



February 19th, 2025

HCA Comments on SHW Committee Bill

• **High Level Summary**

- If you do one thing on this list, begin with referenced based pricing (RPB). The GMCB has rate setting authority – give them a directive to implement it. The need for cost reduction in VT is urgent and requires immediate action.
- Table plans for global budgets and AHEAD – none of these are viable without a credible federal partner, which we currently do not have.
- Focus on creating a “master plan” from the many plans that already exist in the state but give it teeth: measure outcomes with a clear method of evaluation with enforcement if goals are not met.

• **Plans**

- What is missing from current plans (HRAP, SHIP, CHNA, Act 167) is that they are duplicative and carry no material authority, method of evaluation, or compliance requirements.
- We support the concept of a “delivery plan” but for it to be effective, it must include real deliverables that can be embedded into regulatory processes with enforcement
- Plans must include an affordability and access benchmark to ensure progress is made in alignment with Vermonters ability to pay

• **Data Integration of clinical and cost data for clinical improvement.**

- Challenges with electronic medical records that are not interoperable is a major challenge according to providers at almost every Act 167 provider community meeting.
- There has been a great deal of discussion about this for some time about the utility of claims data in the clinical setting. Efforts are currently underway at AHS to measure if there is any utility in having Medicaid claims data in the clinical record.
- However, claims data is old and incomplete.
- Blending claims and cost data is therefore not advisable and/or not feasible



- **Hospital Budgets and Payment Reform**

- Our biggest fear at this moment is not just that we can't afford the costs of our system. My biggest fear is that we are not paying for our systems of care and that is leading to insolvency for providers, payers and Vermonters.
- RBP is the best tool to right price our systems of care.
- We support RBP system wide, but it must be done carefully and thoughtfully.
- It is important for the Board to receive a clear directive from the Legislature that they should move forward on developing and implementing a provider rate setting methodology.
- HCA supports primary care spend targets
- Global budgets and AHEAD: Currently viable given we do not have a credible federal partner.

- GMCB regulatory duties:

- Revise the timeline for insurance rate review and hospital budgets.
- We have had conversations about this topic for many years. There are arguments in favor of leaving the process the way it is and reversing it. If the Board reduces hospital commercial rates by the amount it uses to set insurance rates– which it has the last few years. The rate review process is like setting the budget – here is how much we can afford to raise – like the Finance committee actions.
- And then the Hospital budget is like the appropriations process, here is where we are going to spend our precious dollars.
- Support authority to approve reductions to services. We believe this is a concept that fits better in the hospital budget process.
- S.63 – assure that the board can enforce hospital budgets.
- Support funding an audit particularly for the purpose of a claims audit.
- Require Board to adopt affordability standard for rate review
- Maintain parity between insurer solvency and affordability.

- **Resources**

- Support GMCB having the resources to do the work they have been asked to do.