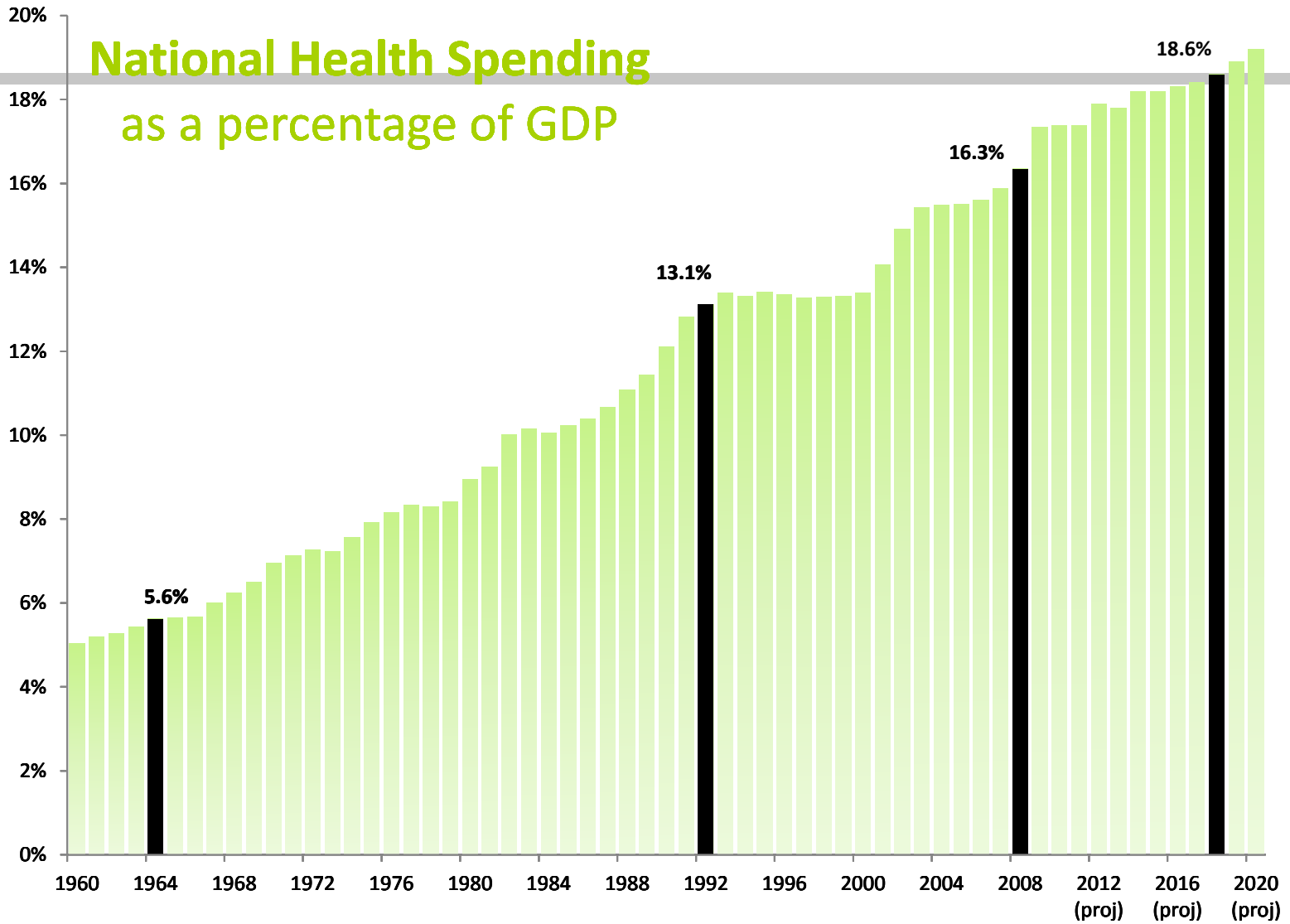

VERMONT HEALTH CARE COST TRENDS

January 24th 2014

Al Gobeille

Chair, Green Mountain Care Board

National Health Spending as a percentage of GDP



