



To: Susan Barrett, Michael Barber, Alena Berube, Melissa Miles, Sara Tewksbury, and  
Healthcare Advocate Policy Team  
From: Joan Zipko  
CC: Vicki Loner, Sara Barry, Tom Borys, Amy Bodette, Spenser Weppeler  
Date: June 19, 2020  
Subject: Budget Order Deliverables 9a-9h

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Dear GMCB and Healthcare Advocate Policy Teams:

Enclosed, please find OneCare's submission for deliverables 9a-9h per OneCare's FY2020 Budget Order (2/4/2020) and subsequent FY2020 Budget Order Amendment (4/6/2020) along with the Memorandum entitled "Guidance to OneCare Vermont re: FY2020 Final Budget Presentation" (5/14/2020).

Please note that payer contracts for Medicare, Medicaid, BCBSVT QHP and MVP QHP (item 9a) are not included as they have been previously supplied to the Board.

Please let me know if you have any questions.

Sincerely,

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Attachments (1)



# OneCare Vermont

## a) 2020 attribution and payer contracts

OneCare executed all payer contracts noted in the initial submission of the budget with the exception of the BCBSVT Primary agreement. This agreement is in the final review stage and execution is expected later this month. The table below shows the initial January attribution figures. Attribution for the BCBSVT Primary remains an estimate and final data will be available after execution of the contract and submission of the final network roster.

In addition to the ordinary variation between the submitted attribution estimates and the final attribution outcomes, there were two other significant changes. First, the Medicaid program now has two cohorts: Traditional and Expanded. The Traditional cohort attributes based on historical claims with a OneCare PCP. The Expanded cohort is comprised of lives that do not have a historical qualifying PCP visit, but OneCare has agreed to take accountability. Second, the BCBSVT Primary program has been divided into two cohorts as well. There is a “Risk” cohort for lives covered by health plans willing to participate in Vermont’s health care reform efforts, and a “Non-Risk” cohort for the remaining lives. In total, 2020 represented another year of significant attribution growth.

<b>Program</b>	<b>Contract Status</b>	<b>Preliminary Attribution</b>	<b>Initial Attribution</b>	<b>Variance</b>
Medicare	Executed	53,014	50,554	-2,460
Medicaid - Traditional	Executed	94,221	82,370	-11,851
Medicaid - Expanded	Executed	0	21,178	21,178
BCBSVT QHP	Executed	23,538	20,221	-3,317
MVP QHP	Executed	12,304	9,944	-2,360
BCBSVT Primary – Risk *	In Process	66,387	38,891	-27,496
<b>Scale Target Attribution</b>		<b>249,464</b>	<b>223,158</b>	<b>-26,306</b>
BCBSVT Primary – Non-Risk **	In Process	0	44,550	44,550
<b>Scale Target Attribution</b>		<b>249,464</b>	<b>267,708</b>	<b>18,244</b>

\* Attribution estimated

\*\* Attribution estimated and lives do not count towards Vermont scale targets

## b) Revised budget, based on final attribution

The accompanying budget summary represents the latest iteration of OneCare’s programs and operations. The components within are accurate as of June 16, 2020 when the budget was

approved by the OneCare Board of Managers. Lastly, note that the presentation layout is designed to transparently show the scope of OneCare programs and operations and is not intended to comply with GAAP.

In ordinary times this budget update would incorporate changes to attribution, benchmarks, and any downstream financial components. This revised budget, however, also includes the response to unrealized Delivery System Reform funding and the COVID-19 pandemic.

The budget changes can be generally classified as either changes to population health management (PHM) investments or operating expenses. In regard to PHM investments, changes required thoughtful decision-making to avoid further financial disruption to the provider network. The following decision criteria were used to guide this process:

1. Sustain existing OneCare programs
2. Sustain committed funding to network participants
3. Target initiatives with significant operational resource demands
4. Prioritize initiatives with potential short-term financial and clinical benefits
5. Target initiatives that are funded by hospital dues

The most substantive changes to the PHM investments include waiver of the requirement to fund 0.5% of the Medicaid All Inclusive Population Based Payment into the Value Based Incentive Fund, and rolling back planned investments in the pharmacy initiative and Innovation Fund. All of these budget modifications were aligned with the criteria outlined above.

