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# The Road to Green Mountain Care

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# Vermont's Health Care Goals



# Today's Update

- Overview: Act 48 roles and timeline
- ACA Section 1332 State Innovation Waiver
  - Parameters and progress
- Benefits
  - Overview, primary versus secondary coverage, populations, and legal requirements
- Border issues
- Finance considerations
- Most importantly, what are your questions?

# Act 48: Roles

## Administration

- Propose finance plan
- Propose benefit package
- Ensure operational readiness
- Apply for ACA Section 1332 waiver

## Legislature

- Approve finance plan
- Appropriate funding
- Oversight

## Green Mountain Care Board

- Approve benefit package
- Provide final checks and balances
- Trigger implementation

# Act 48: Timeline

## Administration

- Propose finance plan (2015)
- Propose benefit package (By 2016)
- Ensure operational readiness (Ongoing)
- Apply for ACA Section 1332 waiver (2015/16)

## Legislature

- Approve finance plan (Consider in 2015)
- Appropriate funding (2016)
- Oversight (Ongoing)

## Green Mountain Care Board

- Approve benefit package (By 2016)
- Provide final checks and balances (2016)
- Trigger implementation (Target January 1, 2017)

# Timeline, Waiver, and Triggers

- Why Does 2017 Matter?
  - Federal waiver
    - Process and progress
      - Federal waiver will not be approved without financing plan
        - » We believe a finance plan with delayed implementation date could work, i.e. does not go into effect until Act 48 triggers are pulled

# GMC Benefits: Who is Covered?

- All Vermont residents will be enrolled in Green Mountain Care (GMC Primary)
- If individuals have other coverage, the other coverage would pay first and GMC would supplement as needed (“GMC Secondary”)
- GMC will provide comprehensive health care benefits
- GMC enrollees who meet Medicaid eligibility criteria will also be eligible for certain federally mandated services
- **We are considering impact of GMC on various populations. See examples below:**
  - What about folks enrolled in Medicare?
    - 3 models to review with you
      - need to come back.
  - What about state and teacher retirees?
    - 2 models for coverage of retirees who move out of state
  - Please see handout on coverage transition.