VERMONT HEALTH REFORM





Income: \$60,000

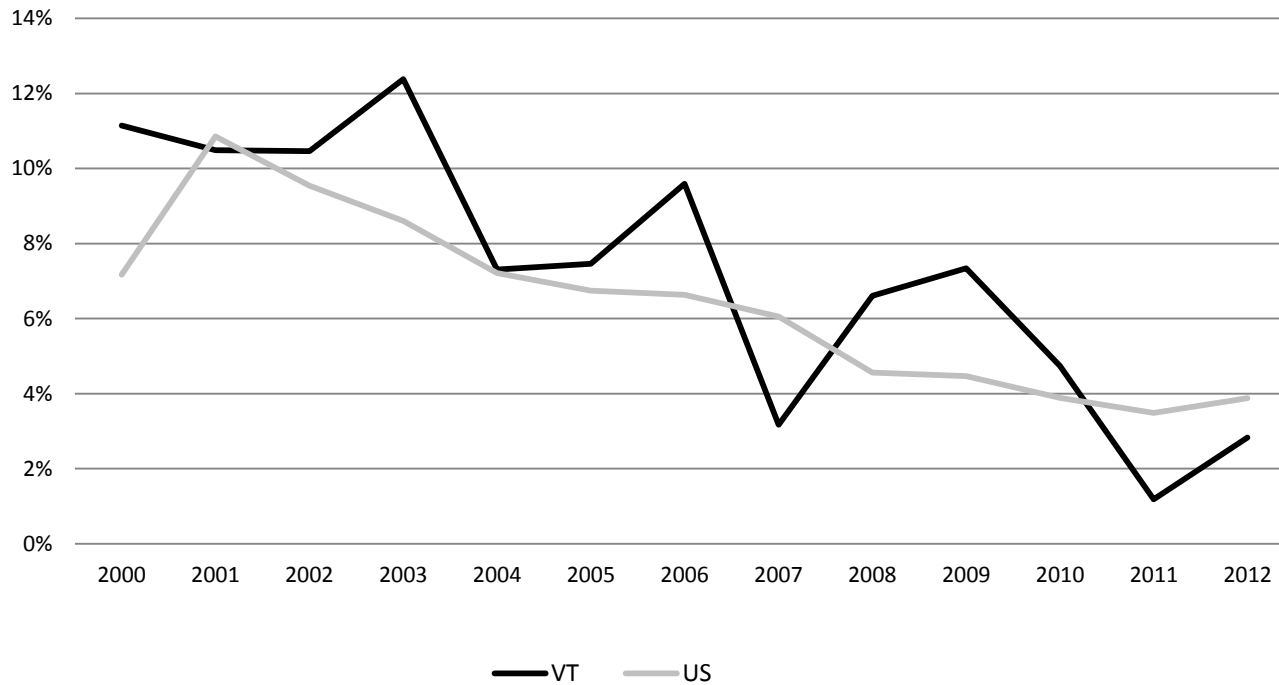
Hourly: \$30

Cost: \$9.83/Hr.

Cost with Subsidy: \$4.86/Hr.

