

**Green Mountain Care Board  
FY 2019 Budget  
Kevin Mullin, Chair**

**February 7, 2018**

# The Green Mountain Care Board

## What is the Green Mountain Care Board?

In 2011, the state established the Green Mountain Care Board, an independent, quasi-judicial entity and assigned three main responsibilities: regulation, innovation, and evaluation. The 5-member board was created with the explicit charge of controlling the rate of health care costs and improving the health of Vermonters through a variety of regulatory and planning tools.

## What is the mission of the Green Mountain Care Board?

It is the mission of the Green Mountain Care Board (GMCB) to regulate, innovate, and evaluate Vermont's changing health care system to improve the health of the population, provide access to high quality health services for all residents of the state, and ensure the affordability of health care by reducing the rate of growth in health care costs. GMCB is dedicated to providing value to Vermonters by ensuring access, controlling cost growth, and improving quality of care.

# A Year In Review

Throughout 2017, the Board continued to refine its regulatory oversight of hospital budgets, health facility planning through the certificate of need program, health insurance rates and qualified health plans, and in 2017 implemented a rigorous process for overseeing Accountable Care Organization (ACO) budgets as the State approached Performance Year One of the Agreement. However, health care is still unaffordable for many Vermonters, and the Board recognizes that more must be done.

Insurance plans purchased through VHC, with coverage beginning January 1, 2018, increased by an average of 8.0% over 2017 plans. As measured by the insurers' requested rates, compared to those approved by the Board after a full review, Vermonters saved an estimated \$16.2 million.

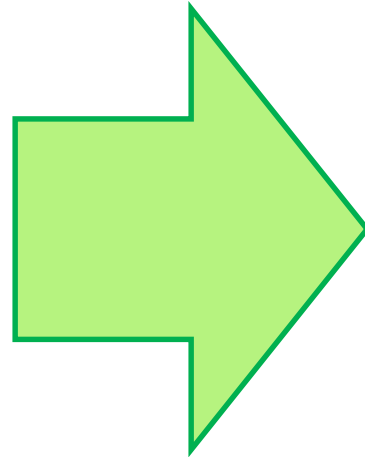
# A Year In Review

For fiscal year (FY) 2018 hospital budgets, the Board approved an average annual increase in hospital rates of 2.1%, well below recent estimates of medical inflation. After adjusting for physician transfers, the Board held hospital net patient revenue (NPR) growth to 3.01% (or a weighted average increase of 2.08%), below the overall 3.6% growth rate requested by the hospitals.

The Board's work on payment and delivery reform in 2017 continued to focus on building a system to contain health care costs and reward high quality care. The APM Agreement, starting in 2018 and running through December 2022 (Performance Year 5), directs attention and resources to achieving three important population health goals: improving access to primary care, reducing deaths from suicide and drug overdose, and reducing the prevalence and morbidity of chronic disease. In addition, the APM Agreement constrains health care spending by establishing an annualized 3.5% maximum, measured at the end of the Agreement, on per capita health care expenditure growth for all major payers (Medicaid, Medicare, and commercial).

