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Nonprofits Ask State To End OneCare Affiliation; Urge Resources Be Shifted to Basic Health Care Needs

MONTPELIER, September 21. Five nonprofit organizations issued a joint statement today demanding that the Scott administration end the State's affiliation with OneCare Vermont, the accountable care organization (ACO) that now handles much of the money used to pay for Vermonters' health care. The State has an agreement with the federal government that has put OneCare—a for-profit company—in control of Vermont's health care system. The five groups asked that the state either immediately cancel that agreement, or at the very least, let the agreement expire in 2022 without renewal.

The five organizations are Justice for All, VT; League of Women Voters of Vermont; Physicians for a National Health Program, Vermont Chapter; Vermont Health Care for All and Vermont Workers' Center.

The joint statement is as follows:

“We ask the State to cancel or let expire its All Payer Agreement with the Centers for Medicare and Medicaid Services, which allows Medicare, Medicaid, and commercial insurance funds to pass through OneCare Vermont before being paid out to providers. We urge that the State concentrate instead on strategies to address the growing problem of health care access.

“This action is necessary because the State’s experiment with OneCare has taken essential resources from hospitals at a time when those resources are needed more than ever. In the latest misstep, One Care has severely reduced reimbursement for primary care physicians. This puts many practices at risk at a time when we need them most. OneCare cut reimbursement despite the fact that strengthening primary care is a key goal of the all payer agreement. In addition, OneCare’s intrusion into our health care system is expensive both for the Green Mountain Care Board to regulate and for the Agency of Human Services to administer.

“It is time to redirect wasteful administrative spending on the ACO to actually providing health care, especially as the coronavirus pandemic exposes and exacerbates inequities in our system.

“The number of [uninsured Vermonters recently doubled](#) to 7% as a result of employers laying off employees or dropping their insurance. The state’s clinics for the uninsured are seeing a surge in patients, particularly working people who are ineligible for Medicaid but for whom private insurance is unaffordable.

“Even prior to the pandemic, Vermonters faced difficulty accessing health care. High deductible plans and rising premiums made health care unaffordable for many. The pandemic has worsened those hardships.

“Therefore, State regulators, including the Green Mountain Care Board, must be relieved of the burden of trying to analyze OneCare’s complex and often meaningless data, and instead must begin working with hospitals and other providers to invest in primary care and to make improvements in health care access.

“Now is not the time to pour upwards of \$15 million a year into ACO administrative costs, adding layer upon layer of red tape onto an already [administratively obese](#) health care system.

“Of particular note is that [annual salaries for the top five administrative positions](#) at OneCare add up to almost \$1.5 million, a sum that could be used to hire at least seven primary care physicians at a time when Vermont is short about 70 primary care practitioners.

Total elimination of OneCare administrative costs would yield enough savings to hire enough clinicians to completely end Vermont's shortage of primary care doctors.

"In addition to OneCare's direct administrative costs, the Green Mountain Care Board also incurs expense by hiring staff to regulate the ACO and to advance the state's All Payer Model; and the Department of Vermont Health Access devotes staff and resources to administering OneCare's involvement in Medicaid, all while the State budget faces a revenue shortfall. OneCare also adds administrative burdens to private health insurers and to Medicare.

"To fund this extra layer of administration, OneCare levies "dues" on participating institutions. Many of Vermont's rural hospitals report a weakening of financial standing partly as a result of ACO dues payments and related information technology purchases. Springfield Hospital had to close its birthing center, forcing pregnant women to travel to Brattleboro, Rutland, or Lebanon, NH. Northwestern Medical Center had to close its addiction treatment center. Brattleboro Memorial Hospital closed its pediatric clinic. Other hospitals are laying off providers and scaling back services.

"Essential community health care services should not be sacrificed in order to finance a costly experiment in something that does nothing to improve access, and has little hope of saving money or improving quality. Instead of paying dues to OneCare, hospitals should be investing in primary care at the local level and increasing their support of clinics for the uninsured.

"Ultimately, all the costs of OneCare are borne by taxpayers and by people who are charged one way or another for health care or health insurance. During the current severe economic downturn, when funding is urgently needed for services to keep people healthy, the ACO has only added to the cost of health care. It has become an expensive and unnecessary drain on the system.

"We list 11 reasons why the ACO is a bad deal for Vermonters (see attached). These include OneCare's cost overruns, meaningless quality measures, and lack of any strategy to improve access to health care.

"Some of these reasons have been corroborated by the State Auditor of Accounts, who recently found that OneCare had not been transparent in reporting data to the Green Mountain

Care Board. The Auditor also found that the ACO does not have a methodology for determining whether it has achieved any health system savings.

“We call on legislators, the Green Mountain Care Board, and the Scott administration to acknowledge the failings of the ACO initiative, to cancel or otherwise terminate the agreement underpinning the program, and to redirect the program’s administrative costs to strengthening Vermonters’ access to primary care.”

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