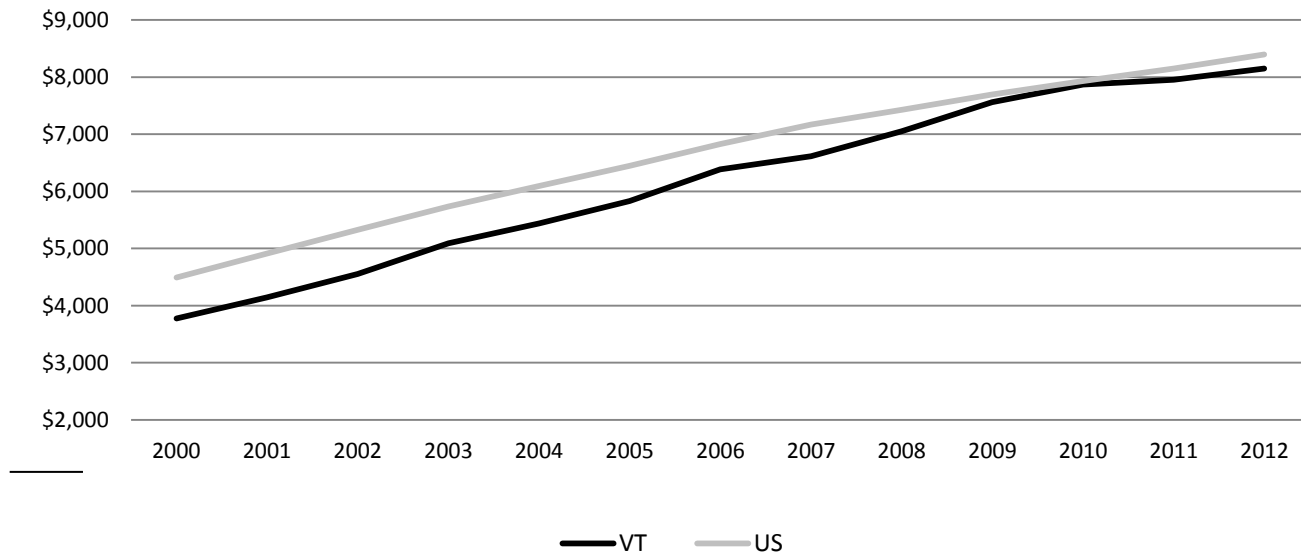
What was the rate of growth?

Health Spending Growth



Source: US data from CMS Health Consumption Expenditures
VT data from VT Healthcare Expenditures Analysis

