discussed. The report concluded that “decreases in utilization and spending are likely the result of the [VT APM Model’s] *continuation* of years of primary care and population health investments in Vermont and a statewide culture of reform.”⁸ This finding appears to directly contradict OCV’s public statements that it “caused” reductions in utilization and spending. As is well-known, correlation is not causation – and this conclusion from the report triggers foundational questions about what entities and initiatives are truly driving improvements in Vermont’s health system.

We applaud OCV for its commitment to being a learning organization and encourage OCV to accept and make changes in response to both positive and negative feedback, including from the NORC evaluation. Key findings highlighted by the NORC team in their presentation to the GMCB on November 5th, 2021 also included the statements: “Lack of widespread understanding of the Model, perceived lack of transparency, and distrust have contributed to challenges engaging practitioners and the public” and “Transformation will require a more comprehensive transition to value based payment and a focus on upstream investments that address social determinants of health (SDOH).”⁹ The HCA recognizes that OCV is one component of the APM, but it is a central piece – and these findings underscore our position that OCV should improve its commitment to public transparency and more highly prioritize population health management investments.

Recommendation to Help Vermonters Estimate Health Care Costs

Our office recently undertook a storytelling project where we asked Vermonters to tell us about their experiences with medical debt. We received heartbreaking responses from hundreds of Vermonters who are suffering due to the high costs of medical care. One problem that we heard again and again from Vermonters was that many are afraid to get medical care because, despite their best efforts, they can never know beforehand what the out-of-pocket costs will be for a medical service. They either cannot find anyone who can tell them what the cost of the service will be before they have received it, or they think they know and then are surprised by extra charges when they receive their bills. Both situations lead many Vermonters to avoid seeking care altogether. Here are

⁸ NORC at the University of Chicago. “First Evaluation Report: Evaluation of the Vermont All-Payer Accountable Care Organization Model.” August 2021. p. 82.

⁹ NORC at the University of Chicago. November 5th, 2021. “First Evaluation Report: Evaluation of the Vermont All-Payer Accountable Care Organization Model.” *Green Mountain Care Board Meeting*.
<https://gmcboard.vermont.gov/sites/gmcb/files/documents/BoardPres_FirstEvaluationReportVTAllPayerACOEvaluation_NORC_20211105_0.pdf>

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some Vermont voices from our storytelling project speaking about the need for transparent and predictable costs:

We have been burned so many times by medical debt that we avoid going to the doctor until absolutely necessary. An example is that three years or so ago, I suffered through pneumonia for six weeks because I was afraid of what it would cost to see a doctor.

Since I can't know in advance how much a visit/test/procedure will cost, or how much 'insurance' will pay (usually next to nothing), I avoid going to the doctor at all.

It's simply not possible to know what the cost will be, ahead of time. and when the bill comes it's often impenetrably complex.

I'm not comfortable getting any healthcare at all because I don't know how much something will cost me until I get the bill maybe weeks later and can't risk it.

I constantly put off care!! I have insurance but never know what my obligations will be. Once you enter the medical system, it is a black hole of expense.

We understand that OCV is working to implement more predictable payments for providers. We ask OCV and other stakeholders to spend time considering how this dynamic could be leveraged to provide more predictable out-of-pocket cost estimates for Vermont consumers. For example, if a provider is being paid on a per capita basis for its patients, it seems reasonable for a fixed, all-inclusive charge to be set prior to appointments and communicated to the patient ahead of time. This would serve as a concrete and tangible benefit that OCV could offer to its attributed members.

We look forward to continuing to work with the Board and OneCare to improve health care access and affordability for Vermonters. Please feel free to reach out to us at hcapolicystaff@vtlegalaid.org with any questions or concerns.

Thank you,

The HCA Policy Team

s\ Mike Fisher, Chief Health Care Advocate

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