

Joint Testimony for Senate Health and Welfare And House Health Care

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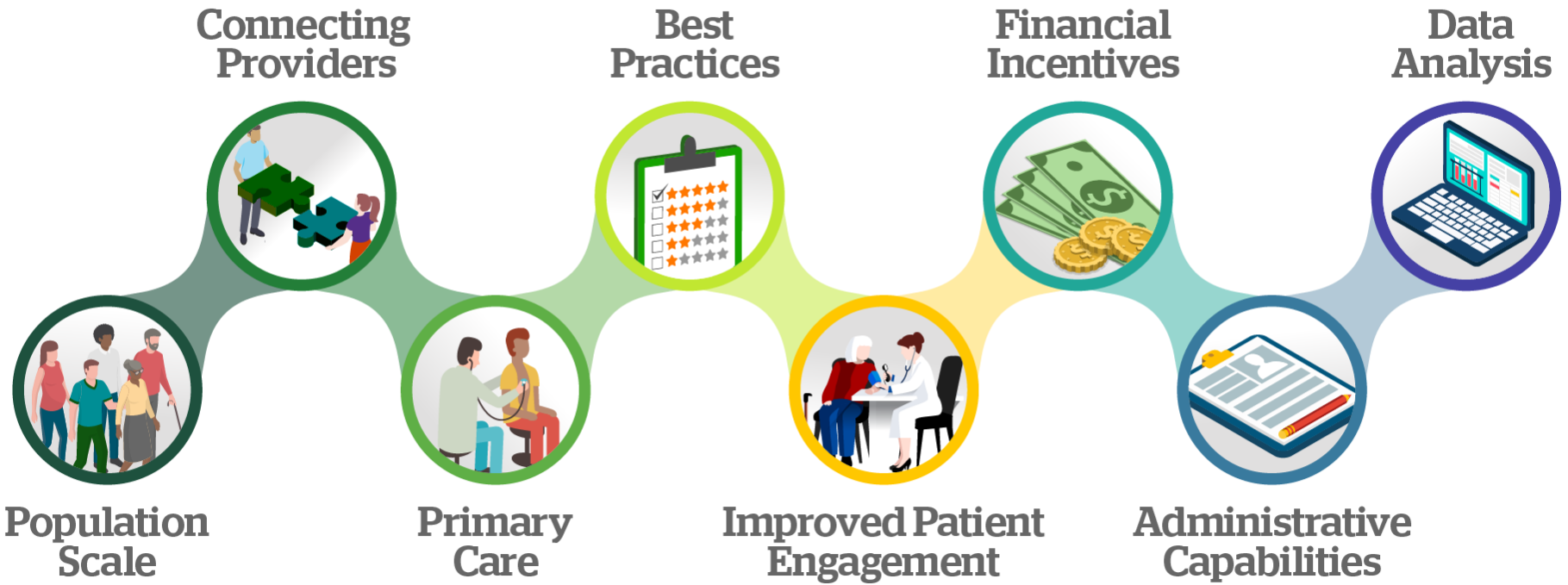
OneCare Vermont
onecarevt.org



What is an ACO?

Legal Entity, **comprised and led by providers** that take accountable for both quality and costs of care for a defined population

