

Green Mountain Care Board

Owen Foster, GMCB Chair

January 27, 2023



About Us



- Established in 2011 (Act 48) •
- **5** Board Members •
- 6-Year Staggered Terms ۲
- The GMCB is an independent • Board that is part of state government
- Quasi-judicial





Owen Foster, JD **GMCB** Chair



David Murman, MD **GMCB** Member



Jessica Holmes, PhD **GMCB** Member





Susan Barrett, JD **GMCB** Executive Director

Thom Walsh.

PhD, MS, MSPT

GMCB Member



GMCB Quick Facts



Quick Facts

- Established in 2011
- <u>5 Board Members</u>
- Appointed by the Governor to staggered, six-year terms

Vision A sustainable and equitable health care system that promotes better health outcomes for Vermonters.

Core Values Independent; Transparent; Data-Driven; Holistic; Collaborative; Accountable **Mission** Drive system-wide improvements in access, affordability, and quality of health care to improve the health of Vermonters.



Regulate major areas of Vermont's health care system



Serve as a transparent source of information and analysis on health system performance



Advance innovation in health care payment and delivery



GMCB - REGULATION

GMCB Regulation -Scope

 GMCB regulatory decisions impact areas the GMCB does not directly regulate

Related Health Care Actors

FQHCs Independent Providers Ambulatory Surgical Centers (only CON, no budget) Urgent care centers Out of state providers Medicare and Medicaid Medicare Advantage Plans Self-insured plans (many employer plans) Out of state plans

Direct GMCB Regulation

Health Insurer Rate Review Certificate of Need (CON) Hospital Budgets (*incl. Hospital Sustainability Planning*) ACO Oversight and Certification

GMCB Regulation - 2022



- 14 Hospitals
- 2 Accountable Care Organizations
- 11 Health Insurance Premium Rate Filings
- 7 Certificates of Need Issued (plus 3 with material changes and 5 that did not meet threshold)

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 And an analysis of the standard sta	DVHA	to ensure complian			of care are not compromised								
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 chied to differ the service of the source of	ently, only silver-level	headar		et requests at hospital budget	simplification in health care								
 menting and writes hodge cosies by Gotten 1. and horder Gotten 1. and	to the "silver-loaded iding to offset the la	+ ACO continues	hearings in August.	es publicly at scheduled Board									
the Marchard Carlo The Marchard			meetings and write	s budget orders by October 1.									
And constant costs Function c		 Enforcement review 											
Coror Mutation	n Mountain Care Bo	of previous year's budget order			ange in gross charges, mitch can								
Core Mutation Control of Purformance Expended activities			 Enforcing Budgets. The Bos 	rd may review the financial perform	ance of hospitals that exceed the gr								
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Creen Mountain (The Baard protein Industrial within the Baard protein Boold and within the Boold and within Boold and within Boold and w	_		facing financial challenges	may be required to meet periodically	with the GMCB Chair and staff.								
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growth of platient revenue patient revenues and Board at public hearings • Enforcement review of changes in changes previous year's budget • Hospital budgets are • Hospital fixed year		Green Mountain C	hospitals with written p guidelines for the a	roposed budgets hospitals' b coording to guidelines, submission	s deny budgets by								
growth of platient revenue patient revenues and Board at public hearings • Enforcement review of changes in changes previous year's budget • Hospital budgets are • Hospital fixed year			upcoming budget, in including a limit for the p	roposed growth of proposed b	•Rudgets to the •Rudget orders are								
previous year's budget Hospital budgets are Hospital facal year			• Enforcement review of 0	atient revenues and Board at pr hanges in charges	blic hearings delivered to hospital October 1								
			previous year's budget • •	lospital budgets are ubmitted July 1	Mospital fiscal year begins October 1								
Under administration of a Degris Counter a													

Resource: <u>Regulatory Process Summaries</u>

GMCB – Regulation







<u>Hospital Budgets;</u>

Office of the Health Care Advocate

- 14 Hospital Budgets in 2022
- Hospitals had significant financial challenges
- For 2023, GMCB approved a system-wide Net Patient Revenue (NPR) of \$3.27 billion, a 10.1% NPR increase over FY2022 approved budgets.
- Affordability/Sustainability challenges



