

## **Green Mountain Care Board Fiscal Year 2020 Budget**

### **Department/Program Description**

After welcoming three new members in 2017, 2018 has been a year of coming together and coalescing for the Green Mountain Care Board (GMCB). Throughout 2018 the full board worked together to improve the health of Vermonters through a high-quality, accessible, and sustainable health care system.

A primary focus of the Board and its staff throughout 2018 was implementing Year 1 of the Vermont All-Payer Accountable Care Organization Model (APM) agreement between the State of Vermont and the federal government. As co-signers of the agreement, the Board's work focused on moving from a fee-for-service health care payment system to a value-based model of health care. The performance targets of the model - including cost containment and improvements in health care quality and population health - are challenging, but in collaboration with health care providers, Vermont has seen some early and promising results. As Vermont enters Year 2 of the APM agreement, it will continue to be the "true north" that guides the Board's work.

### **Goals/Objectives/Performance Measures**

#### *Savings and Oversight Through Transparent Regulation*

The Board annually reviews and approves health insurance rate increases for the group and individual markets, as well as reviewing the budgets for Vermont's 14 hospitals. As a result of the rate review process, the Board reduced the rates requested by insurers by approximately \$21.4 million (including \$19.4 million for plans sold on Vermont Health Connect). The Board's hospital budget process resulted in a system-wide FY2019 hospital NPR of \$2.607 billion, 2.1% higher than the FY 2018 adjusted base. The Board also reviewed each hospital's proposed increase in charges for services and reduced the estimated system-wide weighted average rate increase from a proposed 3.1% to 2.7%.

In 2018 the Board reviewed six Certificate of Need (CON) applications; it additionally determined that 15 proposed projects fell outside of statutory jurisdictional parameters and were not subject to Board oversight. Notably, the Board proposed legislation to update the CON statute in this year's Legislative session. As a result, the CON statute was significantly modernized with the passage of Act 167 of 2018 which provides updated monetary thresholds and a streamlined application process for regulated entities.

In 2016, the Board received two new regulatory authorities from the Legislature: accountable care organization (ACO) certification and budget review. Beginning in the fall of 2018 and until the year's end, the Board rigorously examined the budget and operations of OneCare Vermont which resulted in approval, with conditions, of OneCare's 2019 budget. The approved budget reflects the inclusion of an estimated 196,000 Vermonters in ACO programs (an increase of 83,000 from 2018).

Another priority of the Board in 2018 was to integrate our core regulatory responsibilities (health insurance rate review, hospital budget review, and ACO budget review and certification) through the implementation of the All-Payer ACO Model. For Vermont to achieve the goals of the APM, Vermont must limit the compounded and annualized growth in health care costs, as defined by the APM Agreement, to less than 3.5% and the Medicare growth rate to 0.2% below national Medicare projections over the six-year duration of the Agreement. The Board will need to use all of its regulatory levers in tandem to control health care spending and meet the goals of the Model.

#### *Increased Data and Analytics Capacity*

Another key priority in 2018 was building the GMCB's data and analytics team, with the goals of increasing internal analytic capacity and reducing reliance on contractors. The Board has now filled all open data and analytics positions. This newly robust team has already made major contributions to the Board's work: in 2018 the team helped the Board finalize specifications for key All-Payer ACO Model measures (including total cost of care and several quality measures), developed a public-facing data visualization for the 2016 Vermont Health Care Expenditure Analysis, and provided ad hoc analyses in areas of Board Member and public interest. The Board also revived its Data Governance Council in 2018, which serves as a model for Vermont's statewide data governance and stewardship programs.

#### *Meeting Vermonters and Vermont Health Care Providers in their Communities*

The Board solicits feedback from Vermonters and Vermont health care providers at weekly public meetings, through its advisory committees, and through ongoing public comment opportunities. In addition, the Board in 2018 traveled to communities throughout the state to meet community members and providers and to hear about the ways our communities and their leaders are working to ensure Vermonters have access to high-quality, affordable health care. Hospital budget hearings took place in Castleton, Burlington and Montpelier so that members of the public from these communities could more easily attend and participate in their local hospitals' budget hearings. The Board held traveling Board meetings in St. Johnsbury and Windsor where it heard first-hand about the local Accountable Communities for Health (ACH) coalitions working to improve population health by bridging primary prevention, social services and clinical care.

