

Green Mountain Care Board

ANNUAL REPORT FOR 2018

The Green Mountain Care Board seeks to improve the health of Vermonters through a high-quality, accessible, and sustainable health care system.

Submitted January 15, 2019

In accordance with 18 V.S.A. § 9375(d)



Green Mountain Care Board
144 State Street
Montpelier, VT 05620

[phone] 802-828-2177
www.gmcboard.vermont.gov

Kevin Mullin, Chair
Jessica Holmes, PhD
Robin Lunge, JD, MHCDS
Maureen Usifer
Tom Pelham
Susan Barrett, JD, Executive Director

To: Sen. Anne Cummings, Chair, Senate Committee on Finance
Sen. Ginny Lyons, Chair, Senate Committee on Health and Welfare
Sen. Jane Kitchel, Chair, Senate Committee on Appropriations
Rep. Janet Ancel, Chair, House Committee on Ways and Means
Rep. Kitty Toll, Chair, House Committee on Appropriations
Rep. William J. Lippert, Chair, House Committee on Health Care

From: Green Mountain Care Board
Date: January 15, 2019
Title: 2018 Annual Report

Dear Senator Cummings, Senator Lyons, Senator Kitchel, Representative Ancel, Representative Toll, and Representative Lippert:

Please accept the annual report of the Green Mountain Care Board (GMCB), as required by 18 V.S.A. § 9375(d).

As reflected in this year's report, 2018 was a busy year for the GMCB. I am encouraged daily by the hard-working State employees at the GMCB, who with Board Members are committed to working to control health insurance rate growth, analyze hospital and Accountable Care Organization (ACO) budgets and new health care projects and expenditures, pursue health care payment and delivery reforms, and to develop a new statewide Health Resource Allocation Plan. And as we complete Year One of the All-Payer ACO Model Agreement, the Board continues to work closely with our State and federal partners to move Vermont's health care system away from fee-for-service and towards one that encourages prevention, wellness, and better coordination of care.

We look forward to working with you during the upcoming Legislative Session.

Sincerely,

A handwritten signature in black ink that reads "Kevin J. Mullin".

Kevin J. Mullin
Chair, Green Mountain Care Board



Contents

Executive Director’s Report	4
Green Mountain Care Board Results in 2018	4
Priorities for 2019	5
Legislative Reports	7
Stakeholder Engagement in 2018	8
HEALTH INSURANCE REGULATION	11
Health Insurance Rate Review	11
Cost Shift	12
REGULATING HEALTH CARE AND EVALUATING SPENDING	14
Hospital Budget Review	14
Certificate of Need	15
Vermont Health Care Expenditure Analysis	16
Prescription Drug Monitoring	17
Health Information Technology	18
ACCOUNTABLE CARE ORGANIZATIONS AND THE ALL-PAYER ACO MODEL	19
All-Payer Accountable Care Organization (ACO) Model	19
ACO Oversight: Budget Review and Certification	20
DATA, ANALYTICS, AND EVALUATION	21
Data and Analytics	21
Health Resource Allocation Plan (HRAP)	22
APPENDICES	23
Appendix A: Green Mountain Care Board Meetings in 2018	23
Appendix B: GMCB Budget and Staffing	26
Appendix C: GMCB Organizational Chart	27
Appendix D: Board Member Biographies	28
Appendix E: Glossary	30

EXECUTIVE DIRECTOR'S REPORT

After welcoming three new members in 2017, 2018 has been a year of coming together and coalescing for the Green Mountain Care Board (GMCB or Board). Throughout 2018 the full Board worked together to improve the health of Vermonters by supporting the development of 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 Agreement, the APM will continue to be the "true north" that guides the Board's work.

Green Mountain Care Board Results in 2018

Savings and Oversight Through Regulation

The Board annually reviews and approves health insurance rate increases, as well as reviewing the budgets for Vermont's 14 hospitals. As a result of the health insurance rate review process (see pg. 11), the Board reduced the rates requested by insurers by approximately \$21.4 million, including \$19.4 million for plans sold to individuals, families, and small businesses on Vermont Health Connect. During the Board's hospital budget review process (see pg. 14), the Board adjusted two hospitals' FY2018 budget net patient revenue (NPR) to reflect FY2017 actual NPR and adjusted for accounting changes and provider transfers. The Board's budget orders resulted in a system-wide Fiscal Year (FY) 2019 hospital net patient revenue (NPR) of \$2.607 billion, 2.1% higher than the FY 2018 adjusted base. The Board also reviewed each hospital's proposed rate increase—the increase in charges for hospital services—and reduced the estimated system-wide weighted average increase from a proposed 3.1% to 2.7%.

In 2018 the Board reviewed six Certificate of Need (CON) applications (see pg. 15) while determining that another 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 during the 2018 legislative session. As a result, the CON statute was significantly modernized with the passage of Act 167 of 2018 which updated monetary thresholds and streamlined the 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 (see pgs. 19-20). 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 APM. For Vermont to achieve the targets of the APM, it must limit the compounded and annualized growth in health care costs, as defined by the APM Agreement, to 3.5% on an all-payer basis and must limit the Medicare growth rate to 0.2% below national Medicare projections

over the six-year duration of the APM 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 (see pg. 21). The Board has now filled all open data and analytics positions. This team has already made major contributions to the Board's work in 2018, including helping the Board finalize specifications for key APM benchmarks (including Total Cost of Care and several quality measures), developed a public-facing data visualization for the 2016 Vermont Health Care Expenditure Analysis (see pg. 16), 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 (see pgs. 8 and 21).

