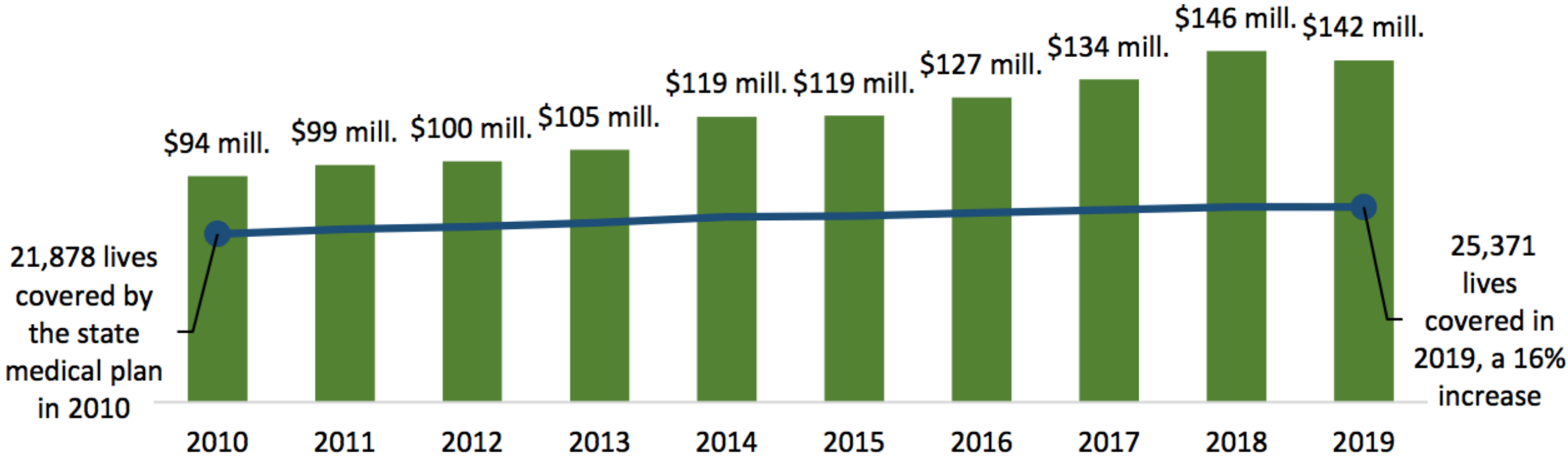
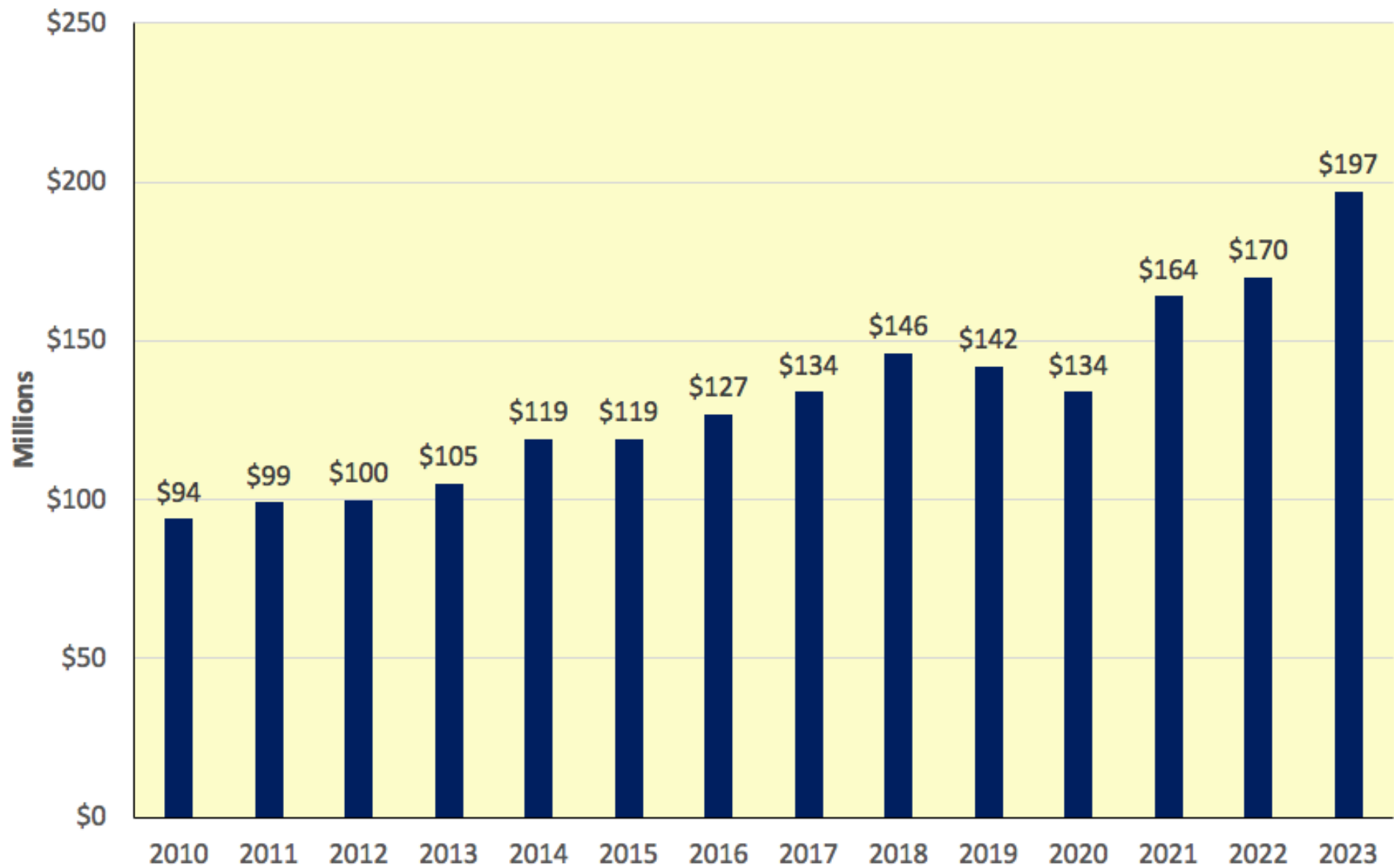