ACO Elements of Success



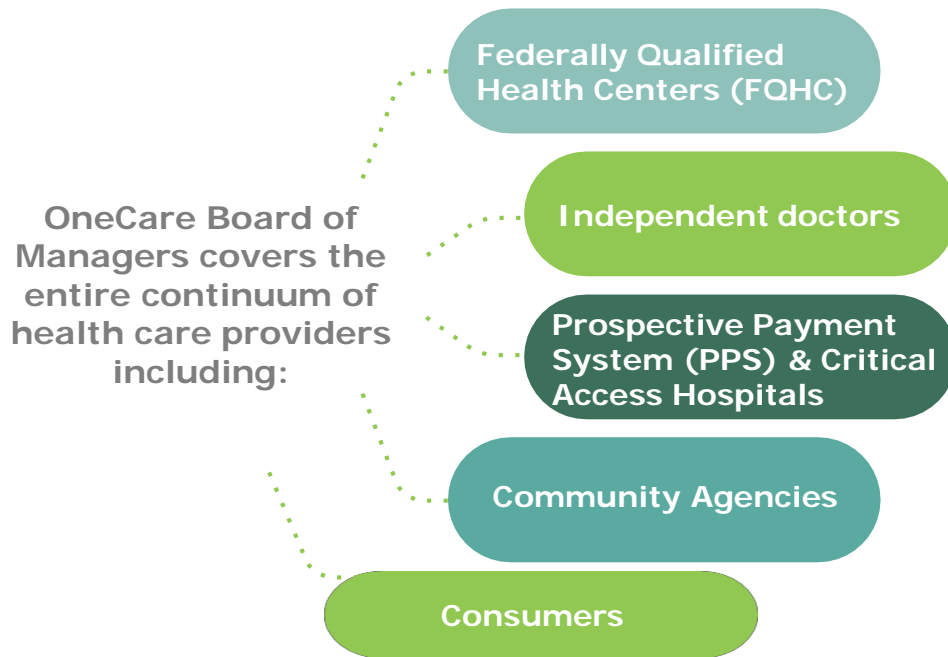
*The American Academy of Family Physicians has suggested eight essential elements of an ACO.



Benefits of an ACO Approach:

- ✓ Provider led reform
- ✓ Ability to share data across providers
- ✓ Forum to share best practices and learnings across systems
- ✓ Mechanism for sharing and mitigating financial risk across multiple systems
- ✓ Enable new partnerships and collaboration, without losing autonomy
- ✓ Supports a unified care model and investments in population health
- ✓ Opportunity for payment reforms
- ✓ CMS MACRA/MIPS reward program for providers who participate
- ✓ Medicare benefit enhancements, such as greater access to post-discharge home visits, telehealth services, and skilled nursing facility services.

OneCare Vermont Board of Managers



Key Facts about the Board

- ✓ Representative Board to ensure voices of **all provider types** are present
- ✓ Requires “supermajority” vote to decide important key issues
- ✓ Use committees to process issues/make recommendations

OneCare Growth Supporting All Payer Model

2017
YEAR 0

Programs

MEDICAID

29,100
Vermonters

HEALTH SERVICE AREAS



Burlington
Berlin
Middlebury
St. Albans

\$2.4M

PAYMENTS TO PROVIDERS

NEW PROGRAMS

Care Coordination

Primary Care

VBIF

2018
YEAR 1

Programs

MEDICAID
MEDICARE
BCBSQHP
UVMMC (self-funded)

112,000
Vermonters

HEALTH SERVICE AREAS



Burlington
Berlin
Middlebury
St. Albans
Brattleboro
Springfield
Lebanon
Bennington
Windsor
Newport

\$23M

PAYMENTS TO PROVIDERS

NEW PROGRAMS

RiseVT

Blueprint Medicare

SASH MH Pilot

CPR

SNF Waivers

plus programs from 2017

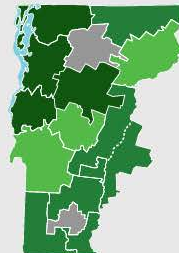
2019
YEAR 2

Programs

MEDICAID
MEDICARE
BCBSQHP
UVMMC (self-funded)

160,000
Vermonters

HEALTH SERVICE AREAS



Burlington
Berlin
Middlebury
St. Albans
Brattleboro
Rutland
Randolph
Springfield
Lebanon
Bennington
Windsor
Newport
St. Johnsbury

\$36M

PAYMENTS TO PROVIDERS

NEW PROGRAMS

DULCE

Innovation Fund

plus programs from 2017-2018

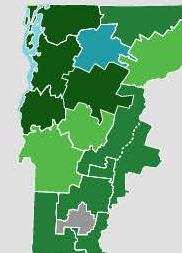
2020
YEAR 3

Programs*

MEDICAID
MEDICARE
BCBSQHP
MVPQHP
BCBS-ASO

250,000
Vermonters

HEALTH SERVICE AREAS



Burlington
Berlin
Middlebury
St. Albans
Brattleboro
Rutland
Randolph
Springfield
Lebanon
Bennington
Windsor
Newport
St. Johnsbury
Morrisville