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 (see pgs. 8-9). In addition, in 2018 the Board traveled to communities throughout the state to meet community members and providers and to hear about the ways local communities, leaders, and health care providers 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. In St. Johnsbury, Board members heard from leadership of the Caledonia and Southern Essex ACH which is exploring new models to improve population health by investing in community and social services. In Windsor, Board members heard about how the APM is allowing Mt. Ascutney Hospital to invest in new nursing, social work, and care management staff for its outpatient clinics, while increasing connections to community partners through their ACH.

Priorities for 2019

1. APM Implementation

As we enter into Year 2 of implementation of the APM, the Board continues to focus on meeting the goals of the APM Agreement while continuing to exercise robust oversight over Vermont's ACO, OneCare Vermont. The Board plans to further develop and refine ACO reporting requirements in 2019 as part of its statutory monitoring and oversight responsibilities.

In addition to introducing new health care payment models, the All-Payer ACO Model is designed to incentivize increased attention to and funding for prevention, in part through the inclusion of aggressive population health goals for which all APM Agreement signatories will be held accountable. One example is the expansion of RiseVT, an organization that works with individuals, employers, schools, childcare providers, and municipalities to provide opportunities for Vermonters to make healthy choices. RiseVT, which launched in Franklin and Grande Isle counties in 2015, was incorporated into OneCare Vermont in 2018, and will expand statewide by the end of 2019.

2. Regulatory Integration

Under the APM Agreement, integration of the Board’s regulatory processes – including health insurance rate review, hospital budget review, Certificate of Need, and ACO certification and budget review – has become increasingly important. Board members and staff will continue to work in 2019 to link these processes to help control rising costs and promote administrative and operational efficiencies.

3. VHCURES 3.0

A Request for Proposal went out to bid in 2018, and the contracting process is in its final stages for the selection of Vermont Health Care Uniform Reporting and Evaluation System (VHCURES) data collection and consolidation vendor to begin in 2019. Under this new contract, the GMCB will roll out VHCURES 3.0 with a focus on maintaining claims data collection without disruption through a redesigned data integration system, new analytic and reporting tools, and improved analytic capabilities for the State of Vermont and VHCURES data users.

4. HRAP 2020

In 2018, the Legislature in Act 167 amended the requirements for the Health Resource Allocation Plan (HRAP). GMCB members and staff will work throughout 2019 and beyond with other State of Vermont agencies and departments, as well as external partners, to re-imagine and assemble the HRAP as a series of dynamic reports, visualizations, or other user-friendly tools.

5. Health Care Workforce

Health care organizations throughout Vermont – including hospitals, independent practices, and others – are struggling to find qualified health care workers to fill open positions at their institutions. The Board will continue to work alongside educators, health care providers, and state and community organizations to discuss opportunities to address Vermont’s health care workforce challenges.

6. Transparent Regulation

The Board will continue to work with stakeholders in 2019 to ensure that our regulatory activities are transparent. This includes hosting open public meetings and forums, ensuring that meeting materials and regulatory submissions are available to the public, and continuing to develop public-facing, consumer-friendly resources.

In Dedication

On a somber note, this year we saw the unexpected passing of former Board member Cornelius “Con” Hogan, who completed a six-year term on the Board in the fall of 2017, and to whom we last year paid tribute in our annual report. As we look back on our accomplishments and ahead to the priorities and goals for 2019, we are grateful to Con for his lengthy and impressive service to this state and his uncompromising commitment to the foundational goal that all Vermonters have access to high quality, affordable health care. We are honored to have worked with Con, and with great appreciation of his many talents and a truly memorable life and career, we dedicate this annual report to Con Hogan.

LEGISLATIVE REPORTS

Figure 1: Legislative Reports Submitted by GMCB, January 2018-January 2019

Report	Due Date	Corresponding Statute and 2018 Legislation
GMCB Quarterly All-Payer ACO Model and ACO Reports	June 15, 2018 September 15, 2018 December 15, 2018	Act 124 of 2018, An act relating to reporting requirements for the second year of the Vermont Medicaid Next Generation ACO Pilot Project (H.914)
GMCB All-Payer ACO Model and ACO Report - Scale	August 1, 2018	Act 124 of 2018, An act relating to reporting requirements for the second year of the Vermont Medicaid Next Generation ACO Pilot Project (H.914)
Billback Report	September 15, 2018	Act 79 of 2013, An act relating to health insurance, Medicaid, the Vermont Health Benefit Exchange, and the Green Mountain Care Board, Sec. 37c (H.107)
GMCB All-Payer ACO Model and ACO Report - Quality and Financial Performance	November 1, 2018	Act 124 of 2018, An act relating to reporting requirements for the second year of the Vermont Medicaid Next Generation ACO Pilot Project (H.914)
Individual Mandate Working Group Report	November 1, 2018	Act 182 of 2018, An act relating to establishing a State individual mandate (H. 696) <i>Note: This was a product of the Individual Mandate Working Group. Act 182 tasked the GMCB with convening this working group.</i>
Impact of Prescription Drug Costs on Health Insurance Premiums	January 1, 2019	18 V.S.A. § 4636 (b) Act 193 of 2018, An act relating to prescription drug price transparency and cost containment, Sec. 8 (S.92)
GMCB Annual Report	January 15, 2019	18 V.S.A. § 9375(d)
Expenditure Analysis	January 15, 2019	18 V.S.A. § 9375a (b) (repealed) 18 V.S.A. § 9383(a) (added in Act 167 of 2018, H. 912) Act 167 of 2018, An act relating to the health care regulatory duties of the Green Mountain Care Board (H.912)

Figure 2: Additional Legislative Reports Assigned during 2018 Legislative Session

Report	Due Date	Corresponding Statute and 2018 Legislation
Health Resource Allocation Plan	No date assigned; expected January 2020	18 V.S.A. § 9375 (b)(4) 18 V.S.A. § 9405 (b) Act 167 of 2018, An act relating to the health care regulatory duties of the Green Mountain Care Board (H.912)

STAKEHOLDER ENGAGEMENT IN 2018

The Green Mountain Care Board believes that all Vermonters are stakeholders in Vermont's health care system, and that public engagement and transparency are foundational to its work. The GMCB seeks stakeholder participation through a variety of forums, groups, and public comment opportunities including:

- Green Mountain Care Board Meetings;
- The GMCB Advisory Committee;
- The Primary Care Advisory Group;
- The Data Governance Council; and
- Ongoing and focused public comment opportunities.