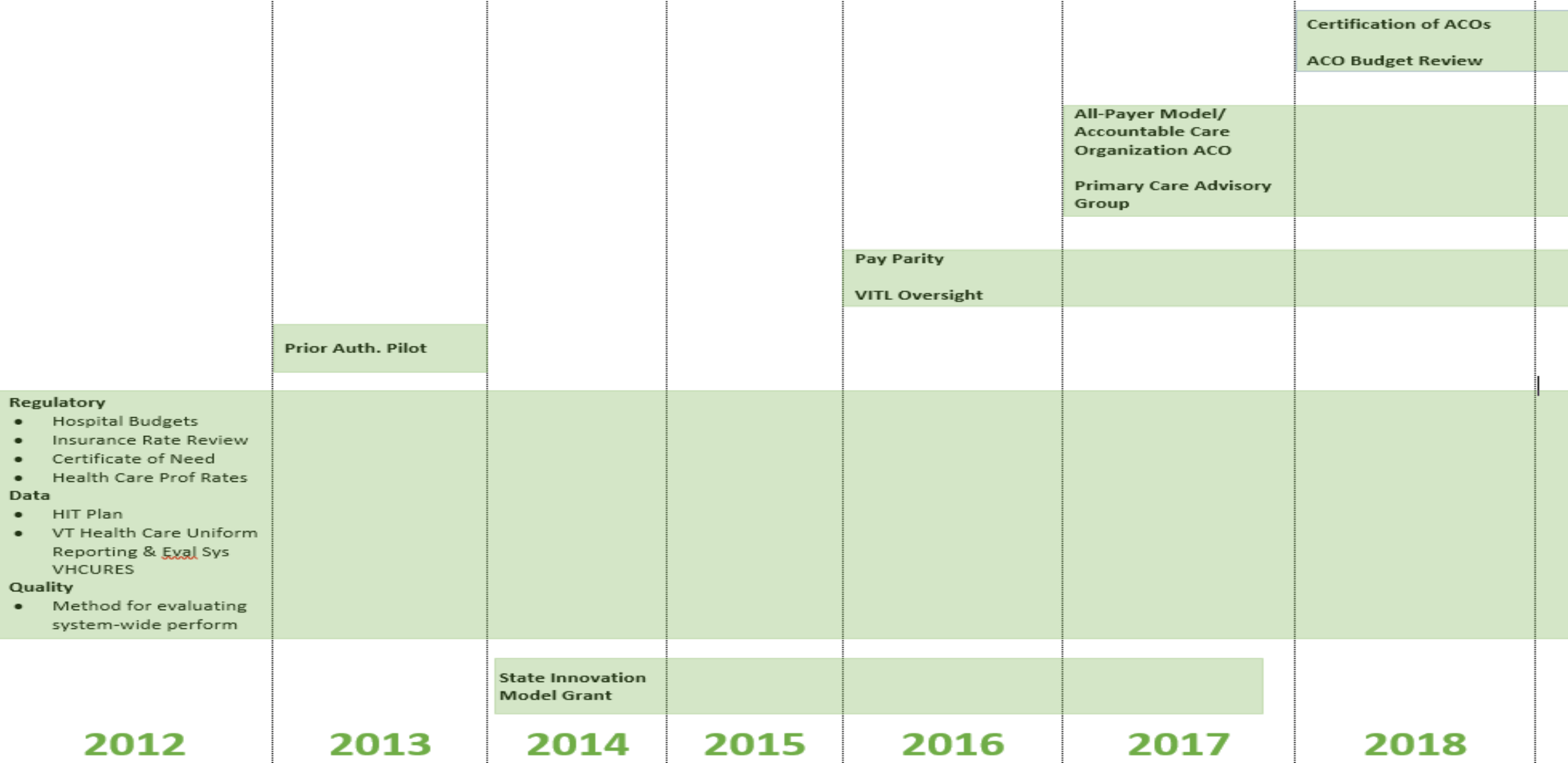
# The Role of GMCB

The **Green Mountain Care Board** is charged with reducing the rate of health care cost growth in Vermont while ensuring that the State of Vermont maintains a high quality, accessible health care system.



- Health insurer rate review (including the Exchange)
- Hospital Budgets
- ACO Budgets
- VITL Budget
- Major capital expenditures (Certificate of Need)
- Health Resource Allocation Plan (HRAP)
- Implementation of APM
- ACO Oversight, Certification, Rule 5.0 (Act 113)
- Review/modify/approve plan designs for Vermont Health Connect
- Data and Analytics (VHCURES, VUHHDS and APM Analytics)
- Primary Care Advisory Group
- Billback Fund Management
- Expenditure Analysis
- Cost Shift Report
- Outreach and Education/ OML
- Approve State HIT and Health Care Workforce Plan
- Prescription Drug List Per Act 165

# Snapshot of GMCB Regulatory History



# New Initiatives in 2017

- [All-Payer Model Budget Review and Certification](#)
- [Rule 5.000 – Oversight of Accountable Care Organizations](#)
- [Pay Parity Report](#)
- [Clinician Surveys and Focus Groups](#)
- Billback Working Group
- [Certificate of Need Working Group](#)
- [HRAP Working Group](#)
- Traveling Board Meetings
- [Close of pilot and review of data - Shared Savings Program](#)
- Updated Public Education Initiative

# Existing Programs - Update

- Health Insurance Rate Review
- Hospital Budget Review
- ACO Budget Review
- VITL Budget Oversight
- Certificate of Need
- All-Payer Model Implementation and Oversight
- Review of Large and Small Group Insurance Plans and Vermont Health Connect Plans
- Data and Analytics – Vermont Health Care Uniform Reporting and Evaluation System (VHCURES), Vermont Hospital Discharge Data Set (VUHHDS), and APM Analytics
- Primary Care Advisory Group
- Expenditure Analysis
- Cost Shift Report
- State HIT and Health Care Workforce Plan Review
- Prescription Drug List



# Snapshot of GMCB Value to Vermonters

1. Hospital budgets increased at an average of 7.3% before the Board assumed oversight of the review process, and under the Board's oversight, budgets have increased at an average of 3.2%. The hospital budget team continues to update the review process to increase transparency and increase cost control.
2. Over four years the GMCB Rate Review Process has saved Vermonters an estimated \$88.7 M. The Rate Review team continues to update their process and is currently working with the hospital budget and APM team to improve alignment, which will help the Board to better understand cost drivers and allow for more cost control initiatives.
3. The All-Payer Model is designed to hold growth to 3.5% over the course of the 5-year agreement. The 3.5% growth target was chosen to be aligned with the rate of Vermont gross domestic product growth (GDP). This cost control initiative, as well as the move away from the fragmented, fee-for-service system toward an integrated, value-based delivery system, will greatly improve Vermont's health care system.

# Snapshot of GMCB Value to Vermonters

4. The GMCB annually completes a Vermont Health Care Expenditures Analysis to provide information on health care spending in Vermont. The regulatory activities of the Board and the decisions by policymakers have continued to keep Vermont spending well below the national average. Health care spending for Vermonters increased 2.9% in 2015 compared to 4.1% nationally.
5. The GMCB data and analytics team has improved and enhanced VHCURES and VUHDDS, which greatly improves the Board's ability to identify and evaluate data collected from across the state. The data collected includes cost comparison across treatment settings, quality and affordability of patient health care, and the capacity and distribution of health care resources. This information is critical in informing the Board and policymakers as Vermont moves forward with its mission to create more affordable, higher quality health care.

