

Joint Task Force on Affordable, Accessible Health Care

 **Health System Transformation, LLC**

TASK FORCE MEETING OCTOBER 28, 2021

Purpose

Joint Task Force on Affordable, Accessible Health Care

Explore opportunities to make health care more affordable and accessible for Vermont residents and employers.

Process

- Rank ordering of options presented at the September Task Force meeting by HST Subject Matter Experts, with seven options prioritized
- Initial research conducted to further describe those seven options
- 14 Informational interviews to date with high-level representatives of Vermont health care organizations

Cost/Benefit Variables Considered

1. Household affordability impact: # people x level of change
2. Accessibility impact: # people x level of change
3. Timeframe and legislative or programmatic lift
4. Health equity impact
5. Level of federal involvement needed
6. State/federal savings or cost

Overall Cost/Benefit Analysis – Top Third

1. Public Option
2. Medicaid Post-Partum Coverage
3. Remote Access to Health Care Services
4. Extend Moderate Needs Supports
5. Cost Growth Containment/ Affordability Boards/ Affordability Standards
6. Expand VT Blueprint for Health, e.g., improved analytics, reduce cost sharing, increase access to mental health and maternal health services
7. Legislation directed at Pharmacy Benefit Managers (PBMs)

Overall Cost/Benefit Analysis – Middle Third

8. Expanded Access to Primary Care without Cost Sharing
9. Episodes of Care across all payers
10. Community Benefits Reporting and Charity Care Requirements
11. Cost Growth Benchmark
12. Pharmacy Cost Sharing limits / reductions
13. Legislation to prohibit anticompetitive contracting
14. Reducing use of low value services

Overall Cost/Benefit Analysis – Bottom Third

15. Expand Medicaid to additional income levels for certain ages
16. Health insurance rate review
17. Premium and Cost Sharing Subsidies
18. Publish consumer-focused price data
19. Fines for Unsupported Price Increases
20. Reinsurance
21. Adjusted Plan Options (APO)
22. Draft a resolution to encourage the federal government to make temporary ACA premium subsidies permanent

Timeframes

Enactment/Implementation and Impact Timeframes	
Short Term	6 - 12 months
Medium Term	12 - 24 months
Long Term	24+ months

Public Option

Description: A public option is an insurance coverage program that leverages the state's position as a purchaser/regulator in order to create new or broader coverage options for state residents. Conceptually, States could finance a public option using federal demonstration authority (i.e., "section 1332 waiver"), where federal savings accruing from lower federal subsidies because of lower public option premiums would be refunded to the state in the form of "pass through" funding.

Who it will Affect: Depending on how it is structured, households and small employers may experience reduced premium costs.

Expected Outcomes: Reducing costs, increasing access, addressing market weakness.

Policy Considerations: Infusion of funding required, provider rate limitations risk provider participation/access; possible increased competition could reduce costs; appetite for state government intervention.

State Activities: To date, states have only requested 1332 demonstration waivers to finance reinsurance waivers: no state has made a request for pass-through funding to finance a public option.

Enactment/Implementation Timeframe: Medium term **Impact Timeframe:** Long term

Medicaid Post-Partum Coverage

Description: State option to extend Medicaid postpartum coverage to 12 months via a state plan amendment (SPA) or 1115 waiver; Takes effect on April 1, 2022 and is available to states for five years.

Who it will Affect: In Vermont, over 40% of all births are funded by Medicaid. Currently Medicaid post-partum coverage is limited to 60 days.

Expected Outcomes and Policy Considerations: The Department of Vermont Health Access (DVHA) is in the process of conducting an analysis to understand the effects to the state if Vermont opted to expand coverage to the full 12 months.

State Activities: 27 states have adopted or proposed legislation to seek federal approval for the expansion through a SPA or 1115 waiver.

Enactment/Implementation Timeframe: Short term **Impact Timeframe:** Medium/Long term

Remote Access to Health Care Services

Description: Telehealth refers to a wide scope of remotely-provided healthcare services. While *telemedicine* refers specifically to remote clinical services, *telehealth* encompasses remote non-clinical services.