GMCB Board Meetings

The Green Mountain Care Board generally meets weekly in open public meetings. GMCB meetings operate in accordance with Vermont's Open Meeting Law: they are noticed in advance, open to the public, audio-recorded, include an opportunity for public comment, and following the meeting, minutes are posted to the GMCB website. In addition, most meetings are videotaped by Onion River Community Access Media (ORCA). In 2018, the Board held 50 open meetings that included public hearings on proposed health insurance rate increases, CON applications, and proposed hospital and ACO budgets, each of which allowed the opportunity for members of the public to offer comment.

GMCB Advisory Group

The GMCB Advisory Committee¹ was formed in 2012 to provide input and recommendations to the Board, as required by 18 V.S.A. § 9374(e)(1). The committee's membership includes representatives of Vermont businesses, consumers, health care providers and educators, patient advocates, insurers, unions, municipalities, ACOs, and the Vermont Legislature.

In 2018, the Board held four Advisory Committee meetings. Topics included the APM; OneCare Vermont ACO; mental health and substance abuse outreach and education; GMCB legislative priorities; and the make-up and work of the GMCB Advisory Committee going forward. The meetings featured panel discussions, presentations, and small group discussions with the goal of utilizing the varied backgrounds and experiences of the Advisory Committee members.

The GMCB is in the process of reimagining the Advisory Committee to better utilize members' time and expertise to support the Board's work. The Board will reconvene the Advisory Committee in early 2019 with a new membership and a new charter informed by members.

Primary Care Advisory Group

The Primary Care Advisory Group (PCAG)² was established in Act 113 of 2016 to provide input to the Board and address issues related to the administrative burden facing Vermont primary care professionals. During the first half of 2018, the group continued to focus on the priorities outlined in Section 10 of Act 113; this led to the submission of three bills to the Legislature (H.652, H.653 and

¹ More information on the GMCB Advisory Committee is available at:

<http://gmcbboard.vermont.gov/board/advisory-committee>

² More information about the GMCB Primary Care Advisory Group is available at:

<http://gmcbboard.vermont.gov/content/primary-care-advisory-group>

H.658). Additionally, in February, some PCAG members submitted written comment to the committees of jurisdiction and the Board outlining their recommendations for prior authorizations.

In accordance with Act 113, the PCAG sunsetted on July 1, 2018. Recognizing the importance of this group, the Board created an identical group under the authority granted in 18 V.S.A. § 9374(e)(2), which allows the Board to create advisory groups to carry out its duties. The current PCAG includes thirteen primary care providers (a mix of physicians, nurse practitioners, and advanced practice registered nurses). It is staffed by a GMCB staff member and the GMCB Executive Director, and one rotating Board member attends each meeting. The PCAG met seven times in 2018 and presented once at the Board's regularly scheduled public meeting.

The PCAG has worked with the GMCB staff to develop a charter outlining the group's purpose and its future work. The group will continue to highlight opportunities for improving access to primary care and respond to specific Board questions and requests through presentations at public Board meetings. Potential areas for future discussion may include hospital budget review, oversight of ACOs, payment and delivery system reform, health information technology, data collection and databases, and health care workforce planning. The PCAG has also begun assisting in the development of the HRAP and will provide important clinical expertise for this project.

Data Governance Council

In 2014, the GMCB convened a Data Governance Council³ to support stewardship of several data resources. The Board's primary data repository is the Vermont Health Care Uniform Reporting and Evaluation System (VHCURES), which comprises eligibility and claims data for Vermont residents, and the Vermont Uniform Hospital Discharge Data Set (VUHDDS), which includes resident and non-resident inpatient, outpatient, and emergency department discharge data from Vermont's general acute care hospitals. In this role, the GMCB is responsible for a broad set of data management concerns, including data quality and utility; risk management (protection of privacy and data security); finance and program sustainability; and data use and disclosure (implementing clear and consistent processes to evaluate data release requests, and monitoring authorized data use and disclosure).

In 2018, the Board adopted a revised Data Governance and Stewardship Charter and reestablished the Data Governance Council with expanded membership to represent a broader diversity of viewpoints related to data stewardship. The Data Governance Council, supported by GMCB staff and attended by a Board Member, includes seven members and meets bimonthly in open public meetings.

Opportunities for Public Comment

Members of the public have a variety of opportunities to provide comment to the GMCB. The Board works with the Health Care Advocate, State agencies and departments, health care organizations, and members of the public to solicit and receive a broad spectrum of information to better assist the Board in its regulatory decision-making processes. In addition to the specific opportunities outlined above, the GMCB accepts public comment submissions via a standardized form available on the GMCB website, by telephone to the GMCB offices, or via email.⁴

³ More information about the GMCB Data Governance Council is available at: <https://gmcboard.vermont.gov/health-data-resources/data-governance/meetings>.

⁴ The Board's Public Comment webpage can be found at: <https://gmcboard.vermont.gov/board/comment>.

