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# Green Mountain Care Board Activities Update

Al Gobeille, Chair, GMCB  
August 7, 2013



# Agenda

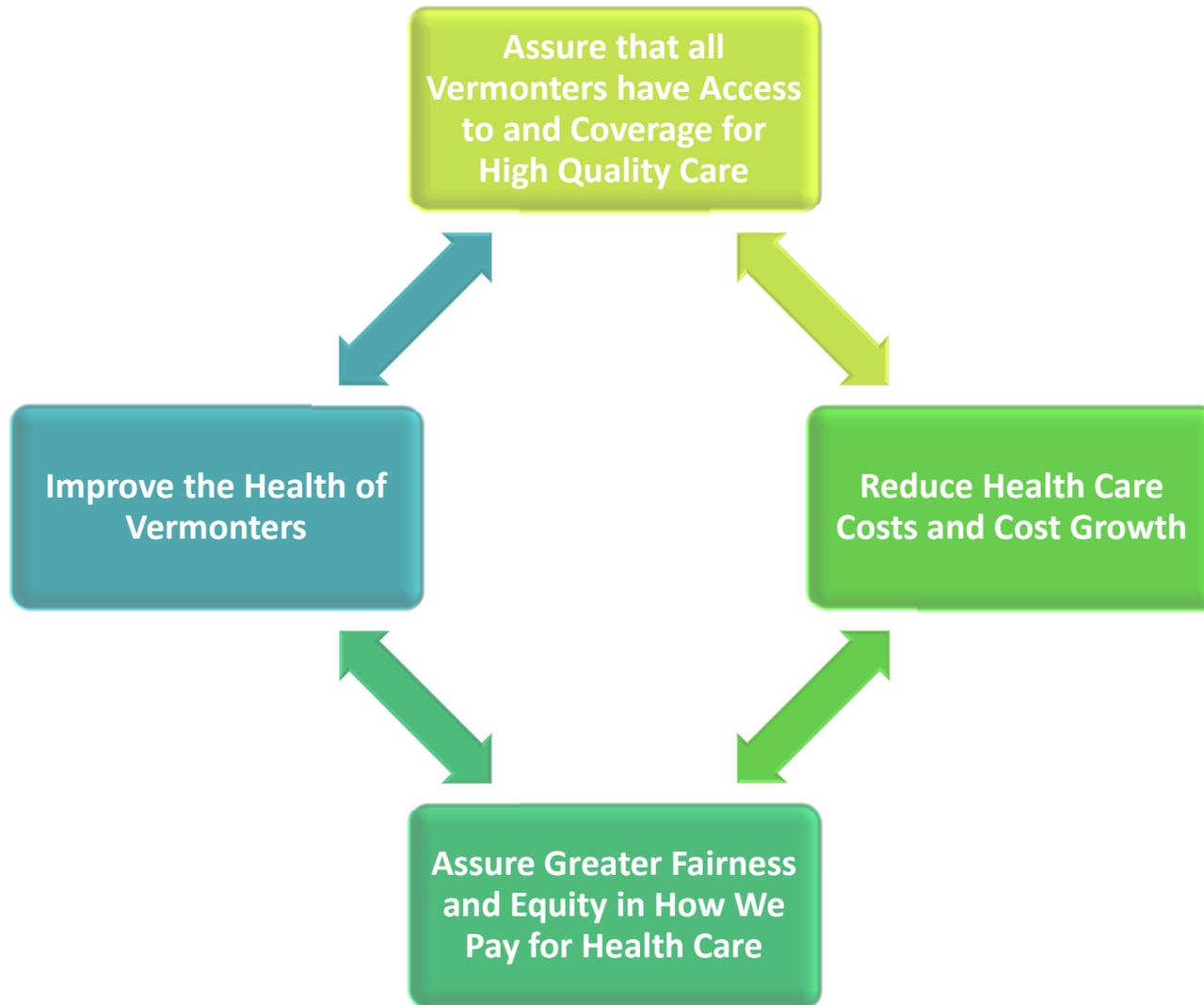
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- Introduction
- State Innovation Model Grant
- Payment and Delivery Reform Pilots
- Vermont Health Connect Rate Review
- Fiscal Year 2014 Hospital Budgets



