

Vermont Health Care 101

House Health Care committee
February 6, 2015

How much does your
health care cost?

1. Payment overview
2. Health care reform in VT
3. Cost to you
4. Constituent resources

1. Payment overview

Useful Health Insurance Terms

Actuarial Value – The average share of medical spending paid by a plan for a defined set of covered services across a standard population. For example, if a plan has an actuarial value of 70%, on average the plan would pay for 70% of medical spending for covered services and the beneficiary would pay the remaining 30% out-of-pocket in the form of cost sharing, deductibles, coinsurance, and copayments.

Cost Sharing – When users of a health care plan share in the cost of medical care. Deductibles, coinsurance, and copayments are examples of cost sharing.

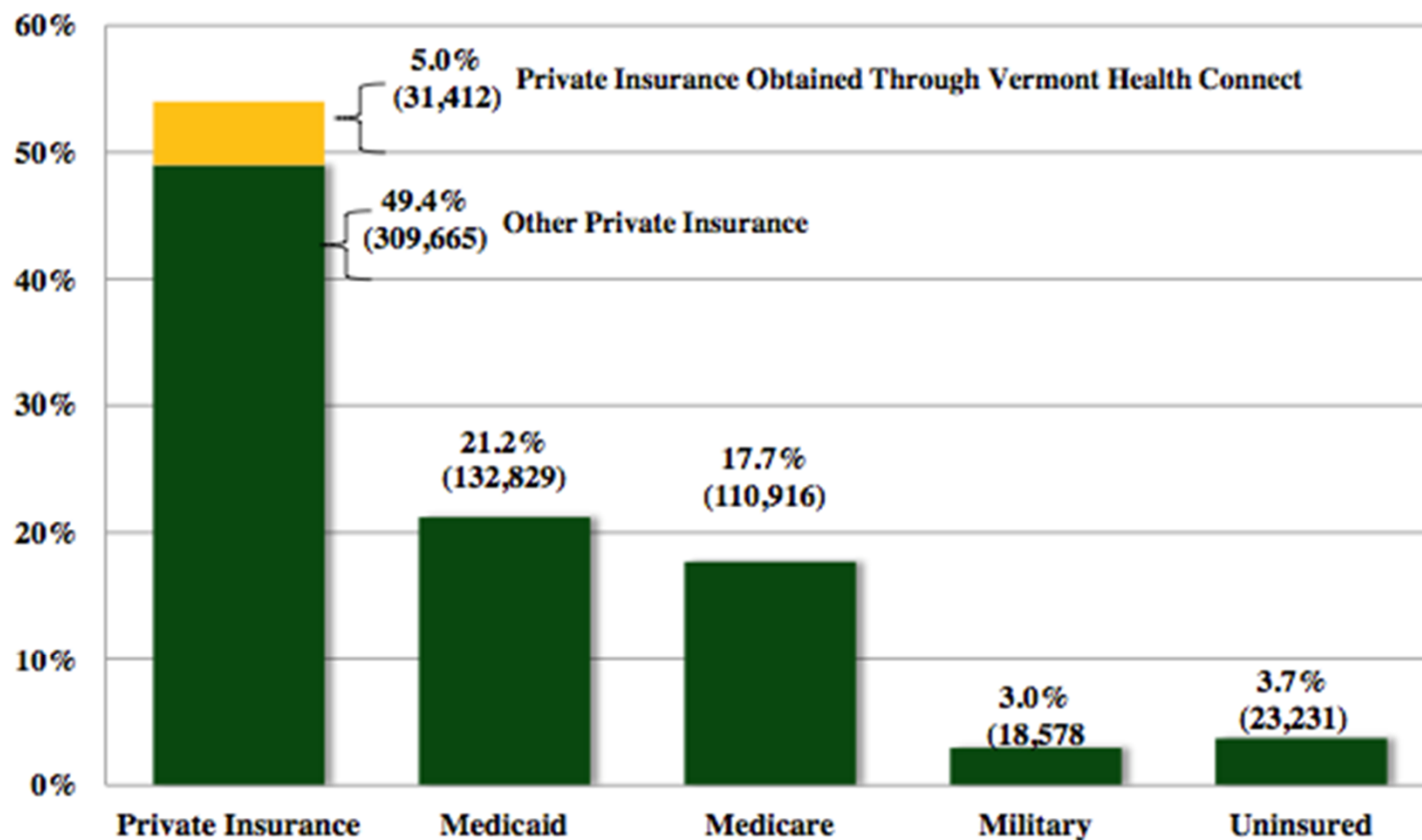
Deductible – The amount an individual must pay for health care expenses before insurance (or a self-insured company) covers the costs.

Coinsurance – Refers to money that an individual is required to pay for services, after a deductible has been paid. Coinsurance is often specified by a percentage. For example, the employee pays 20 percent toward the charges for a service and the plan pays 80 percent.

Copayment – A predetermined, flat fee that an individual pays for health care services, in addition to what the insurance covers. For example, some HMOs require a \$10 copayment for each office visit, regardless of the type or level of services provided during the visit.