GMCB – Regulation



Office of the

Health Care Advocate



Regulation:

- <u>Health insurer rate review (including the Exchange):</u>
 - 11 health insurance rate filings in 2022
 - Approved average rate increases for exchange plans:
 - MVP individual 19.3% (reduced from 24.4%)
 - BCBSVT individual 11.4% (reduced from 14.9%)
 - MVP small group 18.3% (reduced from 23.4%)
 - BCBSVT small group 11.7% (reduced from 15.4%)
- ACO Oversight, Certification, Rule 5.0 (Act 113); ACO Budgets:
 - 2 Accountable Care Organizations in 2022

Office of the Health Care Advocate





GMCB – Regulation







Regulation:

- <u>Major capital expenditures (Certificate of Need);</u>
 - The Certificate of Need (CON) process is intended to prevent unnecessary duplication of health care facilities and services, promote cost containment, and help ensure equitable allocation of resources to all Vermonters.
 - In 2022, GMCB approved seven CON applications with a total value of \$49,314,743.





GMCB – DATA AND ANALYTICS

GMCB- Data And Analytics







Information:

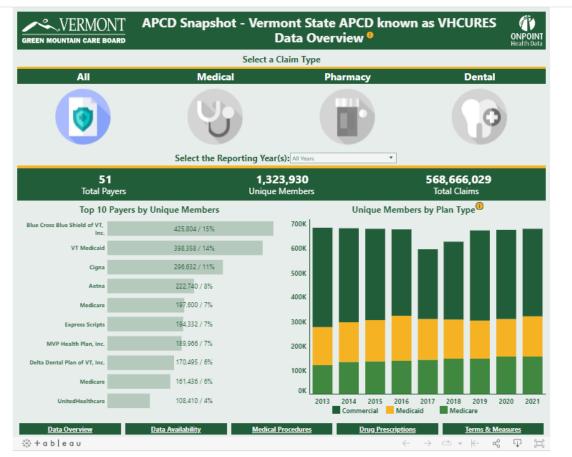
- Data and Analytics (VHCURES, VUHDDS and APM Analytics);
- Data Governance Council;
- Interactive datasets and analysis;
- Health Resource Allocation Plan (HRAP);
- Annual Expenditure Analysis;
- Annual Cost Shift Report; and
- Reports for legislature.
- Health Service Wait Times Report
- Public Reports and Analyses

GMCB - Data and Analytics



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- Vermont State APCD by Onpoint Health Data



https://gmcboard.vermont.gov/APCD-snapshot

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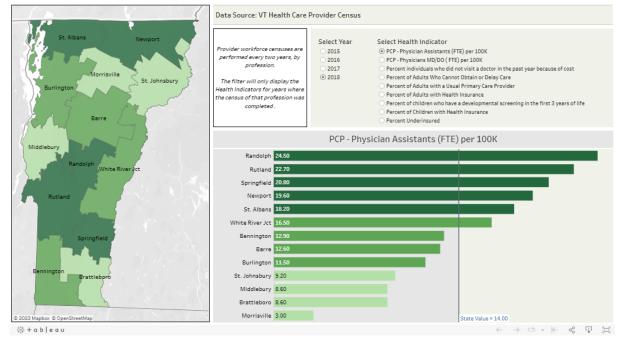
GMCB - Data and Analytics



Health Resource Allocation Plan

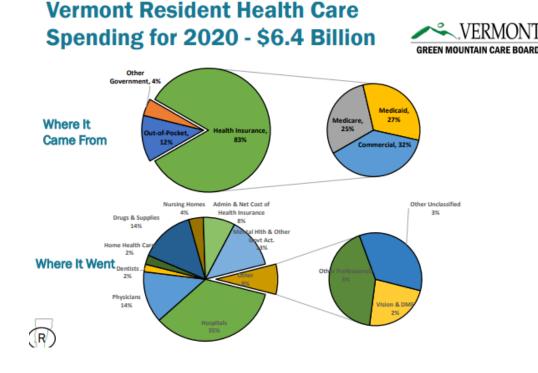
HRAP PC Measures Indicators by HSA HSA Snapshot Indicator by Data Source