# Vermont's Health Reform Goals

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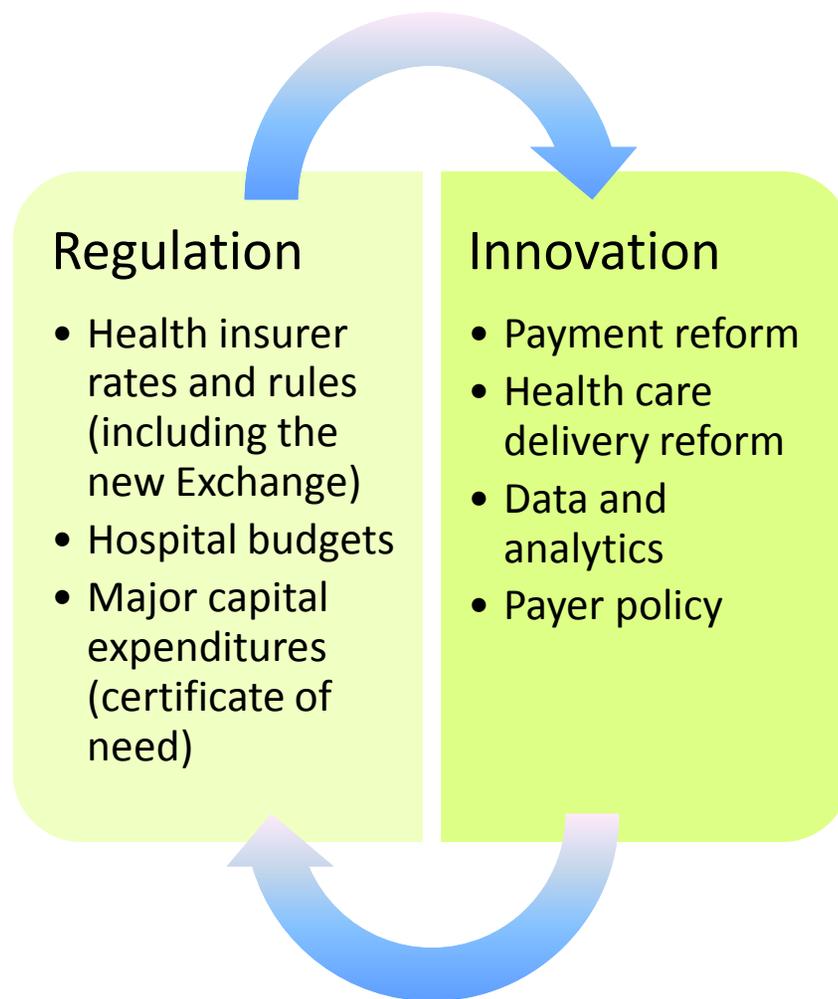


VERMONT HEALTH REFORM



# Roles of the Green Mountain Care Board

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# State Innovation Model (SIM) Testing Grant:

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- Awarded to only 6 states
- Vermont received \$45 million
- Funds spread across 3 ½ years

# Aims of the SIM Grant Project

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## What?

- Improve patient experience of care (including quality and satisfaction);
- Improve the health of Vermont's population; and
- Reduce per capita costs of health care.

## How?

- Coordination of care;
- Value-based payment; and
- Health information exchange (both the technology and the actual use of information).

# SIM Payment Reform

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SIM supports testing alternatives to straight fee-for-service

- Shared savings accountable care payments
  - Single network of providers takes responsibility for managing the costs and quality of care/services for a group of Vermonters
- Bundled payments
  - Provide a single payment to a group of providers for an acute or chronic care episode
- Pay-for-Performance
  - Incorporate the total costs and quality of care/services into provider compensation

