

OneCare Vermont ACO  
Eleven Main Points  
September 28, 2020

1. The for-profit OneCare ACO by design does nothing to improve access to care; the uninsured are not included in the ACO, nor does it improve coverage for the underinsured. Due to the pandemic and job loss, the percent of uninsured Vermonters has risen to 7%.<sup>i</sup>
2. The ACO was supposed to reduce costs. Instead, spending continues to rise even faster than established targets.<sup>ii</sup> OneCare had \$17.4 million in Medicaid cost overruns last year<sup>iii</sup>; and health insurance rates grew by double digits in 2020.<sup>iv</sup>
3. There is little evidence of improvement in quality of care. In some cases, ACO performance is worsening. In others, the measures are meaningless because the goal was previously met.<sup>v</sup>
4. The cost of ACO dues and administrative overhead often take away from essential health care services. One of Vermont's larger hospitals recently closed its Medication Assistance Treatment program serving 400 opioid dependent patients because the program was considered too expensive (\$500,000).<sup>vi</sup> Yet this same hospital paid \$1.2 million in membership dues to the ACO.<sup>vii</sup> The money would have been better spent serving its opioid dependent patients.
5. OneCare's ACO cost overruns total \$90 million since 2014, with all three payers (Medicare, Medicaid, Blue Cross/Blue Shield).<sup>viii</sup>
6. The ACO's administrative costs have exceeded \$40 million over the last 3 years (2018-2020). OneCare's cumulative administrative costs are projected to surpass \$80 million over the course of the All Payer Model program.<sup>ix</sup> OneCare is unable to provide a net benefit to the system: *administrative costs far outweigh savings*. In 2020, the 3<sup>rd</sup> year of the 5-year All Payer Model Agreement, the ACO serves only 223,000 people<sup>x</sup>; a little more than a third of all Vermonters.
7. The money spent on OneCare's administrative costs could be used to reinstate essential health care services that have recently been eliminated,<sup>xi</sup> and to bolster efforts by the state's clinics for the uninsured.
8. The CEO of OneCare earns over \$400,000 per year. The 2019 annual salaries of the top five OneCare administrators add up to nearly \$1.5 million<sup>xii</sup>. Given Vermont's lack of primary care practitioners, this money could be used to hire more primary care physicians.

9. OneCare promised it would strengthen primary care; however, the ACO has reduced upfront payments to primary care physicians for 2021.<sup>xiii</sup> Vermont's shortage of primary care physicians continues to worsen<sup>xiv</sup> and will be exacerbated by this reduction in primary care payments. Even though a critical element of the All Payer Model is strengthening primary care, the Green Mountain Care Board tacitly supported the ACO's reduction in payments to primary care physicians at its September 9, 2020 hearing.
10. To date, the Green Mountain Care Board has no reliable method for determining if the ACO effort is cost effective.<sup>xv</sup>
11. A recent Auditor's report *The Growing Cost of Healthcare in Vermont: It's Time to Reel It In* concludes that Vermont could have saved roughly \$1 Billion in 2018 if it tracked the U.S. growth rate in per capita health care spending. Additionally, the report deduces that hospital market consolidation inevitably leads to decreased competition and higher prices.<sup>xvi</sup>

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<sup>i</sup> [https://familiesusa.org/wp-content/uploads/2020/07/COV-254\\_Coverage-Loss\\_Report\\_7-17-20.pdf](https://familiesusa.org/wp-content/uploads/2020/07/COV-254_Coverage-Loss_Report_7-17-20.pdf) p. 7 hard copy.

<sup>ii</sup> [https://auditor.vermont.gov/sites/auditor/files/documents/ACO%20Model%20Final%20Report\\_0.pdf](https://auditor.vermont.gov/sites/auditor/files/documents/ACO%20Model%20Final%20Report_0.pdf) p. 22 hard copy.

<sup>iii</sup> [https://vtdigger.org/2020/07/01/auditor-questions-oversight-of-onecare/?is\\_wppwa=true&wpappninja\\_cache=friendly](https://vtdigger.org/2020/07/01/auditor-questions-oversight-of-onecare/?is_wppwa=true&wpappninja_cache=friendly)

<sup>iv</sup> [http://gmcboard.vermont.gov/sites/gmcb/files/documents/GMCB%20Modifies%20and%20Approves%20Rate%20Requests%20for%202020%20VHC%20Plans\\_0.pdf](http://gmcboard.vermont.gov/sites/gmcb/files/documents/GMCB%20Modifies%20and%20Approves%20Rate%20Requests%20for%202020%20VHC%20Plans_0.pdf)

<sup>v</sup> [https://auditor.vermont.gov/sites/auditor/files/documents/ACO%20Model%20Final%20Report\\_0.pdf](https://auditor.vermont.gov/sites/auditor/files/documents/ACO%20Model%20Final%20Report_0.pdf) p. 9 hard copy.

<sup>vi</sup> <https://vtdigger.org/2020/07/08/northwestern-medical-center-cuts-addiction-recovery-program/>

<sup>vii</sup> <https://gmcboard.vermont.gov/sites/gmcb/files/documents/payment-reform/OneCare%20Budget%20Order%20Deliverables%2006-19-2020.pdf> p. 7.

<sup>viii</sup> <http://vermontforsinglepayer.org/editorials/onecare-aco-financial-performance/>

<sup>ix</sup> <https://gmcboard.vermont.gov/sites/gmcb/files/documents/payment-reform/ACO%20FY%202020%20Revised%20Budget%20--%20Deliverables.zip>  
Section 4.2 Income Statement, Row 87. The 2020 amount is used as the estimated base for 2021 and 2022.

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- <sup>x</sup> <http://gmcboard.vermont.gov/sites/gmcb/files/Board-Meetings/FY%202020%20ACO%20Revised%20Budget%20Presentation%20-%20updated%208.12.2020.pdf> Slide 28.
- <sup>xi</sup> Here is one example: <https://www.reformer.com/stories/bmh-closes-pediatrics-office,606713>
- <sup>xii</sup> <https://gmcboard.vermont.gov/sites/gmcb/files/documents/payment-reform/OneCare%20Memo%20to%20GMCB%20on%202019%20Compensation%206122020.pdf>
- <sup>xiii</sup> <https://www.burlingtonfreepress.com/story/money/2020/08/07/primary-care-docs-say-onecare-cutting-their-payments/5505686002/>
- <sup>xiv</sup> <https://www.healthvermont.gov/sites/default/files/documents/pdf/HS-Stats-phys18-ppt-.pdf> p. 32.
- <sup>xv</sup> [https://auditor.vermont.gov/sites/auditor/files/documents/ACO%20Model%20Final%20Report\\_0.pdf](https://auditor.vermont.gov/sites/auditor/files/documents/ACO%20Model%20Final%20Report_0.pdf) p. 8 (hard copy).
- <sup>xvi</sup> <https://auditor.vermont.gov/sites/auditor/files/documents/Health%20Care%20Expenditures%20final%208-15-20.pdf>