

December 5, 2019

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

Dear Chair Mullin,

Thank you for giving VAHHS the opportunity to express support for OneCare Vermont's proposed fiscal year 2020 budget and its ongoing work to create value-based care in our state.

As you are aware, policy makers and providers across the country are increasingly moving to value-based care models. Vermont's provider-led reform initiative, the All-Payer Model, focuses on prevention and coordinated care to keep patients healthy. OneCare plays a central role in fueling the APM efforts statewide. The ACO manages Medicare, Medicaid and commercial payer relationships; aligns provider-led innovations within its network; and coordinates preventive and chronic care management for patients.

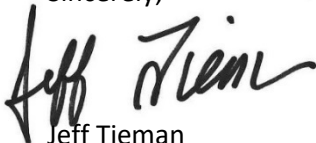
As partners in OneCare, hospitals are proud to have contributed significantly to the advancement of value-based care. OneCare's proposed fiscal year 2020 budget includes \$18 million in funding from hospitals for primary care, mental health care, public health work, and quality initiatives.

Vermont leaders knew early that value-based care is the future and got ahead of it with the APM and OneCare. We are still working toward the twin goals of affordably and meeting patient need in our communities while keeping hospitals financially viable. In the absence of our APM, a national approach would be decided and implemented by others outside our state. Such an approach may not consider Vermont's unique health care landscape.

Moving to a value-based system is not without its challenges including how to effectively manage the new financial risk hospitals take on as part of participating in the APM. The federal government anticipated the need for significant investment in the new value-based system and allocated \$209 million to Vermont for the five-year effort. These investments by the state and federal government have not materialized as expected, leaving hospitals to make the necessary investments and take new risk on their own.

The transition from fee-for-service is like converting from fossil fuels to renewable energy while having to keep the lights on: it really must happen but requires up-front investment and is complex and difficult. The challenging but critical work being done now to advance the APM and focus on wellness will make our system more sustainable, effective, affordable and patient-centered. We continue to support Vermont's move to value-based care and the ongoing work of OneCare Vermont.

Sincerely,



Jeff Tieman
President and CEO