Operating expenses were also modified in order to offer dues relief to the participating hospitals. These changes include a hiring freeze on all vacant positions, leadership compensation reductions, and modification to operating costs. In addition, the decision was made to forego reinsurance in 2020, which also results in material dues reduction for the hospitals.

The end product is a recast budget that responds to the public health emergency, retains the core operability of OneCare, and delivers \$6.2M of dues relief to hospitals. The COVID-19 pandemic changed our strategies, but the need for effective population health and payment reform remains essential to manage cost growth, improve quality, and improve patient outcomes.

### **c) Final description of population health initiatives**

#### Complex Care Coordination Program

OneCare promotes a decentralized, community-based approach for care coordination service delivery with the intent of creating a system of care in which all Vermonters have access to high quality, evidence-informed, interdisciplinary care coordination across the continuum. The foundation of the care coordination model is the Population Health Care Model which segments attributed lives into risk categories of (i) Healthy/well, (ii) Early onset/stable chronic disease, (iii) Full onset chronic disease/rising risk, and (iv) Complex/catastrophic. Care coordination interventions and expectations specific to risk category are defined, taught, supported and tracked across all

health services areas by OneCare's Care Coordination team. Training sessions covering various essential components of care coordination are conducted via in person, virtual, and on line venues. In 2020, the care coordination payment model will advance from a capacity based to a value based model. Originally targeted for April 1, 2020 implementation, the new value-based care coordination payment model implementation date was postponed to July 1, 2020 by OneCare's Board of Managers in response to the uncertainty created from the public health emergency and the desire to facilitate dependable funding streams to hard-hit provider organizations.

In 2020, the Developmental Understanding and Legal Collaboration for Everyone (DULCE) program is operating in four pediatric-serving primary care practices. Since the public health emergency, visits continue at pediatric sites primarily through telemedicine. Family specialists are joining visits through Zoom or video calls with providers and providing phone consults to families.

Another innovative advancement in the care coordination program in 2020 is the addition of the Longitudinal Care Program supporting in-home services provided to Vermonters with chronic disease, a recent hospitalization, and barriers to self-management such as anxiety or depression, who do not otherwise qualify for home health services.

Early in the public health emergency OneCare's Analytics team leveraged clinical guidance coming out of the Centers for Disease Control (CDC), World Health Organization (WHO), and Johns Hopkins to create a new self-service analytics tool that identified those in the population who are most at risk of serious illness or mortality if they were to become infected with COVID-19. The application allows users to select high risk criteria to narrow down their full patient panel and proactively outreach to the most at risk patients to ensure they are triaged, have information to stay safe, and at the same time can determine future needs for regular telemedicine visits. Since the initial release of the application, OneCare has continued to rely on the guidance of the previously mentioned organizations to make enhancements to better serve the needs of vulnerable Vermonters. Examples of application enhancements include the incorporation of COVID-19 test results from the health information exchange, as well as indicators of social complexity (e.g. food access and social isolation) which was a risk criteria coming from the CDC.

#### Population Health Management Investments

OneCare has continued its investment in primary care through a \$3.25 per member per month (PMPM) payment for each attributed life. This funding supports ACO-related activities in primary care to improve population health management, increase the utilization of available data provided by OneCare, and drive continuous quality improvement efforts to advance patient outcomes and experience of care delivered in the patient centered medical home (PCMH). This investment is projected to be nearly \$8.4M in 2020, and is funded from both hospital dues and payer contract contributions.

In response to the public health emergency, OneCare's Board approved the pre-payment of monthly PHM payments to its network for May and June 2020. This is intended to provide cash flow to practices hard-hit by the pandemic.

#### Comprehensive Payment Reform (CPR) Program

OneCare has budgeted \$1.2M to support independent primary care practices participating in the Comprehensive Payment Reform (CPR) program. The program is designed to move participating independent primary care practices away from a fee-for-service payment model to a value based payment model with a fixed per member per month payment across payers. This creates revenue predictability and reliability for practices and is intended to provide flexibility to reform care delivery systems alongside the payment reforms.