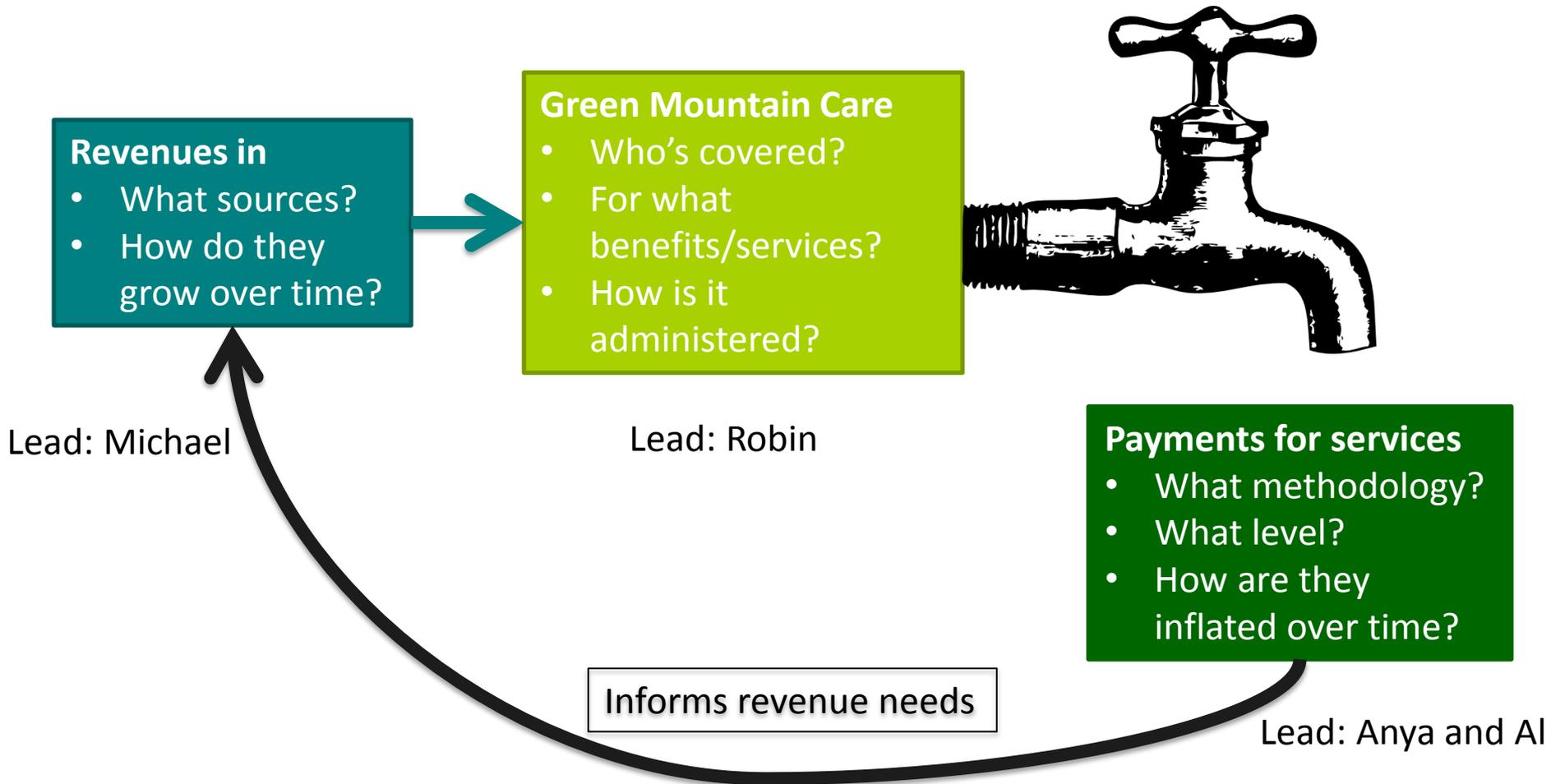
# GMC Benefits: Legal Considerations

- Covered Services
  - Affordable Care Act requirements
    - Covered services at least as good as those provided by essential health benefits
  - Act 48 requirements
    - Covered services at least as good a Catamount Health (less than ACA)
    - Consider adding dental, vision, long-term services & supports
      - Cost estimates in UMass report

# Cross-Border GMC Plan Considerations

- Coverage
  - Out-of-state employers with Vermont employees
  - Vermont employers with out-of-state employees
- Network
  - Out-of-state care for Vermont residents
- Administrative Costs
  - Out-of-state residents using Vermont providers

# Health Care Reform: Fitting the Pieces Together



# Road to a Finance Proposal: Four Major Questions

- How much do we pay now?
- How much will Green Mountain Care cost?
- How will we pay for it?
- What will be the economic impact?

# Road to a Finance Proposal: How Much Do We Pay Now?

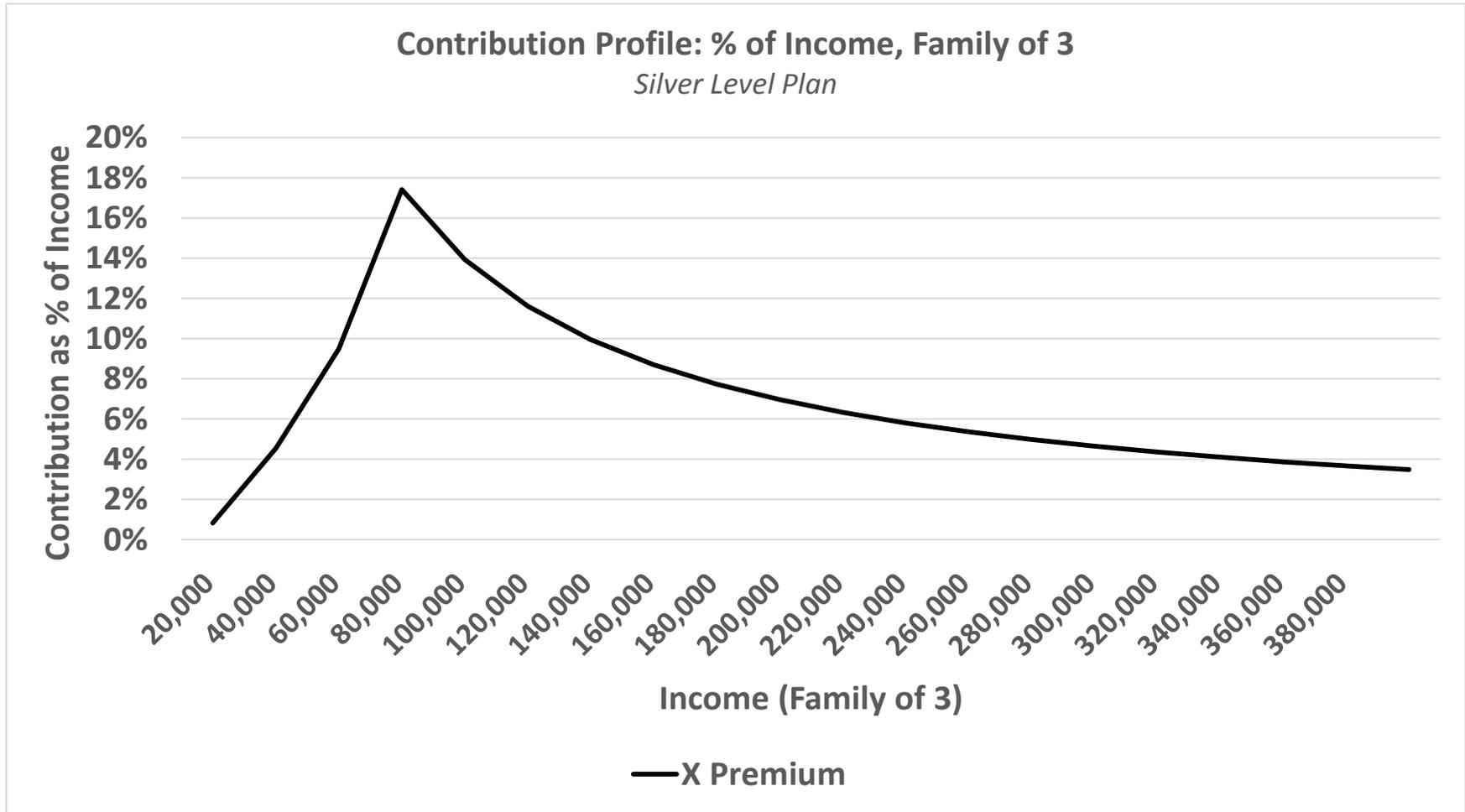
- Many Individuals and businesses make a substantial and regular direct contribution to health care

