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December 13, 2021

Performance Audit  
Recommendations and  
Corrective Actions for Audit:  
20-2

VERMONT'S ALL-PAYER  
ACCOUNTABLE CARE  
ORGANIZATION (ACO) MODEL

An Overview of the All-Payer ACO Model  
and the State's Oversight of Vermont's  
Only ACO, OneCare Vermont, LLC.

Dated: June 26, 2020

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# Overview

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The State Auditor's Office (SAO) makes recommendations designed to improve the operations of state government. For our work to produce benefits, auditees or the General Assembly must implement these recommendations, although we cannot require them to do so. Nevertheless, a measure of the quality and persuasiveness of our performance audits is the extent to which these recommendations are accepted and acted upon. The greater the number of recommendations that are implemented, the more benefit will be derived from our audit work.

In 2010, the SAO began to follow-up on the recommendations issued in our performance audits. Experience has shown that it takes time for some recommendations to be implemented. For this reason, we perform our follow-up activities one and three years after the calendar year in which the audit report is issued. Our annual performance reports summarize whether we are meeting our recommendation implementation targets.

<http://auditor.vermont.gov/about-us/strategic-plans-and-performance-reports>

This report addresses the requirements of Act 155 (2012) to post the results of our recommendation follow-up work on our website. The report does not include follow-up on recommendations issued as part of the state's financial statement audit and the federally mandated Single Audit, which are performed by a contractor. However, our current contract for this work requires the contractor to provide the results of its recommendation follow-up.

Audit Number & Name	Rec #	Recommendation	Follow-Up Date	Status	Review Comments
<a href="#">20-2 Vermont's All-Payer Accountable Care Organization (ACO) Model: An Overview of the All-Payer ACO Model and the State's Oversight of Vermont's Only ACO, OneCare Vermont, LLC.</a>	1	The GMCB should design and deploy a transparent method to measure the financial outcomes of the Vermont All-Payer ACO Model and determine whether they outweigh OneCare's operating costs. This method and determination should be established prior to agreeing to a subsequent agreement and contain a consideration of available quality results.	2021	Not Implemented	While GMCB collected information regarding various aspects of the Vermont All-Payer ACO Model, the Board has yet to develop and implement a transparent method to measure the financial outcomes of the Vermont All-Payer ACO Model and determine whether they outweigh OneCare's operating costs.
			2023		The three-year recommendation follow-up for this audit will be conducted in 2023.
	2	The GMCB should devise an alternate method to assess quality improvement for those quality measures in the All-Payer Agreement that have a baseline that is higher than or equal to the target.	2021	Not Implemented	GMCB did not take any specific action regarding this recommendation.
			2023		The three-year recommendation follow-up for this audit will be conducted in 2023.