Changes to this program include a variable payment tied to engagement in the complex care coordination program, and the achievement of quality improvement targets were scheduled to take effect on January 1, 2020 (to be measured one quarter in arrears). As a result of the public health emergency, all provider types, including independent primary care, experienced significant financial hardships. While the CPR practices were partially buffered from this by their fixed payments through the CPR program, for their remaining volume-based revenue, the sharp decrease in utilization and unpredictability of the return of patient demand for care has created fragility in the system of care. On April 15, 2020 OneCare's Board passed a resolution to address the financial needs of CPR participants that provided 100% of the care coordination variable payments for their engagement in the care coordination program for the same time the capacity-based payment model is in place for the rest of OneCare's network. The resolution also noted that CPR participants continue to be measured on quality, but 100% of the variable payment would be released for reporting on the measures.

#### Expanded Medicaid Population

OneCare has received an additional 28,552 lives through expanded attribution from Medicaid in 2020. This population does not meet the traditional attribution requirement of having a qualifying visit with an ACO participating provider in the lookback period. They do have full Medicaid coverage (non-duals) and are eligible for Medicaid during the contract year. This includes those with no claims, members that are new to Medicaid, and members with some utilization visiting mostly specialists or using hospital services but no connection to a primary care provider. To encourage engagement with this population a one time, \$100 engagement payment will be made to a primary care provider that engages one of these members in a qualifying visit in the contract year. The Expanded Medicaid population is also eligible to participate in OneCare's Complex Care Coordination program.

#### Primary Prevention Programs

OneCare continues to believe that investments in primary prevention are necessary to achieve optimal health and wellbeing of all Vermonters. In 2020, OneCare has continued to support RiseVT through local community activities and programs in collaboration with area hospitals, health department district offices, and other interested community partners. With the advent of the public health emergency, OneCare's RiseVT team quickly reached out to work with these partners to make adjustments with sensitivity to the limitations caused by the pandemic. RiseVT quickly shifted to supporting the wellness of children and families in the home environment. The majority of RiseVT program managers based at hospitals throughout the state have been redeployed to support drive up testing and triaging patients within hospitals. To continue the wellness programming in local communities, the RiseVT state team launched a virtual campaign during this period called "We've

Got You” which offers wellness content through a daily statewide email promoting good health while at home as well as content aimed at preventing the spread of virus, obtaining and stretching food for families experiencing hardship, and strategies to care for your mental health. Over 650 Vermonters subscribe to the campaign with 12,506 followers on social media channels. In addition, the ShedsVT project, an evidence-informed model to reduce social isolation, improve health, and reduce suicide risk, that started in the spring in partnership with the Cigna Foundation, has been put on hold until 2021. As a result of these shifts, OneCare has been able to reduce programming costs for 2020 as reflected in our revised budget.

### Specialty Care

OneCare is collaborating in 2020 with many community providers to advance and coordinate provision of specialty care. Due to pre-pandemic uncertainty in full realization of Delivery System Reform funding, OneCare’s Board decided not to move forward in 2020 with testing and implementation of an embedded pharmacy program. In response to the public health emergency, OneCare sought to further reduce planned activities in this area with corresponding savings to the overall budget model. In 2020, OneCare is supporting:

- a chronic kidney disease (CKD) care coordination program that fosters patient-centered choices for care of patients with CKD and End Stage Renal Disease.
- a partnership with Vermont Care Partners and three of its designated mental health and substance abuse agencies (Washington County Mental Health Services, Northeast Kingdom Human Services, and Northwestern Counselling and Support Services) to embed mental health staff in local hospitals in an effort to reduce avoidable emergency department (ED) usage and augment access to mental health and substance abuse care for adults identified by the ED as in need for care.
- Continuation of the embedded mental health clinician in congregate housing pilot underway through a collaboration among Supports and Services at Home (SASH) and the Howard Center. Early program outcomes have demonstrated reduced stigma, improved access to mental health services, and a reduction in ED visits from 2017 to 2019.