# SIM progress to date

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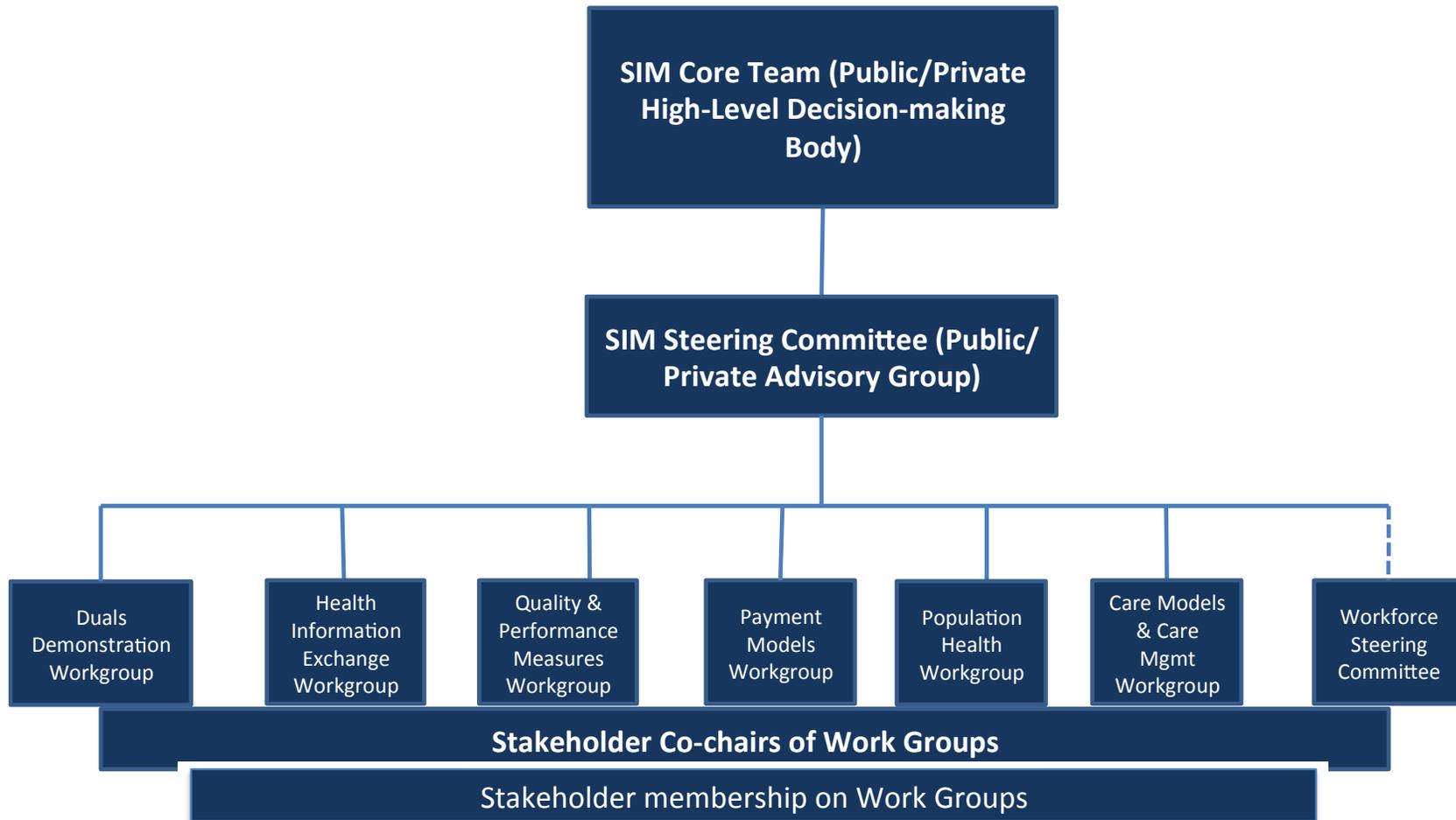
- Submitted Quarterly Report 7/30/13
- Submitted Operations Plan 8/1/13
- Released two RFPs:
  - Project Management
  - Evaluation
- Hired staff:
  - Still in recruitment for many positions

# SIM Operations Plan: Project Structure

- Duals Integration
- Governance



# SIM Project Governance



# SIM Core Team Members

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- Anya Rader Wallack, Ph.D., Chair
- Paul Bengtson, CEO, Northeastern Vermont Regional Hospital
- Al Gobeille, Chair of the Green Mountain Care Board
- Mark Larson, Commissioner of the Department of Vermont Health Access
- Robin Lunge, Director of Health Care Reform
- Doug Racine, Secretary of Human Services
- Lisa Ventriss, President, Vermont Business Roundtable
- Susan Wehry, M.D., Commissioner of the Department of Disabilities, Aging, and Independent Living



