



The House Committee on Ways and Means

Al Gobeille
Chair

Green Mountain Care Board

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The “price” differential

- When it enacted Act 48, the Legislature expressed its intent “to eliminate the shift of costs between the payers of health services to ensure that the amount paid to health care professionals is sufficient to enlist enough providers to ensure that health services are available to all Vermonters and are distributed equitably.” 18 V.S.A. § 9376(a).
- This language comes from the statute that gives the GMCB the authority to “set reasonable rates” for the reimbursement of health care providers. 18 V.S.A. § 9376(b)(1).

What is the magnitude of the cost shift in dollars?

Fiscal Year	Medicare	Medicaid	Free Care	Bad Debt		*Commercial Insurance & Other
Actual 2008	\$ 69,003,712	\$ 103,569,366	\$ 23,623,972	\$ 30,252,980	→	\$ 226,450,033
Actual 2009	\$ 73,627,496	\$ 119,979,398	\$ 24,292,187	\$ 32,391,214	→	\$ 250,290,295
Actual 2010	\$ 73,515,988	\$ 138,016,619	\$ 24,806,398	\$ 33,076,863	→	\$ 269,415,868
Actual 2011	\$ 88,399,861	\$ 152,256,740	\$ 25,784,124	\$ 34,331,093	→	\$ 300,771,818
Actual 2012	\$ 68,334,861	\$ 151,931,648	\$ 24,347,367	\$ 39,264,676	→	\$ 283,878,552
Actual 2013	\$ 128,033,776	\$ 105,998,937	\$ 24,685,204	\$ 37,386,222	→	\$ 296,104,139
Budget 2014	\$ 166,065,165	\$ 134,778,449	\$ 25,982,503	\$ 40,263,981	→	\$ 367,090,098
Budget 2015	\$ 175,171,362	\$ 150,394,735	\$ 26,137,170	\$ 41,464,624	→	\$ 393,167,892

Payer values include all hospital and employed physician services.

Medicaid values include non-Vermont Medicaid of approximately 5%.

* The amount shifted to commercial insurance and self-pays.

Medicaid Cost Shift Investment