Per Capita Health Spending Growth

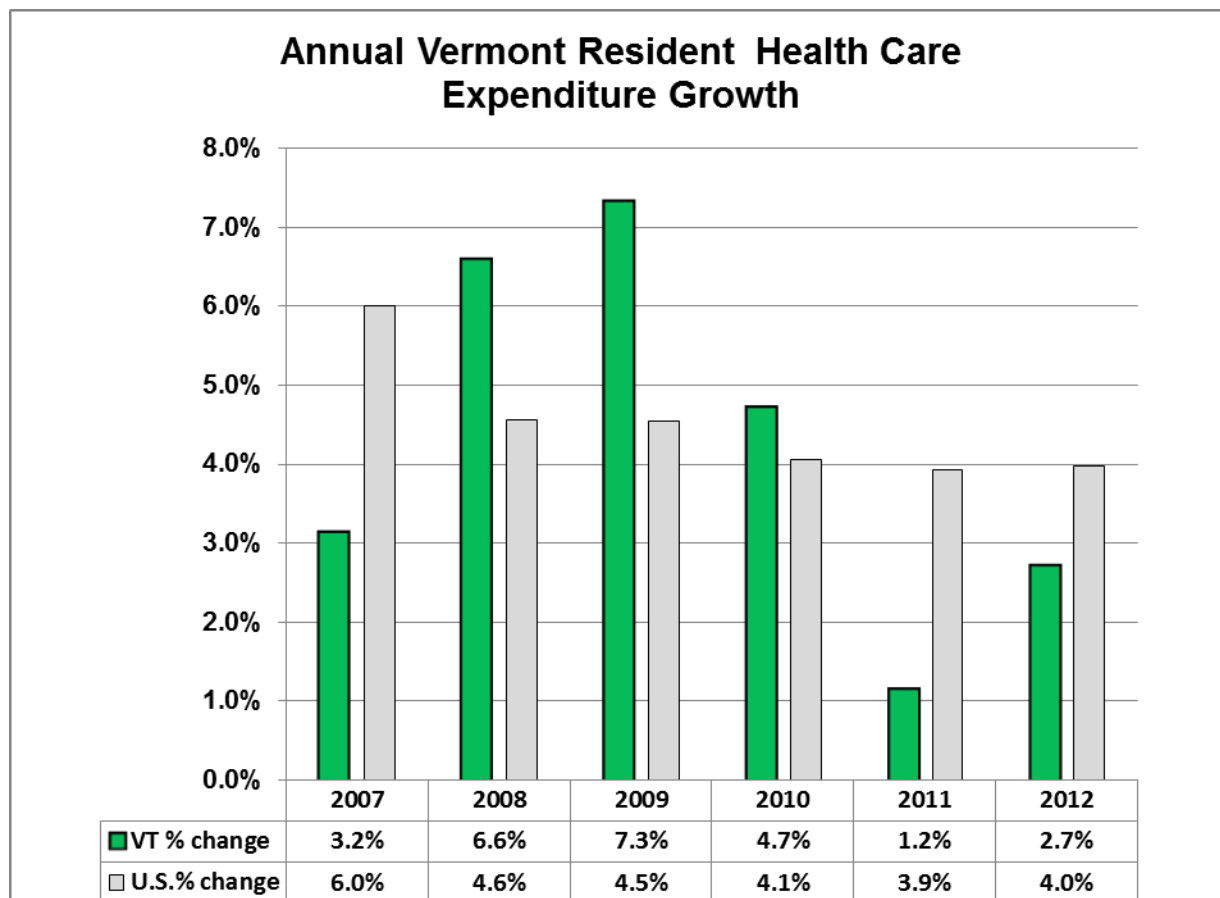


Source: US data from CMS Health Consumption Expenditures
VT data from VT Healthcare Expenditure Analysis

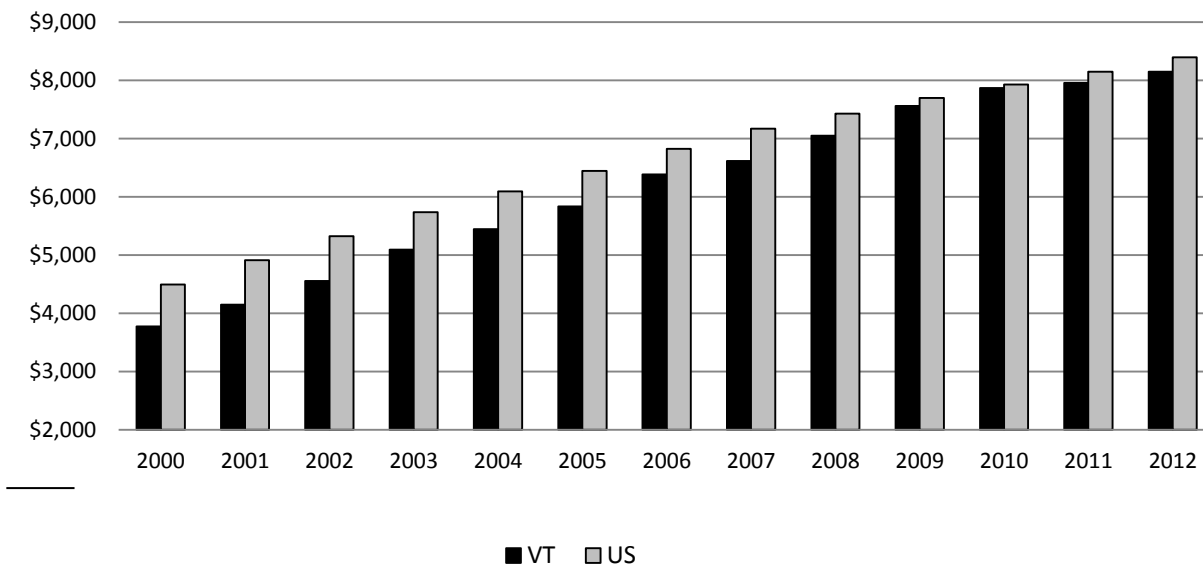
What is the rate of growth in Vermont compared with the U.S.?

Expenditures for health care services received by Vermonters grew an average of 4.5% per year (2007-2012) while the U.S. grew an average of 4.2% per year.