# 2018 – A Year for Regulatory Alignment

- All-Payer Model, Rate Review, and Hospital Budget Review Teams working on greater collaboration
  - Goal is to bring greater alignment and transparency across all of the Board's regulatory activities
  - Greater alignment will allow the Board to follow dollars invested into the health care system more accurately as well as highlighting areas of quality improvement and areas where there are deficiencies
  - The Board will use this initiative to update processes and standardize reporting requirements

# GMCB February 2018

## Board:

Kevin Mullin, Chair

Maureen Usifer

Jessica A. Holmes, Ph.D.

Robin Lunge, J.D., MHCDS

Tom Pelham

May 2017 – Present, Term Ends September 2018

May 2017 – Present, Term Ends September 2021

October 2014 – Present, Term Ends September 2020

November 2016 – Present, Term Ends September 2022

November 2017 – Present, Term Ends September 2023

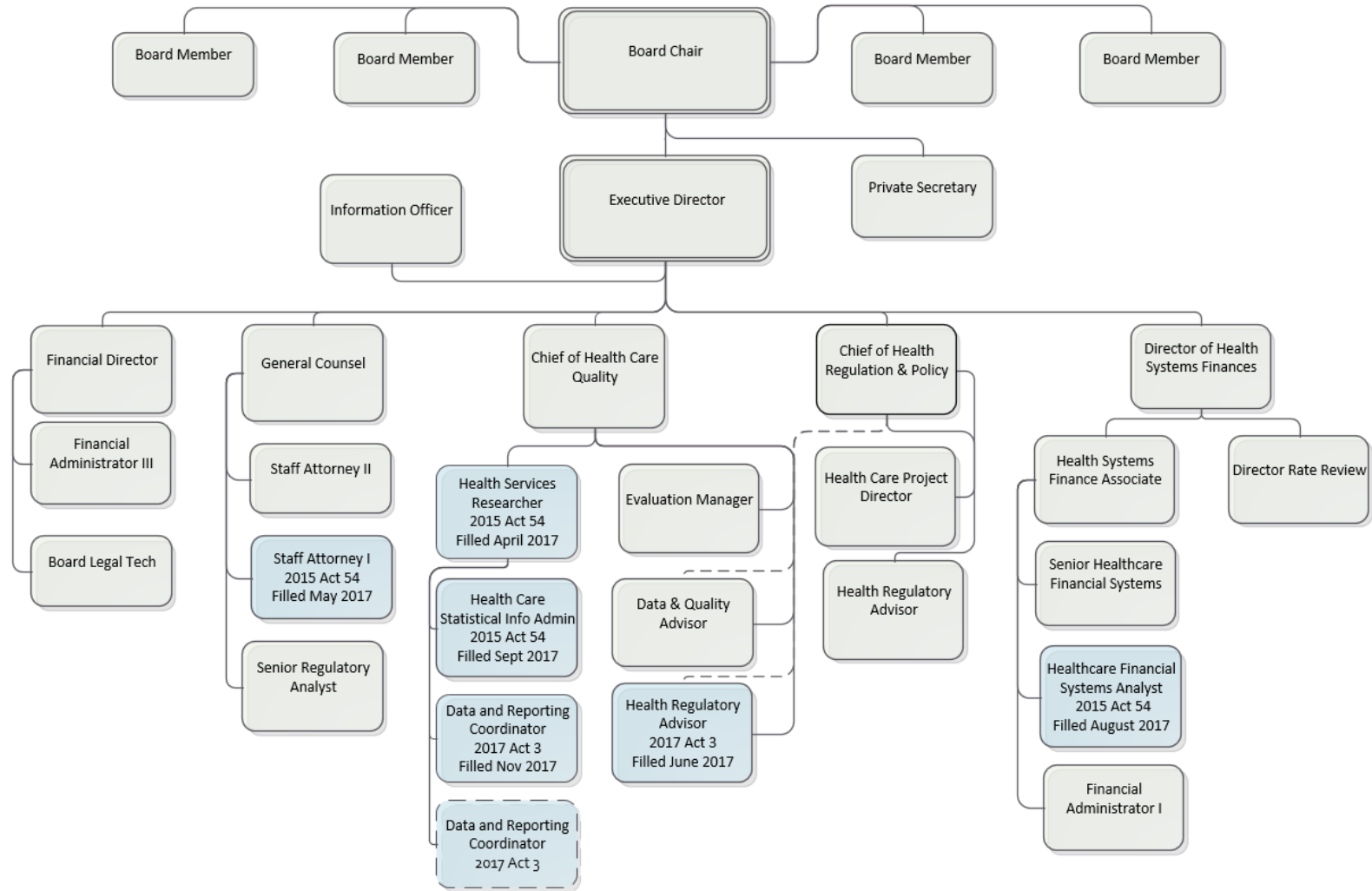
## Staff:

Base: 27 Positions (1 currently vacant)

1 Vacancy: Data position

# Green Mountain Care Board Organizational Chart

February 2018

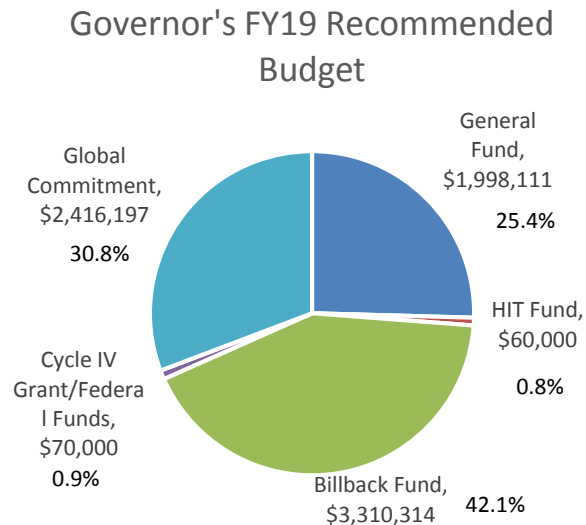


## Green Mountain Care Board FY 2019 Governor's Recommended Budget

**MISSION:** The mission of the Green Mountain Care Board (GMCB) to regulate, innovate, and evaluate Vermont's changing health care system to improve the health of the population, provide access to high quality health services for all residents of the state, and ensure the affordability of health care by reducing the rate of growth in health care costs.

