



OneCareVermont

Procedure Title:	OneCare Vermont Value-Based Incentive Fund Calculation & Distribution Process
Procedure Number:	F04-01
Responsible Department/s:	Finance/Government Programs/Operations
Date Implemented:	January 1, 2017
Date Reviewed/Revised:	November 13, 2016
Next Review Date:	Annually

Purpose: The purpose of this Procedure is to ensure a uniform and systematic process for the calculation and distribution of the Value Based Incentive Fund (“VBIF”) from ACO programs to eligible participants who are in good standing as an ACO Participant.

Scope: This procedure applies to Value Based Incentive funds earned under the programs that the OneCare Vermont Accountable Care Organization, LLC (“OneCare”) participates in. For Performance Year 2017, this is limited to the Vermont Medicaid Next Generation (“VMNG”) program.

Procedure: VBIF distributions will be calculated for each program individually and paid out separately to each eligible participant. This procedure is applicable for each program and is initiated after final quality measure performance has been reported by the payer after the close of the performance year.

1. **VBIF Calculation:**

Upon receipt of final quality measure performance report from the payer, OneCare Director of Finance will inform OneCare Finance Committee and OneCare BOM as well as participant executive contacts.

- a. OneCare Finance and/or Analytics team will run a report of total attribution and expenditures by TIN for the full performance year with run-out as specified in the ACO Program Agreement.
- b. For eligible participants, the percentage of total attributed lives and percentage of total hospital, specialist and other expenditures (defined based on provider type), is calculated at the TIN level.
- c. Total available VBIF funds will be divided into two pools with 70% going in the primary care pool and the remaining 30% going into a general distribution pool.

- d. The primary care pool will be apportioned to each TIN based on the number of lives attributed to that TIN. The general distribution pool will be apportioned based on the percentage of total eligible expenditures at that TIN.
- e. OneCare Senior Leaders will review/approve the calculations to be shared with Finance Committee.
- f. OneCare Finance Director will share the initial calculations with the OneCare Finance Committee and BOM.
- g. OneCare Finance will incorporate any recommendations from Finance Committee and/or BOM relating to finalized calculation(s).
- h. OneCare Finance will provide OneCare Operations Team with a list of eligible TINs
- i. Final distribution is sent to OneCare Finance Committee for review and approval.
- j. Once final distribution is approved by OneCare Finance Committee, the BOM votes to approve distribution for applicable ACO program.

2. **Electronic Funds Transfer Account Set Up:**

- a. OneCare Vermont (OneCare) Operations Team will perform outreach via telephone and email to the financial contacts of each eligible participant to obtain (or confirm) ACH banking information for an electronic funds transfer based on the list of eligible TINs supplied by OneCare Finance.
- b. Eligible participants will send ACH banking information (bank name, routing number, account number) as well as a valid W-9 via confidential fax to (802)847-6213 or secure email to: onecareoperations@uvmhealthvt.org
- c. OneCare Finance will consolidate account information and work with its banking institution to set up an ACH batch for all payments.
- d. OneCare Operations will validate all participant TINs and ACH batch information once consolidated list is completed by OneCare Finance.
- e. OneCare Operations will collect and validate TIN information and Legal Business Address for those entities that are unable to accept ACH Batch Transfers. (Please see Step 4 – Shared Savings Distribution (Check Generation & Distribution))

3. **VBIF Distribution (ACH Batch Transfers):**

- a. A notification letter signed by OneCare CEO or Director of Finance is prepared and sent to all participants indicating the total VBIF amount earned for each program.
- b. OneCare Director of Finance prepares bank ACH batch transfer (or multiple batch transfers, as needed) and OneCare VP Operations or CEO approves the batch for disbursement.
- c. OneCare Operations team will confirm receipt of funds with a sample of participants from the ACH batch transfers.

4. **VBIF Distribution (Check Generation & Distribution):**

For eligible participants that cannot accept ACH transfers, a manual check will be generated.

- a. OneCare Operations is notified by Participant TIN of their preference for a mailed check instead of ACH Batch Transfer.
- b. OneCare Operations Manager will work with OneCare Approved Signer to obtain appropriate signature(s) for check distribution.
- c. OneCare Operations Manager will complete all appropriate information for check processing to Participant TIN.
- d. Approved/Signed letter from OneCare Director will accompany completed check to Participant TIN addressed to the attention of the Participant CEO.
- e. All ACH Batch transfers and checks will be tracked by year and will be kept on file in the following location: O:/VBIF/(PROGRAM NAME) for 20xx Calendar Year.

5. **Quality Controls & Audit Procedure(s)**

- a. OneCare Operations manager will randomly select ten (10) participants who received shared savings distribution via ACH Batch Transfers and confirm by phone or email the date and dollar amount of transfer directly with Participant TIN Financial Contact to ensure receipt of transfer.
- b. OneCare Operations Manager will randomly select five (5) participants who received shared savings distribution via prepared check and confirm with OneCare Director of Finance that prepared checks have been cashed through OneCare banking institution.
- c. Copies of all OneCare Banking Institution transfer documents and copies of checks will be kept on file in the following location for tracking purposes:
O:/VBIF/(PROGRAM NAME) for 20xx Calendar Year/ACH Batch Transfers

References: Program Agreements and Participation Agreements

Monitoring Plan: Finance Committee to review this procedure annually

Director, Finance _____

Date _____