Craig Jones, MD
Healthcare Consultant
Previous Director, Vermont Blueprint for Health

Discussion Topics for Senate Health & Welfare Committee, February 25 2025

Considerations for 2025 Healthcare Legislation

- **Clarify State Leadership Roles to Guide Effective Transformation.** Reaffirm the essential roles for the GMCB (regulatory) and AHS (program, payer). Clarify responsibilities for hospital budgets (GMCB) and for health services and transformation initiatives (AHS). Emphasize the importance of distinct roles to minimize confusion over responsibilities while requiring coordination between GMCB and AHS in order to optimize effectiveness and impact. Consider formalizing a joint leadership committee (GMCB, AHS) with responsibility for coordinating planning, implementation, monitoring, and ongoing improvement. Hold the joint leadership committee responsible, annually, for meeting timelines and reporting progress on initiatives with overlapping interests.

- **Leverage Global Budgets to Address Hospital Costs.** Call for the GMCB to use the hospital budget process to establish a roadmap and timeline (e.g. 3 years) for Vermont's hospitals to be operating with budgets that are managed to national benchmarks (e.g. budget that is managed to Medicare reimbursement rates). National comparative data suggests that hospital operating costs in Vermont can be lowered substantially while preserving or improving access to high quality services, primarily by reducing non-patient care labor costs including management & administrative labor costs (VT Healthcare 911). Reducing healthcare costs at UVMMC in particular is essential to improve affordability in Vermont. For Vermont's other hospitals, benchmarks and timelines should vary as needed to account for transformation and service priorities in each health service area. Transformation strategies and service priorities should be developed by AHS, informed by a structured stakeholder process, and be used to inform budget planning by the GMCB. Other healthcare priorities for Vermont will not be affordable unless operating costs at Vermont's hospitals, UVMMC in particular, are reduced using budgets tied to national benchmarks such as Medicare reimbursement rates.

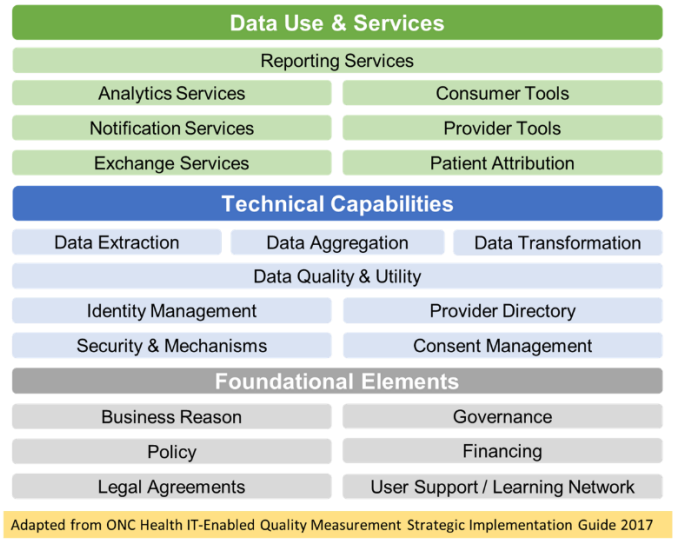
- **Assure That Cost Controls Translate into Better Affordability & Access.** The GMCB has responsibility for hospital budgets and insurance rate setting. Call for the GMCB to establish a timeline (e.g. 3 years) and assure that changes in hospital operating costs translate into more affordable commercial insurance rates that are closer to national and regional comparators in the insurance marketplace, and to work with AHS to monitor the impact on affordability, access, and quality for Vermont's citizens and businesses.

- **Increase Investment in Advanced Community Oriented Primary Care.** Call for AHS to develop a plan including a timeline for increasing the percentage of Total Cost of Care (example: target 12-15% TCOC within a 3-year period) that goes directly to primary care and integrated services that improve recommended and preventive care, reduce low value care, and improve access to

services that address priorities such as mental health, substance use, sociodemographic risk, trauma informed care, and health equity. Build on Vermont's strong foundation of advanced community oriented primary care (Blueprint) using increased investments (multi-payer) to enhance the capacity of key components such as Advanced Primary Care Practices (PCMH), Community Health Teams, Hub & Spoke, Women's Health Services, SASH, and the recently expanded mental health workforce. Direct AHS to incorporate monitoring to assure that the increase in investments goes directly to increasing access to services while maintaining or improving quality including results on key process and outcome measures (health, quality, equity). Implement new investments in Primary Care as part of an *all-payer primary care hybrid payment model* that is built on the structure outlined in the 2021 National Academy of Medicine report with components such as up front capitated payments + small fee for service component + performance component (Implementing High-Quality Primary Care: Rebuilding the Foundation of Health Care | The National Academies Press). Direct AHS to work with the GMCB to assure that increased investment in primary care is offset by savings and shifts in expenditures achieved through the GMCBs Global Hospital Budget approach.