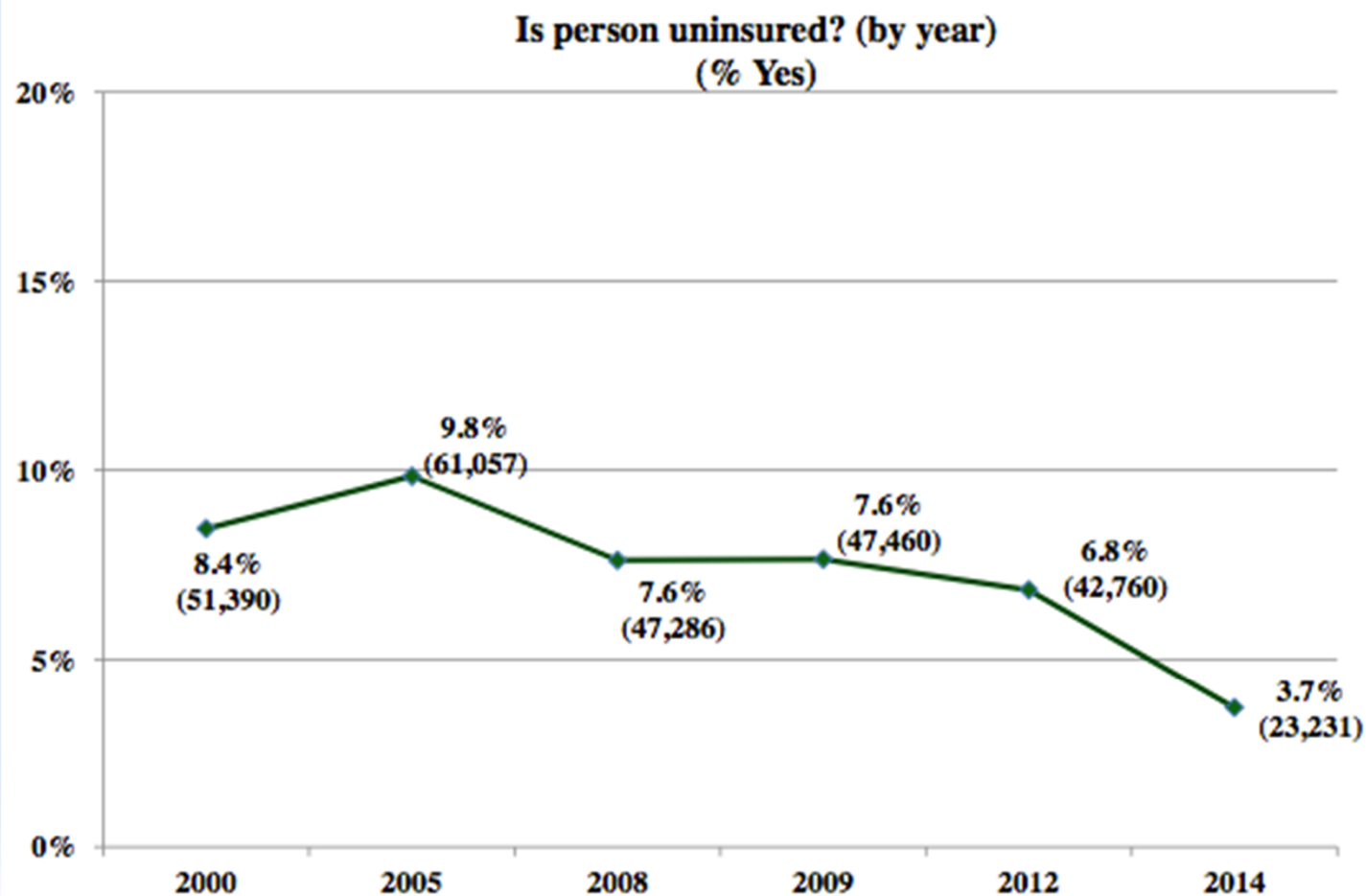
Primary Source of Health Coverage, Vermont Residents, 2014

Types of Insurance Coverage in Vermont



Uninsured Vermonters

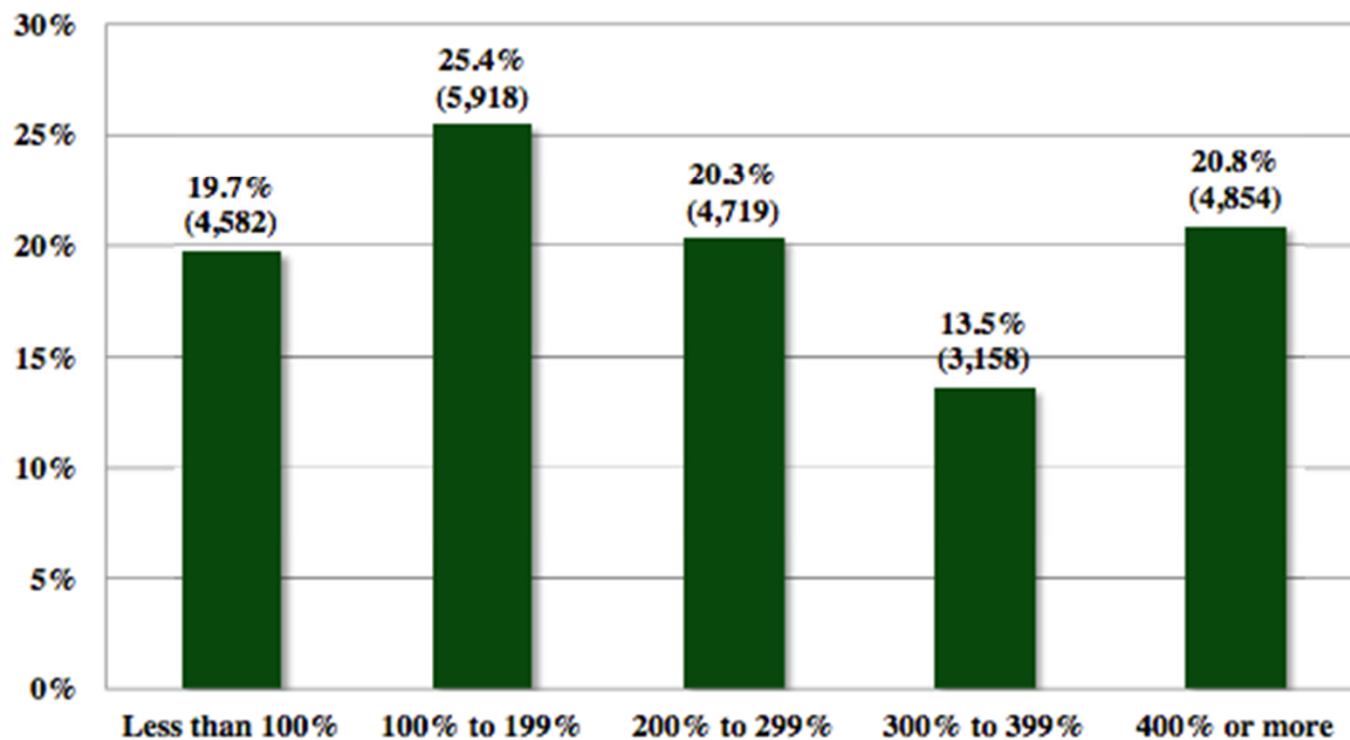
The percentage of uninsured Vermont residents in 2014 has decreased compared to 2009 and 2012.



