

Green Mountain Care Board



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State Fiscal Year 18



Executive Summary

The philosophy of the Green Mountain Care Board flows from Act 48 of 2011, which calls for significant change in the way health care is delivered and paid for to ensure access to high quality health care for all Vermonters at a cost that we, as a state, can afford.

The Green Mountain Care Board has three broad roles: It is a Regulator, an Innovator, and an Evaluator of Vermont's health care system.

From Presidential and Gubernatorial elections, to transitions at the Board, to a U.S. Supreme Court decision limiting health care data gathering, to Vermont's significant step towards changing the way that we pay for and deliver health care, 2016 will be remembered as a year of transitions.

Vermont continues to move towards creating a more affordable, equitable and accessible health care system. Under some measurements, Vermont has been a leader in health care reform; for example, a December 2016 Commonwealth Fund report ranks Vermont first in the nation in terms of health care access and affordability.¹ Despite this high ranking, we recognize that there is still work to be done to ensure that high quality, affordable health care is accessible to all Vermonters.

Throughout 2016, the Board continued to work towards this goal through its regulation of hospital budgets, its oversight of health facility planning through the certificate of need program, and the review of health insurance rates and qualified health plan benefit designs. The Board continued its important innovative work by overseeing numerous federal State Innovation Model (SIM) initiatives and by finalizing negotiations with the federal government on a first-in-the-nation All-Payer Accountable Care Organization (ACO) Model.

The Board remains guided in its work and in its decision-making by the triple aim of improving access and quality, while containing health care costs. Through the hospital budget and rate review processes, the Board successfully lowered rates—and therefore costs to Vermonters—through a transparent, public review process in each instance. For fiscal year (FY) 2017 hospital budgets, the Board approved an historically low average annual increase in hospital rates of 1.8%, well below recent estimates of medical inflation.² After adjusting for physician transfers, the Board held hospital net patient revenue (NPR) growth to 3.9%, while national health care expenditures are projected to grow in 2017 by 5%.³ In addition to hospital budgets, the Board held down health insurance rate increases for consumers purchasing insurance plans through Vermont Health Connect (VHC); for example, a benchmark “silver” plan increased an average of 5% in Vermont, compared to average annual increases of 24% nationally.⁴ As a result of the Board's review of the insurers' requested VHC rates, Vermonters saved an estimated \$5.2 million – the difference between the rates as submitted by the insurers, and the rates as reduced by the Board.

¹*A Long Way in a Short Time: States' Progress on Health Care Coverage and Access, 2013–2015'*

²In a December 2016 press release, the Bureau of Labor Statistics estimated current medical inflation at 4 percent. See <https://www.bls.gov/opub/med/2016/medical-care-prices-rise-4-percent-over-the-year-ending-november-2016.htm>

³<http://content.healthaffairs.org/content/early/2016/07/12/hlthaff.2016.0459>

⁴<http://kff.org/health-reform/issue-brief/2017-premium-changes-and-insurer-participation-in-the-affordable-care-acts-health-insurance-marketplaces/>



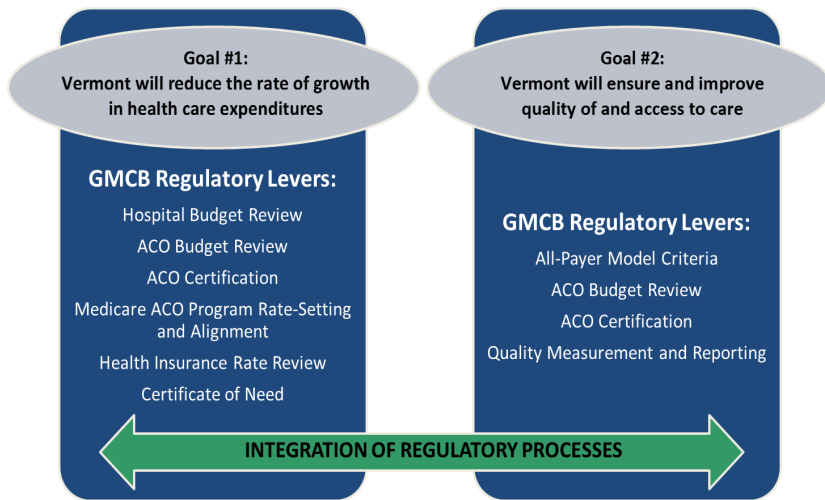
The Board's work on payment and delivery reform in 2016 focused on creating a system that contains costs and rewards high quality care. This year saw the culmination of a two-year collaborative effort by the Green Mountain Care Board, the Vermont Agency of Administration and the Center for Medicare & Medicaid Innovation (CMMI) to develop a system that shifts Vermont away from fee-for-service towards a value-based payment model. In October 2016, the Board unanimously agreed to enter into the All-Payer Accountable Care Organization Model (APM) Agreement, set to begin in January 2017 (Year 0) and run through December 2022 (Year 5). The APM focuses attention and resources on Vermonter's most pressing health needs by setting population goals to improve access to primary care, reduce deaths from suicide and drug overdose, and reduce the prevalence and morbidity of chronic disease. It establishes an annualized 3.5% cap, measured at the end of the Agreement, on per capita health care expenditure growth for all major payers. Vermont's negotiations resulted in key provisions in the Agreement that are paramount to Vermonters' concerns: for example, participation by providers is voluntary; patients will not see reductions to their federal benefits—to the contrary, Vermont negotiated enhanced benefits for Medicare recipients; implementation of the Model is phased-in over time, and the State may terminate the Agreement, without financial penalty and for any reason, upon a minimum of 180 days' notice. The Agreement also preserves Medicare funding for two of Vermont's nationally-recognized programs: the Blueprint for Health advanced primary care program and the Support and Services at Home (SASH) program that provides care coordination and preventive services to Medicare beneficiaries.