# SIM Steering Committee Members

- John Barbour, Executive Director, Champlain Valley Area Agency on Aging (Invited)
- Susan Barrett, Director of Vermont Public Policy, Bi-State Primary Care
- Stephanie Beck, Director of Health Care Operations, Compliance, and Improvement, Agency of Human Services
- Bob Bick, Director of Mental Health and Substance Abuse Services, Howard Center for Mental Health (Invited)
- Harry Chen, M.D., Commissioner of the Department of Health
- Peter Cobb, Director, Vermont Assembly of Home Health and Hospice Agencies
- Elizabeth Cote, Area Health Education Centers Program
- Elizabeth Davis, R.N., MPH, Consultant on Long Term Services and Supports (Invited)
- Susan Donegan, Commissioner of the Department of Financial Regulation
- Kate Duffy, Commissioner, Department of Human Resources
- Paul Dupre, Commissioner of the Department of Mental Health
- Nancy Eldridge, Cathedral Square and SASH Program
- John Evans, President and CEO, Vermont Information Technology Leaders
- Catherine Fulton, Executive Director, Vermont Program for Quality in Health Care
- Don George, President and CEO, Blue Cross Blue Shield of Vermont
- Bea Grause, President, Vermont Association of Hospital and Health Systems
- Dale Hackett, Consumer Advocate
- Paul Harrington, President, Vermont Medical Society
- Debbie Ingram, Vermont Interfaith Action
- Craig Jones, M.D., Director of the Vermont Blueprint for Health
- Trinka Kerr, Health Care Ombudsman
- Deborah Lisi-Baker, Disability Policy Expert
- Bill Little, Vice President, MVP Health Care
- Jackie Majoros, Long-term Care Ombudsman
- Todd Moore, CEO, OneCare Vermont
- Ed Paquin, Disability Rights Vermont
- Laura Pelosi, Vermont Health Care Association
- Judy Peterson, Visiting Nurse Association of Chittenden and Grand Isle Counties (Invited)
- Allan Ramsay, M.D., Member of the Green Mountain Care Board
- Paul Reiss, M.D., Executive Director, Accountable Care Coalition of the Green Mountains
- Howard Schapiro, M.D., Interim President of the University of Vermont Medical Group Practice
- Julie Tessler, Executive Director, Vermont Council of Developmental and Mental Health Services
- Philene Taormina, AARP-Vermont (Invited)
- Dave Yacavone, Commissioner of the Department for Children and Families



# SIM Workgroups and Co-Chairs

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## Payment Models

- Don George, President and CEO, BCBSVT
- Stephen Rauh, Investment Consultant and Member of GMCB Advisory Board, affiliated with the Dartmouth Institute (Invited)

## Care Models and Care Management

- Bea Grause, President, Vermont Association of Hospitals and Health Systems
- Susan Barrett, Director of Vermont Public Policy, Bi-state Primary Care

## Health Information Exchange

- Simone Rueschemeyer, Behavioral Health Network (Invited)
- Matthew Watkins, M.D., Cardiologist at Fletcher Allen Health Care (Invited)

## Dual Eligibles

- Deborah Lisi-Baker, Disability Policy Expert
- Judy Peterson, Visiting Nurse Association of Chittenden and Grand Isle Counties (Invited)

## Quality and Performance Measures

- Catherine Fulton, Executive Director, Vermont Program for Quality in Health Care
- Laura Pelosi, Vermont Health Care Association (Invited)

## Population Health Management

- Harry Chen, M.D., Commissioner of the Department of Health
- Karen Hein, M.D., Member of the Green Mountain Care Board

## Workforce

Members appointed yesterday

# SIM Timelines and Payment Reform Pilot Update

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## **GMCB approved pilots:**

- OneCare, a Medicare ACO, now includes all 14 of the state's hospitals.
- Oncology pilot in St. Johnsbury

## **Multi-payer Effort led by GMCB:**

- Emergency Department program at Northwestern Medical Center, work began October 2012 (pending GMCB approval)

# SIM Timelines and Payment Reform Pilot Update

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## **Pilots under development:**

### Medicare

- Congestive Heart Failure Bundled Payment in Rutland (expanding soon to COPD and Pneumonia) (pending GMCB approval)
- FQHCs ACO (pending Medicare and GMCB approval)

### Commercial

- Vermont Health Connect ACOs – anticipated start 1/1/14, work began in January 2013 (pending GMCB approval)
- SWMC Global Budget, work began October 2012 (pending GMCB approval)
- Joint Replacements Bundle at FAHC, work began Summer 2012 (pending GMCB approval)

## **Additional Payment Reform Pilots active in Vermont**

- Accountable Care Coalition of the Green Mountains
- Medicaid Projects

## **More models rolled out according to SIM timelines**

# SIM next steps

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- Communications from CMMI regarding submitted Operations Plan
- Models begin October 1<sup>st</sup>
- Continued Procurement and Recruitment

