



October 1, 2021

Dear Green Mountain Care Board and Health Care Advocate Policy Team:

OneCare Vermont is, at its heart, an organization of health care providers. We exist to bring doctors, hospitals and other providers together to improve health and to negotiate and receive payments that reward good health outcomes for Vermonters.

As I look back on 18 months of the COVID-19 pandemic, I am deeply grateful to Vermonters across our state. The pandemic has strained every aspect of our health care infrastructure. People seeking care, and the frontline providers of that care, have endured unprecedented stress and upheaval during this ongoing public health emergency. Vermont's health care providers have shown phenomenal dedication, focus and professionalism in the face of these challenges, combating the spread of COVID-19 while continuing to provide essential care. I am amazed by their collective courage and resilience.

Our 2022 budget, detailed in the pages following this letter, sustains the continuing and critically important transition to value-based payment and delivery system transformation. The budget aims to find a balance between continued investment in reform and the cost for participating hospitals during the economic hardship of an ongoing pandemic.

I want to again highlight the compelling case for value-based care – especially in light of the past 18 months – and OneCare Vermont's vital role in this transition.

When the pandemic began, providers were forced to postpone many non-essential and in-person health care appointments to help prevent the spread of COVID-19. Because a volume-based, fee-for-service model pays providers for volume of services, such as seeing as many people as possible and ordering as many tests as possible, markedly reduced patient visits during the pandemic caused financial strain on almost every health care organization in Vermont, leaving some on the verge of closing their doors. During the pandemic, as in-person visits were on hold, our community of providers adapted quickly to reorient their processes for delivering care safely– from treating people outside, to new means of telehealth delivery, and other creative solutions to meet the needs of their patients. While they struggled to safely provide care, they received a portion of their revenues through fixed, predictable payments under contracts negotiated by OneCare. This gave them financial stability at a time when it was desperately needed. Beyond the immediate impact of these payments, this stability may have helped keep their doors open for the future.

Data and analytics have helped us navigate this pandemic. Our community of providers used information provided by OneCare to proactively reach out to patients with the greatest risk of COVID-19 due to social determinants of health, chronic conditions and age. At OneCare, data and analytics are core tools that can make a difference to providers – whether in response to a global pandemic, or while providing day-to-day patient care. [OneCare's tools](#) are used by participating providers to better care for Vermonters with hypertension, diabetes and those who could benefit from hospice care.



This is a watershed moment for all health care providers. The pandemic has highlighted how vulnerable our health care system is under the fee-for-service model, and it has shown why data and analytics are mission-critical to keeping all Vermonters healthy. We have concrete examples that show us why and how value-based care works: A [recent evaluation by NORC](#), an independent evaluator, found that the Vermont All-Payer Accountable Care Organization Model achieved statistically significant Medicare gross spending reductions at both the ACO and state levels, as well as Medicare net spending reductions at the state level; statistically significant declines in acute care stays at the ACO and state levels; and declines in 30-day readmissions at the state level. These findings provide clear evidence that we are on the right track. Vermont health care providers are proud to be leading the way – the Vermont way – as the federal government has proclaimed value-based care as the path forward for the nation.

OneCare and its members, Vermont's health care providers, are here – before, during, and after the pandemic – to work with our communities to transition to value-based care. Our recent strategic planning process and conversations with participating providers have helped OneCare focus on our core capabilities. We will continue to take steady steps toward stabilizing costs and improving health. We will do this through creating efficiency by negotiating value-based care contracts for providers; providing timely data and analytics to guide decision-making; investing in population health; and expanding value-based payments.

Now more than ever, we must continue to work together to achieve these goals. Transitioning to a value-based system is an absolutely necessary investment in Vermont's future. My vision is that, in five years, the majority of health care will be value-based, because it better serves our patients and communities and is more predictable for our providers. I hope that we will be spending more of our resources on community wellness and prevention and less on sick care and unneeded lengthy hospital stays. The faster we can move into the value-based care world, the better off the people of Vermont – and the health care providers who serve them – will be.

Respectfully,

A handwritten signature in black ink that reads "Vicki Loner". The signature is written in a cursive, flowing style.

Vicki Loner, RN,C, MHCDS
CEO