Vermont also made health care headlines when the United States Supreme Court decided *Gobeille v. Liberty Mutual Ins. Co.*, in a 6-2 decision (Justice Scalia died before the decision was issued). The *Gobeille* decision held that Vermont's all-payer claims database is preempted by federal law from mandating reporting requirements for self-funded employee health plans. The *Gobeille* decision, though a setback for states' ability to maintain robust health care databases, has sparked discussion amongst the states on how best to collect and use crucial health care data to inform health care policy and research.

Looking ahead to 2017, the Board will be moving forward with a new constellation of members. First, Dr. Allan Ramsay completed his term at the end of September, and was replaced by Robin Lunge, JD, MHCDS in November. In December, Board Chair Al Gobeille was appointed, as Vermont's Secretary of the Agency of Human Services. Then in January 2017, Betty Rambur, RN, PhD, resigned from the Board to accept a prestigious endowed chair at the University of Rhode Island. In 2017, we look forward to working with our new Board members, and are extremely grateful to Chair Gobeille, Dr. Ramsay and Dr. Rambur for their exceptional service to Vermont and to the Green Mountain Care Board.

STRATEGIC PRIORITIES FOR 2017

This figure illustrates which regulatory process may be used as a tool to meet



With the passage of Act 113 of 2016 and the signing of the All-Payer ACO Model Agreement, the Board will plan for and implement new regulatory processes and align existing processes to support the goals outlined in state law and in the Agreement. The Board will be responsible for certifying accountable care organizations; reviewing their budgets; reviewing and advising the Department of Vermont Health Access (DVHA) on Medicaid ACO rates; setting commercial and Medicare rates for ACOs; reporting on progress to the Centers for Medicare & Medicaid Services (CMS); tracking financial benchmarks, scale targets and quality targets, and implementing changes to other Board processes (e.g., hospital budgets; health insurance rate review; certificate of need) to create an integrated regulatory approach.

In addition, the Board will monitor the design of the ACO programs by the commercial payers and by Medicaid to ensure alignment with the Medicare ACO pro-

grams anticipated in the APM. Examples of work to be done by the ACOs and payers include:

- Establishing ACO Initiatives through ACO/Payer agreements (including financial incentives and linkage to ACO quality)
- Developing analytic and reporting capacity
- Implementing payment mechanisms

Last, the Board will need to stay informed and monitor the work of ACOs and providers who are responsible for delivery system reform implementation, including:

- Establishing ACO/provider agreements
- Developing programs to improve care coordination and quality of care
- Meeting scale targets



STRATEGIC PRIORITIES FOR 2017, cont.

Review of Hospital Budget Oversight

The Board will undertake a review of its hospital budget oversight to ensure alignment and efficiency in regulatory processes and clarity and consistency in its decision-making.

Review of Certificate of Need Process

The Board will undertake a review of its CON process to ensure efficient and effective decision-making.

Price Transparency

Understanding that health care providers and consumers need accurate information to make cost-effective medical decisions, the Board plans to explore new ways to increase transparency of health care pricing and quality.

Health Resource Allocation Plan

The Board will begin the process of updating Vermont's Health Resource Allocation Plan (HRAP), last updated in 2009, which can provide an essential tool for understanding the State's overall resource needs and capacity constraints.



PROPOSED FY18 BUDGET

Fund Name	FY2017 As Passed	FY2018 Dept Proposed	Year over Year	Percent Change
General Funds	1,401,276	2,263,482	862,206	61.5%
Special Fund	2,342,927	3,803,883	1,460,956	62.4%
Federal Funds	448,808	226,574	(222,234)	-49.5%
Global Commitment	4,281,832	2,807,518	(1,474,314)	-34.4%
IDT Funds	1,492,561	218,070	(1,274,491)	-85.4%
Funds Total	9,967,404	9,319,528	(647,876)	-6.5%

Budget Group	FY2017 As Passed	FY2018 Dept Proposed	Year over Year	Percent Change
1. Salaries & Benefits				
General Fund	507,826	936,199	428,373	84.4%
Health Care Billback	761,998	1,566,515	804,517	105.6%
Global Commitment	1,938,154	936,197	(1,001,957)	-51.7%
IDT - SIM From AHS	260,412	33,827	(226,585)	-87.0%
Total	3,468,390	3,472,738	4,348	0.1%
2. Operating				
General Fund	100,333	211,081	110,748	110.4%
Health Care Billback	150,477	302,839	152,362	101.3%
Global Commitment	585,185	264,886	(320,299)	-54.7%
Total	835,995	778,806	(57,189)	-6.8%
3. Contracts				
General Fund	793,130	1,116,202	323,072	40.7%
Health Care Billback	1,370,450	1,874,529	504,079	36.8%
Global Commitment	1,758,481	1,606,435	(152,046)	-8.6%
IDT - SIM From AHS	1,232,149	184,244	(1,047,905)	-85.0%
Federal Fund	448,808	226,574	(222,234)	-49.5%
HIT	60,000	60,000	0	0.0%
Total	5,663,019	5,067,983	(595,036)	-10.5%
Grand Total	9,967,404	9,319,528	(647,876)	-6.5%

