

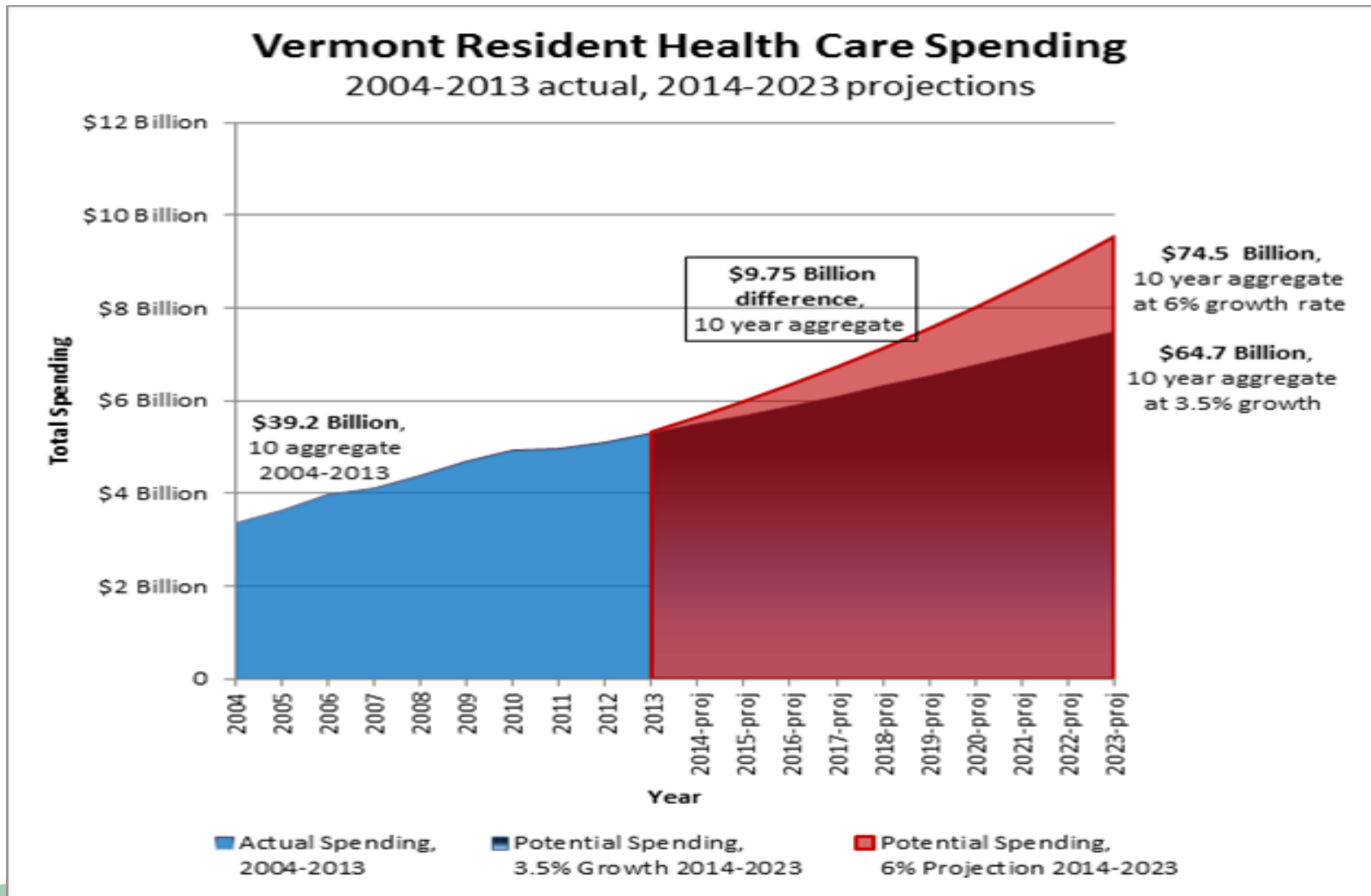
Health Care Reform Update to the House Committee on Health Care

Al Gobeille, Chair, Green Mountain Care Board, and
Lawrence Miller, Chief of Health Care Reform, Executive
Office