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# Rate Review: GMCB's role in Vermont Health Connect



# Vermont Health Connect Rate Timeline

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- March 25<sup>th</sup>: Rates filed with the DFR
- June 7<sup>th</sup>: DFR sent their recommendation to GMCB
- June: GMCB hosted two hearings: one each for BCBS and MVP
  - Public comment throughout the process
- GMCB decision released on July 8<sup>th</sup>

# Vermont Health Connect Rates

Rates for average standard non-HDHP silver plan (single)

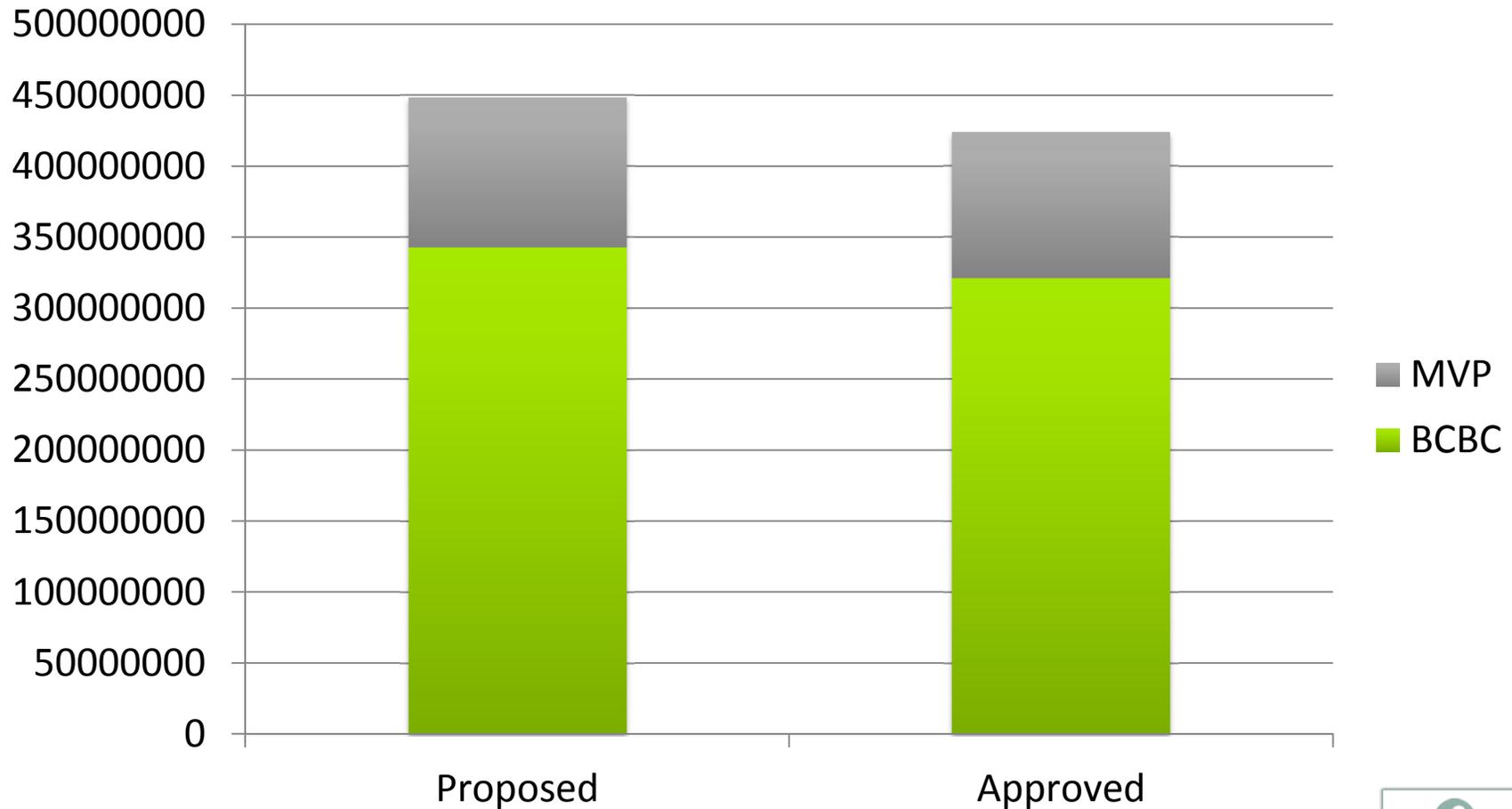
	BCBS	MVP
Proposed PMPM	\$453.52	\$441.38
Approved PMPM	\$425.19	\$427.51
Savings PMPM	\$28.33	\$13.87