#### *Priorities*

1. APM Implementation
2. Regulatory Integration
3. VHCURES 3.0
4. Health Resource Allocation Plan 2020
5. Health Care Workforce
6. Transparent Regulation

Organization: 3330010000 - Green Mountain Care Board

Budget Object Group: 1. PERSONAL SERVICES

Budget Object Rollup Name	FY2018 Act	FY2019 As Passed	FY2020 Gov Rec	FY20 Gov Rec vs FY19 As Passed	Percent Change	Notes
Salaries and Wages	2,543,424	2,342,668	2,540,440	197,772	8.4%	GMCB salaries & wages did not increase 8.4%. Artificially high due to adjustments related to FY19 Gov Rec elimination of 3 positions & subsequently added back
Fringe Benefits	1,018,919	1,017,058	1,163,913	146,855	14.4%	
Contracted and 3rd Party Service	3,382,976	4,342,342	3,916,236	(426,106)	-9.8%	
PerDiem and Other Personal Services	18,691	0	0	0	0.0%	
<b>Budget Object Group Total: 1. PERSONAL SERVIC</b>	<b>6,964,011</b>	<b>7,702,068</b>	<b>7,620,589</b>	<b>(81,479)</b>	<b>-1.1%</b>	

Budget Object Group: 2. OPERATING

Budget Object Rollup Name	FY2018 Act	FY2019 As Passed	FY2020 Gov Rec	FY20 Gov Rec vs FY19 As Passed	Percent Change	Notes
Equipment	223,330	0	0	0	0.0%	ADS internal service charge
IT/Telecom Services and Equipment	100,239	66,544	78,516	11,972	18.0%	
Travel	19,054	43,816	43,816	0	0.0%	
Supplies	12,710	31,880	31,880	0	0.0%	
Other Purchased Services	42,629	94,643	96,438	1,795	1.9%	
Other Operating Expenses	1,582	2,500	2,500	0	0.0%	HR internal service charge
Rental Other	1,364	0	0	0	0.0%	
Rental Property	124,577	100,325	104,049	3,724	3.7%	
Property and Maintenance	123,513	3,000	3,000	0	0.0%	
<b>Budget Object Group Total: 2. OPERATING</b>	<b>648,996</b>	<b>342,708</b>	<b>360,199</b>	<b>17,491</b>	<b>5.1%</b>	

Budget Object Group: 3. GRANTS

Budget Object Rollup Name	FY2018 Act	FY2019 As Passed	FY2020 Gov Rec	FY20 Gov Rec vs FY19 As Passed	Percent Change
Grants Rollup	0	0	0	0	0.0%
<b>Budget Object Group Total: 3. GRANTS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>

<b>Total Expenses</b>	<b>7,613,007</b>	<b>8,044,776</b>	<b>7,980,788</b>	<b>(63,988)</b>	<b>-0.8%</b>
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Fund Name	FY2018 Act	FY2019 As Passed	FY2020 Gov Rec	FY20 Gov Rec vs FY19 As Passed	Percent Change
General Funds	2,126,600	2,032,469	2,051,473	19,004	0.9%
Special Fund	2,709,500	3,446,789	5,929,315	2,482,526	72.0%
Federal Funds	102,401	70,000	0	(70,000)	-100.0%
Global Commitment	1,966,456	2,495,518	0	(2,495,518)	-100.0%
IDT Funds	708,051	0	0	0	0.0%
<b>Funds Total</b>	<b>7,613,007</b>	<b>8,044,776</b>	<b>7,980,788</b>	<b>(63,988)</b>	<b>-0.8%</b>

