



**To: Melissa Miles, Green Mountain Care Board**  
**From: Tom Borys, Director of Finance OneCare Accountable Care Organization, LLC.**  
**Date: July 31, 2019**  
**Subject: OneCare Vermont Comprehensive Payment Reform Interim Report**

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






2019 represents the second year of OneCare Vermont's Comprehensive Payment Reform (CPR) program for independent primary care practices. Building upon the financial successes in 2018, the goals of the 2019 program year were to increase participation to more independent PCPs in the OneCare network and simplify the financial model.

To increase participation, a "partial capitation" model was offered to smaller practices that had fewer attributed lives. In the partial capitation model, the practices continue to receive FFS payment from the payers and are paid a CPR PMPM from OneCare that replicates the supplemental payment approach that the "full capitation" practices receive. The practices work on a clinical or quality project throughout the plan year and report their progress and outcomes to the group. This allows them to acclimate to the model and build the administrative resources needed for full fixed payments.

Simplifying the financial model started with an analysis of the 2018 results. This analysis measured the zero-pay claims against the CPR payments to evaluate the model and identify any adjustments that may be needed. After this review, a base adult core-code PMPM of [REDACTED] and a base pediatric core-code PMPM of [REDACTED] were identified. These amounts are designed to supply a similar level of revenue to the practices entering the second year of the program and incorporate inflationary increases aligned with the overall OneCare program trend rates. These core code PMPMs are risk adjusted for the adult population and age/gender adjusted for the pediatric population to come up with the practice specific PMPM. There is also a non-core code PMPM specific to each practice that is paid to cover the less traditional services that a primary care office might deliver.

While the year-to-date claims data are immature, the initial financial results are encouraging and in line with the intended program design. Early analysis suggests that the risk adjustment is accounting for the varying patient demographics appropriately and each practice is benefiting from the cash flow advance afforded by the fixed payment reimbursement.

The following represents an aggregated analysis of the full capitation practices, partial capitation practices and hospital primary care practices that compares the CPR payments to the FFS-based results the practices would have otherwise received. All of these figures evaluate the revenue that these primary care sites would have been paid by the participating payers and does not necessary reflect the internal financial management decisions of each organization.

	Full Capitation	Partial Capitation	Hospital Primary Care
CPR Model			
Standard Model			
Non-OneCare Model			

If you have any questions or thoughts about this process, please let me know.

Sincerely,

Tom Borys  
Director of Finance