### Innovation Fund

In 2020, OneCare continues to support eight projects funded through the 2019 funding cycles overseen by the Population Health Strategy Committee. As a result of the public health emergency, OneCare’s Board has eliminated new innovation project funding for 2020 and several existing project teams requested to pause their planned activities until it is appropriate to resume them in accordance with safe practices.

### Blueprint Programs

OneCare continues to fund the Supports and Services at Home (SASH) program as well as the Medicare portion of the Patient Centered Medical Home and Community Health Team payments for a total of \$8,401,660. This advanced payment is made possible because of OneCare’s contract with the Centers for Medicare and Medicaid Innovation for the 2020 ACO program. The payments are disbursed to Health Service Areas, regardless of participation in the Medicare program with OneCare. In 2020, 6 of the 14 hospitals are not participating in the Medicare program.

**d) Expected hospital dues for 2020 by hospital**

The following table compares the initial dues estimate to the revised budget. In total, the budget modifications yield \$6.2M of dues relief to the participating hospitals.

<b>Hospital</b>	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Change</b>
SVMC	\$1,900,307	\$1,519,831	(\$380,475)
CVMC	\$3,247,717	\$2,403,718	(\$843,998)
BMH	\$1,152,539	\$815,747	(\$336,792)
UVMMC	\$9,555,250	\$7,340,106	(\$2,215,144)
DH	\$1,153,414	\$1,044,146	(\$109,268)
Porter	\$1,259,947	\$782,832	(\$477,115)
Copley	\$204,388	\$137,162	(\$67,227)
NCH	\$1,062,570	\$824,845	(\$237,725)
Gifford	\$245,459	\$102,142	(\$143,317)
RH	\$1,430,792	\$1,031,701	(\$399,090)
Springfield	\$160,983	\$116,153	(\$44,830)
NMC	\$1,571,870	\$1,174,600	(\$397,271)
NVRH	\$749,945	\$525,519	(\$224,426)
Mt A	\$772,047	\$407,268	(\$364,778)
<b>Total</b>	<b>\$24,467,227</b>	<b>\$18,225,772</b>	<b>(\$6,241,456)</b>

**e) Expected hospital risk for 2020 by hospital and payer**

The COVID-19 pandemic disrupted care delivery patterns dramatically. As a result, OneCare is in active discussions with payers to evaluate appropriate program modifications to protect participating providers from added financial risk. While encouraged by the spirit of the conversations, modifications have not been finalized.

Because changes to the risk terms have not been finalized, the general magnitude of risk presented in the original 2020 budget submission remains in effect. As terms become final, OneCare will submit both the nature of these changes as well as the corresponding hospital and payer breakdowns to the GMCB.

**f) Any changes to the overall risk model for 2020**

The risk/reward sharing model has been discussed at length with network participants. At this point in time no change has been made. The risk model will continue to be evaluated in the context of the pandemic and the GMCB will be notified of any changes.

**g) Source(s) of funds for OneCare Vermont's 2020 population health management programs**

The accompanying 2020 Source of Funds table displays the underlying funding for each of OneCare's population health management initiatives. In some cases part of the program is funded using external support and the remainder is funded with hospitals resources. Note that that Specialist Program, Innovation Fund, and VBIF Quality Initiative line items are funded using hospital dollars obligated in a prior year.

**h) Any other information the Board deems relevant to ensuring compliance with this order.**

No other requests received to date.