**Figure 5. Medical claims for the State plan grew 51% between 2010 and 2019<sup>15</sup>**



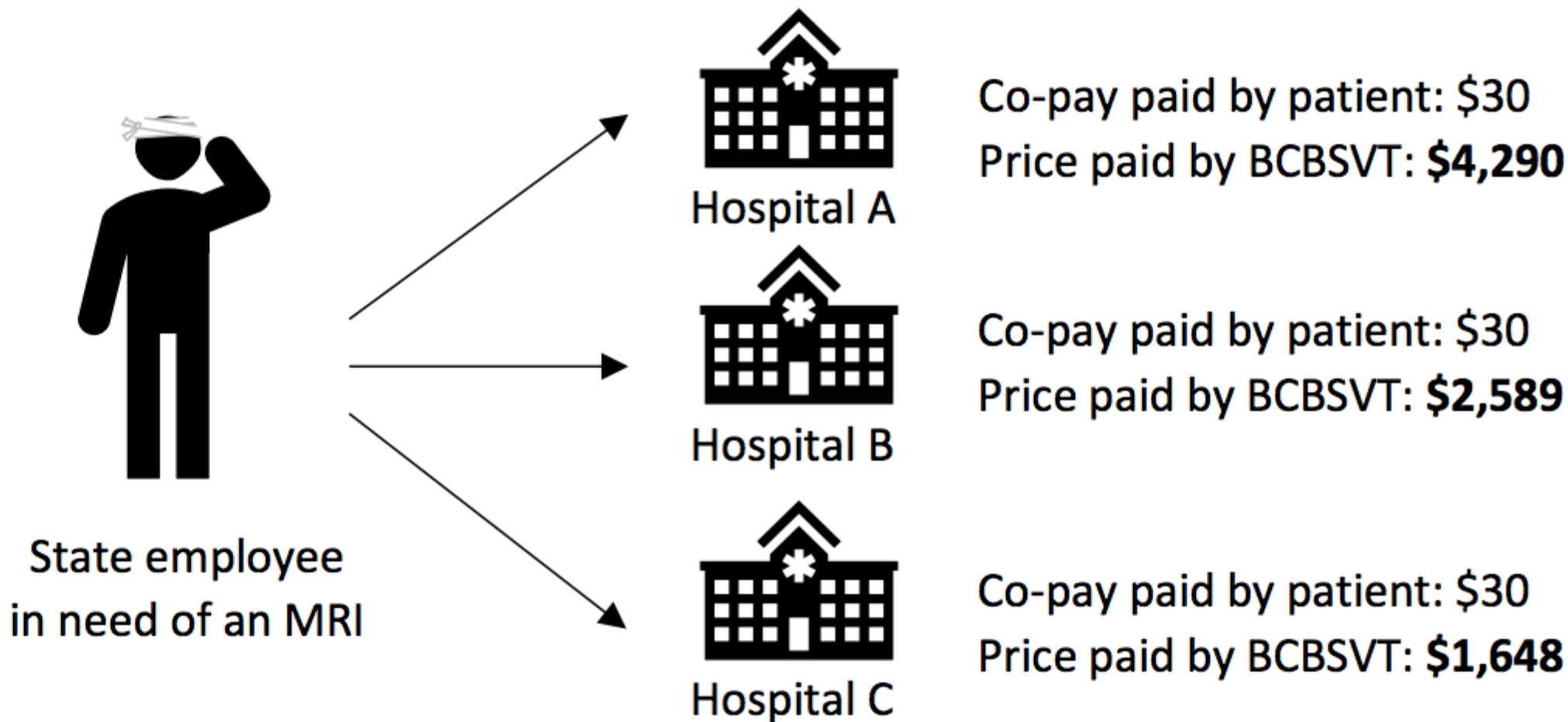
Source: Vermont Department of Human Resources, Annual Utilization Reports 2010-2019.