PROGRESS IN 2018

HEALTH INSURANCE REGULATION

Health Insurance Rate Review

Progress in 2018

- **Rate Filings:** The Board reviewed 11 rate filings in 2018, representing approx. \$622 million in health insurance premiums for over 95,000 Vermonters. In 2018, insurers requested approx. \$42.6 million in premium increases for the 2019 plan year. Through the rate review process, the Board reduced this amount by approx. \$21.4 million, including \$19.4 million for plans sold on Vermont Health Connect.⁵
- **Rate Drivers:** Pharmaceutical costs and increased utilization of office visits, preventive visits, and diagnostic services contributed to the increase in rates for 2019 health insurance plans. Rates also rose nominally as a result of newly passed legislation effective for plan year 2019 limiting co-payments for chiropractic visits and for certain breast imaging services.⁶ Reduced unit cost trends linked to the Board’s hospital budget regulation, decreases in inpatient admissions and emergency department visits, and the temporary suspension of the Federal Health Insurer Fee for the 2019 plan year helped offset the increases.
- **Impact of Federal Policy Changes:** In addition to the rate drivers listed above, changes in federal policy—the elimination of the penalty associated with the individual mandate, and the availability of association health plans and short-term, limited-duration plans—triggered uncertainty for consumers, insurers, and State policymakers, and triggered legislation aimed at ensuring meaningful access to coverage for all Vermonters. Also, in response to the cessation of cost-sharing reduction (CSR) payments to insurers in 2017, the Legislature authorized insurers to offer “reflective” silver plans in their 2019 Vermont Health Connect rate filings to mitigate premium increases for Vermonters ineligible for insurance subsidies.⁷

Project Area: Health Insurance Regulation

Relevant Statute/ Authority: 8 V.S.A. § 4062; 18 V.S.A. § 9375

Overview: The Board is tasked with reviewing major medical health insurance premium rates in the large, small, and individual insurance markets. Within 90 days of submission, the Board must determine whether a proposed rate is affordable, promotes quality care and access to health care, protects insurer solvency, and is not unjust, unfair, inequitable, misleading, or contrary to Vermont law.

Looking Ahead to 2019

- **Market Stability and Affordability:** Notwithstanding State legislative action and the Board’s continued efforts to reduce premiums while protecting insurer solvency, health insurance rates may continue to outpace other indicators of economic growth as changes in federal policy begin to affect the Vermont market and the individual and small group risk pool. Moving forward, the Board will continue to seek innovative ways to slow premium growth and improve affordability for Vermonters, including mandating insurers to negotiate lower unit cost rates with hospitals, incentivizing them to collaborate with OneCare Vermont, and requiring that they pursue operational and systemic improvements that enhance efficiency and reduce spending.

⁵ A summary of 2018 filings and approved rates is available on the [GMCB Rate Review website](#).

⁶ The changes were required under [Act 141 \(2018\)](#) and [Act 7 \(2018 Sp. Sess.\)](#).

⁷ Access to coverage: see Act 131 (2018) and Act 182 (2018). Reflective silver plans: see [Act 88 \(2018\)](#).

Cost Shift

Progress in 2018

- **Annual Estimated Cost Shift Impact:** Uncompensated care and variations in reimbursement amounts between governmental (Medicare and Medicaid) and commercial payers may shift costs to individuals with commercial insurance and those who pay for their care out-of-pocket (self-pay). Figures 3 and 4 below depict the estimated cost shift by payer and by year from FY2008 to FY2019.
- **Rate of Growth:** From FY2008 to FY2017, the cost shift appears to have grown every year except one, with estimated growth of 6.8% from FY2017 Actual to FY2018 Budget. Hospitals are projecting a slight increase in the overall cost shift to Commercial payers (including self-insured) from FY2018 Budget to FY2019 Budget.

Looking Ahead to 2019

- **Reporting and Analysis:** GMCB staff will continue to refine the reporting of Vermont and non-Vermont payer revenue and the effect of the APM and any other payment reform initiatives on the cost shift. Staff will work with hospitals to better understand reimbursement strategies for each payer, as well as any impacts due to hospital designations (e.g., Critical Access designation) and changes at the federal level.

Project Area: Health Insurance Regulation

Relevant Statute/Authority:
18 V.S.A. § 9375

Overview: The cost shift occurs when hospitals and other health care providers charge higher prices for services paid by commercial insurance payers to make up for lower reimbursements from Medicare and Medicaid, and to cover the cost of health care services that are provided but not paid for (uncompensated care). The Board is tasked annually with recommending mechanisms to ensure that appropriations intended to address the Medicaid cost shift will have the intended result of reducing premiums imposed on commercial insurance premium payers below the amount they otherwise would have been charged. The APM holds Vermont harmless for Medicaid price increases in calculating APM total cost of care, a potential mechanism for decreasing the cost shift.

Figure 3: Estimated Cost Shift by Payer (FY2008-FY2019), Vermont Community Hospitals