August 12, 2015

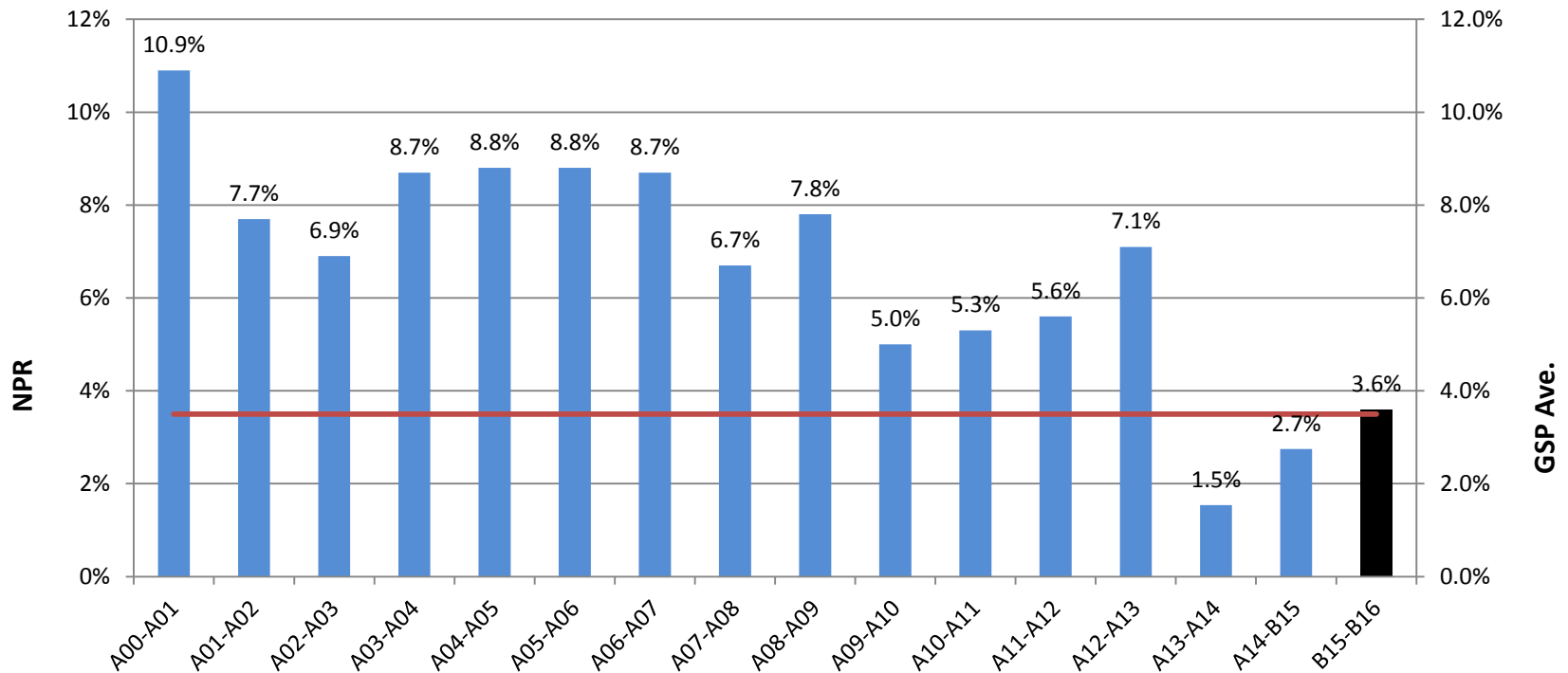
Why are we Working on Health Care Reform?

Health care spending continues to outpace economic growth.