PROPOSED FY18 BUDGET

Budget Summary

Organization: 3330010000 - Green Mountain Care Board

Budget Object Group: 1. PERSONAL SERVICES

Budget Object Rollup Name	FY2016 Actuals	FY2017 Original As Passed Budget	FY2017 Governor's BAA Recommended Budget	FY2018 Governor's Recommended Budget	Difference Between FY2018 Governor's Recommendation and FY2017 As Passed	Percent Change FY2018 Governor's Recommendation and FY2017 As Passed
Salaries and Wages	2,158,744	1,845,700	1,845,700	2,002,539	156,839	8.5%
Fringe Benefits	765,052	1,308,410	1,308,410	841,952	(466,458)	-35.7%
Contracted and 3rd Party Service	3,483,785	5,742,299	6,137,299	5,067,608	(674,691)	-11.7%
PerDiem and Other Personal Services	985	0	0	0	0	0.0%
Budget Object Group Total: 1. PERSONAL SERVICES	6,408,567	8,896,409	9,291,409	7,912,099	(984,310)	-11.1%

Budget Object Group: 2. OPERATING

Budget Object Rollup Name	FY2016 Actuals	FY2017 Original As Passed Budget	FY2017 Governor's BAA Recommended Budget	FY2018 Governor's Recommended Budget	Difference Between FY2018 Governor's Recommendation and FY2017 As Passed	Percent Change FY2018 Governor's Recommendation and FY2017 As Passed
Equipment	12,598	29,796	29,796	38,200	8,404	28.2%
IT/Telecom Services and Equipment	75,752	40,043	40,043	41,561	1,518	3.8%
Travel	28,736	53,380	53,380	47,100	(6,280)	-11.8%
Supplies	15,073	31,880	31,880	31,880	0	0.0%
Other Purchased Services	75,326	119,478	119,478	846,278	726,800	608.3%
Other Operating Expenses	5,546	1,500	1,500	2,500	1,000	66.7%
Rental Other	2,406	0	0	0	0	0.0%
Rental Property	114,089	397,309	397,309	397,309	0	0.0%
Property and Maintenance	2,710	2,609	2,609	2,600	(9)	-0.3%
Budget Object Group Total: 2. OPERATING	332,235	675,995	675,995	1,407,428	731,433	108.2%

PROPOSED FY18 BUDGET

Budget Summary

Budget Object Group: 3. GRANTS

Budget Object Rollup Name		FY2017 Original As Passed Budget	FY2017 Governor's BAA Recommended Bud- get	FY2018 Governor's Recommended Budget	Difference Between FY2018 Governor's Recommend and FY2017 As Passed	Percent Change FY2018 Governor's Recommend and FY2017 As Passed
Grants Rollup	0	0	0	0	0	0.0%
Budget Object Group Total: 3. GRANTS	0	0	0	0	0	0.0%
Total Expenses	6,740,802	9,572,404	9,967,404	9,319,527	(252,877)	-2.6%

Fund Name	FY2016 Actuals	FY2017 Original As Passed Budget	FY2017 Governor's BAA Recommended Bud- get	FY2018 Governor's Recommended Budget	Difference Between FY2018 Governor's Recommend and FY2017 As Passed	Percent Change FY2018 Governor's Recommend and FY2017 As Passed
General Funds	623,965	1,243,276	1,401,276	2,263,482	1,020,206	82.1%
Special Fund	982,195	2,105,927	2,342,927	3,803,883	1,697,956	80.6%
Federal Funds	538,838	448,808	448,808	226,574	(222,234)	-49.5%
Global Commitment	2,188,900	4,281,832	4,281,832	2,807,518	(1,474,314)	-34.4%
IDT Funds	2,406,903	1,492,561	1,492,561	218,070	(1,274,491)	-85.4%
Funds Total	6,740,802	9,572,404	9,967,404	9,319,527	(252,877)	-2.6%
Position Count				26		
FTE Total				26		

PROPOSED FY18 BUDGET

Budget Object Group: 1. PERSONAL SERVICES

Salaries and Wages		FY2016 Actuals	FY2017 Original As Passed Budget	FY2017 Governor's BAA Recommended Budget	FY2018 Governor's Recommended Budget	Difference Between FY2018 Governor's Recommend and FY2017 As Passed	Percent Change FY2018 Governor's Recommend and FY2017 As Passed
Description	Code						
Classified Employees	500000	2,158,703	948,177	948,177	1,174,959	226,782	23.9%
Exempt	500010	0	897,523	897,523	958,487	60,964	6.8%
Overtime	500060	41	0	0	0	0	0.0%
Vacancy Turnover Savings	508000	0	0	0	(130,907)	(130,907)	0.0%
Total: Salaries and Wages		2,158,744	1,845,700	1,845,700	2,002,539	156,839	8.5%

Fringe Benefits		FY2016 Actuals	FY2017 Original As Passed Budget	FY2017 Governor's BAA Recommended Budget	FY2018 Governor's Recommended Budget	Difference Between FY2018 Governor's Recommend and FY2017 As Passed	Percent Change FY2018 Governor's Recommend and FY2017 As Passed
Description	Code						
FICA - Classified Employees	501000	160,489	120,983	120,983	89,879	(31,104)	-25.7%
FICA - Exempt	501010	0	66,815	66,815	72,220	5,405	8.1%
Health Ins - Classified Empl	501500	254,956	526,427	526,427	235,618	(290,809)	-55.2%
Health Ins - Exempt	501510	0	155,438	155,438	82,380	(73,058)	-47.0%
Retirement - Classified Empl	502000	313,738	261,100	261,100	193,052	(68,048)	-26.1%
Retirement - Exempt	502010	0	125,503	125,503	136,646	11,143	8.9%
Dental - Classified Employees	502500	19,478	29,014	29,014	12,695	(16,319)	-56.2%
Dental - Exempt	502510	0	10,784	10,784	7,932	(2,852)	-26.4%
Life Ins - Classified Empl	503000	5,191	5,679	5,679	4,955	(724)	-12.7%
Life Ins - Exempt	503010	0	3,196	3,196	3,650	454	14.2%
LTD - Classified Employees	503500	1,664	285	285	662	377	132.3%
LTD - Exempt	503510	0	1,620	1,620	1,470	(150)	-9.3%
EAP - Classified Empl	504000	781	1,158	1,158	487	(671)	-57.9%
EAP - Exempt	504010	0	408	408	306	(102)	-25.0%
Workers Comp - Ins Premium	505200	4,761	0	0	0	0	0.0%
Unemployment Compensation	505500	3,351	0	0	0	0	0.0%
Catamount Health Assessment	505700	644	0	0	0	0	0.0%
Total: Fringe Benefits		765,052	1,308,410	1,308,410	841,952	(466,458)	-35.7%