Source: <http://www.dfr.vermont.gov/sites/default/files/Preliminary%20Rates%20for%20VHC.pdf>  
[http://healthconnect.vermont.gov/sites/hcexchange/files/Plan%20Designs%20with%20Final%20Rates\\_updated\\_8\\_1\\_13.pdf](http://healthconnect.vermont.gov/sites/hcexchange/files/Plan%20Designs%20with%20Final%20Rates_updated_8_1_13.pdf)



# Proposed versus Approved Total Dollars

Total Savings of \$24.7 Million



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# FACTORS AFFECTING VHC RATES

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What increased the rates:

- Adjustment for Catamount migration
- Induced Utilization
- Trend factors such as utilization and medical and drug unit cost

What decreased the rates:

- Transitional Reinsurance
- Changes in Morbidity
- Catastrophic Shortfall

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# Hospital Budgets for Fiscal Year 2014



# Fiscal Year 2014 Hospital Budget Timeline

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## **February-April:**

- GMCB provides guidance on FY14 Hospital Budget Policy

## **May:**

- GMCB distributes FY14 Budget Reporting Manual

## **July 1<sup>st</sup>**

- Hospital's budget is due

## **July-August:**

- GMCB's questions, analysis and findings prepared by staff
- Preliminary Budget Overview on July 25.

## **August 27<sup>th</sup>-29<sup>th</sup>:**

- GMCB's public hearings on hospital budgets.

## **September 16<sup>th</sup>:**

- GMCB's FY 2014 Hospital Budget decisions announced
- Hospitals are notified informally of the GMCB's decisions

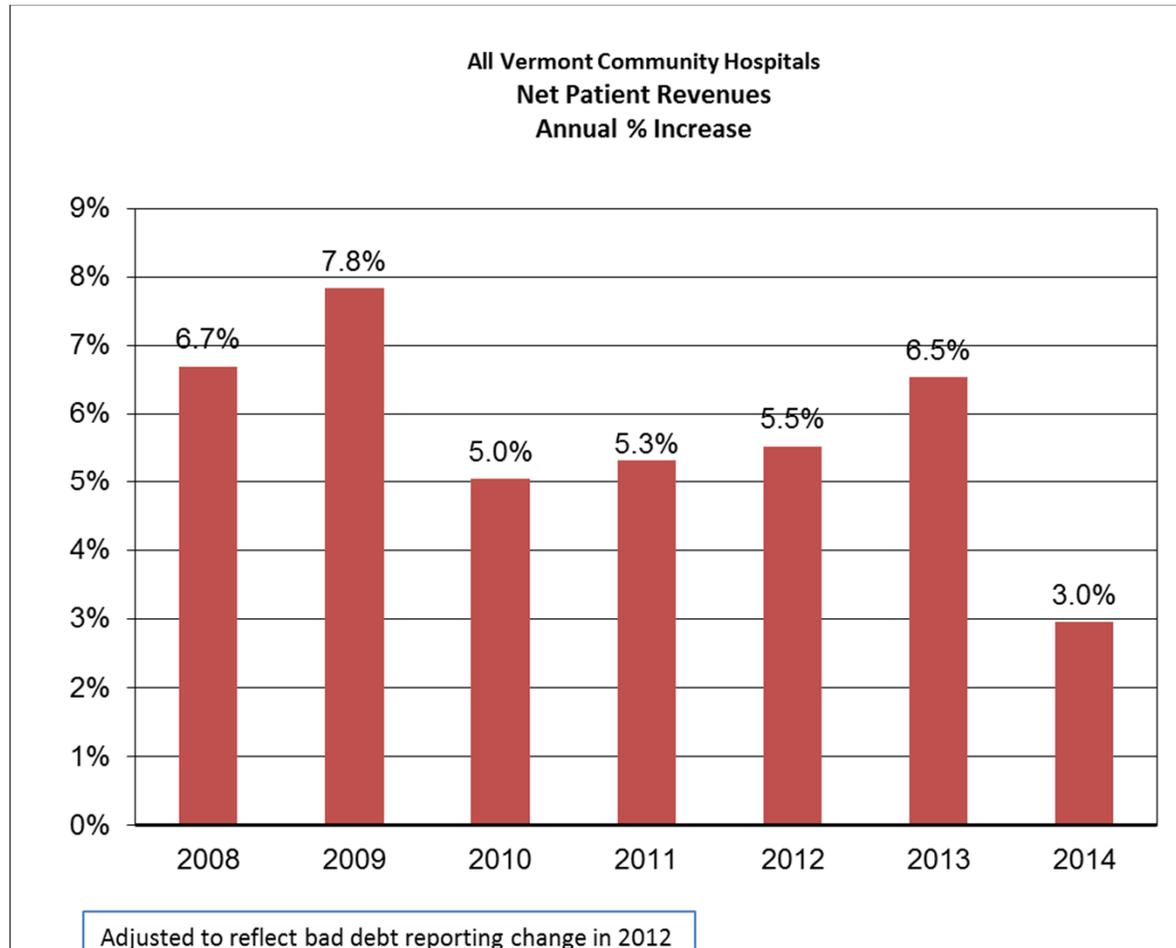
**October 1<sup>st</sup>:** GMCB's Unified Budget Orders sent to hospitals