https://gmcboard.vermont.gov/health-resource-allocation-plan

Expenditure Analysis



https://gmcboard.vermont.gov/data/expenditure-analysis

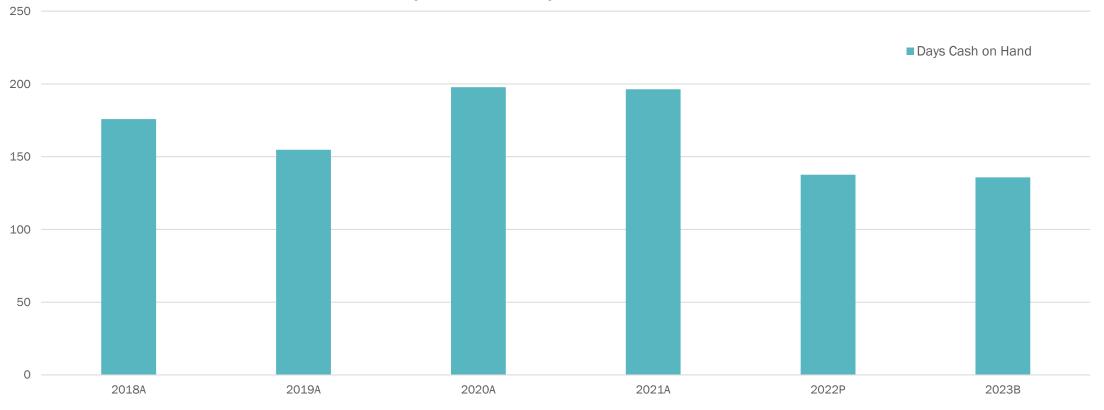


HEALTH CARE LANDSCAPE TRENDS

Health Care Landscape Trends Hospital Days Cash On Hand (DCOH)



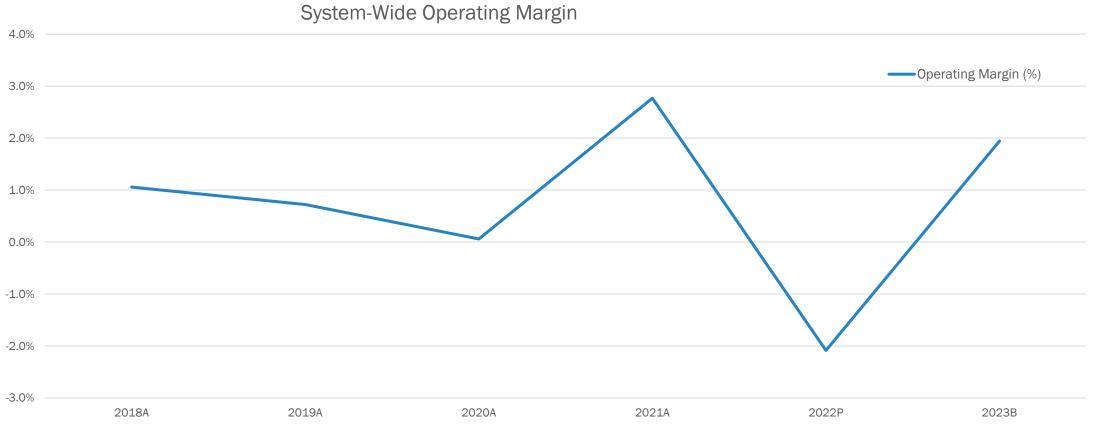
System-Wide Days Cash On Hand



Note: FY22 DCOH and Op. Margin are using hospitals' projections at the time of the budget submission. Actual FY22 DCOH and Op. Margin will be available after hospitals submit their final FY22 actuals (Jan. 31)

Health Care Landscape Trends Hospital Operating Margins





Note: FY22 DCOH and Op. Margin are using hospitals' projections at the time of the budget submission. Actual FY22 DCOH and Op. Margin will be available after hospitals submit their final FY22 actuals (Jan. 31)

GMCB - Regulation



GREEN MOUNTAIN CARE BOARD

I.