PROPOSED FY18 BUDGET

Budget Object Group: 1. PERSONAL SERVICES CONT...

Contracted and 3rd Party Service		FY2016 Actuals	FY2017 Original As Passed Budget	FY2017 Governor's BAA Recommended Budget	FY2018 Governor's Recommended Budget	Difference Between FY2018 Governor's Recommend and FY2017 As Passed	Percent Change FY2018 Governor's Recommend and FY2017 As Passed
Description	Code						
Other Contr and 3Rd Pty Serv	507600	3,483,785	5,742,299	6,137,299	5,067,608	(674,691)	-11.7%
Total: Contracted and 3rd Party Service		3,483,785	5,742,299	6,137,299	5,067,608	(674,691)	-11.7%

PerDiem and Other Personal Services		FY2016 Actuals				Difference Between Recommend and As Passed	Percent Change Recommend and As Passed
Description	Code						
Transcripts	506220	985	0	0	0	0	0.0%
Total: PerDiem and Other Personal Services		985	0	0	0	0	0.0%

	FY2016 Actuals	FY2017 Original As Passed Budget	FY2017 Governor's BAA Recommended Budget	FY2018 Governor's Recommended Budget	Difference Between FY2018 Governor's Recommend and FY2017 As Passed	Percent Change FY2018 Governor's Recommend and FY2017 As Passed
Total: 1. PERSONAL SERVICES	6,408,567	8,896,409	9,291,409	7,912,099	(984,310)	-11.1%

PROPOSED FY18 BUDGET

Budget Object Group: 2. OPERATING

Equipment		FY2016 Actuals	FY2017 Original As Passed Budget	FY2017 Governor's BAA Recommended Budget	FY2018 Governor's Recommended Budget	Difference Between FY2018 Governor's Recommend and FY2017 As Passed	Percent Change FY2018 Governor's Recommend and FY2017 As Passed
Description	Code						
Hardware - Desktop & Laptop Pc	522216	9,585	5,000	5,000	8,200	3,200	64.0%
Hardware - Storage	522276	249	0	0	0	0	0.0%
Software - Desktop	522286	364	0	0	0	0	0.0%
Other Equipment	522400	2,400	15,000	15,000	15,000	0	0.0%
Equipment For Other Agencies	522401	0	9,796	9,796	15,000	5,204	53.1%
Total: Equipment		12,598	29,796	29,796	38,200	8,404	28.2%

IT/Telecom Services and Equipment		FY2016 Actuals	FY2017 Original As Passed Budget	FY2017 Governor's BAA Recommended Budget	FY2018 Governor's Recommended Budget	Difference Between FY2018 Governor's Recommend and FY2017 As Passed	Percent Change FY2018 Governor's Recommend and FY2017 As Passed
Description	Code						
Communications	516600	4,982	0	0	0	0	0.0%
Internet	516620	300	0	0	0	0	0.0%
Telecom-Video Conf Services	516653	0	510	510	486	(24)	-4.7%
Telecom-Conf Calling Services	516658	8,104	0	0	0	0	0.0%
Telecom-Wireless Phone Service	516659	6,931	8,500	8,500	8,088	(412)	-4.8%
It Intsvccost-Vision/Isdassess	516671	25,666	27,343	27,343	28,405	1,062	3.9%
It Intsvccost- Dii - Telephone	516672	0	1,190	1,190	1,182	(8)	-0.7%
It Inter Svc Cost User Support	516678	15,523	0	0	0	0	0.0%
Software - Other	522220	341	2,500	2,500	3,400	900	36.0%
Cost of Data Processing	525240	13,904	0	0	0	0	0.0%
Total: IT/Telecom Services and Equipment		75,752	40,043	40,043	41,561	1,518	3.8%

PROPOSED FY18 BUDGET

Budget Object Group: 2. OPERATING

Other Operating Expenses		FY2016 Actuals	FY2017 Original As Passed Budget	FY2017 Governor's BAA Recommended Budget	FY2018 Governor's Recommended Budget	Difference Between FY2018 Governor's Recommend and FY2017 As Passed	Percent Change FY2018 Governor's Recommend and FY2017 As Passed
Description	Code						
Single Audit Allocation	523620	2,296	1,500	1,500	2,500	1,000	66.7%
Refund To Non-State Agencies	525150	3,250	0	0	0	0	0.0%
Total: Other Operating Expenses		5,546	1,500	1,500	2,500	1,000	66.7%