### Medical and behavioral health claims for the State plan grew 109% from 2010 to 2023



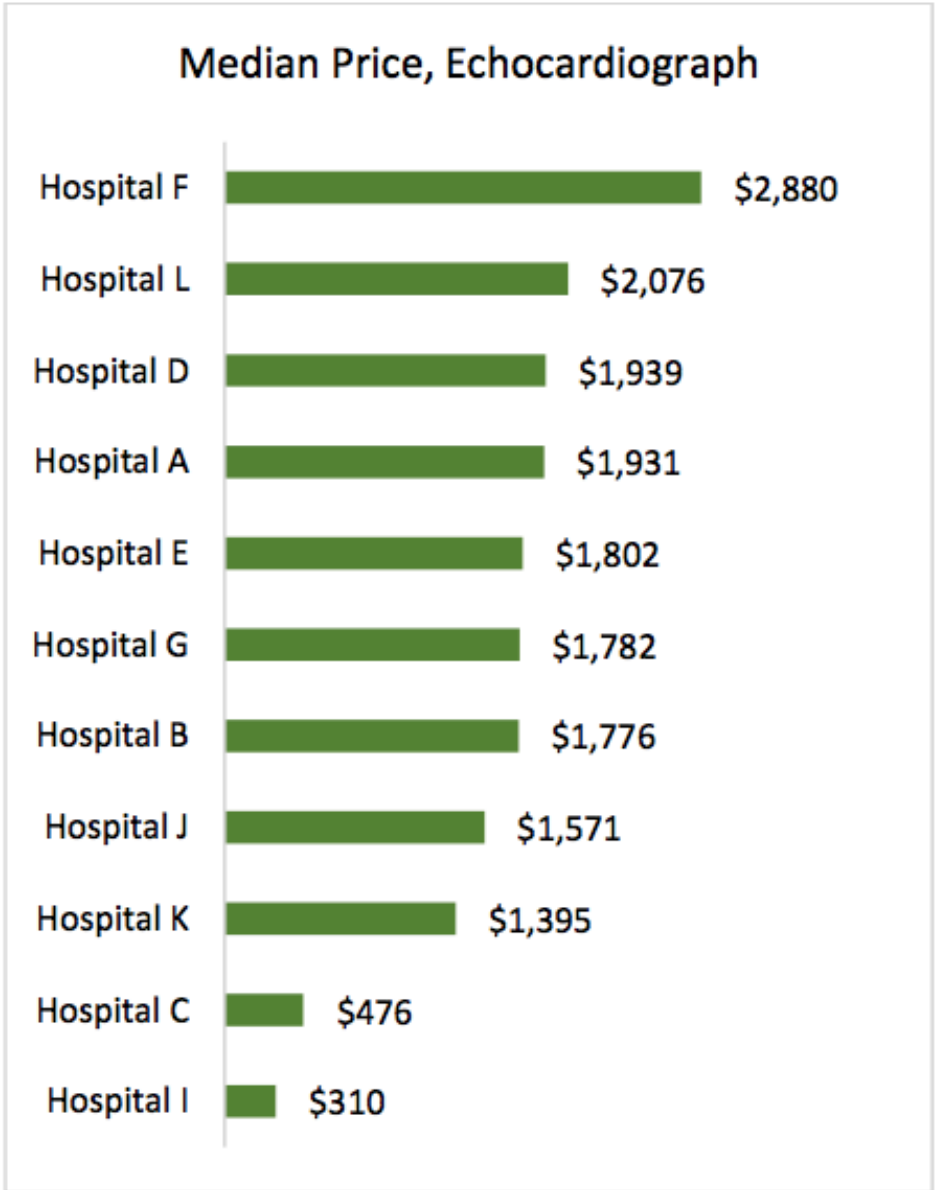
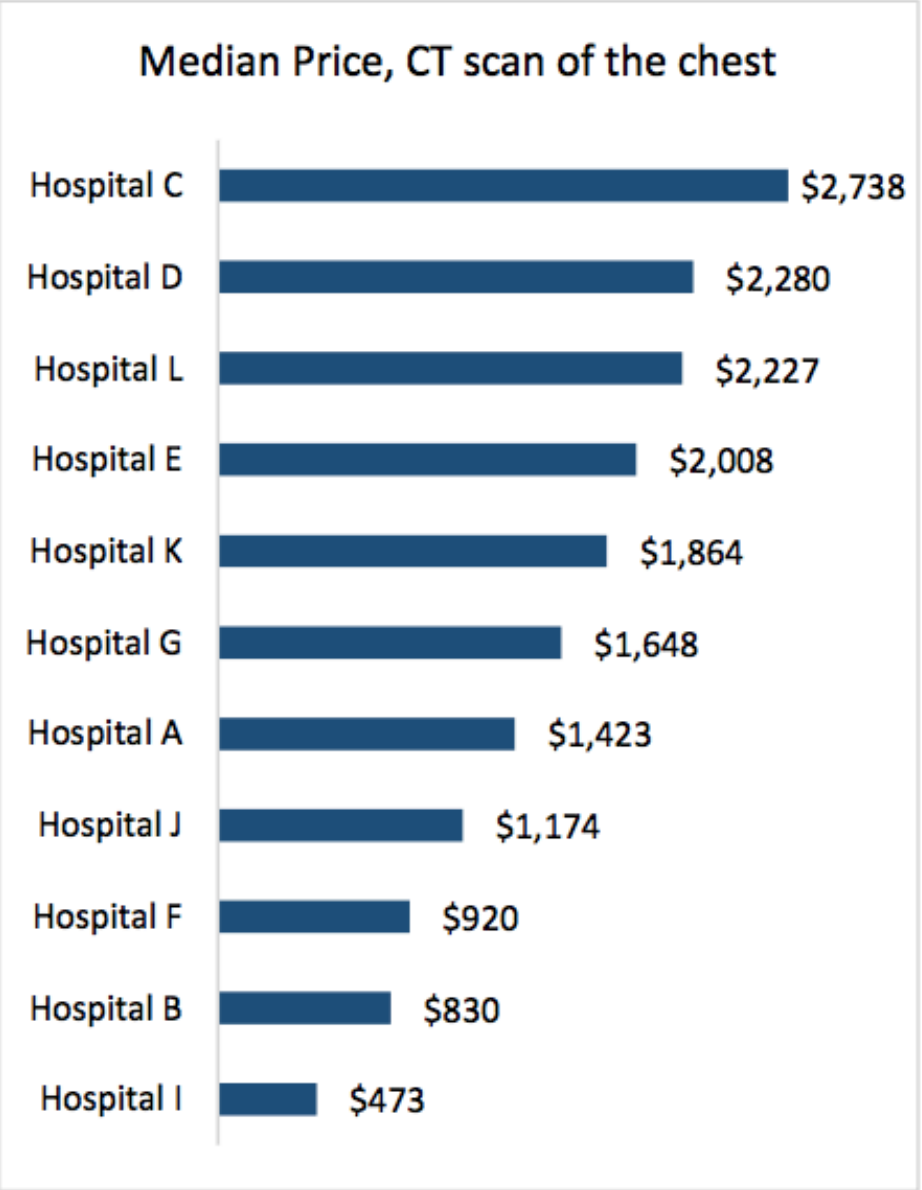
Source: VT Dept. of Human Resources, Annual Utilization Reports

**Figure 1. Example of price variation for an MRI using median price data from BCBSVT**



Source: BCBSVT, State of Vermont Employer Group: 2019 Median Price data.