Hospital Budget Targets

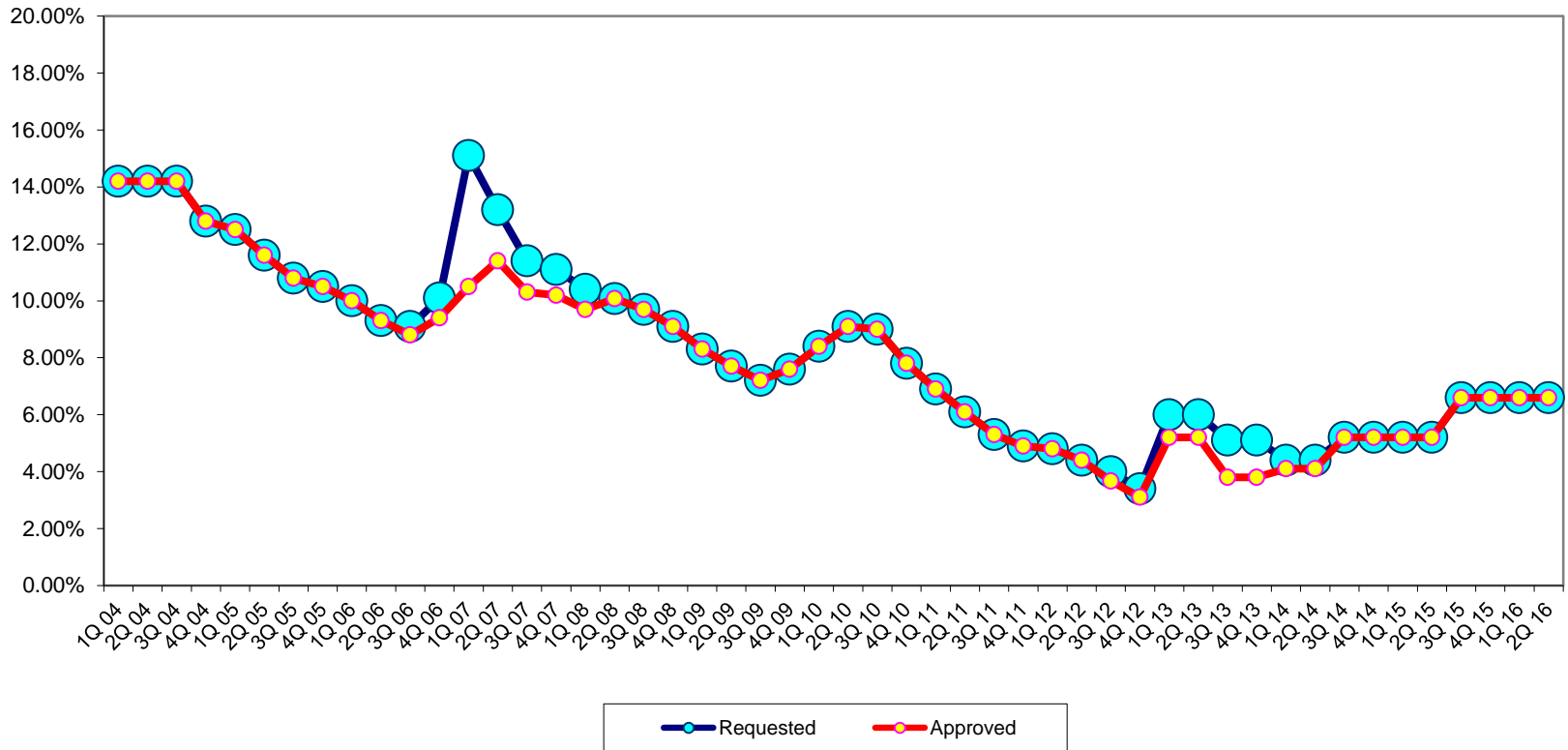
All Vermont Community Hospitals Net Patient Revenue Growth vs. GSP



Adjusted to reflect bad debt reporting change in 2012

Insurance Premium Rate Review

Total Trend (Medical & Drug Combined) 1Q 2004 through 2Q 2016



Misaligned Incentives

A small increase in primary care physicians (1 Dr./10,000 people) is associated with fewer:

- Hospital inpatient admissions by 5.5%
- Outpatient visits by 5%
- Emergency Department visits by 11%
- Total Surgeries by 7%

In our current system, this is a financially bad thing!

Elements of an All Payer Model

All Payer Model

Financial
Targets

Regulated
Revenue
(Services)