\$43M

PAYMENTS TO PROVIDERS

NEW PROGRAMS

Pharmacy

Longitudinal Care

PCP Engagement

plus programs from 2017-2019

Our Work



Care Coordination

4,313 shared plans of care

3,915 vulnerable Vermonters actively making progress to goals

33% reduction in emergency dept. (ED) visits for Medicare patients actively supported

13% reduction in ED for Medicaid patients actively supported

Longitudinal Care Pilot Saves \$1,150 per member per month



Enhancing Primary Care

Comprehensive Payment Reform: Increasing access to mental health services in practices

Sustaining Patient Centered Medical Home and Community Health Team funding for Medicare



Data Informed Care

91% of high and very high risk Medicare patients now have seen their primary care provider (6% increase)



Smarter Care

Shifting investments to prevention (RiseVT/DULCE)

Reducing high cost care

10% reduction in ED care for vulnerable populations

Better care & patient experience: third ACO in the country for utilization of Skilled Nursing Facility waiver

Eliminating prior authorization, enabling more time for clinical practice



Value Based Payments

Predictable fixed payments for hospitals and primary care

System incentivized versus penalized for quality

OneCare Vermont's Commitment to Transparency

- Meetings of the OneCare Board of Managers are open to the public and minutes are posted on our website. Monthly financial statements are included in posted Board materials.
- PricewaterhouseCoopers (PwC) conducted an audit of OneCare's financials for 2017 and 2018 and standards were met for both years.
- OneCare's website has a page dedicated to sharing important information including shared savings, quality results, and audit results.
- OneCare is regulated by the Green Mountain Care Board all certification and budget materials can be found on the Green Mountain Care Board's website.

Next Steps

1. Exploring applying to the IRS and requesting 501(c)(3) non-profit tax exempt status for OneCare and will work with the Agency to identify requirements of importance to transparency.
2. Developing key performance dashboards for the website.



Challenges

- Foot in two canoes:
System operating two
business models
- Operational payer
challenges with data and
value based payments
- Magnitude of risk exposure
for rural hospitals
- Expanding investments
from the hospital systems as
population grows
- Lack of health care policy
and regulatory alignment
- Timing pressures