Fiscal Year	Estimated Medicare Cost of Services Shifted to Other Payers	Estimated Medicaid Cost of Services Shifted to Other Payers	Estimated Free Care Shifted to Other Payers	Estimated Bad Debt Shifted to Other Payers	Estimated Costs Shifted to Commercial and Other Payers	Estimated % Change from Prior Year in Shift to Commercial and Other Payers
Actuals 2008	\$(69,003,712)	\$(103,569,366)	\$(23,623,972)	\$(30,252,980)	\$226,450,033	
Actuals 2009	\$(73,627,496)	\$(119,979,398)	\$(24,292,187)	\$(32,391,214)	\$250,290,295	10.5%
Actuals 2010	\$(73,515,988)	\$(138,016,619)	\$(24,806,398)	\$(33,076,863)	\$269,415,868	7.6%
Actuals 2011	\$(88,399,861)	\$(152,256,740)	\$(25,784,124)	\$(34,331,093)	\$300,771,818	11.6%
Actuals 2012	\$(74,383,192)	\$(151,931,648)	\$(24,347,367)	\$(39,264,676)	\$289,926,884	-3.6%
Actuals 2013	\$(128,108,641)	\$(105,982,171)	\$(24,684,304)	\$(37,383,822)	\$296,158,938	2.1%
Actuals 2014	\$(155,622,607)	\$(148,344,481)	\$(19,370,131)	\$(34,885,055)	\$358,222,274	21.0%
Actuals 2015	\$(178,243,251)	\$(184,115,357)	\$(16,032,485)	\$(30,469,896)	\$408,860,990	14.1%
Actuals 2016	\$(190,018,540)	\$(203,622,426)	\$(15,683,900)	\$(30,318,995)	\$439,643,861	7.5%
Actuals 2017	\$(191,498,808)	\$(209,825,252)	\$(19,337,267)	\$(34,449,842)	\$455,111,169	3.5%
Budget 2018	\$(228,669,678)	\$(207,540,250)	\$(18,652,483)	\$(31,388,852)	\$486,251,263	6.8%
Budget 2019	\$(219,002,197)	\$(216,247,388)	\$(19,656,065)	\$(37,540,959)	\$492,446,609	1.3%

Figure 4: Trends – Estimated Cost of Services Shifted to Other Payers (FY2008-FY2019)

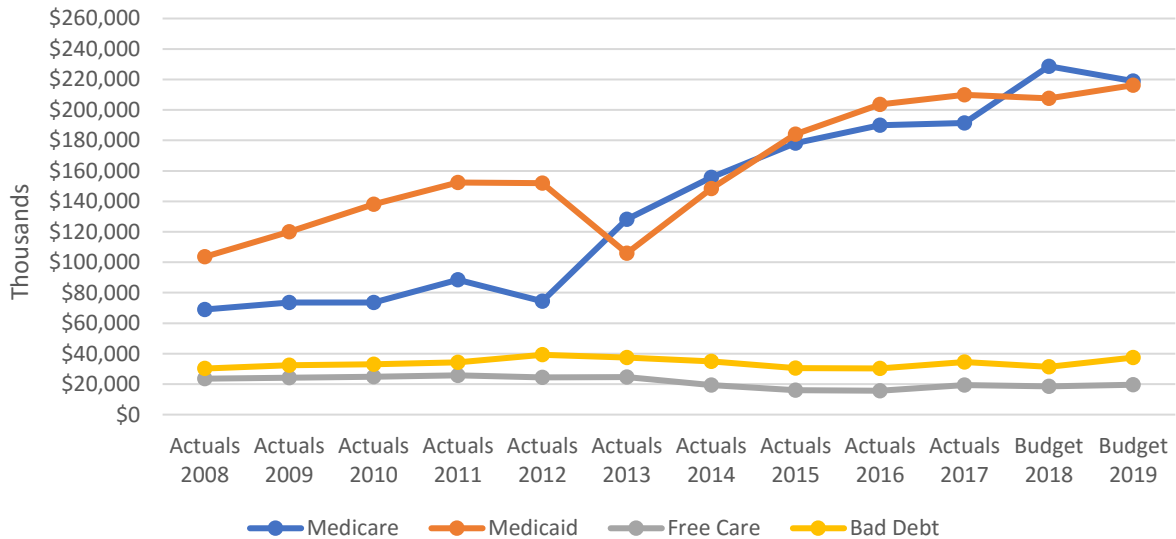
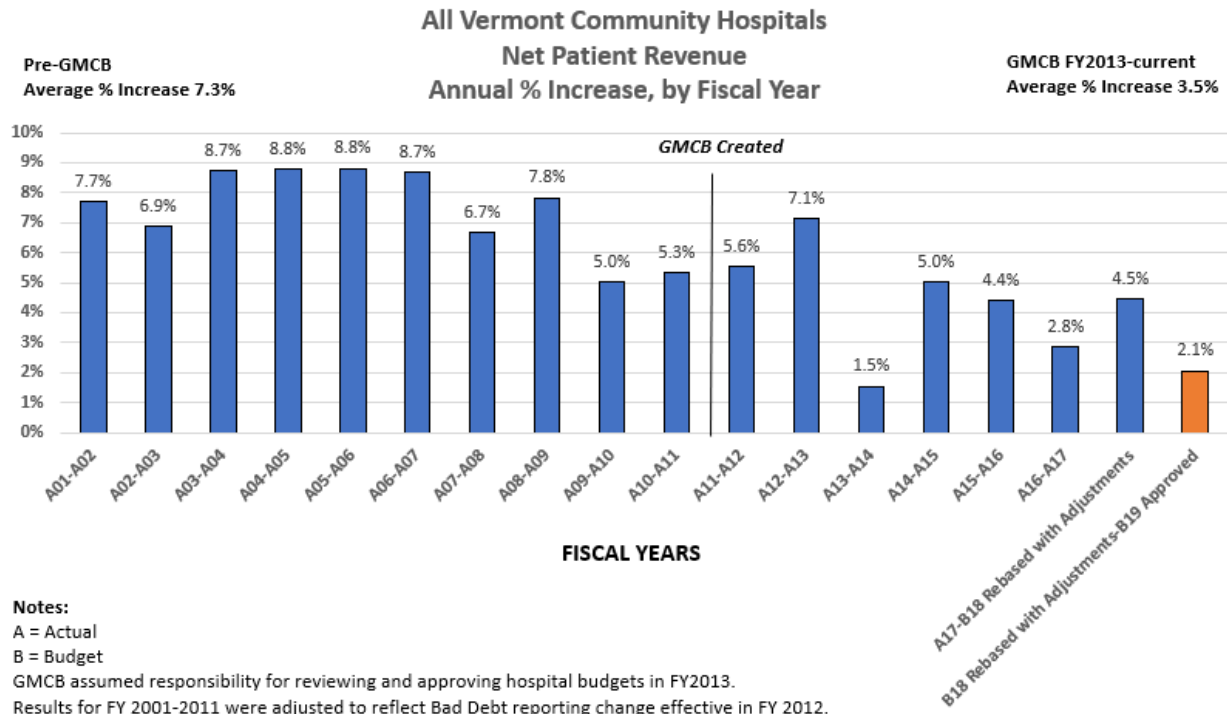