Property and Maintenance		FY2016 Actuals	FY2017 Original As Passed Budget	FY2017 Governor's BAA Recommended Budget	FY2018 Governor's Recommended Budget	Difference Between FY2018 Governor's Recommend and FY2017 As Passed	Percent Change FY2018 Governor's Recommend and FY2017 As Passed
Description	Code						
Disposal	510200	260	0	0	0	0	0.0%
Repair & Maint - Office Tech	513010	1,948	2,609	2,609	2,600	(9)	-0.3%
Other Repair & Maint Serv	513200	502	0	0	0	0	0.0%
Total: Property and Maintenance		2,710	2,609	2,609	2,600	(9)	-0.3%

Rental Property		FY2016 Actuals	FY2017 Original As Passed Budget	FY2017 Governor's BAA Recommended Budget	FY2018 Governor's Recommended Budget	Difference Between FY2018 Governor's Recommend and FY2017 As Passed	Percent Change FY2018 Governor's Recommend and FY2017 As Passed
Description	Code						
Rent Land & Bldgs-Office Space	514000	114,089	394,109	394,109	394,109	0	0.0%
Rent Land&Bldgs-Non-Office	514010	0	3,200	3,200	3,200	0	0.0%
Total: Rental Property		114,089	397,309	397,309	397,309	0	0.0%

PROPOSED FY18 BUDGET

Budget Object Group: 2. OPERATING

Supplies		FY2016 Actuals	FY2017 Original As Passed Budget	FY2017 Governor's BAA Recommended Budget	FY2018 Governor's Recommended Budget	Difference Between FY2018 Governor's Recommend and FY2017 As Passed	Percent Change FY2018 Governor's Recommend and FY2017 As Passed
Description	Code						
Office Supplies	520000	7,446	14,450	14,450	14,450	0	0.0%
It & Data Processing Supplies	520510	1,300	0	0	0	0	0.0%
Recognition/Awards	520600	282	0	0	0	0	0.0%
Food	520700	2,189	5,000	5,000	5,000	0	0.0%
Water	520712	222	0	0	0	0	0.0%
Electricity	521100	1,524	6,460	6,460	6,460	0	0.0%
Books&Periodicals-Library/Educ	521500	703	3,060	3,060	3,060	0	0.0%
Subscriptions	521510	1,169	2,230	2,230	2,230	0	0.0%
Subscriptions: Dol-Electronic	521512	0	510	510	510	0	0.0%
Other Books & Periodicals	521520	0	0	0	0	0	0.0%
Paper Products	521820	239	170	170	170	0	0.0%
Total: Supplies		15,073	31,880	31,880	31,880	0	0.0%

Travel		FY2016 Actuals	FY2017 Original As Passed Budget	FY2017 Governor's BAA Recommended Budget	FY2018 Governor's Recommended Budget	Difference Between FY2018 Governor's Recommend and FY2017 As Passed	Percent Change FY2018 Governor's Recommend and FY2017 As
Description	Code						
Travel-Inst-Auto Mileage-Emp	518000	4,489	21,760	21,760	19,200	(2,560)	-11.8%
Travel-Inst-Other Transp-Emp	518010	980	0	0	0	0	0.0%
Travel-Inst-Meals-Emp	518020	0	0	0	0	0	0.0%
Travel-Inst-Lodging-Emp	518030	2,561	0	0	0	0	0.0%
Travel-Inst-Incidentals-Emp	518040	13	0	0	0	0	0.0%
Conference - Instate - Emp	518050	0	0	0	0	0	0.0%
Travel-Inst-Auto Mileage-Nonemp	518300	219	0	0	0	0	0.0%
Travel-Inst-Other Trans-Nonemp	518310	0	0	0	0	0	0.0%
Travel-Outst-Auto Mileage-Emp	518500	421	0	0	0	0	0.0%
Travel-Outst-Other Trans-Emp	518510	10,096	31,620	31,620	27,900	(3,720)	-11.8%
Travel-Outst-Meals-Emp	518520	1,051	0	0	0	0	0.0%
Travel-Outst-Lodging-Emp	518530	8,366	0	0	0	0	0.0%
Travel-Outst-Incidentals-Emp	518540	539	0	0	0	0	0.0%
Total: Travel		28,736	53,380	53,380	47,100	(6,280)	-11.8%

PROPOSED FY18 BUDGET

Budget Object Group: 2. OPERATING

Other Purchased Services		FY2016 Actuals	FY2017 Original As Passed Budget	FY2017 Governor's BAA Recommended Budget	FY2018 Governor's Recommended Budget	Difference Between FY2018 Governor's Recommend and FY2017 As Passed	Percent Change FY2018 Governor's Recommend and FY2017 As Passed
Description	Code						
Insurance Other Than Empl Bene	516000	243	340	340	338	(2)	-0.6%
Insurance - General Liability	516010	4,577	9,468	9,468	5,665	(3,803)	-40.2%
Dues	516500	3,250	500	500	449	(51)	-10.2%
Licenses	516550	410	0	0	0	0	0.0%
Telecom-Mobile Wireless Data	516623	720	0	0	0	0	0.0%
Telecom-Telephone Services	516652	6,389	7,500	7,500	7,135	(365)	-4.9%
It Inter Svc Cost Proj Mgt&Rev	516683	490	0	0	0	0	0.0%
It Int Svc Dii Allocated Fee	516685	27,427	28,666	28,666	28,880	214	0.7%
Advertising-Print	516813	1,312	8,000	8,000	8,000	0	0.0%
Advertising-Web	516814	225	1,500	1,500	1,500	0	0.0%
Advertising - Job Vacancies	516820	934	2,000	2,000	2,000	0	0.0%
Printing and Binding	517000	2,921	8,000	8,000	8,000	0	0.0%
Printing-Promotional	517010	0	0	0	0	0	0.0%
Photocopying	517020	1,242	400	400	400	0	0.0%
Registration For Meetings&Conf	517100	9,551	20,000	20,000	20,000	0	0.0%
Postage	517200	6	4,420	4,420	4,420	0	0.0%
Postage - Bgs Postal Svcs Only	517205	207	0	0	0	0	0.0%
Freight & Express Mail	517300	(134)	900	900	900	0	0.0%
Instate Conf, Meetings, Etc	517400	1,928	0	0	0	0	0.0%
Outside Conf, Meetings, Etc	517500	550	0	0	0	0	0.0%
Other Purchased Services	519000	0	6,800	6,800	744,797	737,997	10,852.9%
Agency Fee	519005	0	0	0	0	0	0.0%
Human Resources Services	519006	13,078	20,984	20,984	13,794	(7,190)	-34.3%
Total: Other Purchased Services		75,326	119,478	119,478	846,278	726,800	608.3%