Source: 2014 Vermont Household Health Insurance Survey

One quarter (25%) of the uninsured reside in families whose income is between 100% and 199% of federal poverty level.

Distribution of Uninsured Vermont Residents by Percent Income of Federal Poverty Level

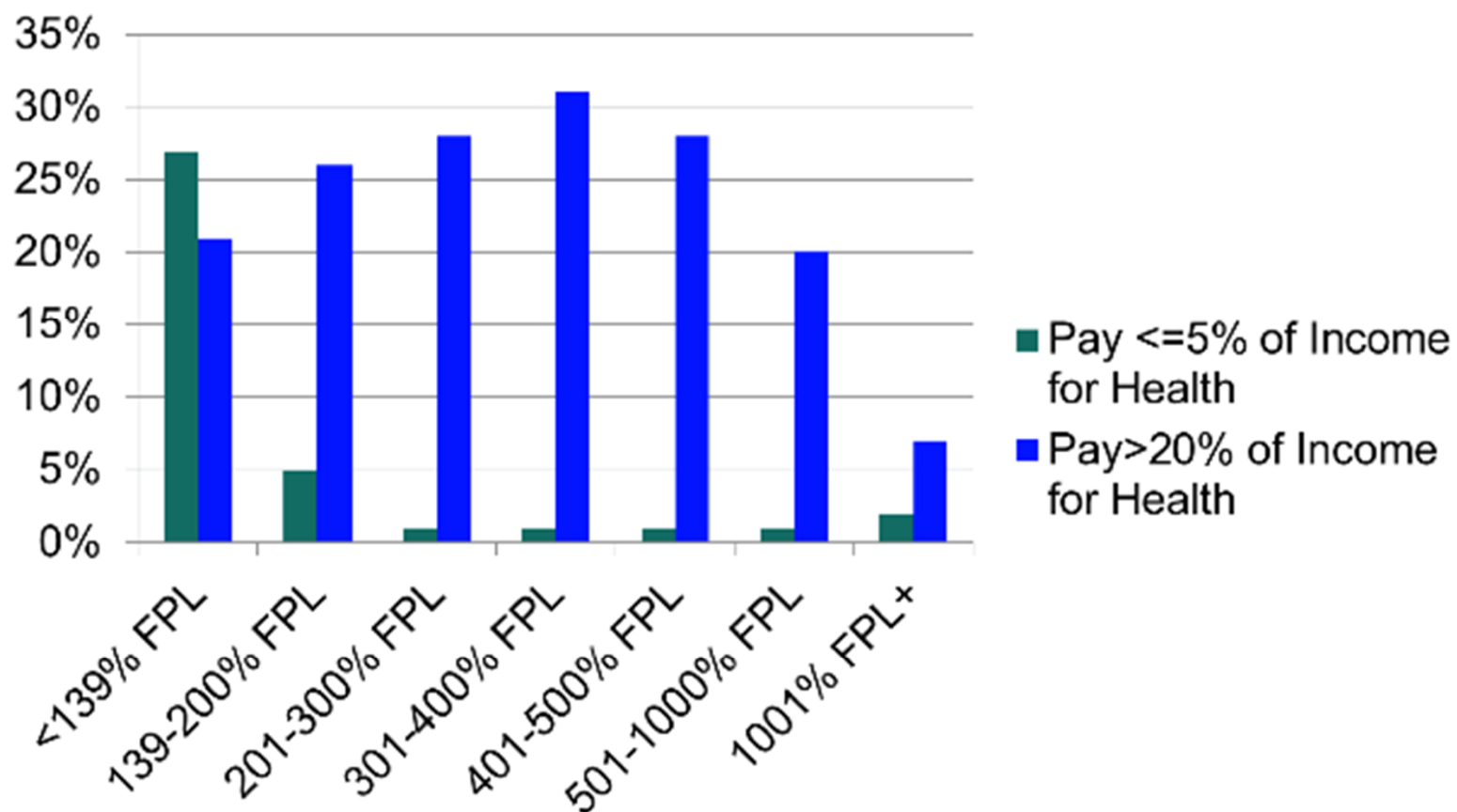


Underinsured Vermonters

Change in percentage of Vermonters deferring care – 2005 - 2014

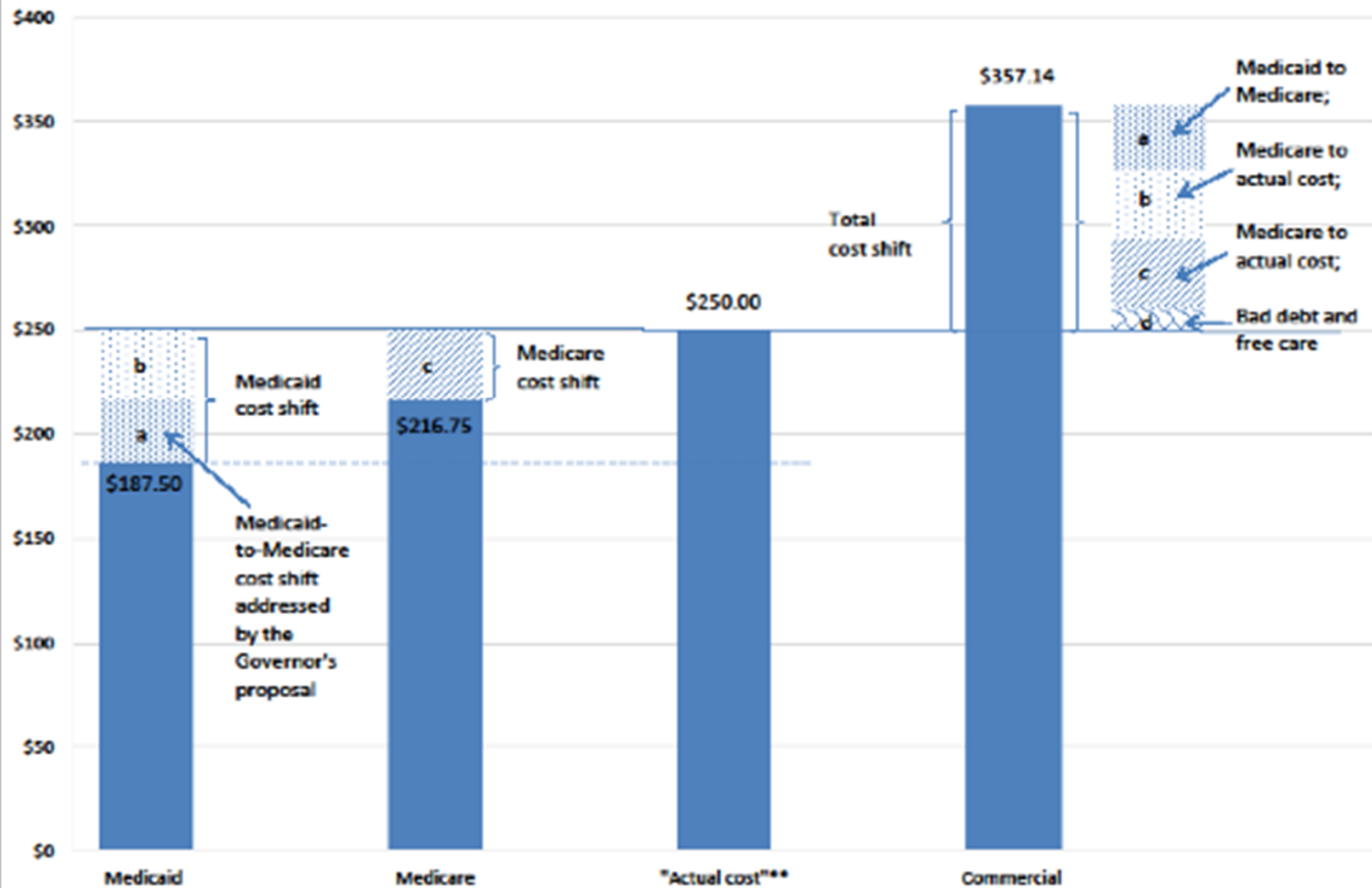
Deferred service	2005	2014
Medical care from a doctor	3.9%	2.5%
Mental health care or counseling	1.4%	1.4%
Dental care including checkups	10.5%	8.8%
A diagnostic test	1.9%	1.8%
Prescription medicines	3.0%	2.7%
Skipped or took smaller amounts of Rx to make them last	4.9%	4.2%

Fraction Paying Less than 5 Percent or More than 20 Percent of Income Towards Health