# OneCare Vermont

2020 Budget

Summary P&L

6/24/2020

Revenue Category	2020 GMCB #1	2020 GMCB #2	Change
Medicare TCOC	\$537,956,206	\$526,275,110	(\$11,681,096)
Medicare - Blueprint Obligation	\$8,242,374	\$8,401,660	\$159,285
Medicaid - Traditional TCOC	\$282,844,678	\$248,513,292	(\$34,331,387)
Medicaid - Expanded TCOC	\$0	\$57,569,236	\$57,569,236
BCBSVT QHP TCOC	\$120,866,992	\$100,320,855	(\$20,546,137)
MVP QHP TCOC	\$46,830,443	\$46,728,978	(\$101,466)
BCBSVT Primary - Risk	\$373,742,964	\$225,249,708	(\$148,493,256)
<b>TCOC Targets Total</b>	<b>\$1,370,483,658</b>	<b>\$1,213,058,838</b>	<b>(\$157,424,820)</b>
Payer Program Support	\$10,757,375	\$11,477,109	\$719,734
DSR Funding	\$7,800,000	\$3,900,000	(\$3,900,000)
Fixed Payment Allocation	\$5,300,000	\$4,300,000	(\$1,000,000)
Health Information Technology	\$3,500,000	\$2,800,000	(\$700,000)
Other Revenues	\$2,325,838	\$1,829,074	(\$496,764)
Hospital Dues	\$24,467,227	\$18,225,772	(\$6,241,456)
<b>Total Revenue</b>	<b>\$1,424,634,098</b>	<b>\$1,255,590,792</b>	<b>(\$169,043,306)</b>
FFS Spend	\$890,593,232	\$811,574,481	(\$79,018,751)
Fixed Payment Spend	\$471,648,052	\$393,082,697	(\$78,565,355)
<b>Health Services Spending Total</b>	<b>\$1,362,241,283</b>	<b>\$1,204,657,178</b>	<b>(\$157,584,106)</b>
Base OCV PMPM	\$8,569,920	\$8,420,662	(\$149,258)
Complex Care Coordination Program	\$10,223,590	\$9,672,306	(\$551,283)
Value-Based Incentive Fund	\$8,387,232	\$5,640,553	(\$2,746,679)
Primary Prevention Programs	\$1,031,752	\$540,000	(\$491,752)
Comp. Payment Reform Program	\$1,606,613	\$1,192,196	(\$414,418)
Specialist Program	\$3,144,500	\$754,800	(\$2,389,700)
Innovation Fund	\$1,367,580	\$725,521	(\$642,059)
VBIF Quality Initiatives	\$167,505	\$33,000	(\$134,505)
PCMH Payments	\$1,894,417	\$1,993,092	\$98,675
Community Health Team Payments	\$2,379,711	\$2,440,322	\$60,611
SASH	\$3,968,246	\$3,968,246	\$0
Primary Care Engagement	\$375,000	\$636,436	\$261,436
<b>Total PHM Investments</b>	<b>\$43,116,066</b>	<b>\$36,017,134</b>	<b>(\$7,098,932)</b>
General Operations	\$18,200,836	\$14,916,480	(\$3,284,356)
Risk Protection	\$1,075,912	\$0	(\$1,075,912)
<b>Total Infrastructure</b>	<b>\$19,276,749</b>	<b>\$14,916,480</b>	<b>(\$4,360,268)</b>
<b>Total Expenses</b>	<b>\$1,424,634,098</b>	<b>\$1,255,590,792</b>	<b>(\$169,043,306)</b>
<b>Gain (Loss)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

# OneCare Vermont

2020 PHM Source of Funds Table

6/24/2020

<b>Initiative</b>	<b>Cost</b>	<b>External Revenue Source</b>	<b>External Funding</b>	<b>Hospital Funding</b>
Base OCV PMPM	\$8,420,662	Payer Contract Support	\$7,021,961	\$1,398,702
Complex Care Coordination Program	\$9,672,306	Fixed Payment Allocation; DSR; Payer Contract Support	\$4,846,872	\$4,825,434
Value-Based Incentive Fund	\$5,640,553	None	\$0	\$5,640,553
Primary Prevention Programs	\$540,000	None	\$0	\$540,000
Comp. Payment Reform Program	\$1,192,196	None	\$0	\$1,192,196
Specialist Program	\$754,800	None	\$0	\$754,800
Innovation Fund	\$725,521	None	\$0	\$725,521
VBIF Quality Initiatives	\$33,000	None	\$0	\$33,000
PCMH Payments	\$1,993,092	Medicare Shared Savings (if earned)	\$1,993,092	\$0
Community Health Team Payments	\$2,440,322	Medicare Shared Savings (if earned)	\$2,440,322	\$0
SASH	\$3,968,246	Medicare Shared Savings (if earned)	\$3,968,246	\$0
Primary Care Engagement	\$636,436	Payer Contract Support	\$636,436	\$0
<b>Total</b>	<b>\$36,017,134</b>		<b>\$20,906,929</b>	<b>\$15,110,205</b>