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Name

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Topic

Accountable Care Organization

Comment

RE: FY 2022 ACO Budget Request and One-Year Extension

The All-Payer Model/Accountable Care Organization has failed to address the barriers that make health care unaffordable and inaccessible to Vermont residents. It has not brought down costs, which means that people either forego care or go into medical debt. It has not solved the problem of the uninsured or underinsured. It has not increased people's ability to access care close to home, which is important in a state with poor public transportation.

This APM/ACO will not solve any of those problems, because it is based on false assumptions about our healthcare system. It has conflated payment reform with health care reform. It identified fee-for-service as the culprit, and hence instituted capitation with practitioners assuming financial risk as the solution. But the underlying problems with our health care system are not about payment models, so changing the payment model won't solve the problems.

A glaring example of what's wrong with this system appears in the recent ACO Financial Settlement. Vermont now owes the ACO \$15.4 million in Medicaid money because people used less care during the pandemic—many people postponing care due to concerns about COVID safety. The ACO set up a payment system that has its own logic, in which this makes sense. But outside of that bubble, it's an Alice-in-Wonderland world where we owe public dollars to the ACO for unused healthcare.

The ACO model is win-win for the ACO and lose-lose for the public. If the ACO overspends, we end up picking up the tab in higher premiums and out-of-pocket costs. If they save money due to underutilization, we pay the difference in public monies.

I urge the GMCB to acknowledge that this experiment has failed the people of Vermont, and to turn its energies toward developing and implementing a public system that meets the health needs of everyone in Vermont. Spending more time and money on trying to salvage this model will only drain resources away from actual health care. Instead, we need a system that prioritizes access for all and community-based care rather than care that is increasingly centered in UVM Health Network, the parent corporation of Vermont's sole ACO.