**Figure 3. Variation in median prices paid by BCBSVT for CT scans and echocardiographs for State employees and dependents**



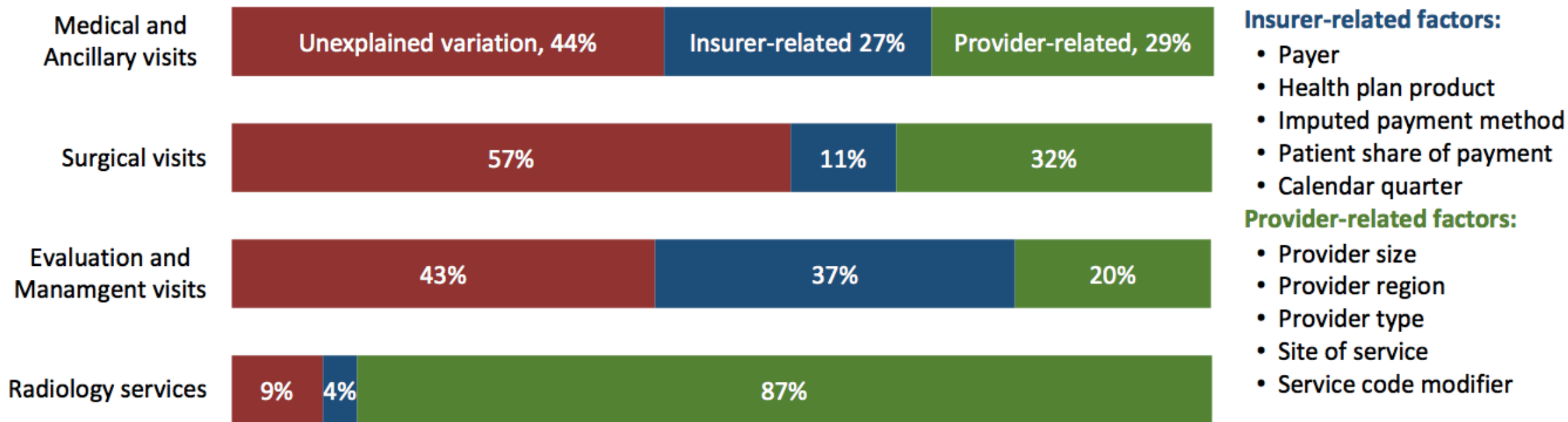
Source: BCBSVT, State of Vermont Employer Group: 2019 Median Price data.

**Table 5. Distribution of variation in median prices across the 39 services in our sample**

<b>Difference between lowest and highest median price</b>	<b>Inpatient</b>	<b>Outpatient</b>	<b>Professional</b>
1 to 2 times	–	–	9 services
2 to 3 times	3 services	3 services	4 services
3+ times	2 services	18 services	–

## Figure 2. Average variation in professional prices explained by each factor

Recreated using data from the 2014 analysis prepared for the Green Mountain Care Board



Source: University of Vermont College of Medicine, University of Massachusetts Medical School, & Wakely Consulting Group. [Price Variation Analysis](#). August 2014.

**Table 1. Overview of Montana's strategy to reduce health care costs**

<b>Model</b>	Reference-based pricing
<b>Years in place</b>	State fiscal year 2017 - present
<b>Estimated savings</b>	\$47.8 million in State fiscal years 2017-2019
<b>Services covered</b>	Inpatient and outpatient services at all acute care hospitals in the state
<b>Action required by employees</b>	None
<b>Limitations to employee choices</b>	None
<b>Guaranteed savings</b>	Yes

**Table 3. Estimated savings for CT scans of the abdomen or pelvis using the midpoint price as the reference price**

Service description	CT of abdomen or pelvis	
<b>Total visits</b>	<b>366</b>	
Hospital	Median Price	Visits
Hospital A	\$2,615 <del>-\$3,505</del>	94
Hospital B	\$2,615 <del>-\$3,449</del>	94
Hospital F	\$2,615 <del>-\$3,418</del>	15
Hospital L	\$2,615 <del>-\$3,270</del>	12
Hospital E	\$2,615 <del>-\$2,969</del>	25
<b>Hospital D</b>	<b>\$2,615</b>	<b>23</b>
Hospital K	\$2,362	6
Hospital J	\$2,305	24
Hospital C	\$1,867	43
Hospital G	\$1,632	8
Hospital I	\$1,075	22