Figure 5: Vermont Community Hospitals – System-Wide Net Patient Revenue Increases Over Time⁸



⁸ This graph includes Vermont’s 14 community hospitals; it excludes the Vermont Psychiatric Care Hospital, Brattleboro Retreat, and the VA (U.S. Department of Veterans Affairs) Medical Center in White River Junction. Net Patient Revenue (NPR) is monies hospitals will receive for services after accounting for contractual allowances, commercial discounts, and free care. NOTE: For the FY2019 budget process, the Board adjusted the FY2018 NPR budget NPR base for two hospitals to reflect FY2017 Actual NPR, adjusted for accounting changes and provider transfers.

REGULATING HEALTH CARE AND EVALUATING SPENDING

Hospital Budget Review

Progress in 2018

- **FY2019 Hospital Budget Review Process:** Vermont's 14 regulated hospitals submitted proposed FY2019 budgets in July 2018, with a requested system-wide total net patient revenue (NPR) increase of 2.9% over FY2018 system-wide base budgets. Most hospitals' budgets included health care reform investments.⁹ The Board reviewed detailed staff analyses of hospital information regarding finances, utilization, payment and delivery reforms, population health goals, quality results, mental health and substance use disorder services, patient access, NPR growth rates, prior year budget performance, and requested average rate increases. Comments from the Office of the Health Care Advocate and the public were considered.
- **Adjustments to FY2018 Base Budgets as part of the FY2019 Review Process:** The Board adjusted two hospitals' FY2018 budget NPR bases to reflect FY2017 Actual NPR and adjusted for accounting changes and provider transfers.¹⁰
- **FY2019 Hospital Budget Decisions:** The Board's hospital budget orders approved accounting changes to some hospitals' proposed FY2019 NPR. Those changes resulted in a system-wide FY2019 NPR of \$2.607 billion (2.1% growth over the FY 2018 adjusted base). The Board also reviewed each hospital's proposed increase in charges for services ("rate increase") and reduced the estimated system-wide weighted average rate increase from 3.1% (proposed) to 2.7%.
- **Success in Constraining Health Care Costs:** Consistent with the Board's goal to reduce the rate of per capita health care cost growth, the average annual NPR increase since the responsibility for budget review was transferred to the Board (FY2012) is 3.5%, compared to an average annual NPR growth rate of 7.3% in FY2001-FY2011. Figure 5 (prior page) shows the system-wide increase in NPR over time.

Looking Ahead to 2019

- **Refining Reporting Requirements:** The GMCB is working to enhance the annual and periodic reporting it receives from hospitals in 2019.

Project Area: Regulating Health Care and Evaluating Spending

Relevant Statute/Authority: 18 V.S.A. § 9375(b)(7); 18 V.S.A. § 9456

Overview: Annually by October 1, the Board has the responsibility to review and establish community hospital budgets.

- The Board is to promote the general good of the state by: improving the health of the population, reducing the rate of per capita health care cost growth while ensuring access to care and quality of care, enhancing the patient and provider experience of care, recruiting and retaining high quality health providers, and achieving administrative simplification.
- The Board may adjust a hospital's budget based on exceptional or unforeseen circumstances.

⁹ FY2019 budget materials are available at: <https://gmcbboard.vermont.gov/content/fy-2019-hospital-budget>

¹⁰ Following Board-approved adjustments to hospitals' FY2018 base NPR, the hospital-proposed system-wide NPR growth rate was 2.2%.

Certificate of Need

Progress in 2018

- **Issued Six Certificates of Need (CONs):** Over the past year, the Board considered and approved six CON applications:¹¹
 - University of Vermont Medical Center, for the replacement of the Epic health information system.
 - Rutland Regional Medical Center, for the construction of a medical office building.
 - Kindred Healthcare, for a corporate restructure.
 - University of Vermont Medical Center, for the purchase of leased real estate in South Burlington.
 - Gifford Health Care, for the construction of an independent living facility.
 - Northeastern Vermont Regional Hospital, for the replacement of a mobile MRI unit with a fixed MRI unit.
- **Declined to Review 15 Projects:** The Board declined to review 15 proposed projects that fell outside of statutory jurisdictional parameters.
- **Shift in Review of Nursing Home Transfers:** As of July 1, 2018, the GMCB will no longer review nursing home ownership transfers under the CON process per Act 125 of 2018.

Looking Ahead to 2019

- **New Applications Anticipated in 2019:** The following entities have either filed, or notified the Board that they intend to file, applications for review in 2019:
 - Rutland Regional Medical Center, to replace a CT scanner.
 - University of Vermont Medical Center, to replace interventional radiology equipment.
 - Southwestern Vermont Health Care, to modernize its emergency department, renovate its cancer center, and transition to a new health information system.
 - Northwestern Medical Center, to renovate its emergency department.
 - Springfield Medical Care Systems, to replace its electronic medical records system.