# Net Patient Revenue Change Requested

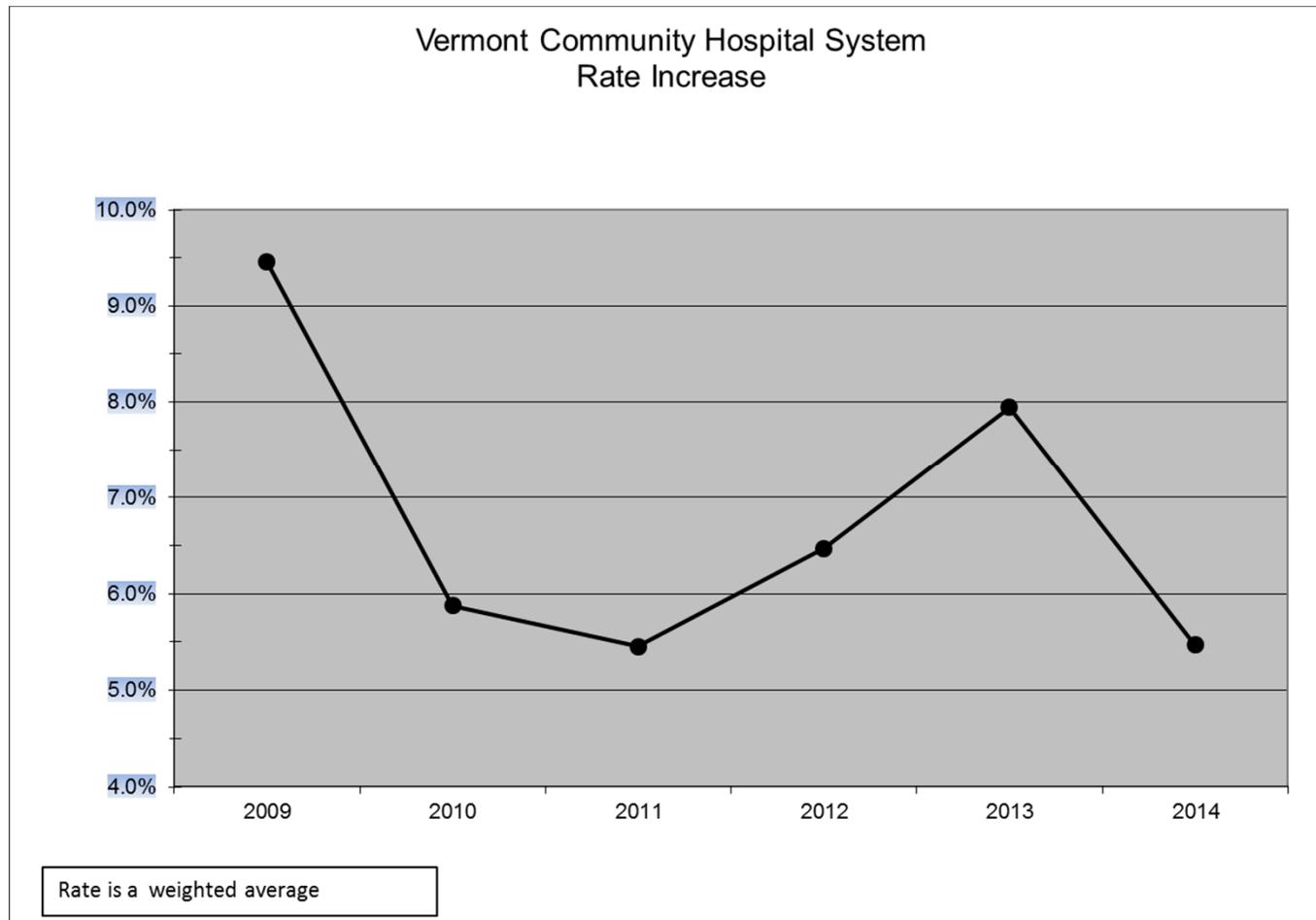
Hospital	2012 Actual	2013 Budget	2013 Projected	2014 Budget	Change over Budget 2013	% Change
Brattleboro Memorial Hospital	\$66,309,861	\$65,889,613	\$65,170,892	\$69,957,064	\$4,067,451	6.2%
Central Vermont Medical Center	\$149,448,313	\$155,378,089	\$154,405,750	\$161,181,377	\$5,803,288	3.7%
Copley Hospital	\$51,398,678	\$56,335,433	\$52,241,509	\$57,795,625	\$1,460,192	2.6%
Fletcher Allen Health Care	\$954,237,065	\$1,014,716,512	\$1,014,716,512	\$1,063,141,724	\$48,425,212	4.8%
Gifford Medical Center	\$58,059,720	\$62,965,570	\$61,676,087	\$64,106,475	\$1,140,905	1.8%
Grace Cottage Hospital	\$15,504,501	\$18,722,593	\$15,114,919	\$16,560,535	-\$2,162,058	-11.5%
Mt. Ascutney Hospital & Health Ctr	\$41,550,916	\$46,919,921	\$45,542,694	\$47,310,853	\$390,932	0.8%
North Country Hospital	\$71,693,786	\$75,876,293	\$72,018,481	\$75,085,299	-\$790,994	-1.0%
Northeastern VT Regional Hospital	\$58,288,486	\$62,276,100	\$60,604,584	\$64,687,170	\$2,411,070	3.9%
Northwestern Medical Center	\$86,988,040	\$83,550,542	\$88,601,166	\$87,759,305	\$4,208,763	5.0%
Porter Medical Center	\$61,257,971	\$68,848,517	\$66,309,464	\$69,809,475	\$960,958	1.4%
Rutland Regional Medical Center	\$192,468,640	\$211,476,550	\$210,128,617	\$217,820,712	\$6,344,162	3.0%
Southwestern VT Medical Center	\$136,213,395	\$149,179,382	\$138,086,898	\$139,576,168	-\$9,603,214	-6.4%
Springfield Hospital	\$50,280,105	\$51,874,106	\$48,503,306	\$51,978,215	\$104,109	0.2%
<b>System Total</b>	<b>\$1,993,699,477</b>	<b>\$2,124,009,221</b>	<b>\$2,093,120,880</b>	<b>\$2,186,769,997</b>	<b>\$62,760,776</b>	<b>3.0%</b>



