OneCare Vermont

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To: Senators Ann Cummings, Jane Kitchel, Ginny Lyons, and Richard Westman; Healthcare Reform Oversight Committee
From: Vicki Loner, CEO, OneCare Vermont, Accountable Care Organization, LLC
Cc: Representatives Janet Ancel, William Lippert, Ann Pugh, Kitty Toll; Governor Phil Scott; Secretary Michael Smith; Deputy Secretary Martha Maksym
Date: October 28, 2019
Subject: OneCare Vermont ACO Questions

Thank you for the opportunity to clarify the information in our Budget Plan around the Delivery System Reform (DSR) request, our administration, and our implementation successes to date. This dialogue is critical to our collective success under the All-Payer ACO Model Agreement (APM). Large scale reform is challenging, and OneCare (representing groups of Vermont providers), is fully committed to the success of the agreement signed by the State. The APM creates the opportunity to shift to a system that pays for value, not volume, wellness instead of illness, provides predictability, and enhances access to care.

For ease of reading, we have included your questions for each area of focus, with our answers immediately below. We look forward to continuing our work with health care providers across the state, care coordinators, patients, the Administration, Agency of Human Services, the Green Mountain Care Board (GMCB), and the Legislature to do better for Vermonters every day. Please do reach out if you have any additional questions, and we would welcome an opportunity to have further discussions with your Committee.

Attachment:

A. Organizational Chart

Delivery System Reform Funding

1) **Do you agree with Chair Mullin's assessment? If so, on what basis?**

Response: *OneCare agrees that Delivery System Reform (DSR) dollars are critical to transformation of healthcare in Vermont. The DSR program was rightly negotiated by the State of Vermont as a significant element of the 1115 Global Commitment Waiver to provide essential transformational, programmatic, and infrastructure health reform funding as we proceed under the All-Payer ACO Model (APM). Both the State and Federal government recognized that DSR funds are necessary to make the shift to value based care. These initial investments would support access to primary care, prevention, and management of chronic illness. DSR funds in support of Vermont's APM have been largely untapped, leaving Federal dollars on the table. The provider community has united to support the State's agreement and have funded $49.6 million in investments to date, while agreeing to take on the financial risk exposure that is required under the model. This model is an opportunity for the State and providers of care to work together in a sustainable, thoughtful, and concerted way to improve the health and experience of care for Vermonters.*

2) **What did not happen that would have happened if the amount of DSR funding had been greater?**

Response*: It is hard to predict what didn't happen because the amount of DSR and federal funds were not greater. The hospital provider community stepped up to fill the gap in funding. Investments were used to form the ACO as the vehicle (as necessitated under the Agreement), to fund population health programs that support the APM care goals, and to take on the financial risks under two sided risk contracts with payers. At the midpoint, if the model is to grow like intended, the hospitals cannot be expected to continue to fund the preponderance of investments (~$25 million in 2020), take on more financial liability (~$44 million in 2020), and still operate in an environment that that has only partially transitioned to value-based care. It is important to leverage federal dollars during the formative years so that the provider community can be provided with the tools and resources necessary to successfully achieve the goals under the All-Payer ACO Model.*

3) **Can you provide a detailed description of how additional funds would have been expended and the expected benefit to Vermont patients and consumers?**

Response: The investments we are asking to fund with DSR dollars are to help balance the expenditures. They include investments in workforce, primary care prevention, mental health, and management of chronic illness, and expansion of our care coordination programs including support for longitudinal care, pediatrics, and clinical pharmacy supports. OneCare- and its provider participants- believe these investments are needed to continue making progress under the APM care model goals- expanding access, decreasing harmful impacts of mental health and substance use, and decreasing prevalence of chronic disease.

4) **How much money has OneCare Vermont received in DSR payments to date, and from what sources? How has OneCare Vermont used these funds?**

Response: OneCare has received all DSR directly from the Department of Vermont Health Access through CY 2018 and CY 2019 Vermont Medicaid Next Generation ACO Program contracts. Note the numbers include the full amount and then then an estimate of State share (general fund) based on a 50/50 match rate. No funding was provided in the 2017 contract year.

- 2018 DSR: $6,399,503 (~ $3,199,715 in general fund) used to support community based care coordination and systems and analytics to support providers moving to value and risk based contracts
- 2019 DSR: $2,975,000 allocated for the year (~$1,487,500 in general fund); ~$1,120,000 paid to date in CY 2019. Used to support community based care coordination and systems, primary prevention activities in ACO-participating communities, and analytics to support providers moving to value and risk based contracts

OneCare has also received HITECH support funding to stand-up and support statewide analytics and care coordination systems. We understand these funds to be 90/10 funding, meaning that 10% of the amount is funded through State general funds. The total funding from this source 2017-2019 is $4,168,000 (~$416,800 in general fund) through 2019 (with $2,793,000 having been received to date).