Project Area: Regulating Health Care and Evaluating Spending

Relevant Statute/Authority: 18 V.S.A. § 9431- 9446.

Overview: Vermont law requires a hospital or health care facility to obtain a Certificate of Need before developing a new health care project as defined in 18 V.S.A. § 9434. This includes capital expenditures that meet statutory cost thresholds, purchase or lease of new equipment or technology that meet statutory cost thresholds, addition of new beds, any new home health services, health care facility ownership transfers (excluding nursing homes), and any new ambulatory surgical centers.

Each project must meet statutory criteria related to access, quality, cost, need and appropriate allocation of resources. The CON process is intended to prevent unnecessary duplication of health care facilities and services, promote cost containment, and help ensure equitable allocation of high-quality services/resources to all Vermonters.

¹¹ Certificates of Need and Statements of Decision for all projects approved in 2018 are available at: <https://gmcboard.vermont.gov/con/issued>.

Vermont Health Care Expenditure Analysis

Progress in 2018

The most recent Health Care Expenditure Analysis (Calendar Year 2016) was completed in May 2018.^{12,13}

- **Vermont Resident Analysis:** Total spending for Vermont residents receiving health care services both in- and out-of-state increased 4.2% in 2016, to a total of \$6.0 billion. Medicare spending increased 4.5% as a result of increases in hospital utilization and the cost of drugs and supplies. A 1.9% increase in Medicaid spending stemmed primarily from growth in spending for mental health and other government activities (e.g., home- and community-based services), while expenditures decreased for drugs and supplies due to higher rebates for specialty drugs. Commercial insurance spending increased 6.8%, mainly due to growth in administrative and other non-claims costs, home health care, and dental costs.
- **Vermont Resident Analysis Compared to U.S.:** For 2016, U.S. Health Consumption Spending increased by 4.4%, compared to a 5.9% increase in 2015. This was slightly higher than Vermont's 4.2% total spending growth rate. Per person spending in Vermont increased by 4.5% from 2015 to 2016, although the \$9,539 per person spending was below the national average of \$9,875.
- **Vermont Provider Analysis:** Total revenues received by Vermont providers for health care services provided to in- and out-of-state patients increased 3.2% in 2016, to a total of \$6 billion. This was lower than the 5.5% increase in 2015 and lower than the average annual increase of 4.3% for 2007-2016.

Project Area: Regulating Health Care and Evaluating Spending

Relevant Statute/Authority:
18 V.S.A. § 9375a § 9383

Overview: The Board is tasked annually to develop an expenditure analysis and estimates of future health care spending.

- The analysis quantifies total spending for all health care services provided in Vermont (residents and non-residents), and for services provided to Vermonters regardless of site of service.
- The report analyzes broad sectors including hospitals, physician services, mental health, home health, and pharmacy. It also analyzes payers including Medicare, Medicaid, commercial plans, self-insured employers, and health maintenance organizations.

Looking Ahead to 2019

- **Preparing 2017 Health Care Expenditure Analysis:** In 2019, staff will finalize the FY2017 Expenditure Analysis and two-year estimates, incorporating data from VHURES, VUHDDS, the Vermont Household Health Insurance Survey, Annual Statement Supplement Report, and the best available data from other state and national resources. The analysis will be used as a tool to monitor the implementation of the APM Agreement's cost growth and other key financial metrics.

¹² The 2016 Health Care Expenditure Analysis is available at: [https://gmcboard.vermont.gov/sites/gmcb/files/FINAL%202016 Expenditure Analysis with Tableau May 30 2018.pdf](https://gmcboard.vermont.gov/sites/gmcb/files/FINAL%202016%20Expenditure%20Analysis%20with%20Tableau%20May%2030%202018.pdf).

¹³ An interactive visualization tool for the 2016 Expenditure Analysis is available at: <https://public.tableau.com/profile/state.of.vermont#!/vizhome/GMCBExpenditureAnalysisbeta/2016ResidentEA>.

Prescription Drug Monitoring

Progress in 2018

- Prescription Drug Cost Analysis – State Spending: Act 193 directs the Department of Vermont Health Access and health insurers with more than 5,000 covered lives in Vermont to create lists of ten prescription drugs for which the payer’s gross cost or net cost has increased by 50% or more over the past five years or fifteen percent or more over the past calendar year. This list included drugs on which the State spends significant health care dollars or on which health insurance plans spend significant amounts of their premium dollars.¹⁴
 - *DVHA Gross Drug Cost Analysis*: Gross spending on the ten drugs identified was \$22.4 million. Gross drug price increases ranged from 16.5%-19.8% over the last calendar year, and 63.9% to 95.5% over a five-year period. Six of the ten drugs identified were also on the list in 2017.
 - *DVHA Net Drug Cost Analysis*: Net drug price increases ranged from 30-190% over the last calendar year, and 121% to 6479% over a five-year period. Three of the ten drugs identified were also on the 2018 list of drugs for which the gross amount paid has increased according to the above thresholds.
- Impact of Prescription Price Increases on Commercial Insurance Rates: The GMCB worked with commercial payers with more than 1,000 lives in Vermont to gather data on: a) the flow of funds related to prescription drugs between manufacturers, insurers, and plan members, including discounts and rebates; and b) on the 25 most frequently prescribed drugs, the 25 most costly drugs, and the 25 drugs with the highest year-over-year price increases.¹⁵ The report found that prescription drug costs account for 15.6% of premiums. The three drugs with the greatest impact on premium are Humira Pen (analgesic/anti-inflammatory – 1.43% of premium), Harvoni (anti-viral used to treat Hepatitis C – 0.78% of premium), and Enbrel Sureclick (analgesic/anti-inflammatory – 0.70% of premium).