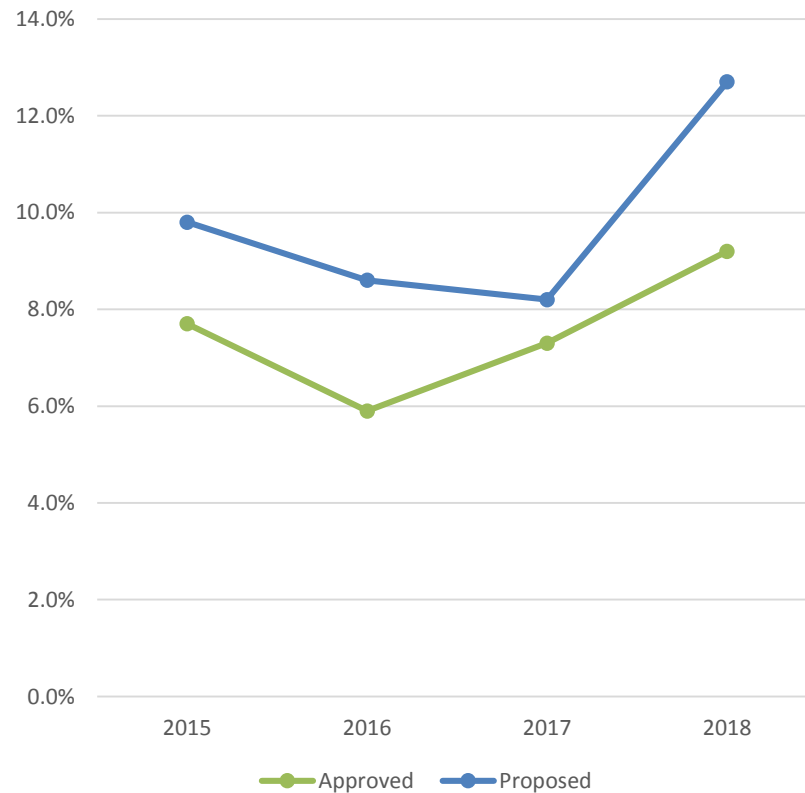
## FY 2019 SUMMARY & HIGHLIGHTS

- Eliminate 3 filled Limited Service positions
  - 1 Evaluation Manager
  - 2 Rate Review
- 5.6% General Fund and 12.5% staff reduction
- 5 Board, 5 Exempt, 19 Classified post reduction
- Performance Year 1 All-Payer Model
- Alignment of regulatory responsibilities
- Process Updates: Rate review, hospital budget
- Updated, more robust data and analytics initiatives

