

STATE AUDITOR DOUG HOFFER

Press Release

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Auditor Doug Hoffer Releases New Report: “All-Payer ACO Model Implementation Costs”

MONTPELIER, VT – Vermont State Auditor Doug Hoffer released an analysis of State spending to operate the All-Payer ACO Model, and the financial performance of the model through 2019. The All-Payer ACO Model is the central component of Vermont’s health care reform efforts and is enabled by a five-year contract between the Green Mountain Care Board, the Agency of Human Services, the Governor’s Office, and the Centers for Medicare and Medicaid Services. The model is in its fourth year.

“Every Vermonter knows that health care costs are too high, and that they are growing too quickly,” said Auditor Hoffer. “Those watching closely will have heard this often – ‘we need to move away from fee-for-service health care that rewards health professionals for the number of procedures they perform and toward value-based care that pays them to keep us healthy.’ That’s what the All-Payer Model is about. But even the best initiatives are only as good as their implementation. It must save Vermonters money *and* make them healthier.

“The report I’m releasing today looks at the financial performance to date. I would have liked to be able to audit both the financial and the health performance, but there just isn’t the data on the health side at this time.”

The key finding of the audit is that OneCare, the Accountable Care Organization at the heart of the model, missed its Medicaid financial targets for 2017 through 2019 by a combined \$11.1 million. During those same years the State also paid for \$14.5 million of OneCare’s operating costs. When including the operating costs, OneCare’s estimated net Medicaid financial performance for those years collectively is -\$25.6 million. Put simply, at this time the financial costs to run the model significantly exceed any Medicaid savings attributed to it.

“I anticipate the people implementing the All-Payer Model will say the scale and complexity of the reform initiative merit patience before reaching conclusions, and that is reasonable...to a point,” Hoffer said. “In the coming months state officials will be proposing to the federal government that the All-Payer Agreement be extended for an additional five years, even though the federal government will not complete a full evaluation of the model until spring 2024! This guarantees Vermont would be entering into a new agreement without any evidence that the current implementation plan is working.

“I hope the information in the report is used by policymakers, administrators, and regulators to make the All-Payer ACO Model more accountable to the people of Vermont.

To view the full report, please click [here](#).