SUBMITTED		FY19		FY20	FY21	FY22	FY23	FY19-23
Brattleboro Memorial Hospital	\$	83,968,150	\$	89,966,363	\$ 92,802,426	\$ 95,595,379	\$ 105,484,860	\$ 467,817,178
Central Vermont Medical Center	\$	211,387,021	\$	222,024,685	\$ 237,013,420	\$ 251,502,614	\$ 269,231,389	\$ 1,191,159,131
Copley Hospital	\$	72,037,976	\$	72,658,362	\$ 77,070,620	\$ 86,390,520	\$ 96,033,233	\$ 404,190,711
Gifford Medical Center	\$	55,894,652	\$	52,382,984	\$ 52,083,147	\$ 54,224,079	\$ 58,010,676	\$ 272,595,538
Grace Cottage Hospital	\$	19,292,581	\$	20,966,669	\$ 21,029,541	\$ 22,353,530	\$ 25,375,255	\$ 109,017,576
Mt. Ascutney Hospital & Health Ctr	\$	51,195,770	\$	55,007,317	\$ 56,211,393	\$ 59,640,912	\$ 65,869,470	\$ 287,924,862
North Country Hospital	\$	81,523,350	\$	82,979,050	\$ 82,736,965	\$ 88,784,696	\$ 98,854,193	\$ 434,878,255
Northeastern VT Regional Hospital	\$	80,938,697	\$	87,440,494	\$ 90,525,300	\$ 97,368,788	\$ 110,058,000	\$ 466,331,279
Northwestern Medical Center	\$	112,773,980	\$	116,926,579	\$ 116,693,229	\$ 115,925,533	\$ 121,093,673	\$ 583,412,994
Porter Medical Center	\$	84,530,515	\$	87,487,539	\$ 89,810,556	\$ 94,168,035	\$ 104,464,068	\$ 460,460,712
Rutland Regional Medical Center	\$	258,925,111	\$	267,787,827	\$ 247,487,684	\$ 270,361,370	\$ 313,970,338	\$ 1,358,532,330
Southwestern VT Medical Center	\$	165,201,376	\$	172,284,645	\$ 167,089,128	\$ 177,594,439	\$ 188,872,209	\$ 871,041,797
Springfield Hospital	\$	59,996,953	\$	48,889,190	\$ 56,197,667	\$ 54,568,207	\$ 56,344,476	\$ 275,996,493
The University of Vermont Medical Center	\$	1,273,460,046	\$	1,351,201,704	\$ 1,424,974,332	\$ 1,500,593,928	\$ 1,658,725,627	\$ 7,208,955,637
System	\$	2,611,126,178	\$	2,728,003,408	\$ 2,811,725,408	\$ 2,969,072,030	\$ 3,272,387,468	\$ 14,392,314,493
UVMHN Hospitals	\$	1,569,377,582	\$	1,660,713,928	\$ 1,751,798,308	\$ 1,846,264,577	\$ 2,032,421,084	\$ 8,860,575,480
Non-UVMHN Hospitals	\$	1,041,748,596	\$	1,067,289,480	\$ 1,059,927,100	\$ 1,122,807,453	\$ 1,239,966,383	\$ 5,531,739,013
APPROVED								
Brattleboro Memorial Hospital	\$	82,769,115	\$	88,145,092	\$ 92,802,426	\$ 93,088,223	\$ 105,484,860	\$ 462,289,716
Central Vermont Medical Center	\$	211,387,021	\$	218,043,247	\$ 236,081,038	\$ 249,584,872	\$ 269,231,389	\$ 1,184,327,568
Copley Hospital	\$	70,201,316	\$	72,658,362	\$ 76,189,789	\$ 85,656,271	\$ 96,033,233	\$ 400,738,971
Gifford Medical Center	\$	55,894,652	\$	52,382,984	\$ 52,083,147	\$ 54,224,079	\$ 58,010,676	\$ 272,595,538
Grace Cottage Hospital	\$	19,292,581	\$	19,967,821	\$ 20,666,695	\$ 22,072,030	\$ 25,375,255	\$ 107,374,382
Mt. Ascutney Hospital & Health Ctr	\$	51,195,770	\$	53,755,558	\$ 56,211,393	\$ 59,640,912	\$ 65,869,470	\$ 286,673,103
North Country Hospital	\$	81,523,350	\$	83,623,251	\$ 82,736,965	\$ 87,889,673	\$ 98,854,148	\$ 434,627,387
Northeastern VT Regional Hospital	\$	80,527,005	\$	87,253,844	\$ 90,525,300	\$ 97,368,788	\$ 110,058,000	\$ 465,732,937
Northwestern Medical Center	\$	112,773,980	\$	116,926,579	\$ 112,015,717	\$ 115,925,533	\$ 121,093,673	\$ 578,735,482
Porter Medical Center	\$	84,530,515	\$	87,487,539	\$ 89,810,556	\$ 94,168,035	\$ 104,464,068	\$ 460,460,713
Rutland Regional Medical Center	\$	258,720,342	\$	267,787,827	\$ 247,487,684	\$ 270,361,370	\$ 312,615,342	\$ 1,356,972,565
Southwestern VT Medical Center	\$	165,201,376	\$	172,284,645	\$ 167,089,128	\$ 177,594,439	\$ 188,872,209	\$ 871,041,797
Springfield Hospital	\$	59,996,953	\$	48,889,190	\$ 50,600,313	\$ 54,689,910	\$ 56,344,476	\$ 270,520,842
The University of Vermont Medical Center	\$	1,273,460,046	ş	1,348,125,704	\$	1,500,593,928	1,658,725,627	\$ 7,196,561,738
System	\$	2,607,474,023	\$	2,717,331,642	\$ 2,789,956,584	\$ 2,962,858,063	\$ 3,271,032,427	\$ 14,348,652,739
UVMHN Hospitals	ş	1,569,377,582	\$	1,653,656,490	\$ 1,741,548,027	\$ 1,844,346,835	\$ 2,032,421,084	\$ 8,841,350,018
Non-UVMHN Hospitals	\$	1,038,096,441	\$	1,063,675,152	\$ 1,048,408,557	\$ 1,118,511,228	\$ 1,238,611,342	\$ 5,507,302,720