# Growth of the budgets – Net Patient Revenue



# Vermont community hospitals Rate Increase



# Coming up

## Hospital budgets: They're everyone's business.

### The Green Mountain Care Board Hospital Budget Hearings

**August 27-29**

Capitol Plaza Hotel, Montpelier

Vermont's hospitals are vital to Vermonters' health and to the well-being of our communities. How do we balance the growing costs of our health system with Vermonters' ability to pay the tab? Here's your chance to participate in the process of examining budgets for all 14 of Vermont's hospitals — including the one that serves your community. Public comment is welcome after each hospital's hearing and at the end of each day.

**Tuesday, Aug. 27**

**8:15 a.m.–4:00 p.m.**

Rutland Regional Medical Center  
Brattleboro Memorial Hospital  
Grace Cottage Hospital  
Southwestern VT Medical Center  
Mt. Ascutney Hospital

**Wednesday, Aug. 28**

**8:15 a.m.–4:00 p.m.**

Fletcher Allen Health Care  
Central VT Medical Center  
Northeastern VT  
Regional Hospital  
North Country Hospital  
Gifford Medical Center

**Thursday, Aug. 29**

**8:15 a.m.–1:30 p.m.**

Copley Hospital  
Northwestern  
Medical Center  
Springfield Hospital  
Porter Hospital

**For specific times or more information: [www.gmcboard.vermont.gov](http://www.gmcboard.vermont.gov)**

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