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# Vermont Health Care Reform: Overview and Update for House Appropriations

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# HEALTH CARE REFORM OVERVIEW

2/4/2015

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# Health Care Reform Goals: Are We There Yet?

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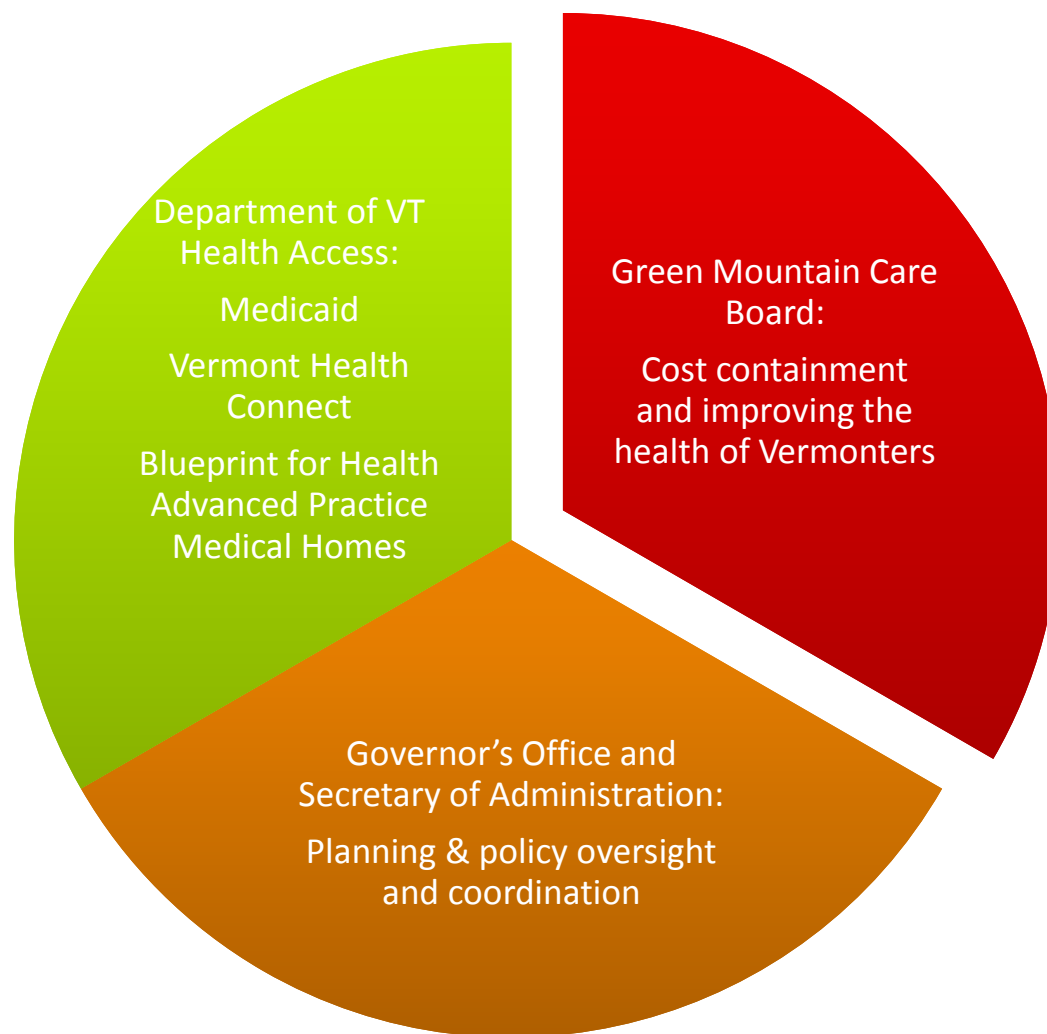
# Are We There Yet?

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- Without cost control health care costs will continue to vastly outstrip economic growth
  - Health care historically grew at 6% or more
  - State general fund grows at about 3%
  - Maryland waiver limits growth at 3.58%
- Current HCR Projects to address:
  - Vermont Health Care Innovation Project (SIM);
  - All-payer model;
  - Medicaid reimbursements to reduce the cost-shift to private premiums;
  - GMCB regulatory authority

# Who does what in Vermont health reform?

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# Are We There Yet?

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- Historically, uninsured & underinsured need coverage
  - Good news that we're down to 3.7% uninsured
  - 3 in 10 privately insured Vermonters are underinsured\*
  - 6 in 10 aged 18-24 are underinsured
- Current HCR Projects to address: Cost-sharing reduction proposal

\*Underinsured = deductibles exceed 5% of family's income AND/OR total health care expenses exceed 10% of family income (5% if income below 200% of FPL). This excludes seniors over 65 due to Medicare coverage.