GMCB - Regulation

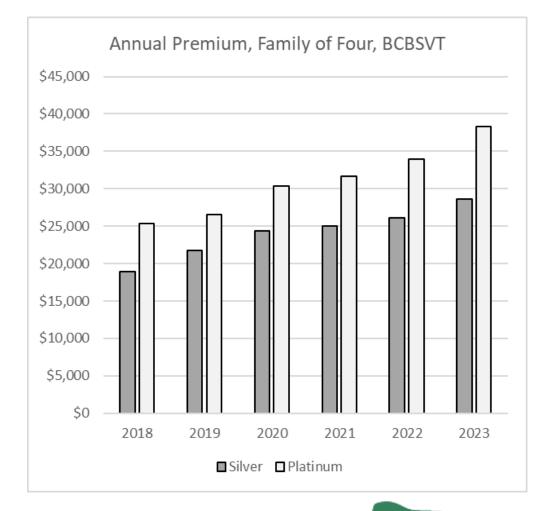


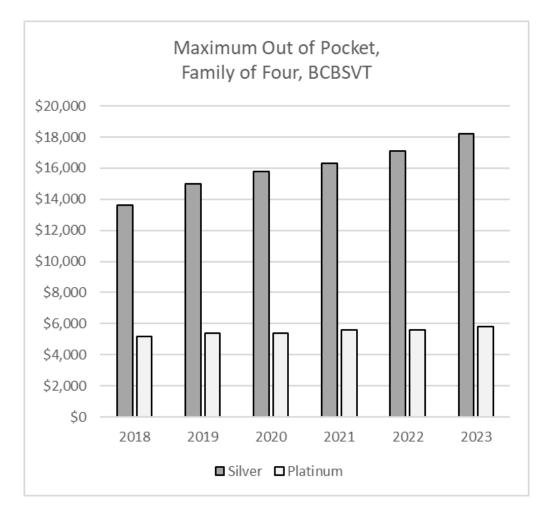
Approved vs. Submitted NPR/FPP (FY19-FY23)