OneCare Vermont's FY2020 Budget Submission

1) **How did OneCare Vermont arrive at this specific sum?**

Response: Of the $13.1M identified in health care reform investments, $6.0M is a request for new programs to include investments in primary care prevention, mental health, management of chronic illness, and expansion of our care coordination programs including support for home health longitudinal care, pediatrics, and clinical pharmacy supports. The $1.8M is for continuation of existing funding to expand programming that has been launched to date (RiseVT). The DSR funds are eligible for federal match as memorialized in Vermont's 1115 Global Commitment waiver (to fund activities in support of the All-Payer Model Agreement). We understand rates may vary, but believe that approximately half of these requested DSR (new and existing) funds (~$3.9M) would come from state investments contributions.

The remainder ($5.3M) includes OneCare's Fixed Payment Care Coordination Allocation, which would be fully within the Medicaid total cost of care rates, meaning that OneCare is voluntarily shifting funds into this investment category at no additional cost to the state.

2) **What does OneCare Vermont plan to do with these funds, should they be provided?**

Response: The DSR funds would help to balance the expenditures, include investments in primary care prevention, mental health, management of chronic illness, and expansion of our care coordination programs including support for longitudinal care, pediatrics, and clinical pharmacy supports. OneCare- and its provider participants- believe these investments are needed to continue making progress under the APM care model goals- expanding access, decreasing harmful impacts of mental health and substance use, and decreasing prevalence of chronic disease.

OneCare Vermont Administration and All-Payer ACO Model Implementation

1) **Please describe OneCare Vermont's current administrative structure and provide an organizational chart.**

Response: OneCare provides the necessary legal vehicle for the entire system of care to come together in a unified way to be accountable for the care delivered to Vermonters. Almost 70% of our operating expense is directed towards providing our participating providers with tools, data, and subject matter expertise so that they can be successful under a model that holds them finically and clinically accountable. The ACO acts as a shared resource, absent the ACO vehicle, each health provider/ organization would have to purchase these resources independently to be successful under the value based models that are happening at a Federal level[1], regardless of Vermont's policies.

As requested, we have included our organizational chart. Note in 2020 the OneCare CEO and CFO will be fulltime employees of OneCare and not have additional commitments to the University of Vermont Medical Center or the Adirondack ACO in New York.

We would also like to take this opportunity to address our tax status. OneCare is not operated to make profits. We are provider led and operate in alignment with the non-profit missions of our founders and the many providers who participate. OneCare budgets to break even and surpluses are either added to reserves that are required by regulators or distributed to provider participants who have met the standards for delivering high quality care. Although we believe that OneCare could fulfill the tax exempt non-profit requirements, as a strong provider led LLC, it is not eligible for Vermont non-profit status under current Vermont law. Unique restrictions in Vermont law do not allow non-profits to have more than 49% of their Board financially interested. ACO regulations require that 75% of the Board be provider representatives, and providers can receive savings and funding from the ACO.

2) **Please describe OneCare Vermont's success to date in meeting the care targets under the All-Payer ACO Model. How can OneCare Vermont improve its progress?**

Response: OneCare, as a collaborative and voluntary network of health care providers and health-related community based service agencies, are working to support the care goals under Vermont's All-Payer ACO model: 1) access, 2) reducing deaths related to suicide and drug overdose, 3) reducing prevalence and morbidity of chronic disease.

Since its inception, OneCare has provided additional investments for primary care, provided funds for communities to test innovation, funded prevention programs such as RiseVT and DULCE, and retained funding flowing to state reform efforts like the Vermont Blueprint for Health and Support and Services

[1] CMS Quality Payment Program https://www.cms.gov/Medicare/Quality-Payment-Program/Quality-Payment-Program.html

at Home (SASH) that would have ceased without the ACO. To date, the hospitals have provided funding to these investments in the amount of ($49.6 Million).

Now in 2019, we have the majority of communities participating under an ACO model and promising process and outcome results in many communities, all while maintaining and or improving in several quality and patient experience measures. Some notable results include:

- Six-fold increase (>3,000 people) in the number of Vermonters covered under complex care coordination programs.
- 33% reduction in emergency room use for Medicare patients supported in care coordination.
- 13% reduction in emergency room use for Medicaid patients supported in care coordination.
- 91% of high and very high risk Medicare patients have seen their primary care provider in the first six months of 2019.
- OneCare is third in the country for use of the Skilled Nursing Waiver which allows patients to be treated at a level of care appropriate for their unique needs.
- Home Health Longitudinal Care Pilot saves ~$1,100 per member per month and allows Vermonters to remain at home, avoid emergency department visits, and hospitalizations.
- OneCare's provider network is supporting individuals with mental health concerns after emergency department visits as evidenced by achieving the 90th percentile benchmark compared to ACOs nationally.
- Vermont is one of eight states with more than 20% of eligible people in an ACO program.
- OneCare is the only ACO operating under fixed prospective payments for hospitals and primary care.