	FY2016 Actuals	FY2017 Original As Passed Budget	FY2017 Governor's BAA Recommended Budget	FY2018 Governor's Recommended Budget	Difference Between FY2018 Governor's Recommend and FY2017 As Passed	Percent Change FY2018 Governor's Recommend and FY2017 As Passed
Total: 2. OPERATING	332,235	675,995	675,995	1,407,428	731,433	108.2%

PROPOSED FY18 BUDGET

Budget Object Group: 3. GRANTS

Grants Rollup		FY2017 Original As Passed Budget	FY2017 Governor's BAA Recommended Budget	FY2018 Governor's Recommended Budget	Difference Between FY2018 Governor's Recommend and FY2017 As Passed	Percent Change FY2018 Governor's Recommend and FY2017 As Passed	
Description	Code						
Grants	550220	0	0	0	0	0.0%	
Total: Grants Rollup		0	0	0	0	0.0%	
Total: 3. GRANTS		0	0	0	0	0.0%	
Total Expenses:		6,740,802	9572404	9967404	9319527	-252877	-2.6%

Budget Object Group: Summary

Fund Name	Fund Code	FY2016 Actuals	FY2017 Original As Passed Budget	FY2017 Governor's BAA Recommended Budget	FY2018 Governor's Recommended Budget	Difference Between FY2018 Governor's Recommend and FY2017 As Passed	Percent Change FY2018 Governor's Recommend and FY2017 As Passed
General Fund	10000	623,965	1,243,276	1,401,276	2,263,482	1,020,206	82.1%
Global Commitment Fund	20405	2,188,900	4,281,832	4,281,832	2,807,518	(1,474,314)	-34.4%
Health Care Suprv & Reg	21070	0	0	0	0	0	0.0%
Inter-Unit Transfers Fund	21500	2,406,903	1,492,561	1,492,561	218,070	(1,274,491)	-85.4%
Misc Grants Fund	21908	360	0	0	0	0	0.0%
Vermont Health IT Fund	21916	0	60,000	60,000	60,000	0	0.0%
GMCB Regulatory and Admin Fund	21937	981,835	2,045,927	2,282,927	3,743,883	1,697,956	83.0%
Federal Revenue Fund	22005	538,838	448,808	448,808	226,574	(222,234)	-49.5%
Funds Total:		6,740,802	9,572,404	9,967,404	9,319,527	(252,877)	-2.6%
Position Count					26		
FTE Total					26		

PROPOSED FY18 BUDGET

Personnel Summary Report

Position Number	Classification	FTE	Count	Gross Salary	Benefits Total	Statutory Total	Total
270002	089240 - Administrative Srvcs Cord III	1	1	\$ 63,648.00	\$ 22,185.00	\$ 4,869.00	\$ 90,702.00
270003	543100 - Chief of Health Policy	1	1	\$ 89,420.00	\$ 25,166.00	\$ 6,841.00	\$ 121,427.00
270004	490200 - Dir of Health System Finances	1	1	\$ 126,089.00	\$ 31,828.00	\$ 9,646.00	\$ 167,563.00
270006	490300 - Senior Financial Policy Analys	1	1	\$ 82,618.00	\$ 23,950.00	\$ 6,319.00	\$ 112,887.00
270007	535000 - Health Care Project Dir GMCB	1	1	\$ 100,421.00	\$ 41,744.00	\$ 7,683.00	\$ 149,848.00
270008	008900 - Project Director	1	1	\$ 81,120.00	\$ 38,476.00	\$ 6,206.00	\$ 125,802.00
270009	089050 - Financial Administrator I	1	1	\$ 29,182.00	\$ 28,997.00	\$ 2,232.00	\$ 60,411.00
270009	089050 - Financial Administrator I	1	1	\$ 23,181.00	\$ 4,972.00	\$ 1,773.00	\$ 29,926.00
270010	490500 - Health Policy Director*	1	1	\$ 73,528.00	\$ 36,931.00	\$ 5,625.00	\$ 116,084.00
270012	462400 - Senior Health Care Analyst*	1	1	\$ 63,128.00	\$ 28,811.00	\$ 4,828.00	\$ 96,767.00
270013	463700 - Health Policy Analyst*	1	1	\$ 54,288.00	\$ 23,554.00	\$ 4,153.00	\$ 81,995.00
270014	048300 - VT Health Care Admin	1	1	\$ 77,688.00	\$ 14,724.00	\$ 5,943.00	\$ 98,355.00
270017	203200 - Payment Reform Prog Evaluator*	1	1	\$ 73,528.00	\$ 22,327.00	\$ 5,625.00	\$ 101,480.00
270018	018200 - Dir of Analysis & Data Manag	1	1	\$ 73,528.00	\$ 22,325.00	\$ 5,624.00	\$ 101,477.00
270019	462400 - Senior Health Care Analyst	1	1	\$ 82,617.00	\$ 15,606.00	\$ 6,318.00	\$ 104,541.00
270021	089410 - Administrative Srvcs Dir III	1	1	\$ 80,975.00	\$ 38,449.00	\$ 6,194.00	\$ 125,618.00
277001	92200E - Chair Green Mtn Care Board	1	1	\$ 144,997.00	\$ 44,705.00	\$ 9,990.00	\$ 199,692.00
277002	92210E - Green Mtn Care Board Member	1	1	\$ 96,679.00	\$ 38,287.00	\$ 7,396.00	\$ 142,362.00
277003	92210E - Green Mtn Care Board Member	1	1	\$ 96,679.00	\$ 11,797.00	\$ 7,396.00	\$ 115,872.00
277004	92210E - Green Mtn Care Board Member	1	1	\$ 96,679.00	\$ 11,576.00	\$ 7,396.00	\$ 115,651.00
277005	92210E - Green Mtn Care Board Member	1	1	\$ 96,679.00	\$ 18,342.00	\$ 7,396.00	\$ 122,417.00
277006	95871E - General Counsel II	1	1	\$ 116,645.00	\$ 22,144.00	\$ 8,921.00	\$ 147,710.00
277007	95010E - Executive Director	1	1	\$ 104,895.00	\$ 27,940.00	\$ 8,024.00	\$ 140,859.00
277008	95360E - Principal Assistant	1	1	\$ 92,727.00	\$ 44,662.00	\$ 7,094.00	\$ 144,483.00
277009	91590E - Private Secretary	1	1	\$ 44,782.00	\$ 18,912.00	\$ 3,425.00	\$ 67,119.00
277010	95867E - Staff Attorney II	1	1	\$ 67,725.00	\$ 21,443.00	\$ 5,182.00	\$ 94,350.00
Total		26	26	\$ 2,133,446.00	\$ 679,853.00	\$ 162,099.00	\$ 2,975,398.00