All Payers	FY19	FY20	FY21	FY22	FY23	FY19-23	Commercial Payers Only	FY19	FY20	FY21	FY22	FY23	FY19-23
Brattleboro Memorial Hospital	98.57%	97.98%	100.00%	97.38%	100.00%	98.82%	Brattleboro Memorial Hospital	97.41%	97.49%	100.00%	99.17%	100.00%	98.88%
Central Vermont Medical Center	100.00%	98.21%	99.61%	99.24%	100.00%	99.43%	Central Vermont Medical Center	101.48%	98.61%	99.20%	98.48%	96.38%	98.66%
Copley Hospital	97.45%	100.00%	98.86%	99.15%	100.00%	99.15%	Copley Hospital	97.01%	100.00%	82.85%	98.94%	100.00%	95.82%
Gifford Medical Center	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	Gifford Medical Center	99.21%	100.00%	100.00%	100.00%	100.00%	99.82%
Grace Cottage Hospital	100.00%	95.24%	98.27%	98.74%	100.00%	98.49%	Grace Cottage Hospital	100.00%	95.24%	98.47%	100.00%	100.00%	98.90%
Mt. Ascutney Hospital & Health Ctr	100.00%	97.72%	100.00%	100.00%	100.00%	99.57%	Mt. Ascutney Hospital & Health Ctr	100.00%	93.66%	100.00%	100.00%	100.00%	98.84%
North Country Hospital	100.00%	100.78%	100.00%	98.99%	100.00%	99.94%	North Country Hospital	100.00%	100.00%	100.00%	98.59%	98.62%	99.41%
Northeastern VT Regional Hospital	99.49%	99.79%	100.00%	100.00%	100.00%	99.87%	Northeastern VT Regional Hospital	99.30%	99.75%	100.00%	100.00%	100.00%	99.83%
Northwestern Medical Center	100.00%	100.00%	95.99%	100.00%	100.00%	99.20%	Northwestern Medical Center	100.00%	100.00%	93.05%	100.00%	99.65%	98.50%
Porter Medical Center	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	Porter Medical Center	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Rutland Regional Medical Center	99.92%	100.00%	100.00%	100.00%	99.57%	99.89%	Rutland Regional Medical Center	99.50%	100.00%	100.00%	100.00%	100.71%	100.08%
Southwestern VT Medical Center	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	Southwestern VT Medical Center	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Springfield Hospital	100.00%	100.00%	90.04%	100.22%	100.00%	98.02%	Springfield Hospital	100.00%	100.00%	87.94%	95.50%	100.00%	96.23%
The University of Vermont Medical Center	100.00%	99.77%	99.35%	100.00%	100.00%	99.83%	The University of Vermont Medical Center	100.91%	99.62%	98.93%	99.99%	97.18%	99.19%
System	99.86%	99.61%	99.23%	99.79%	99.96%	99.70%	System	100.33%	99.50%	98.34%	99.70%	98.16%	99.14%
UVMHN Hospitals	100.00%	99.58%	99.41%	99.90%	100.00%	99.78%	UVMHN Hospitals	100.93%	99.52%	99.01%	99.81%	97.21%	99.17%
Non-UVMHN Hospitals	99.65%	99.66%	98.91%	99.62%	99.89%	99.56%	Non-UVMHN Hospitals	99.30%	99.46%	97.02%	99.50%	100.05%	99.10%

Health Care Landscape Trends Affordability







Note. Most VHC users are eligible for subsidies or tax credits. Most uninsured Vermonters are eligible for VHC plan subsidies. Enhanced subsidies from APRA will continue through 2025.