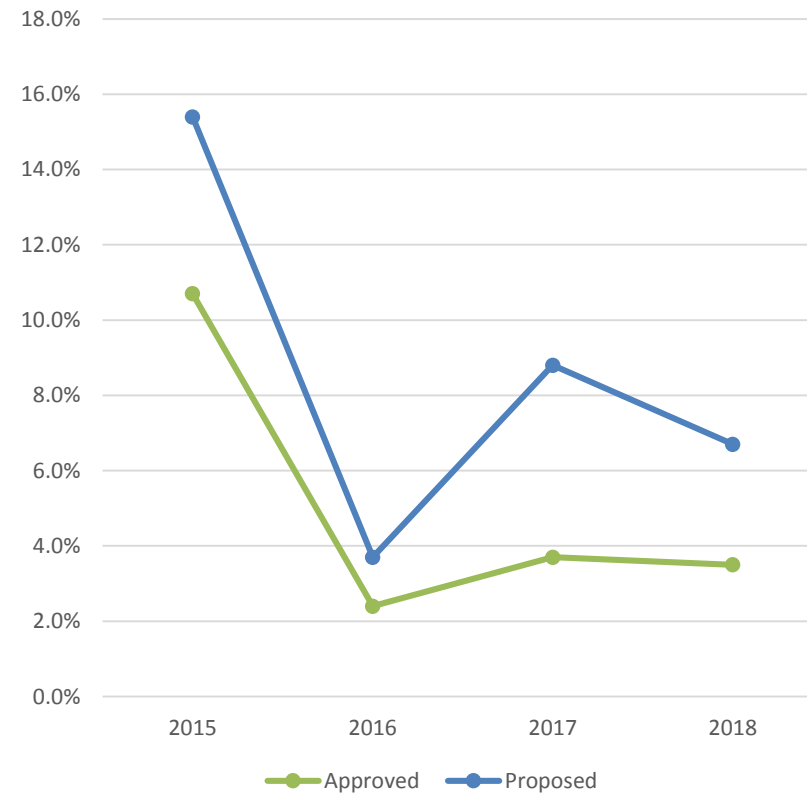


# RBA: Rates for VT Health Connect Products

BCBS – FY18 \$14.4M savings to VHC insured population



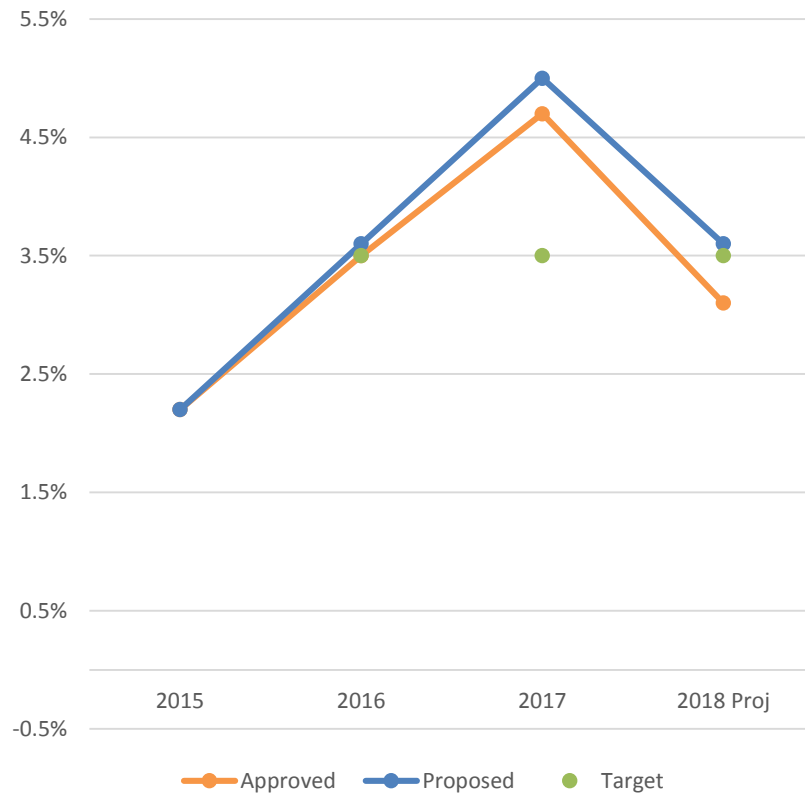
MVP – FY18 \$1.8M savings to VHC insured population