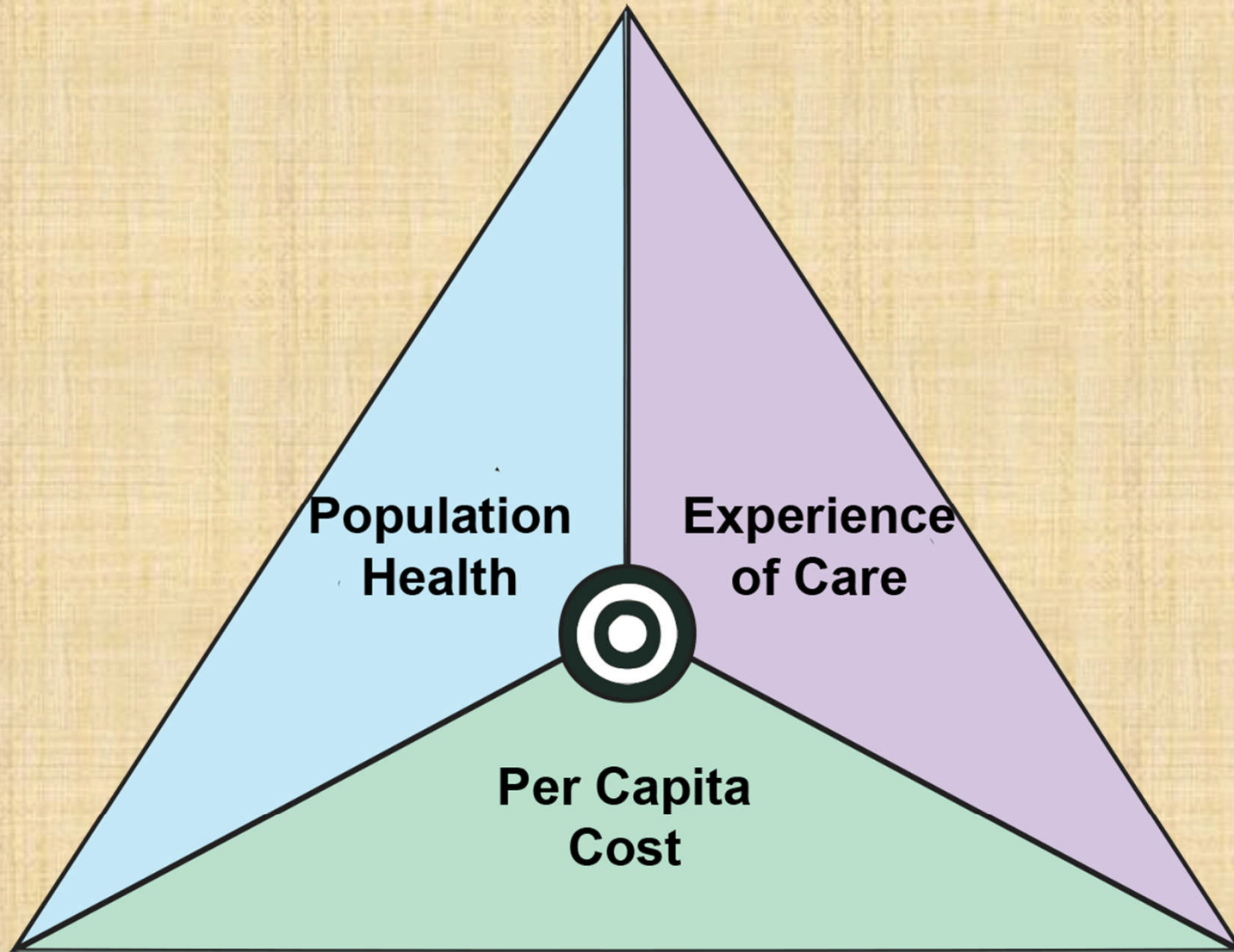


The Cost Shift

**Chart. Different Measures of the Cost Shift
Using Illustrative Prices Paid for a Chest X-Ray (GMCB 2013)**

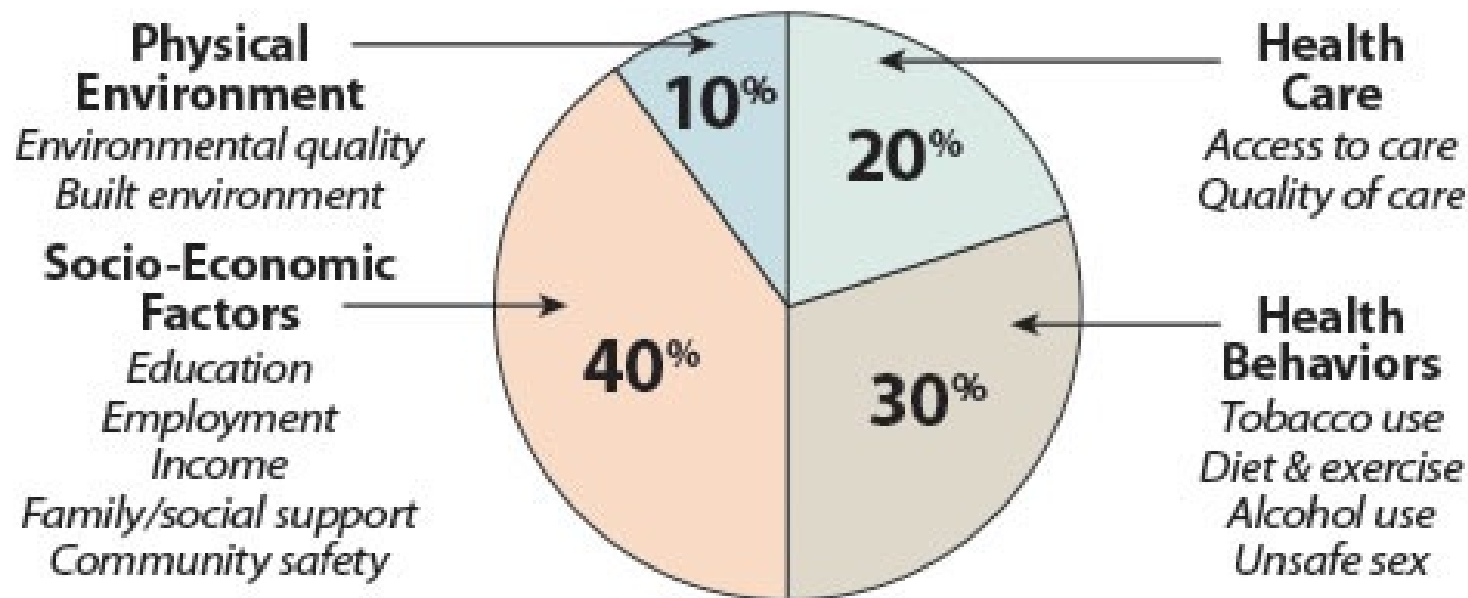