Health Care Landscape Trends Affordability



- Low Uninsured Rate: 2.6% in Vermont compared to 8.6% nationally in 2020.¹
- Many remain underinsured and face high out-of-pocket costs that impede access to care.
 - 38% insured Vermonters under 65 considered underinsured (medical expenses are more than their income can bear)²
- In their 2021 annual report,³ the Office of the Health Care Advocate reported that consumers raised affordability issues in nearly half of cases.
- 1. Kaiser Family Foundation Health Insurance Coverage Data. 2020. Found here.
- 2. <u>2021 Vermont Household Health Insurance Survey</u>.
- 3. 2021 Health Care Advocate Annual Report



GMCB - INNOVATION

GMCB-Innovation



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Innovation:

- Hospital Sustainability (Act 167)
- Vermont All-Payer Model Implementation and Reporting
- General, Primary Care, and Prescription Drug Advisory Groups



Hospital Sustainability – Act 167



- Act 167 is a significant focus for the GMCB in 2023
- GMCB's focus on hospital sustainability pre-dates the COVID-19 pandemic
- 2019 GMCB Requires Hospital Sustainability Planning through its Hospital Budget Oversight

 Rationale: persistently low and declining margins, Springfield bankruptcy, and rural hospital closures nationally; Rural Health Services Task Force.

 2020 Legislature passes Act 159 of 2020 requiring GMCB

 Rationale: Agreed with GMCB's concerns and the need to improve hospital sustainability

 2021 GMCB Report Identifies Recommendations in Act 159 Report

 GMCB Hospital Sustainability Report, Act 159 Section 4

 2022 Legislature Passes Act 167 with Funding to Address Hospital Sustainability

 GMCB leading data-driven community engagement work, in collaboration with AHS

Resource: <u>Hospital Sustainability</u> page on GMCB website



GMCB – 2023 AREAS OF FOCUS

2023 Areas of Focus



Guided by Act 167 of 2022

- Hospital Sustainability
- Regulatory Process Refinement
 - Starting with Hospital Budget Review Process
- All-Payer Model (Collaborating with and supporting AHS as it leads negotiations with federal partners)
- Access to Primary Care (Primary Care Advisory Group)
- Affordability



LEGISLATIVE REPORTS AND RESOURCES

GMCB Resources 2023 Legislative Reports



Report	Due Date	Corresponding Statute or Legislation
Impact of Prescription Drug Costs on Health Insurance Premiums	January 1, 2023*	18 V.S.A. § 4636 (b) Act 193 of 2018, An act relating to prescription drug price transparency and cost containment, Sec. 8 (S.92)
GMCB 2022 Annual Report	January 15, 2023*	18 V.S.A. § 9375 (d)
2021 Vermont Health Care Expenditure Analysis	January 15, 2023* NOTE: The VHCEA is delayed yearly due to data availability and staff resources. This report is typically published in May.	18 V.S.A. § 9375a (b) (repealed) 18 V.S.A. § 9383 (a) (added in Act 167 of 2018, H. 912) Act 167 of 2018, An act relating to the health care regulatory duties of the GMCB (H.912)
Ambulatory Surgical Center Reporting (See GMCB 2022 Annual Report Attachment B)	January 15, 2023	18 V.S.A. § 9375 (b) Act 55 of 2019, An act relating to licensure of ambulatory surgical centers (S.73)
Update on Act 167 of 2022, Sections 1 and 2	January 15, 2023	Act 167 of 2022, An act relating to health care reform initiatives, data collection, and access to home- and community-based services, Sec. 1 and 2 (S.285)
Cost Shift Impact (See Attachment A)	January 15, 2023*	18 V.S.A. § 9375 (d) Act 63 of 2019, An act relating to health insurance and the individual mandate, Sec. 10 (H.524)
Billback Report	September 15, 2023*	Act 79 of 2013, An act relating to health insurance, Medicaid, the Vermont Health Benefit Exchange, and the Green Mountain Care Board, Sec. 37c (H.107)

* Annual Reports

GMCB Resources



- Ways your constituents can connect with the GMCB:
 - Public Board Meetings
 - Public Comment
- Resources Shared Today:
 - <u>Regulatory Process Summaries</u>
 - Public Reports and Analyses
 - Hospital Sustainability

Contact for Legislative Business: <u>GMCB.LEG@vermont.gov</u>