Position Count			32		
FTE Total			32		

Organization: 3330010000 - Green Mountain Care Board

		FY2018 Act	FY2019 As Passed	FY2020 Gov Rec	FY20 Gov Rec vs FY19 As Passed	Percent Change
<b>Salaries and Wages</b>						
Description	Code					
Classified Employees	500000	2,537,020	1,489,017	1,699,453	210,436	14.1%
Exempt	500010	-	941,786	914,104	(27,682)	-2.9%
Other Regular Employees	500020	-	56,431	-	(56,431)	-100.0%
Overtime	500060	6,405	-	-	-	0.0%
Vacancy Turnover Savings	508000	-	(144,566)	(73,117)	71,449	-49.4%
<b>Total: Salaries and Wages</b>		<b>2,543,424</b>	<b>2,342,668</b>	<b>2,540,440</b>	<b>197,772</b>	<b>8.4%</b>

**Contracted and 3rd Party Service**

Description	Code					
Other Contr and 3Rd Pty Serv	507600	3,382,976	4,342,342	3,916,236	(426,106)	-9.8%
<b>Total: Contracted and 3rd Party Service</b>		<b>3,382,976</b>	<b>4,342,342</b>	<b>3,916,236</b>	<b>(426,106)</b>	<b>-9.8%</b>

**PerDiem and Other Personal Services**

Description	Code					
Per Diem	506000	1,150	-	-	-	0.0%
Transcripts	506220	17,541	-	-	-	0.0%
<b>Total: PerDiem and Other Personal Services</b>		<b>18,691</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>

**Fringe Benefits**

Description	Code					
FICA - Classified Employees	501000	186,742	112,053	130,008	17,955	16.0%
FICA - Exempt	501010	-	70,586	68,821	(1,765)	-2.5%
Health Ins - Classified Empl	501500	391,287	306,980	346,126	39,146	12.8%
Health Ins - Exempt	501510	-	100,244	104,191	3,947	3.9%
Retirement - Classified Empl	502000	389,667	256,136	319,822	63,686	24.9%
Retirement - Exempt	502010	-	132,464	152,876	20,412	15.4%
Dental - Classified Employees	502500	21,335	15,410	17,060	1,650	10.7%
Dental - Exempt	502510	-	8,112	9,383	1,271	15.7%
Life Ins - Classified Empl	503000	9,496	5,961	6,780	819	13.7%
Life Ins - Exempt	503010	-	3,979	4,246	267	6.7%
LTD - Classified Employees	503500	1,793	419	1,293	874	208.6%
LTD - Exempt	503510	-	2,168	2,315	147	6.8%
EAP - Classified Empl	504000	878	584	651	67	11.5%
EAP - Exempt	504010	-	296	341	45	15.2%
Workers Comp - Ins Premium	505200	2,388	1,666	-	(1,666)	-100.0%
Unemployment Compensation	505500	14,889	-	-	-	0.0%
Catamount Health Assessment	505700	444	-	-	-	0.0%
<b>Total: Fringe Benefits</b>		<b>1,018,919</b>	<b>1,017,058</b>	<b>1,163,913</b>	<b>146,855</b>	<b>14.4%</b>

<b>Total: 1. PERSONAL SERVICES</b>		<b>6,964,011</b>	<b>7,702,068</b>	<b>7,620,589</b>	<b>(81,479)</b>	<b>-1.1%</b>
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**Budget Object Group: 2. OPERATING**

**Organization: 3330010000 - Green Mountain Care Board**

		FY2018 Act	FY2019 As Passed	FY2020 Gov Rec	FY20 Gov Rec vs FY19 As Passed	Percent Change
<b>Equipment</b>						
<b>Description</b>	<b>Code</b>					
Hardware - Desktop & Laptop Pc	522216	11,666	-	-	-	0.0%
Hardware - Storage	522276	91	-	-	-	0.0%
Software - Application Support	522284	823	-	-	-	0.0%
Other Equipment	522400	-	-	-	-	0.0%
Equipment For Other Agencies	522401	-	-	-	-	0.0%
Furniture & Fixtures	522700	210,750	-	-	-	0.0%
<b>Total: Equipment</b>		<b>223,330</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>