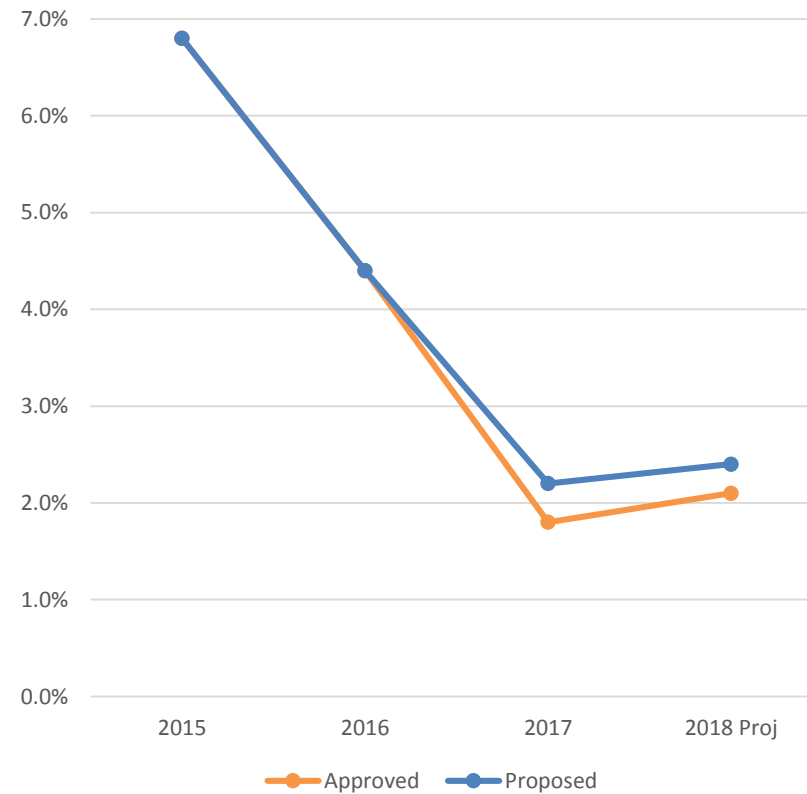
# RBA: Hospital Budget Review

## All 14 Hospital Systems in Vermont

### Proposed & Approved Hospital Budget Rate (price & utilization)



### Proposed & Approved Annual Price Increases

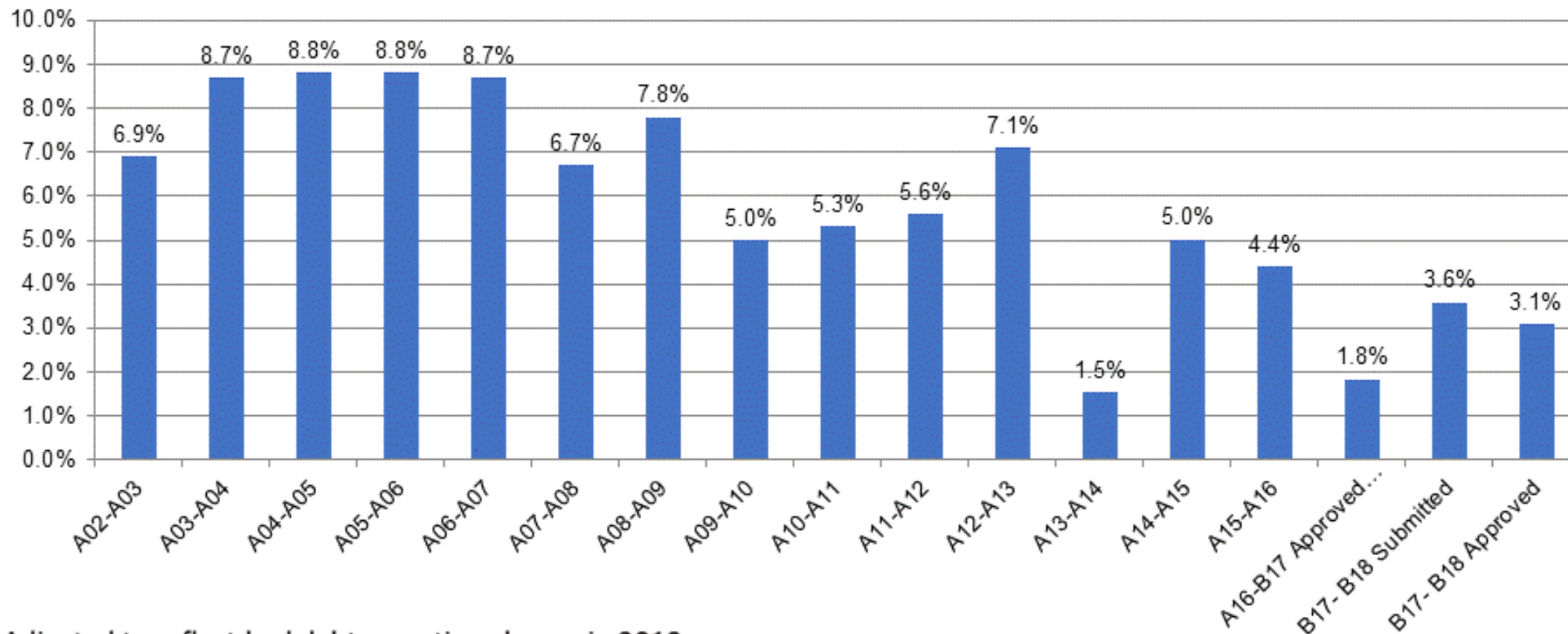




## All Vermont Community Hospitals Net Patient Revenue Annual % Increase

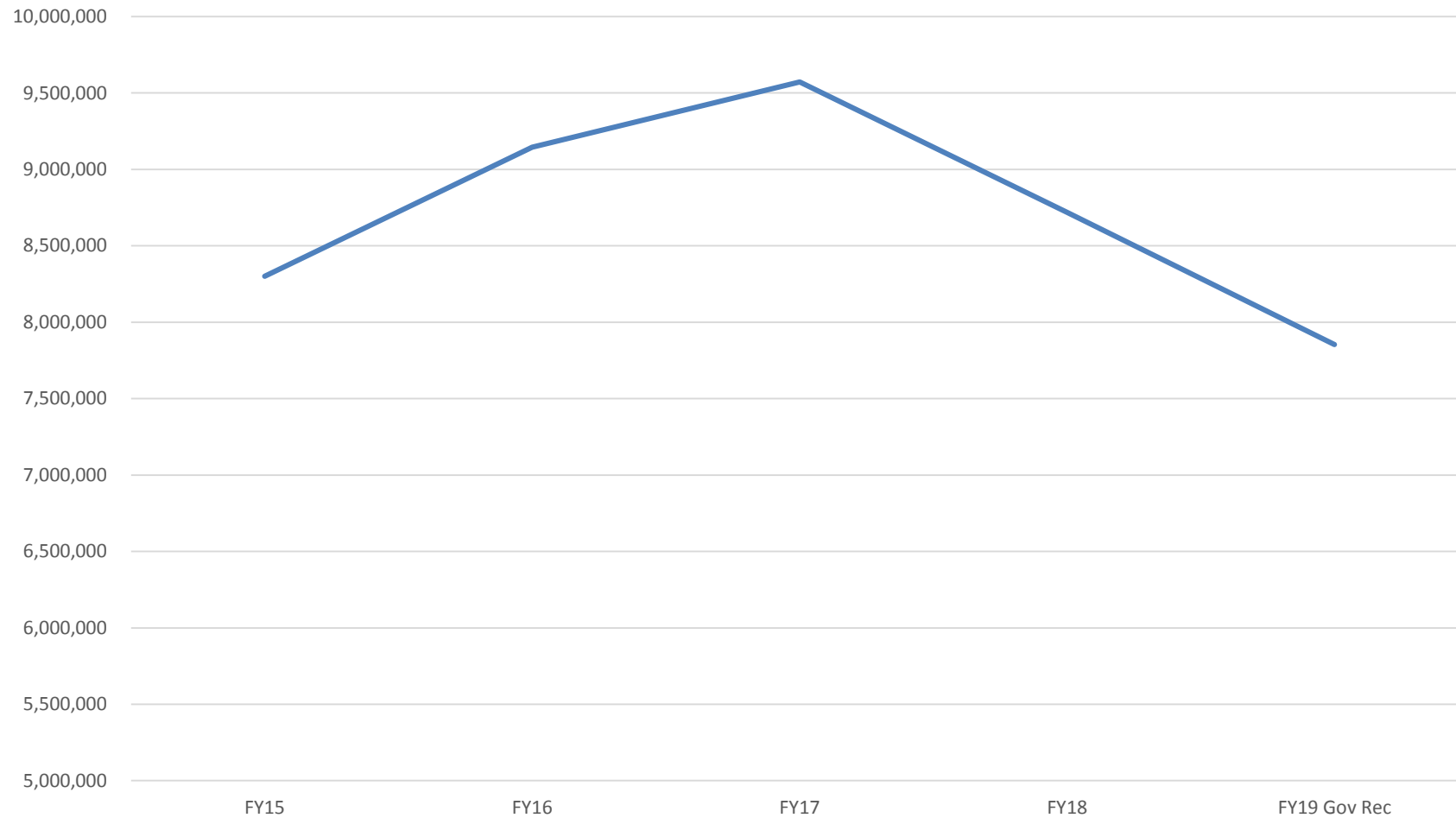
**Pre-GMCCB**  
Average % Increase 7.3%

**GMCCB**  
Average % Increase 3.2%

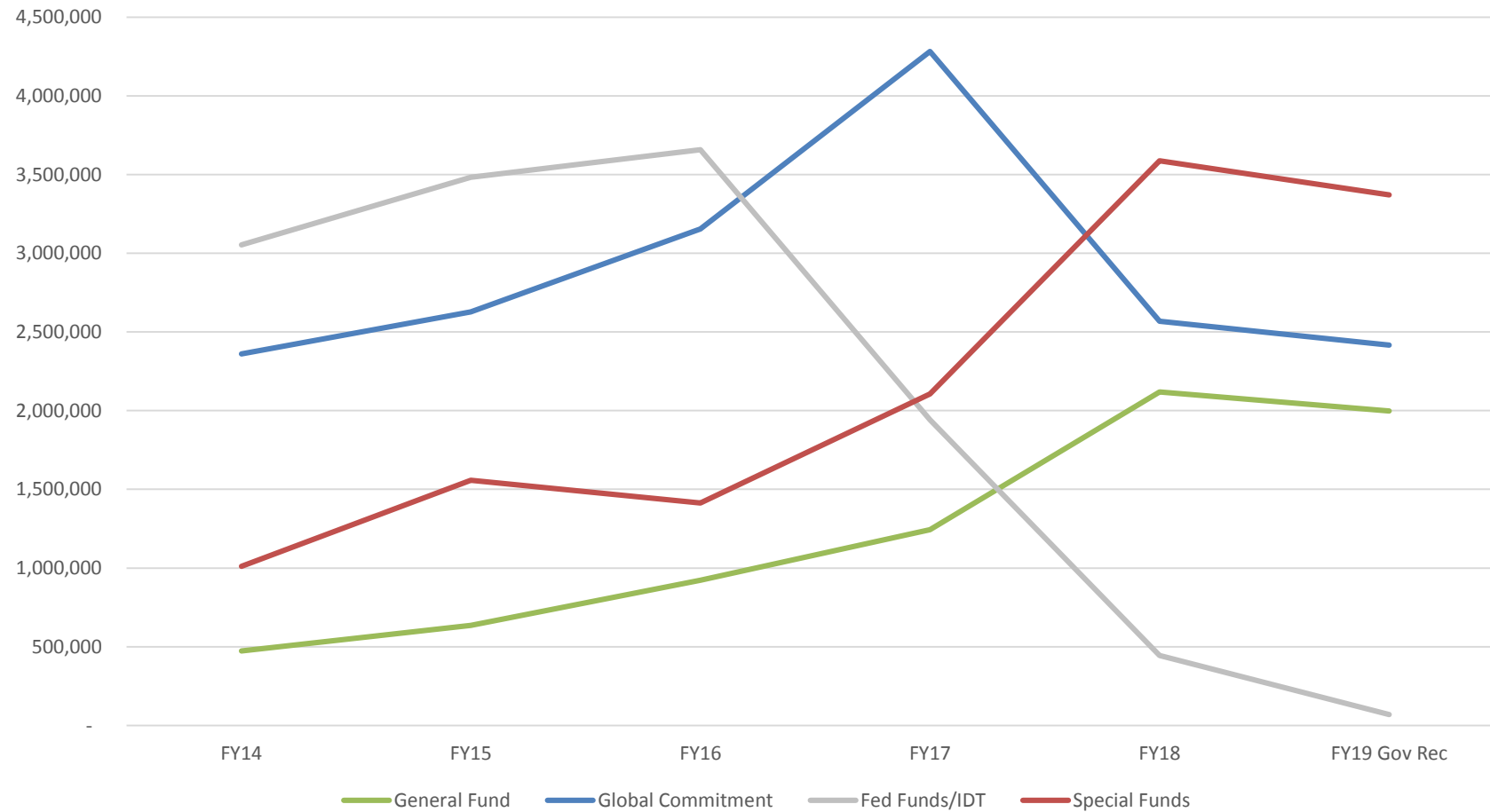


Adjusted to reflect bad debt reporting change in 2012

# Total Appropriations



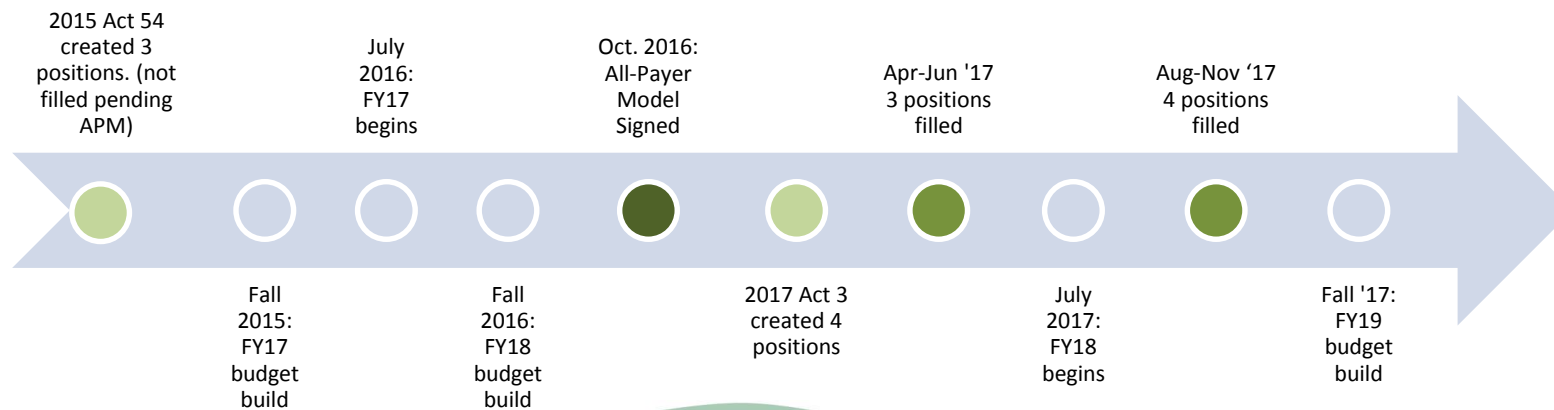
# Appropriation by Fund Source



# FY18 BAA vs. FY17 Actual

Green Mountain Care Board	FY17 As Passed	FY17 Actual	FY18 Post Rescission	FY19 Gov Rec	FY18 vs FY17 Act
Total Budget	9,572,404	6,126,093	8,609,341	7,854,622	2,483,248
<b>Expenses by Fund</b>					
General Fund	1,243,276	756,272	2,076,352	1,998,111	1,320,080
GMCB Regulatory & Administration Fund	2,045,927	1,115,360	3,460,827	3,310,314	2,345,467
Other Special Funds	60,000	38	60,000	60,000	59,962
Global Commitment	4,281,832	2,793,460	2,567,518	2,416,197	(225,942)