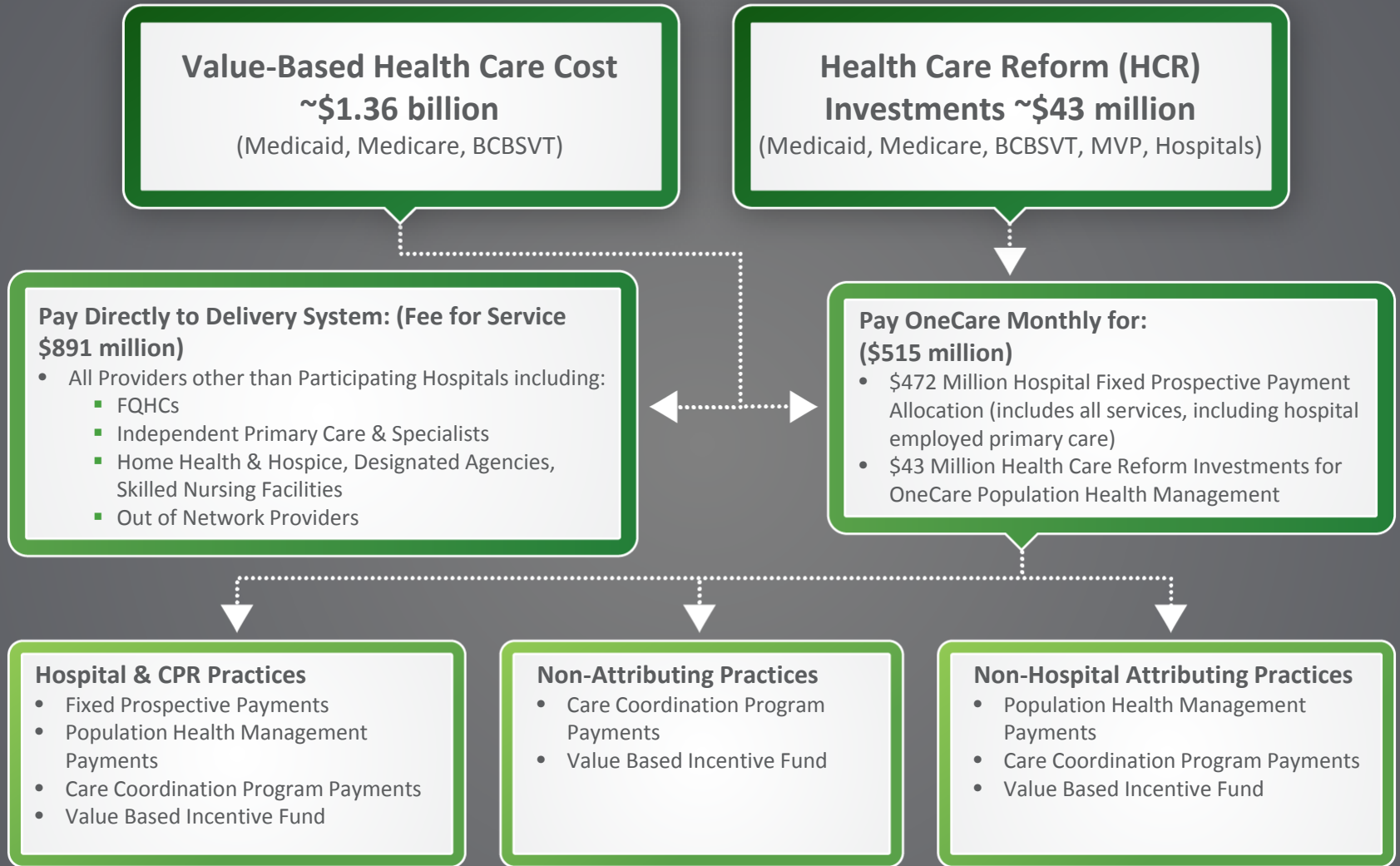
Budget



2020 Value-Based Budget

Combined Healthcare Costs Under Value Based Care	\$1,425,000,000
Less: Existing Healthcare Spending	- \$1,363,000,000
OneCare Vermont Budget	\$62,000,000
Less: Network Investment Payments	- \$43,000,000
Less: Operating Costs	- \$19,000,000
Gain (Loss)	\$0

Financial Flow



All participating providers are eligible for Innovation Funds, Blueprint funds, and specialist funds.

Full OneCare Budget Summary

	Budget
Payer Program Investments	\$10.7M
New Programs (Delivery System Reform)	\$6.0M
Existing Programs (Delivery System Reform)	\$1.8M
Hospital Fixed Payment Care Coordination Allocation	\$5.3M
Health Information Technology (HIT) Investments	\$3.5M
Other Investments	\$2.3M
Blueprint Funding	\$8.2M
Hospital Dues	\$24.4M
Total Income	\$62.2M
Population Health Payments to Providers	\$43.1M
Network Support	\$13.2M
Regulation	\$1.6M
General Admin	\$4.5M
Total Expense	\$62.2M
Gain (Loss)	\$0