**IT/Telecom Services and Equipment**

Description	Code					
Telecom-Video Conf Services	516653	-	492	492	-	0.0%
Telecom-Conf Calling Services	516658	1,568	-	-	-	0.0%
Telecom-Wireless Phone Service	516659	18,053	8,200	8,200	-	0.0%
It Intsvccost-Vision/Isdassess	516671	27,616	28,758	28,805	47	0.2%
ADS Centrex Exp.	516672	-	1,148	1,148	-	0.0%
It Inter Svc Cost User Support	516678	17,840	-	-	-	0.0%
ADS Allocation Exp.	516685	28,880	27,946	39,871	11,925	42.7%
Software - Other	522220	-	-	-	-	0.0%
Hw-Video Conferencing	522260	6,283	-	-	-	0.0%
<b>Total: IT/Telecom Services and Equipment</b>		<b>100,239</b>	<b>66,544</b>	<b>78,516</b>	<b>11,972</b>	<b>18.0%</b>

**Supplies**

Description	Code					
Office Supplies	520000	6,363	14,450	14,450	-	0.0%
Other General Supplies	520500	81	-	-	-	0.0%
Food	520700	3,877	5,000	5,000	-	0.0%
Water	520712	136	-	-	-	0.0%
Electricity	521100	-	6,460	6,460	-	0.0%
Books&Periodicals-Library/Educ	521500	15	3,060	3,060	-	0.0%
Subscriptions	521510	2,146	2,230	2,230	-	0.0%
Subscriptions: Dol-Electronic	521512	-	510	510	-	0.0%
Other Books & Periodicals	521520	-	-	-	-	0.0%
Paper Products	521820	91	170	170	-	0.0%
<b>Total: Supplies</b>		<b>12,710</b>	<b>31,880</b>	<b>31,880</b>	<b>-</b>	<b>0.0%</b>

**Other Operating Expenses**

Description	Code					
Single Audit Allocation	523620	1,582	2,500	2,500	-	0.0%
<b>Total: Other Operating Expenses</b>		<b>1,582</b>	<b>2,500</b>	<b>2,500</b>	<b>-</b>	<b>0.0%</b>

**Travel**

Description	Code					
Travel-Inst-Auto Mileage-Emp	518000	2,693	21,908	21,908	-	0.0%
Travel-Inst-Other Transp-Emp	518010	2,451	-	-	-	0.0%

**Organization: 3330010000 - Green Mountain Care Board**

		FY2018 Act	FY2019 As Passed	FY2020 Gov Rec	FY20 Gov Rec vs FY19 As Passed	Percent Change
Travel-Inst-Meals-Emp	518020	160	-	-	-	0.0%
Travel-Inst-Lodging-Emp	518030	823	-	-	-	0.0%
Travel-Inst-Incidentals-Emp	518040	220	-	-	-	0.0%
Conference - Instate - Emp	518050	-	-	-	-	0.0%
Travel-Inst-Auto Mileage-Nonemp	518300	973	-	-	-	0.0%
Travel-Inst-Other Trans-Nonemp	518310	-	-	-	-	0.0%
Travel-Inst-Meals-Nonemp	518320	64	-	-	-	0.0%
Travel-Outst-Auto Mileage-Emp	518500	(459)	-	-	-	0.0%
Travel-Outst-Other Trans-Emp	518510	5,792	21,908	21,908	-	0.0%
Travel-Outst-Meals-Emp	518520	661	-	-	-	0.0%
Travel-Outst-Lodging-Emp	518530	5,466	-	-	-	0.0%
Travel-Outst-Incidentals-Emp	518540	209	-	-	-	0.0%
<b>Total: Travel</b>		<b>19,054</b>	<b>43,816</b>	<b>43,816</b>	<b>-</b>	<b>0.0%</b>