- **Establish Sustainable Data Aggregation Capabilities to Support Healthcare Transformation.** An effective data aggregation program, that can support complex healthcare transformation initiatives, depends on key ingredients that are essential for stakeholders to be willing to share and use data effectively. Experience with CMMIs data aggregation (DA) programs, in support of their transformation models, has resulted in a framework that can be used for planning, implementing, and sustaining effective DA programs. In particular, a reliable program that promotes high rates of adoption and data use depends on addressing the *foundational elements* that are outlined in the figure below.

Figure 1. Key ingredients for an effective data aggregation program.



Foundational Elements

- **Business Reason:** Define a clear set of use cases that provide stakeholders with a compelling reason to share and use data in new ways.
- **Governance:** Establish a decision making and leadership structure that provides key stakeholders with meaningful influence on planning and operations.
- **Policy & Legal:** Work with key stakeholders to address policy and legal issues that either enhance or hinder the ability to share and use data.
- **Financing:** Work with key stakeholders to establish a sustainable financing model that is tied to meeting stakeholder needs.

To be most effective, state led DA programs should incorporate multi-payer data (whole population), be sustainable, and provide actionable information on a sufficient proportion of the population to support transformation models. In contrast, starting and stopping DA initiatives,

unreliable investment and delivery, and not building stakeholder engagement with useful products results in fatigue and technical capabilities that are under used. Guiding legislation can help to ensure an effective DA program if it addresses the Foundational Elements that frequently arise as barriers.

In Vermont, the AHS is developing data aggregation and analytic capabilities. Considerations can include:

- Assure that the platform will have *access to the data sources* needed for aggregation of important data types including: multi-payer attribution data, multi-payer socio-demographic data, multi-payer claims data, statewide clinical data supplied by VITL and other sources, and patient experience of care data.
- Assure that state law and regulations allow for linkage of identified data from the various sources to enable the most reliable longitudinal health record, while also accounting for appropriate use and protections.
- Establish a timeframe for AHS (e.g. 1-2 years) to have an operable multi-payer data aggregation and analytics capability that can meet the monitoring, evaluation, and service needs of AHS, the GMCB, and other agencies as the state moves forward with population health priorities and new TCOC models (e.g. AHEAD). One example is providing the GMCB with the data and insights needed to plan, monitor, and evaluate the impact of global hospital budgets tied to national benchmarks such as Medicare reimbursement. Another is providing AHS and the Blueprint program with the data and insights needed to plan, monitor, and evaluate the impact of increasing investment in advanced community oriented primary care.
- Assure that the DA program is treated as a program, and not a technology or data project. The DA program should have leadership with expertise in the types of programs that will be using the data, and experience with producing insights that are used by service providers and program leaders. Include a leadership council that provides input from key stakeholder groups including payers, healthcare providers, community service providers, state leadership (AHS, GMCB), and others. Assure that stakeholder input from the leadership council has meaningful influence on the DA program so that users have access to data derived products (insights, reports, extracts) that can support priority use cases, and are delivered in formats that are usable.
- Assure that adequate and sustainable funding is appropriated so that the DA program is considered foundational and a core resource to support the states priority initiatives. Adequate resources and commitment to a sustainable data aggregation program are essential ingredients to drive engagement, adoption, and use of data.
- Assure that the DA program is accountable, including dashboarding and routine reporting to monitor adoption, data use, program impact, and to support sustainable financing and ongoing improvements in the program.

- **Require hospital and payer participation in Vermont's TCOC Models.** TCOC transformation models, such as AHEAD, will only be successful if there is sufficient participation of providers and payers so that new payment and performance incentives can translate into a sustainable change in operations. In particular, all of Vermont's major payers and hospitals need to participate in a

model such as AHEAD in order for Global Hospital Budgets and increased investment in primary care to be effective. Ongoing requirement for participation could be tied to model performance and the impact that the model has on financial viability of Vermont's hospitals and primary care providers. This ties directly to the need for an effective DA program (above). Timely, ongoing monitoring of priority measures (e.g. access, quality, health status, patient experience, utilization, expenditures), can be used to justify ongoing requirement for participation as well as ongoing monitoring of the impact of hospital budgets (e.g. hospital fiscal status, progress on hospital costs compared to benchmarks, and hospital quality including access to services).

VT Healthcare 911

Implementing High-Quality Primary Care: Rebuilding the Foundation of Health Care | The National Academies Press

Considerations for Statewide Advanced Primary Care Programs