Break-even budget

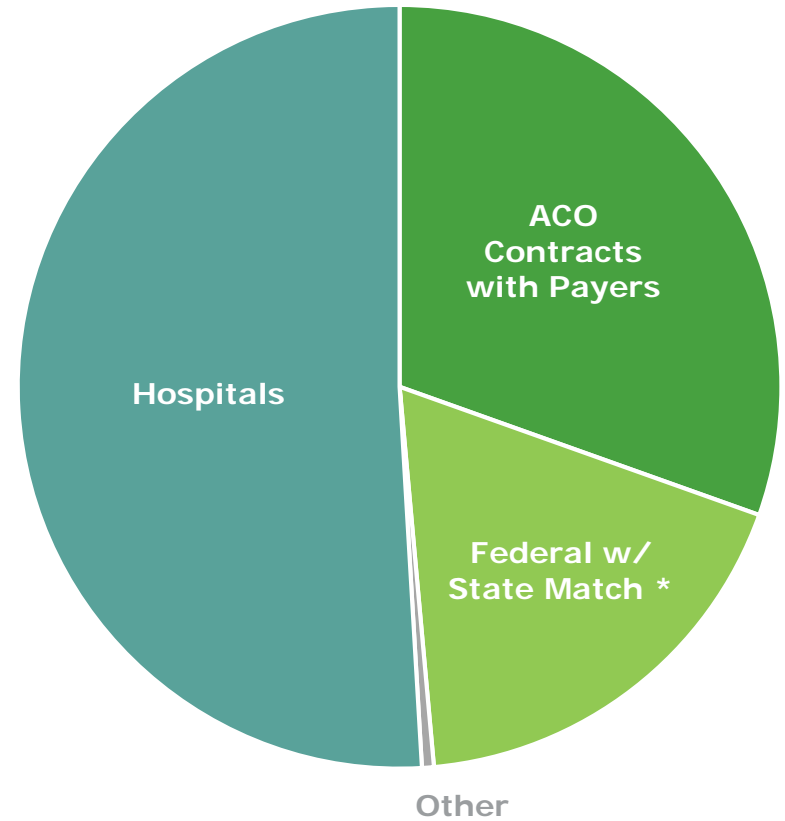
Budget incorporates no additional reserve development (2019 performance results will need to be evaluated)

Continued investment in the provider network

All Payer Model continues to rely on significant hospital investments

Revenue Source Breakdown

Revenue Source	Budget
ACO Contracts with Payers (includes Blueprint Funding)	\$18,999,749
Federal w/ State Match *	\$11,300,000
<i>Federal Share</i>	\$6,770,000
<i>State Match Share</i>	\$4,530,000
Hospitals	\$31,779,307
<i>Dues</i>	\$24,467,227
<i>Hospital Fixed Payment Care Coordination Allocation</i>	\$5,300,000
<i>Deferred Hospital Dues</i>	\$2,012,080
Other	\$313,759
Total	\$62,392,815



* Federal funds dependent on state match

Healthcare Reform & HIT Breakdown

Delivery System Reform	2019 Amount	2020 Budget	YTY Change	2020 State Contribution*
Care Coordination	\$375,000	\$5,500,000	\$5,125,000	\$2,750,000
Mental Health	\$0	\$500,000	\$500,000	\$250,000
Primary Prevention	\$1,100,000	\$1,800,000	\$700,000	\$900,000
Health Information Technology (HIT)	\$1,500,000	\$0	(\$1,500,000)	\$0
Delivery System Reform Total	\$2,975,000	\$7,800,000	\$4,825,000	\$3,900,000

Other State Investments	2019 Amount	2020 Budget	YTY Change	2020 State Contribution*
Health Information Technology (HIT)	\$2,750,000	\$3,500,000	\$750,000	\$630,000

OneCare Contribution	2019 Amount	2020 Budget	YTY Change
OneCare Fixed Payment Care Coord. Allocation	\$5,125,000	\$5,300,000	\$175,000

Total	2019 Amount	2020 Budget	YTY Change	2020 State Contribution*
Healthcare Reform Investments	\$6,600,000	\$13,100,000	\$6,500,000	\$3,900,000
Health Information Technology	\$4,250,000	\$3,500,000	(\$750,000)	\$630,000
Total	\$10,850,000	\$16,600,000	\$5,750,000	\$4,530,000

