

# VERMONT

## A Brief History of Health Care Reform

Jennifer Carbee, Legislative Council  
Nolan Langweil, Joint Fiscal Office  
*January 16, 2019*

# Background Facts:

## *By the Numbers*



	2000		2009		2016	
Population	608,827		624,817		624,594	
Health Care Spending	\$2.3 billion		\$4.7 billion		\$6 billion	
Per Capita	\$3,774		\$7,581		\$9,539	
% State GDP	12.7%		18.5%		17.1%	
	2000		2009		2018	
	<u>Count</u>	<u>Rate</u>	<u>Count</u>	<u>Rate</u>	<u>Count</u>	<u>Rate</u>
Private Insurance	366,200	60.2%	355,400	56.9%	329,800	52.8%
Medicaid	97,700	16.0%	109,400	17.5%	136,900	21.9%
Medicare	87,900	14.4%	95,200	15.2%	121,000	19.4%
Military	5,600	0.9%	13,900	2.2%	16,900	2.7%
Uninsured	51,400	8.4%	47,500	7.6%	19,800	3.2%

## **Vermont has a long history of coverage, quality, and cost control initiatives.**

- Reforms date as far back as the 1940s
- The Legislature has passed many health care reform bills over the years – some making small or incremental changes, some modifying existing programs, and some establishing significant new initiatives.
- This presentation will begin with the 1990s and only focus on significant and specific health care reform initiatives.

# Major Reforms in the 90s

## ● Act 160 of 1992

- Unsuccessful push for universal care program and single payer
- Creation of the **Health Care Authority** (began August 1992)
  - 3 member administrative body tasked with responsibility for ensuring universal access and containing health care costs
  - Existed for about 4 years before it became part of the Department of Banking, Insurance, Securities, and Health Care Administration (BISHCA)

## ● Dr. Dinosaur – Eligibility expansion for children (through Medicaid Waiver)

- Implemented in late 80s/early 90s
- Increased eligibility up to 300% FPL in the mid-90's



## ● Vermont Health Access Plan (VHAP)

- Eligibility expansion for coverage for low-income uninsured adults (through Medicaid Waiver)
- Also included an Rx component (VHAP Rx)
- Eligibility expanded to 195% for parents and caretakers of eligible children
- Program ended in 2014



# Major Reforms in the 2000s

- **H.524 (2005) – *Vetoed by Governor Douglas***

- Created Green Mountain Health
  - Publicly funded health coverage for uninsured residents with a limited benefit that would expand over time to a universal, complete benefit
  - Financed by “health effort tax” on wages

- **Catamount Health**

- Initially passed in Act 191 (2006); later amended several times
- Implemented in 2007, ended in 2014
- Created a new health insurance product – offered by BCBSVT and MVP
- State-subsidized premium assistance program (CHAP)
- State subsidy for employer sponsored insurance (ESI) if eligible and if more cost-effective to the State
- Financed by employer assessment and a portion of cigarette tax revenue

- **Other notable reforms**

- VPharm – Medicare Part D wrap-around Rx coverage for low-income Vermonters
- Blueprint for Health – chronic conditions pilot begins (codified and expanded later)
- Health information technology fund created
- Establishment of Health Care Reform Commission (2006-2011)
- ACO Pilot Project



# Major Reforms in the 2010s

- **Hsiao Study – (Act 128 of 2010)**

- Legislature hired a consultant, Dr. William Hsiao, to design three health care system options (single payer, public option, and at least one other)

- **Green Mountain Care (Act 48 of 2011)**

- Would have created universal and unified (“single-payer”) health care system

- **Vermont Health Benefit Exchange (Act 48 of 2011 and others)**

- Known as “Vermont Health Connect,” offers qualified health plans (QHPs)
- Initially designed also to be the platform to support Green Mountain Care
- Merged individual and small group markets; was only place to purchase QHPs
- Provides premium assistance and cost-sharing subsidies in addition to federal subsidies for individuals up to 300% FPL

- **Other notable reforms**

- Adoption of 14 principles for reforming health care in Vermont (Act 48)
- Creation of Green Mountain Care Board, transfer of duties to Board (Act 48, others)
- All-payer model and accountable care organizations (Act 113 of 2016)



# Current Reforms

- **Health Care Delivery Integration**

- Accountable Care Organization (ACO) programs
  - Medicaid Next Generation – began 2017
  - Vermont Medicare ACO Program – began 2018 with an existing federal Medicare program; Vermont modifications begin in 2019
  - Commercial ACO programs – BCBSVT & small self-funded programs in 2018; expect to expand programs to other payers in 2019/2020
- Blueprint for Health – integration at community level with ACO programs

- **All-Payer ACO Model Agreement**

- Sets goals for:
  - Limiting health care cost growth closer to Vermont economic growth
  - Maintaining/improving quality of care
  - Focusing on population health goals around chronic disease, suicide and substance use disorders

Questions?