Universal Primary Care: Questions?
Could this be a viable "Plan B" for Vermont!

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Is there proof UPC can improve Vermont's current health care reform efforts?

- - **Value:** Every study has confirmed that specific investment in primary care improves quality and reduces cost.
- - **Patient centered***: UPC legislation gives Vermonters more voice in how the delivery system evolves through their elected officials.
- - **Goals:** Universal Primary Care is compatible with and will complement the goals of OneCare and the all payer model.
- - **Unique***: UPC will attract primary care clinicians because it recognizes them as unique and valuable in the health care system.

What does the outline of a financing plan for UPC in Vermont look like?

- A Primary Care Trust Fund is established (model legislation has been proposed in Rhode Island.)*
- An accountable state agency implements the trust fund program (AHS and DVHA)
- Accountable care organizations in the State establish and report their primary care spend rate
- The GMCB regulates and oversees the primary care spend rate
- The legislature establishes rules for funding the Trust**

(Remember-most of the estimated $200 million annual investment in UPC was based on claims- money that Vermont is already spending!)

Primary Care Trust Fund Legislation*

(statement of purpose in Vermont also see attachment)

- The PC trust builds on the concept of the universal immunization purchase program (everyone needs both immun and primary care)
- Assures access to primary care services for all Vermonters
- Requires insurers and other entities to allocate a fair portion of their medical spending to primary care services
- Incentivizes clinicians to provide essential services and encourages people to utilize preventive health services
- Protects consumers and businesses from the consequences of anti-competitive consolidation of health care services
- Lowers the growth in State health care spending by focusing the delivery system on the least intensive and most affordable level of care*

Primary Care Trust Fund Program Rules**

- A public agency is designated to be responsible for the implementation and oversight of the PCTF, probably DVHA in VT
- The State agency could designate other organizations to provide primary care services to all residents of a region
- An annual assessment to the fund (x% of total spending) would be established through a rate setting process and enforced by the GMCB and/or Department of Taxes
- The assessment could apply to any insurer in the State, hospitals, or ACOs and be offset by the existing provider tax structure.
- The PCTF shall be governed by a Board of Directors, 50% of the Board would be primary care clinicians

Trust fund financing with a public/private model

2017 Estimated Total Claim Cost of the Program

Market	Estimated Members	Universal Primary Care Coverage	2017 Estimated Total Claim Cost of Program: Status Quo	2017 Estimated Total Claim Cost of Program: Universal Primary Care with Cost Sharing	2017 Estimated Total Claim Cost of Program: Universal Primary Care without Cost Sharing
Commercial	296,400	Primary	$103,944,000	$102,464,000	$150,040,000
Military	14,400	Excluded	$0	$0	$0
Federal	14,400	Primary	$4,905,000	$4,905,000	$6,215,000
Medicaid	150,500	Primary	$107,371,000	$107,371,000	$107,371,000
Medicare	140,800	Secondary	$0	$0	$11,382,000
Uninsured	13,100	Primary	$5,527,000	$5,496,000	$6,921,000
Total	**629,600**		**$221,747,000**	**$220,236,000**	**$281,929,000**
Compared to Status Quo				**($1,511,000)**	**$60,182,000**

Additional cost structure

- Provider reimbursement increases
  - $25-$135 million
- Administrative costs
  - $8-$35 million (depending on cost share)
- Other costs
  - JFO and/or DVHA analysis

Potential Universal Primary Care Savings
(there is an evidence-based way to estimate this amount but no actuarial way)

- Estimate savings based on total spending ($5.7billion – 10%)
  - 1% = $51.3million 3% = $154 million
  - 5% = $256 million 10% = $513 million
- Estimate savings on hospital spending ($2.2 billion – 10%)
  - 1% = $19.8 million 3% = $59.4 million
  - 5% = $99 million 10% = $198 million
- Approx 60-70% hospital revenues are already outpatient services, some of these would transition from high (ED) to low cost sites
- Greater hospital efficiencies could drive down facility fees
- UPC may force some hospitals to redefine their community mission
- The ACO model in Vermont has not established savings to date

Other key financing and administrative issues

- Commercial insurance and Medicare will still provide major medical coverage (indemnify, HDHP)
- Employer sponsored health savings accounts can be used for non-primary care costs or a PMPM primary care payment to the trust
- UPC will attract self employed insurance plans by simplifying the third party (TPA) administrative costs
- DVHA administered the Vermont Health Access Plan for low income Vermonters- this could be an operational structure for UPC
- The Vermont commercial insurance experience with Catamount Health (2006) proves they could manage a separate funding model for primary care

Do we have operational capability for a universal primary care program in Vermont?