Interdepartmental Transfer	1,492,561	1,440,369	218,070	-	(1,222,299)
Federal Fund	448,808	20,594	226,574	70,000	205,980
<b>Expenses by Category</b>					

Note: FY17 expenditures were lower than budgeted because the federal All-Payer Model Agreement was executed later than planned during FY17 budget development process.



# FY18 Appropriation to FY19 Gov. Rec

	General Funds	Special Funds	Federal Funds	IDT Funds	All Other	Total Funds
<b>Approp #1 GMCB: FY 2018 Approp</b>	2,119,482	3,587,883	226,574	218,070	2,567,518	8,719,527
<b>Other Changes: Rescission</b>	(43,130)	(67,056)				(110,186)
<b>FY 2018 After Other Changes</b>	(43,130)	(67,056)	0	0	0	(110,186)
<b>Total Approp. After FY 2018 Other Changes</b>	2,076,352	3,520,827	226,574	218,070	2,567,518	8,609,341
Reduced contracts under Rate Review CIV grant			(156,574)			(156,574)
Reduced contracts under SIM grant				(218,070)		(218,070)
Reduced Health Care Advocate funding - restoring it to FY16 levels	(34,358)	(76,475)				(110,833)
Reduced Global Commitment funds per AHS request					(72,000)	(72,000)
Salary changes including reduced salaries as new positions were filled	(8,729)	(30,753)			(8,729)	(48,210)