# Are We There Yet?

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- We don't get the best value for our \$\$
  - Estimates vary, but some are as high as 30% of health care costs are not the right care at the right time
- HRC Projects to address:
  - Blueprint for Health;
  - Vermont Health Care Innovation Project (SIM);
  - Health information technology
  - Dept of Health prevention & health promotion activities

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# AOA HEALTH CARE REFORM OFFICE



# Governor's Office/AOA

## Health Reform Responsibilities

### Health Coverage Policy & Planning

- Policy Development
  - Financing
  - Coverage
  - Benefits
- Coordination with AHS Secretary's Office, DHR, DFR, DVHA, DOC and others
- Public Engagement & Outreach

### Delivery System Reform

- VHCIP Core Team
  - Lawrence Miller, Chair
  - Robin Lunge, member
- Liaison to Green Mountain Care Board
- Coordination with the Blueprint for Health & Medicaid on payment reform
- All Payer Waiver
  - Miller, co-leading with GMCB

### System Planning & Coordination

- HCR Strategic Planning
- Liaison to Green Mountain Care Board
- Workforce Work Group & Workforce Strategic Planning
  - Robin Lunge, co-chair
- Health Information Technology Plan with DVHA, VITL and others
- VITL Board of Directors
  - Lunge, member
- HSE Executive Steering Committee
  - Miller & Lunge, members

# FY16 Budget (Sec of Admin Office)

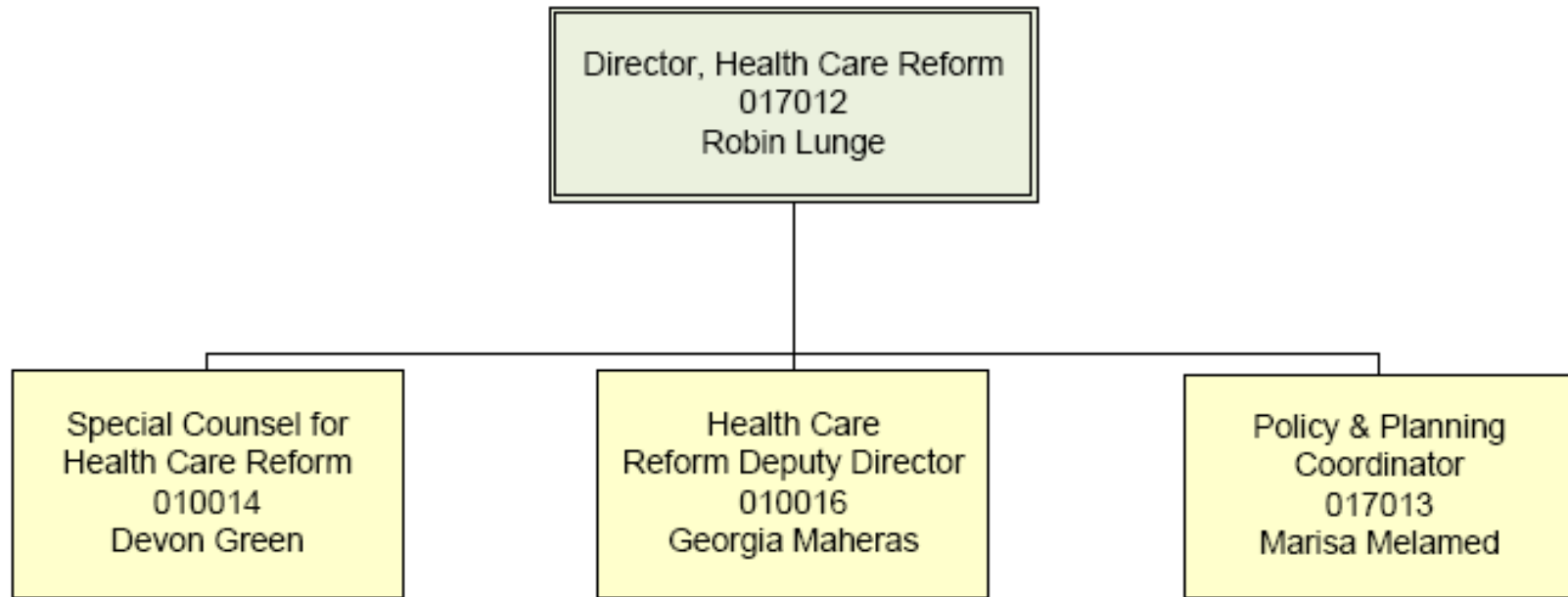
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- Downsized
  - 2 positions (see next slide for new org chart)
  - Reduced contract money by \$534,505 total (\$379,219 GF)
- Loss of Exchange funds (began CY2015)
  - Pinch hit on various VHC issues
  - For example, my office staff was acted until recently as the liaison for legislator's constituent issues with VHC
- Large interdepartmental transfer
  - Health Care Advocate funding consolidated in AOA - \$1.4M

# Secretary of Administration – Health Care Reform



Secretary of Administration  
*Health Care Reform*



# Contact us:

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