

Policy Number & Title:	02-05 Participant Fixed Payment Policy
Responsible Department(s):	Finance
Author:	Tom Borys
Date Implemented:	January 1, 2019
Date Reviewed/Revised:	June 2, 2019
Next Review Date:	June 30, 2021

Purpose: To define the methodology used to calculate and adjust the Participant fixed payments.

Scope: This is applicable to all Participants accepting a fixed payment except those participating in the Comprehensive Payment Reform (CPR) Program.

Policy

- 1) In alignment with All Payer Model, hospitals that participate in OneCare Vermont (OneCare) Programs that offer a fixed payment option will accept a fixed payment.
 - a) OneCare will consider requests for exceptions based on unique circumstances or other good cause.
- 2) The fixed payment amounts are subject to monthly changes, calculated by management, for the following purposes, that are pre-identified causes of programmatic payment fluctuations:
 - a) Changes in attribution
 - b) Changes in the amount paid to OneCare by the plan
 - c) To minimize the amount of any reconciliation expected at the conclusion of the Performance Year
- 3) In the event a Participant experiences a material change in circumstance such as a significant increase or decrease in service volume or change in services (a cause of programmatic payment fluctuations that is not pre-identified), the Finance Committee will review the circumstance and recommend an appropriate course of action regarding the ongoing fixed payment amount to the Board of Managers who will determine the course of action.
- 4) The fixed payment amounts will be calculated separately for each program using the following guidelines:
 - a) Medicare
 - i) Once Medicare gives OneCare the fixed payment (aka AIPBP) amount it will pay to OneCare on a monthly basis, OneCare will allocate the fixed payment between participating hospitals with the intent of matching each hospital's fixed payment with OneCare's best estimate of monthly average of zero-paid (i.e. shadow) claims that Medicare will approve for each hospital in the Performance Year.
 - ii) The year-to-date and monthly fixed payment amounts paid to each hospital will be compared to zero-paid claims described in section 4.a.i on an ongoing basis. Periodic adjustments will be made to fixed payment amounts to minimize the magnitude of any overpayment and/or reconciliation to the participating hospitals at final Program Settlement.
 - b) Medicaid

- i) Once DVHA gives OneCare the fixed payment (aka Fixed Prospective Payment or FPP) amount it will pay to OneCare for January of the Performance Year, OneCare will allocate that fixed payment between participating hospitals with the intent of aligning as closely as possible with the terms of the HSA Benchmark Policy.
- ii) Thereafter, the monthly variances in DVHA's payments to OneCare will be equitably allocated amongst hospitals based on the modeled impact to their programmatic service delivery volume, including where the attribution changes occurred.
- iii) If new information emerges, all payments made may be reviewed and reconciled to generate the best possible alignment with the HSA Benchmark Policy.
- c) Other Programs
 - i) Other Programs may offer a fixed payment option. If the model is a reconciled fixed payment, the fixed payments will be set in a similar manner to Medicare. If the model is not reconciled, the fixed payment will be set in a similar manner to Medicaid.

Ongoing Review



- 1) Some Program Agreements allow for review of the results well after the final settlement has concluded. In the event that a plan initiates this subsequent review, the results will be brought to the Finance Committee and Board of Managers for review and a decision in regard to the best way to manage the circumstance. The Board's actions may supersede any/all methodologies outlined in this policy.

Related Policies/Procedures: N/A


Location on Shared Drive:

S:\Groups\Managed Care Ops\OneCare Vermont\Policy and Procedures\Policies

Management Approval:

	6/27/19
Director, ACO Finance & Analysis	Date
	7/14/19
CHIEF OPERATING OFFICER	Date

Board of Manager Approval:

	7/1/19
Chair, OneCare Board of Managers (Required)	Date