* The GMCB is seeking to covert 4 positions from Limited Service status to Permanent Classified status. The positions were created under JFO approval #'s 2622 & 2463

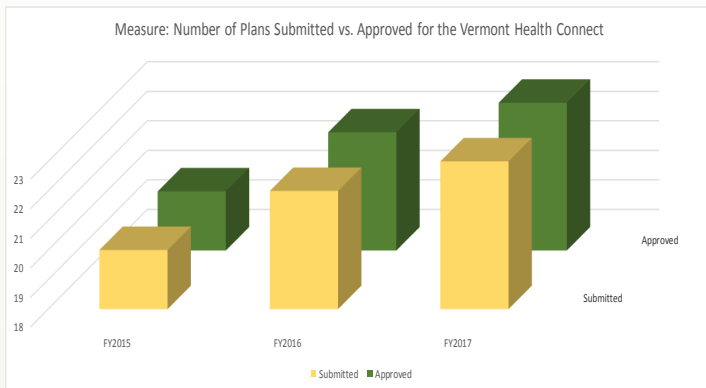
Fund Code	Fund Name	FTE	Count	Gross Salary	Benefits Total	Statutory Total	Total
10000	General Fund	7.73	26	\$ 601,773.00	\$ 208,338.00	\$ 46,032.00	\$ 856,143.00
20405	Global Commitment Fund	6.42		\$ 549,798.00	\$ 172,419.00	\$ 40,954.00	\$ 763,171.00
21500	Inter-Unit Transfers Fund	0.34		\$ 25,000.00	\$ 7,590.00	\$ 1,912.00	\$ 34,502.00
21937	GMCB Regulatory and Admin Fund	11.51		\$ 956,875.00	\$ 291,506.00	\$ 73,201.00	\$ 1,321,582.00
Total		26.00	26	\$2,133,446.00	\$ 679,853.00	\$ 162,099.00	\$ 2,975,398.00

Note: Numbers may not sum to total due to rounding.