Eliminate three positions from FY18 As Passed base	(71,563)	(139,020)			(71,563)	(282,146)
Reduced operating costs offsetting FY19 VHCURES update	36,408	95,735			970	133,114
<b>Subtotal of Increases/Decreases</b>	<b>(78,241)</b>	<b>(150,513)</b>	<b>(156,574)</b>	<b>(218,070)</b>	<b>(151,321)</b>	<b>(754,719)</b>
<b>FY 2019 Governor Recommend</b>	<b>1,998,111</b>	<b>3,370,314</b>	<b>70,000</b>	<b>0</b>	<b>2,416,197</b>	<b>7,854,622</b>
<b>GMCB FY 2018 Appropriation</b>	2,119,482	3,587,883	226,574	218,070	2,567,518	8,719,527
<b>Reductions and Other Changes</b>	(43,130)	(67,056)	0	0	0	(110,186)
<b>SFY 2018 Total After Reductions and Other Changes</b>	2,076,352	3,520,827	226,574	218,070	2,567,518	8,609,341
<b>TOTAL INCREASES/DECREASES</b>	<b>(78,241)</b>	<b>(150,513)</b>	<b>(156,574)</b>	<b>(218,070)</b>	<b>(151,321)</b>	<b>(754,719)</b>
<b>GMCB FY 2019 Governor Recommend</b>	<b>1,998,111</b>	<b>3,370,314</b>	<b>70,000</b>	<b>0</b>	<b>2,416,197</b>	<b>7,854,622</b>

# Resource Slides

- [Annual Report](#)
- [Legislative Reports](#)
- [Insurance Rate Review](#)
- [All-Payer Model Information](#)