2. Reform in Vermont



Social Determinants of Health

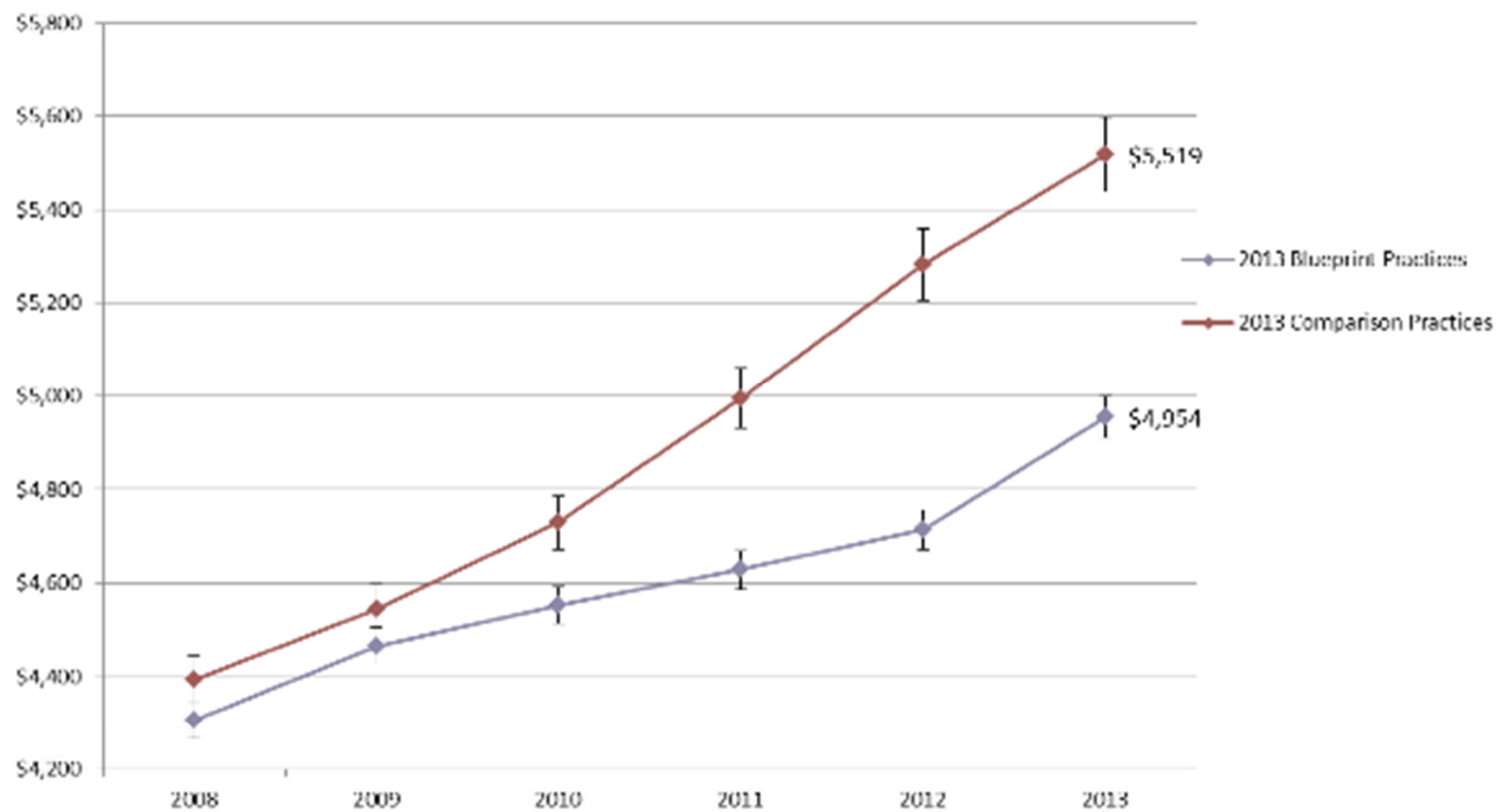
Population Health



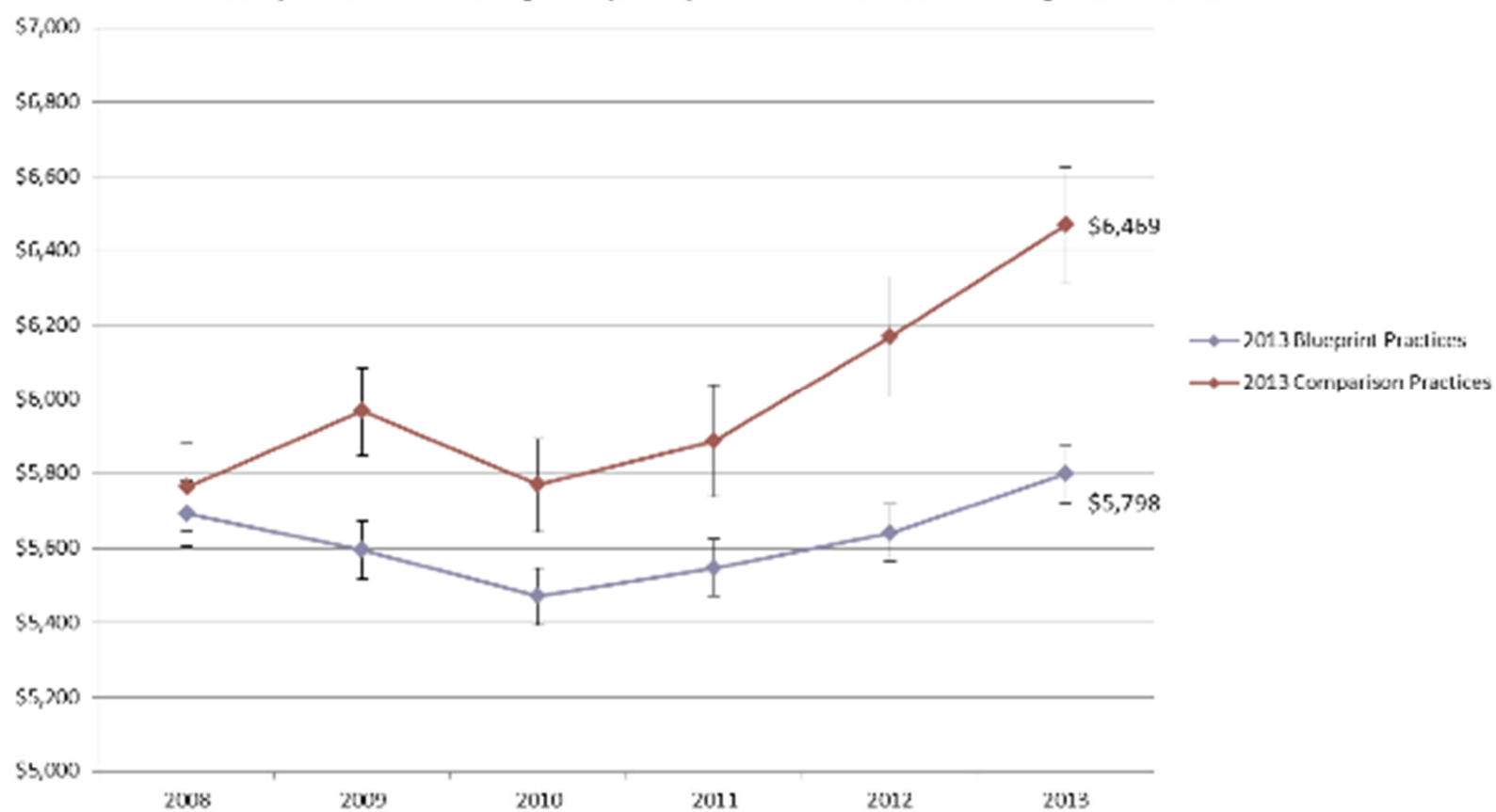
Source: Authors' analysis and adaption from the University of Wisconsin Population Health Institute's *County Health Rankings* model ©2010, <http://www.countyhealthrankings.org/about-project/background>