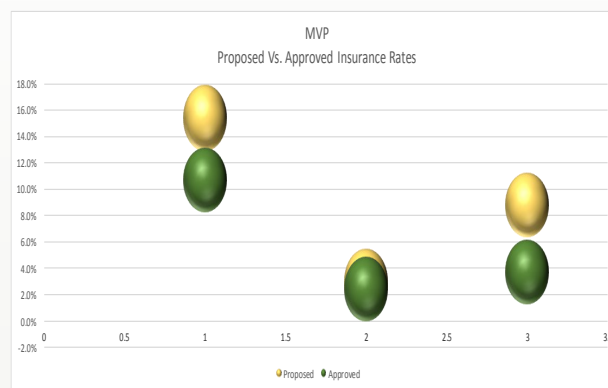
Results Base Accountability

Insurance Rate Review

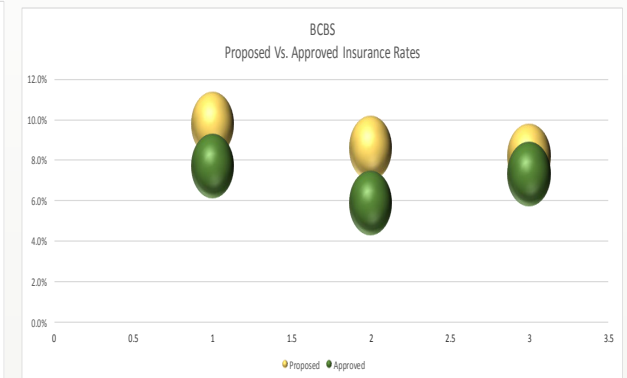
Since January 1, 2014, the GMCB has exercised primary responsibility over major medical health insurance rate review for plans offered to individuals and small group employers through Vermont Health Connect. In its role as regulator, the Board must approve, modify, or disapprove a proposed rate filing within 90 days of its submission. The Board contracts with Lewis & Ellis Actuaries and Consultants (L&E) to provide actuarial support and assist the Board in determining whether proposed rates are affordable, promote quality care, are fair and equitable, and do not jeopardize insurer solvency. In addition to actuarial assistance, the Board takes into consideration the analysis and opinion of the Department of Financial Regulation regarding insurer solvency. This comprehensive regulatory process results in an overall positive impact on the affordability, accessibility, and quality of Vermonters' health care. For example, comparing Vermont's rates to those across the nation, Vermont's premium change from 2016 to 2017 in the 2nd lowest cost silver plan category was 5% compared to the national average of 24%.



The Green Mountain Care Board reviewed 12 BCBS and 11 MVP health insurance plan rates to ensure that Vermonters pay a fair price for quality coverage on VHC in 2017. These 23 plans in total represent all plans available on VHC for 2017.



The Green Mountain Care Board reduced an 8.8% increase proposed by MVP Health Plan, Inc. to 3.7%, reducing the rate increase by 5.1% and saving the insured population an estimated \$1.7 million.

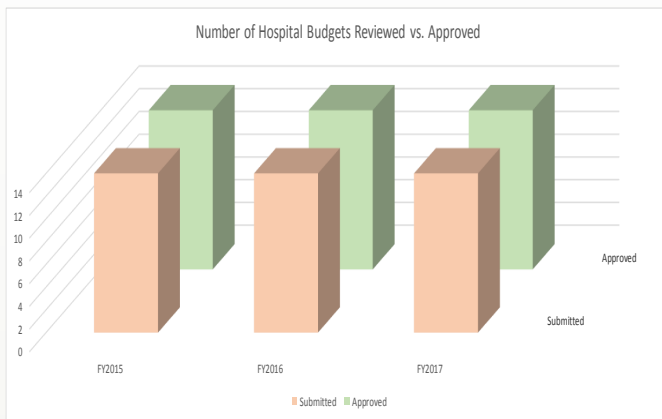


The Green Mountain Care Board reduced an 8.2% rate increase proposed by Blue Cross and Blue Shield of Vermont to 7.3%, reducing the rate increase by 0.9% and saving the insured population an estimated \$3.5 million.

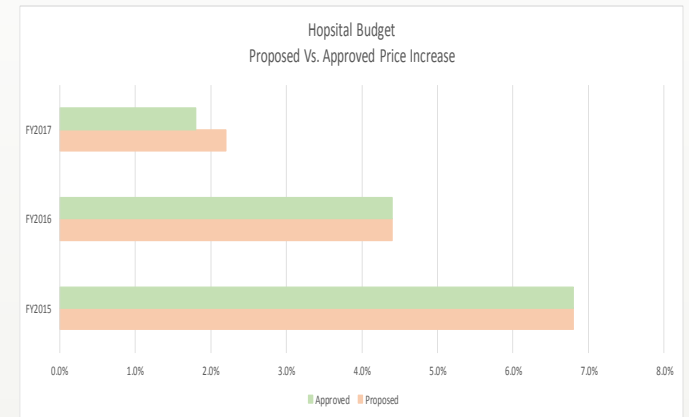
Results Base Accountability

Hospital Budget Review

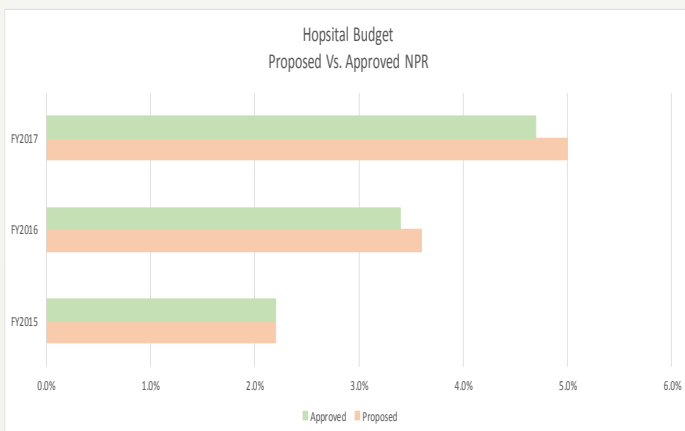
In 2013, the GMCB implemented a set of principles to govern the hospital budget review process for federal fiscal years 2014 through 2016. These policies have been updated by the Board for FY17, establishing a net patient revenue (NPR) target rate of 3.0% overall for hospital rate increases and an additional NPR allowance for FY17 of up to 0.4% for “credible health reform proposals.” NPR is a key indicator used to assess changes in hospital budgets because it closely tracks hospital expenditures - NPR includes payments received from patients, government, and insurers for patient care, but does not include hospital revenues from activities such as cafeterias, parking, and philanthropy. Annual hospital commercial weighted average rate increases have continued to slow, which has a direct effect on insurance rate increases, and a positive impact on the Vermont economy.



The Green Mountain Care Board reviews hospital budgets for all 14 hospital systems in Vermont.



GMCB limits hospital budget net patient revenue growth using a target of 3.5% overall. This includes both price and utilization change.



Limiting annual hospital rate (price) increases will save Vermonters an estimated \$4 million in federal fiscal year 2017.