Note: U.S. - Health Consumption Expenditures with projected 2012



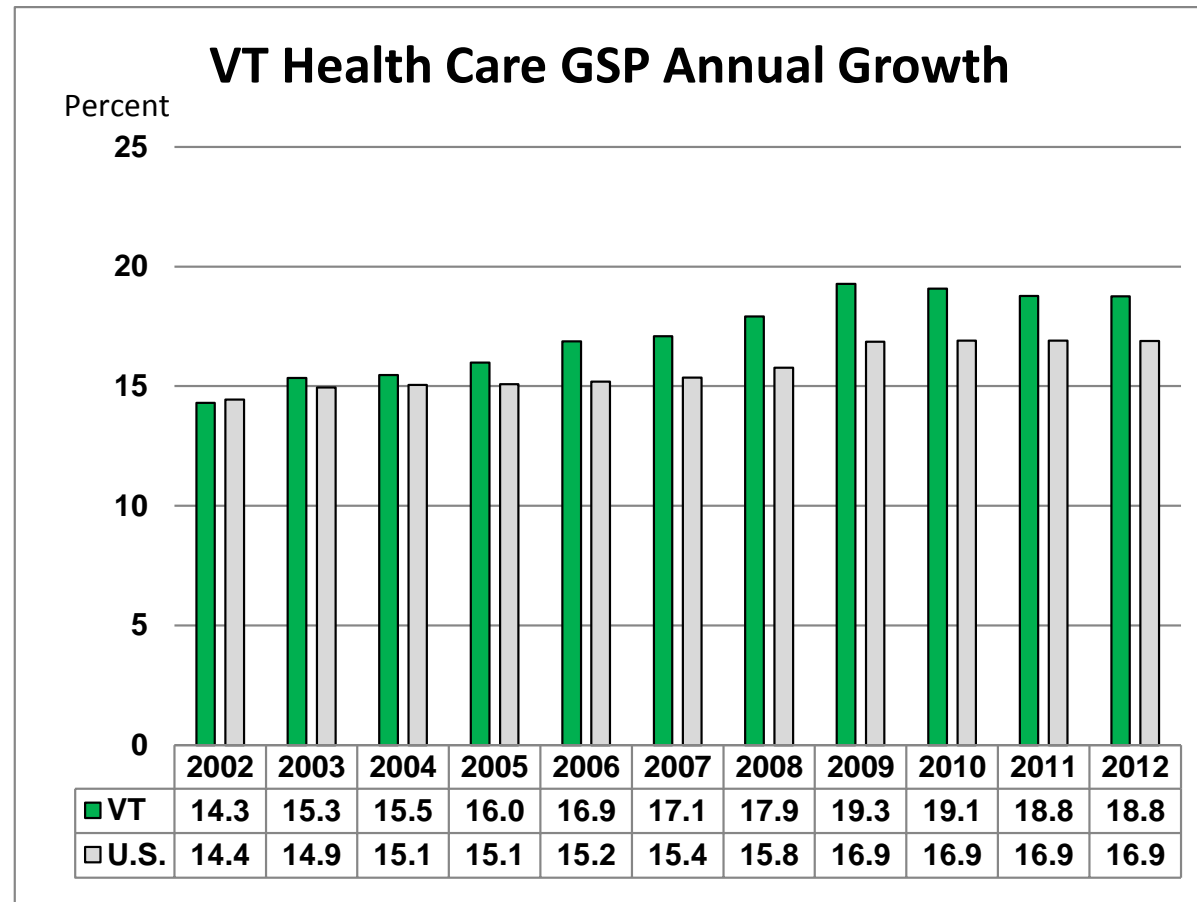
Per Capita Health Spending Growth



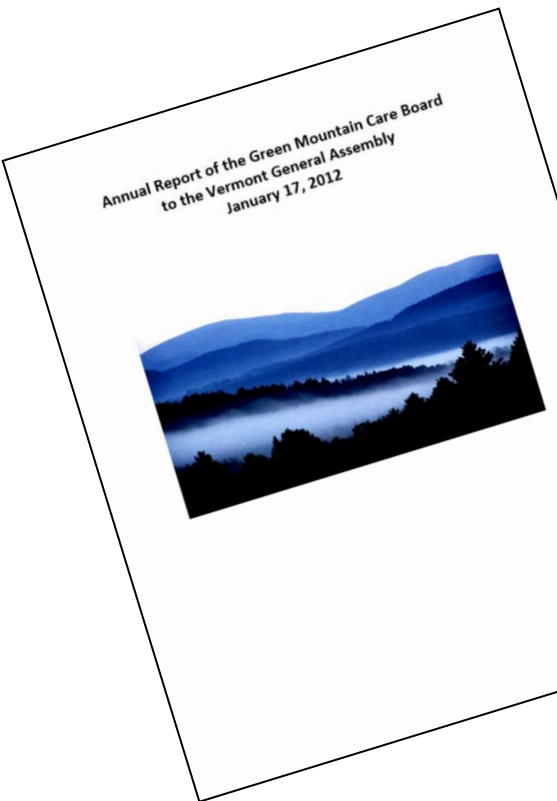
Source: US data from CMS Health Consumption Expenditures
VT data from VT Healthcare Expenditure Analysis

Health care spending results in a growing share of gross state product dedicated to health care


Vermont's health care expenditures as a percentage of GDP/GSP continue to be higher than the US average.



