

## **Considerations for Evaluating Health Care Reform Proposals**

### **Ken Thorpe**

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*This is a draft to be further developed and used by the legislature to evaluate and compare health care reform proposals.*

Act 48 calls for a unified publicly-financed health care system with coverage for all Vermonters. There are a number of approaches for designing and financing a universal and unified health care plan consistent with Act 48. This document provides a framework for evaluating and comparing proposals.

#### **Benefits**

*NOTE: Benefits refer to levels of cost-sharing whereas covered services referred to what services are covered.*

1. What is the insurance benefit (actuarial value)?
2. Would Vermonters be able to supplement (or have their employers supplement) their coverage with an additional benefit package or cost-sharing structure?
3. For those eligible for cost-sharing subsidies under the exchange, how will this compare?
4. For those eligible for Medicaid, how will cost-sharing and benefits/coverage compare.
5. For those eligible for Medicare, how will cost-sharing and benefits/coverage compare ?

#### **Administration**

1. Who would administer the program?
2. Who would negotiate provider payment rates on behalf of the state?
3. What role would Vermont Connect assume (such as enrollment, etc.)?
4. Who would process claims (Medicaid, vendor)?
5. How administratively complex would potential financing models be?
6. Where, if any, are there potentials for administrative savings and/or simplifications?
7. Will administrative costs be bereduced below 2011 levels (adjusted for inflation)?

#### **Cost Containment**

1. What cost-containment, if any, can be achieved as a result of the proposal that would not have been achieved in the absence of the proposal?
2. How would yearly health spending be controlled to assure that it grows no faster than the non-health care sector of the Vermont economy and slower than projected per capita rates of growth?
3. Would the state continue to rely on (other than for ACOs) fee for service payments or would an alternative payment model be developed (hospital per capita budget). What impact would these alternative approaches have on the ability of the state to reduce the rate of per capita health care spending.
4. Would overall spending in the state be lower than projected over the next five to ten years?

5. What impact would cost containment approaches have on the growth and level of administrative costs and patient care spending?

### **Reimbursement Rates & Addressing the Cost Shift**

1. Does the proposal have a positive or negative impact on the Medicaid cost-shift?
2. Would rates be uniform across all payers (including Medicare)?
3. Would the reimbursement rates be adequate to attract and retain physicians and other health care workers?

### **Financing and Equity**

1. What is the total cost?
2. Would the financing plan be include income-related (based on adjusted gross income) contributions by enrollees similar to the Affordable Care Act?
3. What are the distributional impacts of these alternative financing mechanisms? Compared to what businesses and individuals are paying today (directly and indirectly), how much more or less would they pay under alternative financing models?
4. How would these alternative financing models affect the ability to attract and retain business and jobs?
5. Which financing approach is the most progressive compared to current policy?

### **Economic Impacts**

1. What approach will be used to assure no have a negative aggregate impact on Vermont's economy?
2. What impact would potential financing models have on the projected growth in the Vermont economy?
3. How sustainable is the plan 5 years out?

### **Payment & Delivery Reform**

1. How would potential plans link with the Blueprint for Health?
2. What future role is envisioned for ACOs?
3. How are the various private and public chronic care programs coordinated for maximum effect?
4. What role, if any, will global budgets play?
5. What role will bundled payments play?

### **Populations Covered and Plan Scope**

1. What Vermonters would be covered?
2. What role would Medicaid assume?
3. What happens to people who continue to have insurance through their employer or through retirement benefits?

4. What happens to collective bargaining (specifically state employees, municipal employees, and teachers)?
5. Cross-border concerns: Would Vermont residents working out-of-state be covered, and similarly non-Vermonters who are employed by Vermont businesses?

### **Maximizing Federal Contributions**

1. How do potential plans impact federal contributions if a state innovation waiver is applied for?
2. What is the impact on federal tax deductibility?

### **Universal Coverage**

1. What specific mechanisms would be used to assure all Vermonters have health coverage?

### **Quality & Outcomes**

1. Does the plan have the prospect for improving the health of Vermonters and how?
2. How does the plan invest in public health (such as prevention, care coordination, etc.)?

### **Workforce**

1. Does the plan address recruitment, training, and retention of the health care workforce and how?