Who it will Affect: Increases access and promotes continuity of care for patients

Expected Outcomes and Policy Considerations: Preserving the gains in access to telehealth made during the temporary expansions authorized as a result of the pandemic will require infrastructure support, increasing the provider pool, reimbursement and payment parity strategies, assessment of treatment restrictions and removal of service barriers.

State Activities: 22 states changed laws or policies during the pandemic to enhance coverage of telehealth. Vermont is at the forefront of telehealth payment and coverage; A report from the Telehealth Working Group created by Act 21 of 2021 is due December 15, 2021.

Enactment/Implementation Timeframe: Short term **Impact Timeframe:** Medium/Long term

Extending Moderate-Needs Supports

Description: A limited package of home- and community-based services (HCBS) that will improve quality of life, promote health and wellbeing, and stave off the need for more intensive long-term services and supports (LTSS). Using advanced analytic tools, these services would be targeted at individuals who are predicted to need more intensive services in the future.

Who it will Affect: Vermonters with any health insurance, who are identified as needing home and community-based services (HCBS) by their health care providers via provider referrals and data-driven risk stratification tools.

Expected Outcomes and Policy Considerations: An investment of federal dollars will be needed to provide additional benefits to this targeted population, with the expectation of future savings. State dollars will need to be invested as well.

State Activities: As part of the Choices for Care program Vermont offers a limited HCBS benefit to those with “Moderate Needs” whose income is at or below 300% of the SSI payment standard. This program is limited by available funding.

Enactment/Implementation Timeframe: Medium term **Impact Timeframe:** Long term

Cost Growth Benchmark

Description: A cost-growth benchmark program is a cost-containment strategy that limits how much a state's health care spending can grow each year.

Who it will Affect: Households and small business that pay insurance premiums, as well as the state Medicaid

Expected Outcomes and Policy Considerations: Slow the growth of health care costs to more closely align with wage and income growth so that healthcare can remain affordable for individuals, businesses and states. Setting a public target for spending growth alone is not sufficient in slowing the rate of growth; a benchmark needs to be complemented by strategies designed to move the needle.

State Activities: An analysis of five states' cost growth containment strategies illustrates a variety of approaches, accountability measures, enforcement and performance outcomes.

Enactment/Implementation Timeframe: Short/Medium term **Impact Timeframe:** Long term

Expand Vermont Blueprint for Health

Description: The Blueprint supports primary care practices to become recognized Patient Centered Medical Homes and provides multi-disciplinary community health teams (CHTs) at participating practice sites. This option expands the use of data to identify patients needing care and tracks services to reduce gaps in care, eliminate duplication, and assess outcomes. It may include reduced cost sharing for primary care visits and increased CHT capabilities for mental health and maternal health services

Who it will Affect: Primary care and women's specialty patients with any or no health insurance, identified via risk stratification, provider referrals and screening for health-related social needs (HRSN), including mental health (MH) services.

Expected Outcomes and Policy Considerations: Increased access to primary care and CHT services to targeted patients, reduced costs to payers and patients with more appropriate and less intensive care.

State Activities: Many states have programs that fund Blueprint-type services including screening for HRSN and embedding care management and behavioral health services in primary care practices.

Enactment/Implementation Timeframe: Short/Medium term **Impact Timeframe:** Medium/Long term

Pharmacy Benefit Managers (PBMs)

Description: Pharmacy benefit managers (PBMs) are third-party administrators of prescription drug coverage for insurers and employers. They develop and maintain formularies, process claims and negotiate discounts and rebates between payers and manufacturers.

Who it will Affect: Payers and consumers of prescription drugs

Expected Outcomes and Policy Considerations: Requirement of increased operational transparency by PBMs, which may provide opportunities for cost reductions

State Activities: Many states have put forth legislation regulating the licensing or registration of PBMs, requiring more transparency in the drug supply chain, and adding protections for independent pharmacies

Enactment/Implementation Timeframe: Short term **Impact Timeframe:** Medium