Blueprint for Health

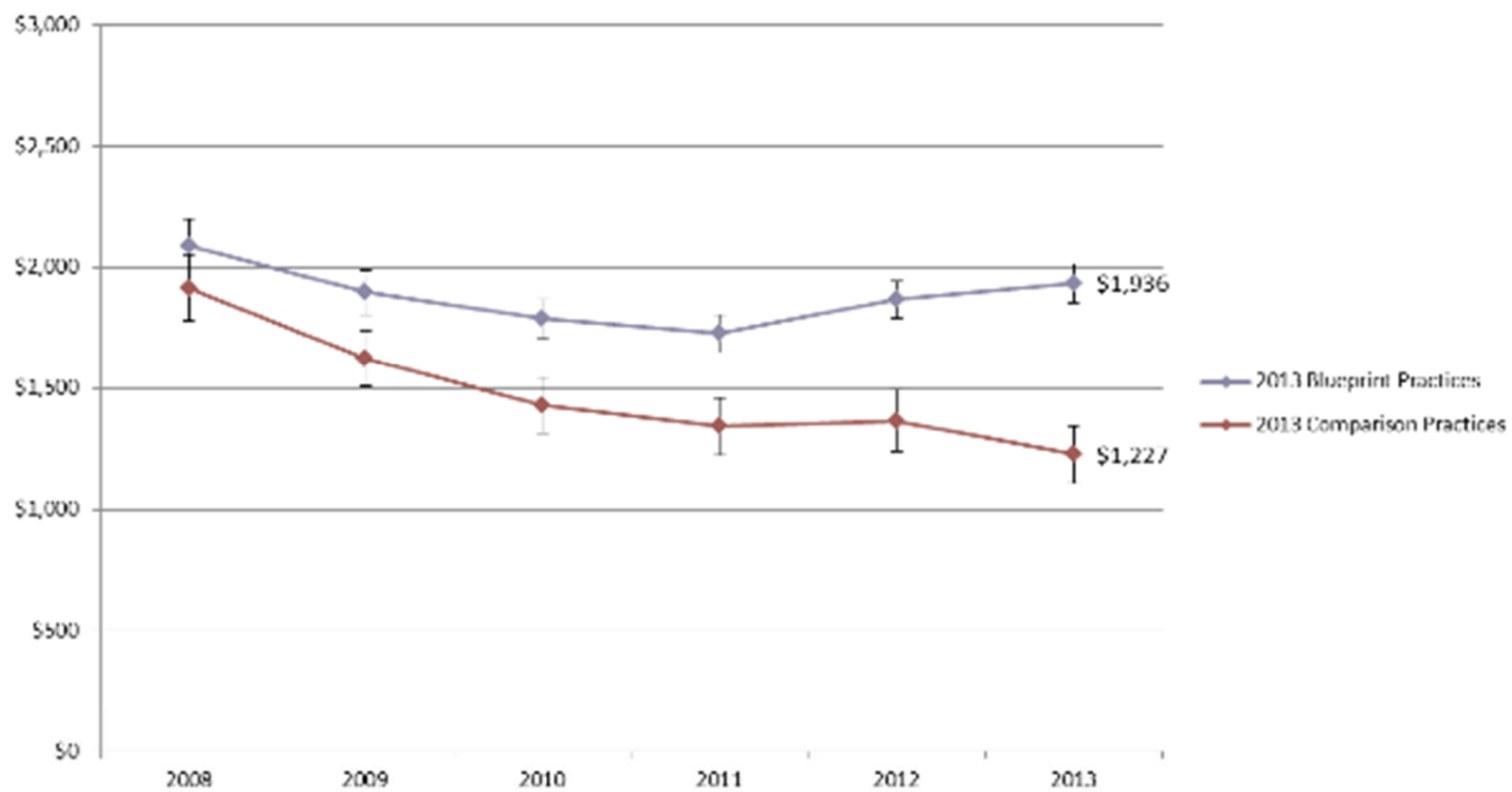
Total Expenditures per Capita 2008 - 2013 Commercial Ages 18-64 Years



Total Expenditures Excluding SMS per Capita 2008 - 2013 Medicaid Ages 18 - 64 Years