- Enrollment of primary care*
- Quality measurement
- Primary care benefits and claims **
- The 1332 Innovation Waiver process***
- Data analysis and reporting (VHCures/APCD)
- Overall performance evaluation (GMCB, Legislature)
- Medical necessity determination (prior authorization pilots)
- Grievances and appeals (DFR)

Enrollment*

- “Vertical” integration of the health care system: hospital employed, FQHC, independent
- Vermont Dept of Health clinician survey
- NPI, hospital credentialing, insurance, Medicaid, ACO, Medicare databases
- Mental health provider certification (nursing, social worker, psychologist, clinical counselor, alcohol/drug abuse counselor) confirmed by OPR, hospital, FQHC or designated agency

Primary Care Definition and Claims**

- The GMCB has been working with the Millbank Memorial Fund to establish a primary care spend rate model
- Primary care services were defined by the VHCIP (SIM) grant primary care payment reform workgroup- an 18 month effort facilitated by Bailit Consulting (used in the Wakely analysis)
- With this data Medicare, Medicaid, and commercial claims primary care claims in VHCures can be integrated
- Medicaid/DVHA sets rates and does claims submission/resolution- UPC claims management would not be a new process for them

CMMI 1332 Innovation Waiver***

- Vermont was the first state to receive a CMMI 1332 waiver in 2017 (SHOP)
- States can coordinate section 1332 and Medicaid waivers (1115) if it wants to change Medicaid or CHIP
- Waiving cost sharing provisions in the ACA may apply
- Waivers must be federal budget neutral and not add to the deficit
- The federal government basically wants two things:
  - Save money
  - Maintain administrative simplicity

Please see my additional narrative for more details about the application of a 1332 waiver to UPC

Why should Vermont try to implement a universal primary care program?

- We have a unique delivery system model
- We have unique payment model initiatives
- We have a health care regulatory authority (GMCB)
- We have financial regulation (GMCB, DFR)
- Our current reform initiatives do not address access to health care for those who are uninsured or underinsured
- If the APM is not sustainable we have no Plan B for health care reform

Is Universal Primary Care a way to address the primary care *workforce crisis*?

- The way to achieve the goal of a strong primary care workforce is to recognize that primary care is unique
- Without a solid primary care workforce we will not achieve increases in quality or moderation in the growth of health care costs.
- The American Academy of Family Physicians 2017 Congress Resolution*
- A recent Dartmouth medical school survey has convinced me that relying on an accountable care organization or the all payer model alone will not attract primary care clinicians to Vermont*

Universal Primary Care (S.53) sends a message that <u>would</u> attract clinicians

2017 AAFP Congress of Delegates and Dartmouth Geisel School of Medicine Survey*

- At the annual American Academy of Family Physicians Congress in September the member delegates passed a resolution in support of publicly funded UPC submitted by the Vermont delegation
- There was significant interest from other states (Colorado, California, Oregon, and Rhode Island) in following Vermont's lead
- Dartmouth medical students completed a survey related to whether UPC would change their interest in a primary care career:
  - Most became disinterested in primary care during medical school
  - 50% would be interested in a primary care career as defined by S.53
  - Interest in primary care depends on:
    - Ability to practice the full scope of office based primary care services
    - Primary care payment is considered separate and unique from other specialties
    - Equal status of primary care in the health care system

Finally… will an investment in universal access to primary care make Vermont a more attractive place to live and raise a family?

- **Patient centered**: People will soon realize that they should not have to be insured to receive the health services that everyone must have in their life.
- **Unique:** Many people will respond to having access to preventive health services by changing their behavior. Clinicians will also change if the current burdens of practicing primary care are addressed in a meaningful way.
- **Doable:** Vermont has done Dr. Dinosaur, VHAP, Catamount, community rating, guaranteed issue, and Act 48 through a legislative process when many said it couldn't be done- *Vermont can do this*