Our third Annual Report



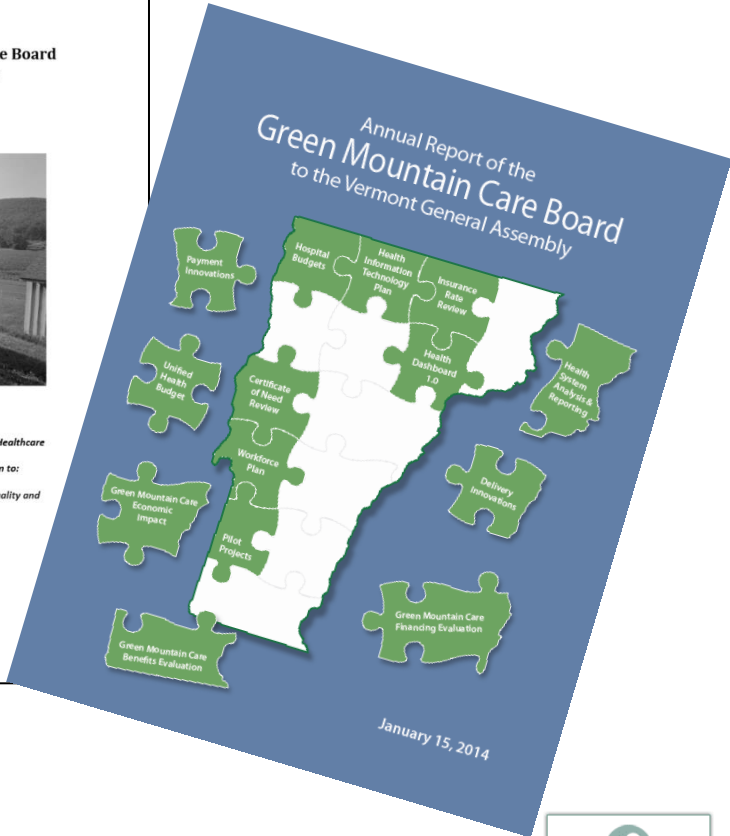
Annual Report of the Green Mountain Care Board to the Vermont General Assembly January 15, 2013



The Green Mountain Care Board is committed to the Institute for Healthcare Improvement's "Triple Aim," which has been adopted by the Federal Centers for Medicare and Medicaid Services. We aim to:

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

Annual Report of the Green Mountain Care Board to the Vermont General Assembly



January 15, 2014

Key initiatives shown on the puzzle pieces:

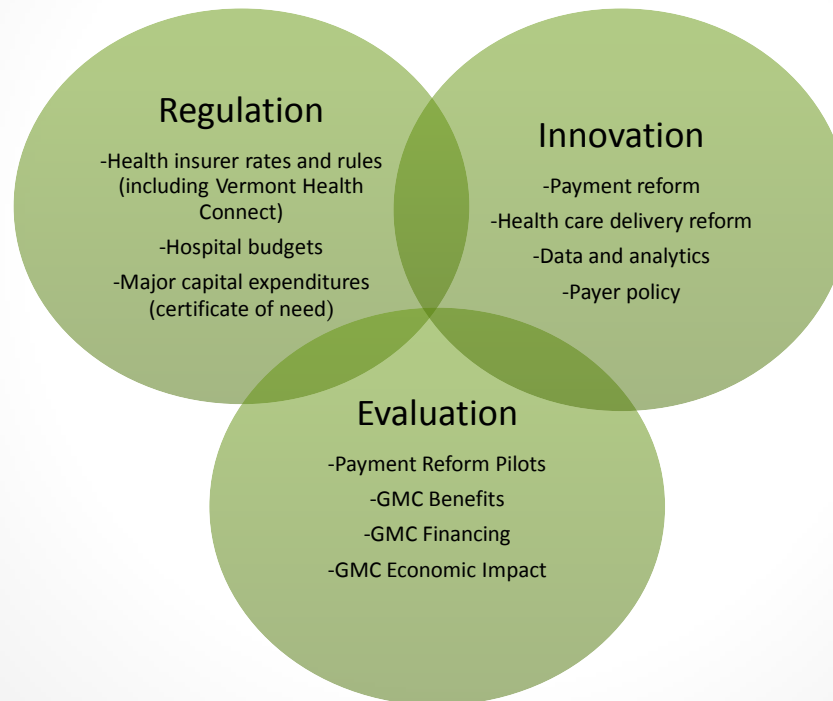
- Payment Innovations
- Unified Health Budget
- Green Mountain Care Economic Impact
- Green Mountain Care Benefits Evaluation
- Hospital Budgets
- Certificate of Need Review
- Workforce Plan
- Pilot Projects
- Health Information Technology Plan
- Insurance Rate Review
- Health Dashboard 1.0
- Health System Analysis & Reporting
- Delivery Innovations
- Green Mountain Care Financing Evaluation

Four goals.

1. Meet the requirements of **Act 48**.
2. Target a **diverse set of audiences**:
 1. **Legislators**, as required.
 2. **All Vermonters** & others interested in Vermont's efforts.
3. Provide three layers of **accessibility**:
 - Executive Summary
 - Detailed Reports on Role/Progress/Priorities
 - Extensive documentation in appendices
4. Create a **reference document** useful throughout the year and in the future.

ACT 48 & THE ROLE OF THE GMCB

The Green Mountain Care Board



Milestones in 2013

- Vermont received \$45 million SIM grant.
- First transition in leadership:
 - Anya Rader Wallack and Georgia Maheras to SIM
 - Al Gobeille named Chair
 - Betty Rambur named to Board
- The Legislature took significant action in support of reform:
 - 3% Medicaid increase addressed cost shift & supported hospital budget regulation
 - Streamlined health insurance regulation process, assigning GMCB additional responsibility

PROGRESS IN 2013

- **Hospital budget regulation:** Growth of 2.7 percent, the lowest rate in Vermont in at least the past 15 years.
- **CON regulation:** Four CONs and one Conceptual Development Phase Certificate of Need (CCON).
- **Insurance rate regulation:** 31 health insurance rate decisions included reducing Vermont Health connect rates by approximately 5 percent.
- **Payment & Delivery Reform:** Worked with groups around the state to help launch and evaluate a growing set of reform initiatives ranging from local pilots in oncology and heart failure to statewide ACOs.

Progress in 2013

- **Health system analysis & reporting:** GMCB assumed responsibility for VHCURES, leading a broad public process to revise the rules governing reporting and paved the way for better analysis and forecasting.
- **Public Health/Population Health:** Increased activity led by a new Work Group.
- **Benefits:** GMCB led movement toward clearer definition, including commissioning a study on oral health needs.
- **Workforce:** GMCB approved the Administration's plan.
- **Public Engagement:** Launched "Traveling Board Meetings" around the state, built new health insurance rate review web site, and logged more than 60 speaking engagements.

Priorities for 2014: Regulation

- Maintain downward pressure on health care costs.
- Further integrate regulatory systems so that each cycle of each regulatory task fits into a broader context to serve Vermonters.

Priorities for 2014: Innovation

- Continue to refine and expand opportunities to test improvements in health care payment and delivery.
- Identify and address areas of the health care system, such as mental health/substance abuse, that may not have traditionally received equitable attention and support in payment and delivery reform efforts.
- Continue to integrate Public Health Improvement/Total Population Health strategies.

Priorities for 2014: Evaluation

- Continue to improve our ability to accurately and objectively monitor, evaluate, and report on Vermont's health care system.
- Evaluate and share results of health care innovation efforts.
- Clarify, communicate about, and plan for adequate support of the GMCB's evaluative duties with regard to Green Mountain Care.