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| Policy Number & Title:     | 02-04 Dues Policy |
| Responsible Department(s): | Finance           |
| Author:                    | Tom Borys         |
| Date Implemented:          | January 1, 2020   |
| Date Reviewed/Revised:     | June 2, 2019      |
| Next Review Date:          | June 30, 2020     |

**Purpose:** To define the methodology used to calculate and collect the annual dues paid to OneCare by the network participants who are Risk Bearing Entities.

**Scope:** This is applicable to all network participants that contribute dues.

#### Policy

- 1) Risk Bearing Entities ("RBE") participating in OneCare Vermont (OneCare) Programs will pay dues to OneCare for the purpose of funding that portion of programs and/or operations/administration that are approved by the Board of Managers, but are not funded from other sources such as payer contributions..
- 2) The Annual Aggregate Dues Amount is the total Program Year funding for Programs and operations/administration described in paragraph 1. It will be calculated as part of the OneCare budget process. All figures used to determine the Annual Aggregate Dues Amount will be derived from the Board-approved OneCare budget.
- 3) The Annual Aggregate Dues Amount will be calculated by: (1) subtracting any payer, government, or other revenues from the budgeted OneCare expenses for Programs and operations/administration and (2) adding contributions to reserves required by Programs, regulators or approved by the Board (positive or negative).
  - a) In the event designated Programs and/or operations/administration expenses are to be funded through shared savings or other Program settlement funds, those amounts will be excluded from the Annual Aggregate Dues Amount.
- 4) The Annual Aggregate Dues Amount will be allocated between RBEs using the following methodology:
  - a) The total modeled RBE Program Supplemental Payments will be subtracted from the Annual Aggregate Dues Amount to determine the Net Dues Amount.
  - b) The Net Dues Amount will be proportionately allocated amongst RBEs using the most recent GMCB-approved Net Patient Services Revenue (NPSR) budgets as the basis.
  - c) Each RBE that is a Critical Access Hospital will then receive a 50% discount from its preliminary allocation.
    - i) The gross total of this discount will then be proportionately allocated to all non-Critical Access Hospitals using the most recent GMCB-approved NPSR budgets as the basis.
  - d) If, at this point, any RBE's preliminary dues allocation is in excess of its Maximum Risk Limit (MRL) for all Programs combined, the preliminary dues allocation amount will be replaced with the RBE's aggregate total MRL.
    - i) Any balance not accounted for will be proportionately allocated to all non-Critical Access

Hospitals RBEs whose dues have not met their MRLs using the most recent GMCB-approved NPSR budgets as the basis. This process will happen iteratively until all dues have been allocated.

- e) Each RBE's modeled Program Supplemental Payments will be added to determine each RBE's Gross Dues Amount.
- f) The total Gross Dues Amounts will tie to the Annual Aggregate Dues Amount for all Programs.
- 5) If there are any material changes to the budget, or actual or reasonably expected OneCare revenues, the change(s) will be brought to the Finance Committee and the Board of Managers for review. Decisions made by the Board of Managers may result in a recalculation and reconciliation of dues.
- 6) OneCare will deduct each RBE's monthly dues allocation from other payments to be made to the RBE (ex. fixed payments, Program Supplemental Payments). If the monthly amount of the deduction is in excess of the amount that would be otherwise paid to the RBE OneCare will invoice for the dues amount separately and the RBE must pay within thirty (30) days to remain in good standing with OneCare.

Related Policies/Procedures: N/A

Location on Shared Drive:

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

Management Approval:


  
Director, ACO Finance & Analysis

6/27/17  
Date

  
CHIEF OPERATING OFFICER

7/10/19  
Date

Board of Manager Approval:

  
Chair, OneCare Board of Managers (Required)

7/1/19  
Date