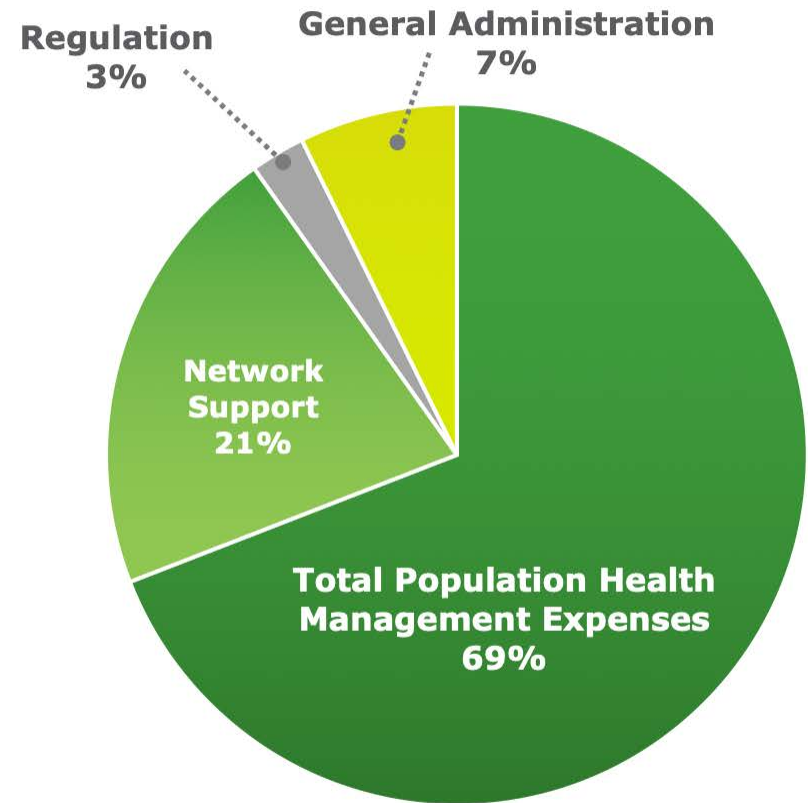
* Based on estimated state match rates with the federal government

Investments and Expense Summary

Expense Line	Budget
Care Coordination	\$10,223,590
Primary Care	\$10,551,533
Quality	\$8,554,737
Primary Prevention	\$1,031,752
Specialty Care	\$3,144,500
Innovation	\$1,367,580
Blueprint Programs	\$8,242,374
Total PHM Expenses	\$43,116,066

Network Support	\$13,155,862
Regulation	\$1,572,241
General Administration	\$4,548,646
Total Operating Expenses	\$19,276,749

Total OneCare Budget	\$62,392,815
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* Represents breakdown of \$62 million of OneCare expenses

Population Health Management Investments Recipients

Provider Type	Amount	Programs
Primary Care Providers	\$22,727,529	OneCare PMPM; Care Coordination Program; Value Based Incentive Fund; Comprehensive Payment Reform Program; Innovation Fund; Blueprint Programs
Specialty & Acute Care	\$5,068,854	Specialist Program; Value Based Incentive Fund
Supports and Services at Home (SASH)	\$3,968,246	Blueprint Programs
Designated Agencies / Mental Health	\$3,398,514	Care Coordination Program; Value Based Incentive Fund; Specialist Program; Innovation Fund
Community Health Teams	\$2,379,711	Blueprint Programs
Community Investments	\$2,206,752	Primary Prevention; DULCE
Home Health Providers	\$1,913,538	Care Coordination Program; Value Based Incentive Fund
To Be Determined	\$917,505	Innovation Fund; Quality Enhancement Projects
Area Agencies on Aging	\$535,415	Care Coordination Program
Total	\$43,116,066	Total funding opportunity; dependent on provider engagement and attribution

2020 Budget Plan Supports:

Better Health and Wellness
for Vermonters

Investments to Advance the
All-Payer Model Care Goals

Payer and Attribution Growth
in the All-Payer Model

Hospital Payment Reform

Primary Care and
Community-Based Services
Support

Continuity of Medicare
Blueprint and SASH Funds