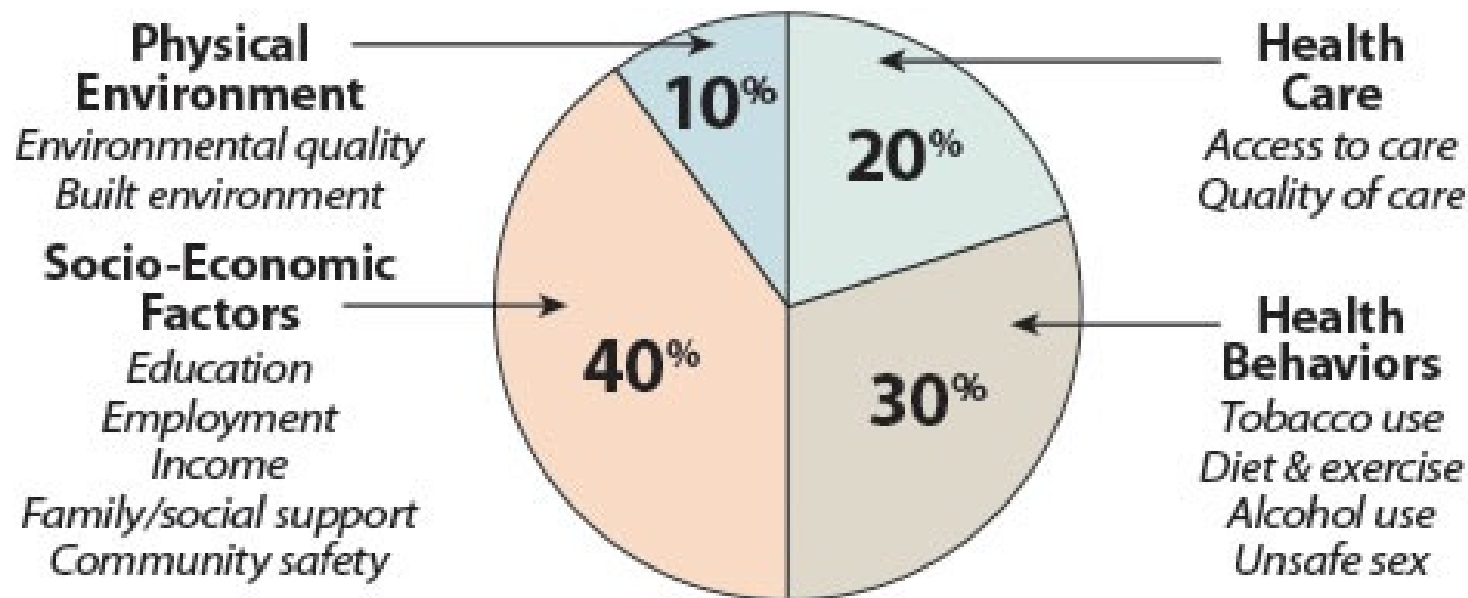


SMS Total Expenditures per Capita 2008 - 2013 Medicaid Ages 18 - 64 Years



Social Determinants of Health

Population Health



Source: Authors' analysis and adaption from the University of Wisconsin Population Health Institute's *County Health Rankings* model ©2010, <http://www.countyhealthrankings.org/about-project/background>

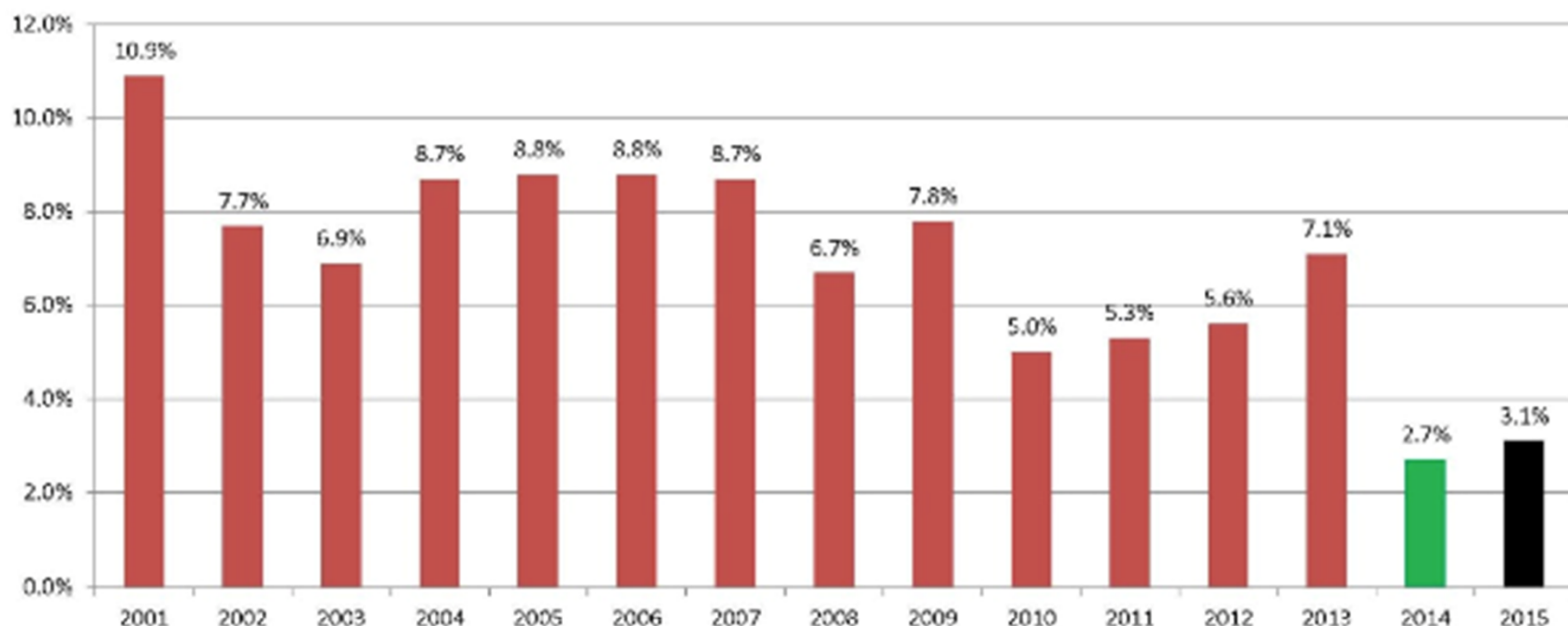
Green Mountain Care Board

Created in 2011 to:

- Consolidate oversight of the health care system
- Improve quality outcomes and reduce costs
- Regulate hospital budgets & major capital expenditures
- Approve insurance rates & “Exchange” plans
- Oversee electronic health information systems

Five member board, appointed by the Governor

**All Vermont Community Hospitals
Net Patient Revenue
Annual % Increase
FY 2001 - 2015**



Notes:

a Budget increase as approved by the GMCB for FY 2014 budgets

b Budget increase as approved by the GMCB for FY 2015 budgets

Adjusted to reflect bad debt reporting change in 2012

Health Benefits Exchange

(“The Exchange”)



- Established under the Affordable Care Act (ACA)

Individual Plans

(people without access to employer-sponsored insurance)

- Can only be purchased through VT Health Connect
 - Approx. 33,000 people (as of August 2014)
- Federal advanced premium tax credits for up to 400% FPL
 - Additional State tax credits available up to 300%FPL
- Federal cost-sharing subsidies available up to 300% FPL
 - State cost-sharing subsidies available up to 300%FPL

Small Employer Plans

- Small employer defined as up to 50 employees
 - Will be boosted to 100 employees beginning 2016
- Small employers currently buy directly from the carriers.
- Small employers can only purchase exchange products

2014 Enrollment in VT Health Connect

Individuals enrolled in Qualified Health Plans	31,026
Employees enrolled in small group Qualified Health Plans	36,488
Total Enrolled in Medicaid	133,983

How much does your
health care cost?

4. Constituent Resources

Resources for Constituent Questions

Exchange related issues – Floyd Nease: floyd.nease@state.vt.us

Tax “True-Up” questions – VT Health Connect: (855) 899-9600

Exchange Navigators –
http://info.healthconnect.vermont.gov/directory/Navigators?field_county_tid=All