Contributing Group	Amount Spent on Health Care (Millions)
Premiums	1,849
Out of Pocket	715

- But how do people experience this system?

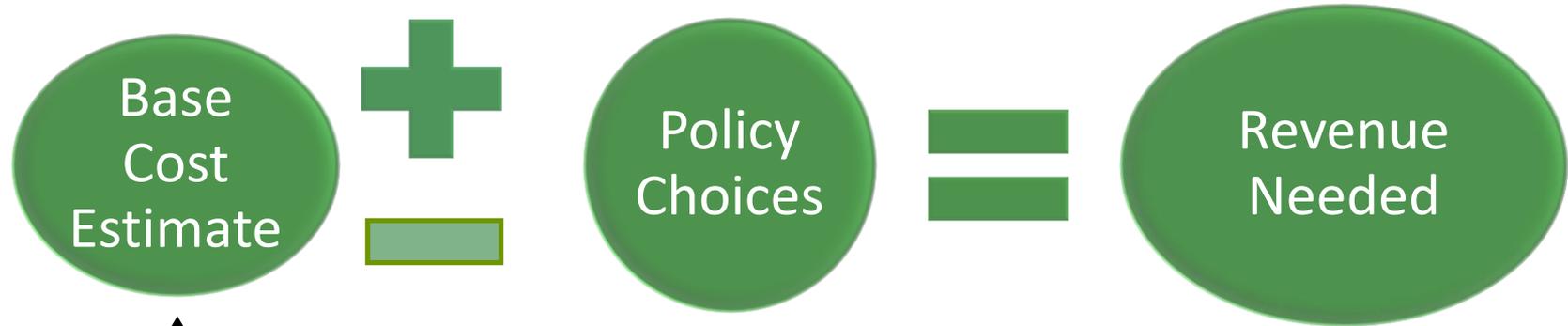
Source: 2011 Health Care Expenditure Analysis, GMCB

# Financing System: How Do We Get to this Chart?



# How Much Will Green Mountain Care Cost?

## Revenue Range, Not a Bullseye



Adjustments as we update and scrutinize plan

Any costs to operationalize GMC

# How Much Will Green Mountain Care Cost? (2)

UMASS/Wakely GMC Cost & Revenue Streams	Dollars (Millions)
Total System Costs	(5,916)
Federal: Medicare	1,613
Federal: Medicaid Match	1,247
Federal: ACA	267
Federal: Other	209
State Medicaid Funding	637
Individuals and Employers (Non-GMC)	332
Total Sources of Funds	4,305
Amount to be Publicly Financed	(1,611)

- UMASS/Wakely baseline of \$1.6 billion in public financing
- Avalere analysis of \$1.8 to \$2.2 billion
  - Different assumptions and different numbers
- The importance of collaboration and shared assumptions

# Road to a Finance Proposal:

## How Will We Pay for Green Mountain Care?

- Green Mountain Care will feature a new funding source, not new funding
  - Policy debate should focus on redirecting the money Vermonters already spend
- Paying less to cover more people with more valuable benefits

# Road to a Finance Proposal:

## How Will We Pay for Green Mountain Care?

- Many individuals and businesses make a substantial and regular contribution to health care
  - They should expect that to continue in some form

# Road to a Finance Proposal: How Will We Pay for It & Economic Impact?

- Process
  - Develop multiple options for raising the required revenue
  - Assess the impact of finance plan on taxpayers, Vermont's economy, and Vermont's revenue streams
  - Goal is to discuss potential revenue options in 2014 and present a plan to the Legislature in January 2015