**Other Purchased Services**

Description	Code					
Insurance Other Than Empl Bene	516000	252	287	295	8	2.8%
Insurance - General Liability	516010	4,951	5,052	5,107	55	1.1%
Dues	516500	110	471	495	24	5.1%
Licenses	516550	420	-	-	-	0.0%
Telecom-Telephone Services	516652	120	7,236	7,236	-	0.0%
Advertising-Print	516813	2,028	8,000	8,000	-	0.0%
Advertising-Web	516814	-	1,500	1,500	-	0.0%
Advertising - Job Vacancies	516820	427	2,000	2,000	-	0.0%
Printing and Binding	517000	1,314	4,000	4,000	-	0.0%
Printing-Promotional	517010	-	-	-	-	0.0%
Photocopying	517020	6,880	400	310	(90)	-22.5%
Registration For Meetings&Conf	517100	10,630	-	-	-	0.0%
Postage	517200	85	4,420	4,420	-	0.0%
Postage - Bgs Postal Svcs Only	517205	5	-	-	-	0.0%
Freight & Express Mail	517300	67	900	900	-	0.0%
Instate Conf, Meetings, Etc	517400	500	-	-	-	0.0%
Outside Conf, Meetings, Etc	517500	500	-	-	-	0.0%
Other Purchased Services	519000	-	41,700	41,700	-	0.0%
Agency Fee	519005	-	-	-	-	0.0%
Human Resources Services	519006	13,794	18,677	20,475	1,798	9.6%
Moving State Agencies	519040	547	-	-	-	0.0%
<b>Total: Other Purchased Services</b>		<b>42,629</b>	<b>94,643</b>	<b>96,438</b>	<b>1,795</b>	<b>1.9%</b>

**Rental Property**

Description	Code					
Rent Land & Bldgs-Office Space	514000	123,583	90,325	94,049	3,724	4.1%
Rent Land&Bldgs-Non-Office	514010	460	10,000	10,000	-	0.0%
Fee-For-Space Charge	515010	534	-	-	-	0.0%
<b>Total: Rental Property</b>		<b>124,577</b>	<b>100,325</b>	<b>104,049</b>	<b>3,724</b>	<b>3.7%</b>

Organization: 3330010000 - Green Mountain Care Board

		FY2018 Act	FY2019 As Passed	FY2020 Gov Rec	FY20 Gov Rec vs FY19 As Passed	Percent Change
<b>Rental Other</b>						
Description	Code					
Rental - Auto	514550	-	-	-	-	0.0%
Rental - Office Equipment	514650	1,364	-	-	-	0.0%
Rental - Other	515000	-	-	-	-	0.0%
<b>Total: Rental Other</b>		<b>1,364</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>

<b>Property and Maintenance</b>						
Description	Code					
Disposal	510200	290	-	-	-	0.0%
Repair & Maint - Office Tech	513010	17,021	3,000	3,000	-	0.0%
Other Repair & Maint Serv	513200	317	-	-	-	0.0%
Repair&Maint-Property/Grounds	513210	105,885	-	-	-	0.0%
<b>Total: Property and Maintenance</b>		<b>123,513</b>	<b>3,000</b>	<b>3,000</b>	<b>-</b>	<b>0.0%</b>

<b>Total: 2. OPERATING</b>	<b>648,996</b>	<b>342,708</b>	<b>360,199</b>	<b>17,491</b>	<b>5.1%</b>
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**Budget Object Group: 3. GRANTS**

<b>Grants Rollup</b>						
Description	Code					
Grants	550220	-	-	-	-	0.0%
<b>Total: Grants Rollup</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>

<b>Total: 3. GRANTS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
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<b>Total Expenses:</b>	<b>7,613,007</b>	<b>8,044,776</b>	<b>7,980,788</b>	<b>(63,988)</b>	<b>-0.8%</b>
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Fund Name	Fund Code	FY2018 Actuals				
General Fund	10000	2,126,600	2,032,469	2,051,473	19,004	0.9%
Global Commitment Fund	20405	1,966,456	2,495,518	-	(2,495,518)	-100.0%
Health Care Suprv & Reg	21070	-	-	-	-	0.0%
Inter-Unit Transfers Fund	21500	708,051	-	-	-	0.0%
Misc Grants Fund	21908	-	-	-	-	0.0%
Vermont Health IT Fund	21916	-	60,000	-	(60,000)	-100.0%
GMCB Regulatory and Admin Fund	21937	2,709,500	3,386,789	5,929,315	2,542,526	75.1%
Federal Revenue Fund	22005	102,401	70,000	-	(70,000)	-100.0%
<b>Funds Total:</b>		<b>7,613,007</b>	<b>8,044,776</b>	<b>7,980,788</b>	<b>(63,988)</b>	<b>-0.8%</b>

Position Count				32	
FTE Total				32	