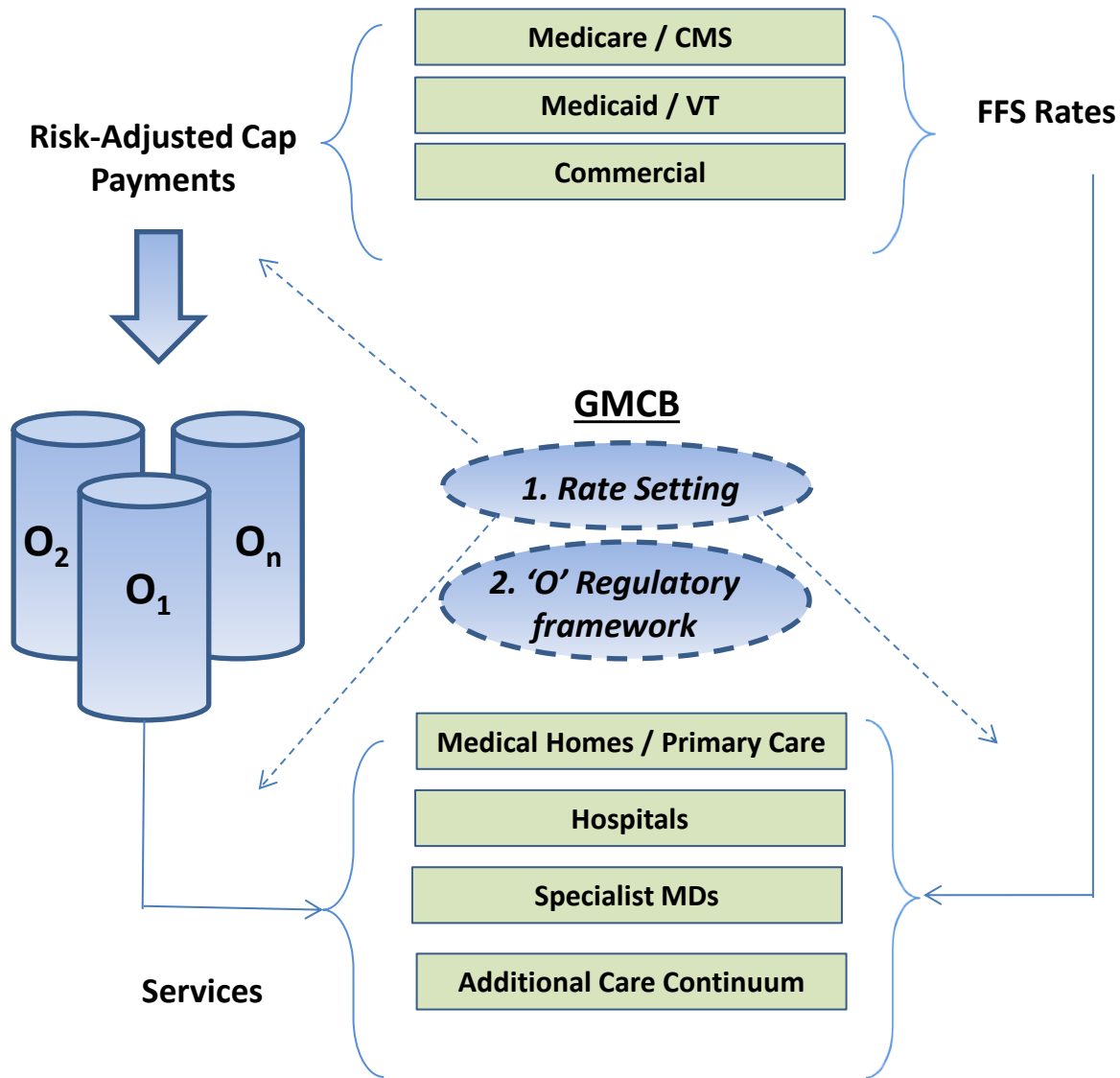
Quality
Measures

Payment
Model

State/GMCSB
Regulatory
Capacity

Medicaid
GC Waiver

All Payer Model- 5 Year Agreement



How Does An All Payer Model Improve the Health Care System?

Patients

- Better access to Primary Care
- Most appropriate care

Providers

- Improved incentives for Primary Care
- Predictable and flexible funding

Payers

- More predictable payment by government programs
- Aligned incentives for providers

Act 54 Deliverables

Bill/§	Subject	Purpose	Due
Act 54 Sec 21	Consumer Information and Price Transparency	Directs GMCB to evaluate potential models for allowing consumers to compare information about health care cost and quality across VT	10/1/15
Act 54 Sec 47	Repurpose excess hospital funds	Directs GMCB to identify “stranded dollars” in FY 2016 hospital budget review process and report to the General Assembly	10/15/15
Act 54 Sec 15	Large Group Market; Impact Analysis for 2018 Transition	Directs GMCB to analyze projected impact on rates in the large group market if large employers buy Exchange plans beginning in 2018	1/15/16
Act 54 Sec 28	DA Budgets analysis	Directs GMCB to analyze budget and Medicaid rates in one or more Designated Agencies , similar to hospital budget review	1/31/16
Act 54 Sec 23	Provider parity implementation plan	Insurers to submit to GMCB. GMCB to provide update on progress in annual report	7/1/16
Act 54 Sec 7	Vermont Information Technology Leaders (VITL)	Requires GMCB to annually review and approve VITL’s budget and its core activities associated with public funding Requires GMCB to consult with VITL when reviewing the statewide Health Information Technology Plan	Ongoing

Questions?