Estimated savings using the midpoint price: \$190,853

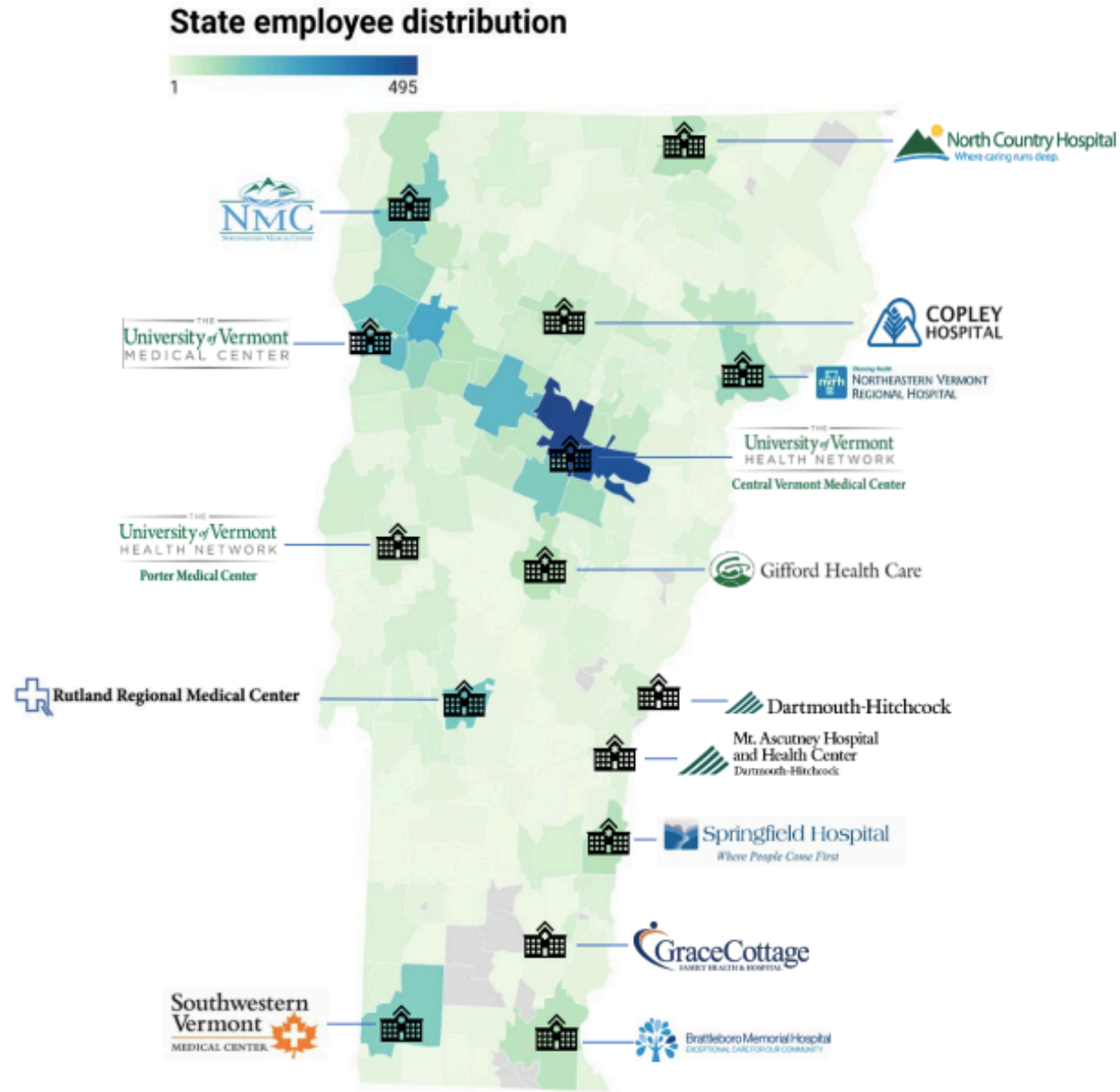
Midpoint →

Note: 2019 median price data was provided by BCBSVT for the State of Vermont Employer Group.



**Reference-based pricing:** Reference-based pricing occurs when a health care purchaser, in this case a state, sets a maximum amount they are willing to pay for a service rather than merely paying the prices negotiated by insurance companies and hospitals. **We estimate that if reference-based pricing was implemented for just the 39 services we sampled, savings could reach \$2.3 million annually, with an average savings of 13% per service. If this level of savings was achieved across all services, total savings could reach \$16.3 million annually.**

Figure 10. Distribution of State employees by zip code with hospitals across Vermont



Map data: © Esri, TomTom North America, Inc., United States Postal Service - Created with Datawrapper

Sources: Employee zip code data provided by VTNR.