Project Area: Regulating Health Care and Evaluating Spending

Relevant Statute/Authority:
18 V.S.A. § 4635(b)

Overview: The Board, in collaboration with the Department of Vermont Health Access (DVHA), is required to identify a list of 10 prescription drugs on which Vermont spends significant health care dollars and for which costs have significantly increased (either by 50 percent or more over 5 years, or by 15 percent or more over 12 months).

Looking Ahead to 2019

- Continued Prescription Drug Monitoring: The Board will continue to work with DVHA and the Attorney General’s office to develop an annual list of drugs that meet the pricing criteria described above. We will also work to track drug costs through the health insurance rate review process and work with hospitals and insurers to reduce the impact of drugs on insurance rates.

¹⁴ The 2018 DVHA drug cost analyses are available at <https://gmcboard.vermont.gov/sites/gmcb/files/merged.pdf>. A description of the methodology for selection and ranking for 2018 is available at:

https://gmcboard.vermont.gov/sites/gmcb/files/documents/Act%20193_DVHA%20Methodology_FINAL2.pdf.

¹⁵ The Act 193 Report is available at: <https://gmcboard.vermont.gov/sites/gmcb/files/Act%20193%20Report-%20Impact%20of%20Prescription%20Drug%20Costs%20on%20Health%20Insurance%20Premiums.pdf>.

Health Information Technology

Progress in 2018

- **FY2019 Vermont Information Technology Leaders (VITL) Budget Review:** VITL submitted its proposed FY2019 budget on April 23, 2018, with anticipated total revenue \$6,005,760 (a reduction of \$512,000 from FY2018), including \$4,987,000 in combined State and federal revenue plus \$1,018,760 from private sources, and anticipated total expenses of \$5,914,233. This submission was presented to the GMCB at its May 9, 2018 public Board meeting.¹⁶ The Board voted to approve VITL's FY2019 budget on May 30, 2018.¹⁷ The Board also reviewed 2019 VHIE Connectivity Criteria on November 7, 2018, and voted to approve them on November 19, 2018.
- **Ongoing Updates from DVHA and VITL:** Per Act 187 of 2018, DVHA and VITL were required to make regular updates to the GMCB on progress to improve VITL operations and DVHA's oversight of VITL. DVHA and VITL presented to the Board on December 14, 2017 and February 26, May 9, August 1, and October 17, 2018.
- **2018-2019 HIE Plan Review and Approval:** DVHA developed a draft HIE Plan in collaboration with an HIE Steering Committee formed by DVHA in late 2017. DVHA submitted the HIE Plan to the Board on November 1, 2018. It was presented to the Board on November 7, 2018. The Board voted to approve the HIE Plan on November 19, 2018, with small changes to the VHIE Connectivity Criteria.¹⁸

Looking Ahead to 2019

- **Future HIE Plans:** DVHA will submit annual updates to the HIE Plan going forward, developed in collaboration with the HIE Steering Committee.
- **FY2020 VITL Budget Review:** The GMCB will review VITL's FY2020 budget in late spring 2019.
- **HIE Consent:** Act 187 of 2018 required DVHA to develop and submit a report on individual consent for information sharing within the VHIE, to be submitted to the Legislature on January 15, 2019. The Board will consider any recommendations in this report in 2019.

Project Area: Regulating Health Care and Evaluating Spending

Relevant Statute/Authority: 18 V.S.A. § 9351; 18 V.S.A. § 9375

Overview: The Board has two major responsibilities related to health information technology:

- Review and approve the budget for Vermont Information Technology Leaders (VITL - Vermont's statutorily-designated clinical Health Information Exchange).
- Review and approve a state Health Information Technology Plan (now referred to as the state Health Information Exchange Plan, or HIE Plan) developed by DVHA.

In addition, the Board is tasked with approving Connectivity Criteria for the Vermont Health Information Exchange (VHIE, operated by VITL).

¹⁶ See FY2019 Budget Review Presentation (May 9, 2018): <http://gmcboard.vermont.gov/sites/gmcb/files/VITL%20-%20GMCB%2005092018%20Presentation%20-%20Final-3%20%28002%29.pdf>.

¹⁷ See Order Approving Vermont Information Technology Leaders' 2019 Budget (June 20, 2018): <http://gmcboard.vermont.gov/sites/gmcb/files/VITL%20FY2019%20Order%20FINAL%206%2020%202018.pdf>

¹⁸ The final 2018-2019 Health Information Exchange Strategic Plan, including 2019 Connectivity Criteria, and the GMCB decision justification are available at: <https://gmcboard.vermont.gov/hit/plan>.

ACCOUNTABLE CARE ORGANIZATIONS AND THE ALL-PAYER ACO MODEL

All-Payer Accountable Care Organization (ACO) Model (APM)

Progress in 2018

In 2018, Performance Year 1 of the APM, the GMCB focused its work on three major tasks:

- **Finalizing and testing measure specifications:** The GMCB worked to develop, refine, and validate specifications to measure APM total cost of care (TCOC), a key performance metric, using data from VHCURES and payers.¹⁹ These specifications were tested in summer and fall of 2018, in preparation for initial quarterly reporting to the Centers for Medicare & Medicaid Services (CMS) in the first quarter of 2019.
- **Developing the Vermont Medicare ACO Initiative:** The GMCB worked to design the Vermont Medicare ACO Initiative (quality measures, link between performance on quality measures and the ACO's benchmark, and technical changes to improve alignment with other ACO programs).¹⁹ The Vermont Medicare ACO Initiative builds on Medicare's national Next Generation ACO program, the vehicle through which Medicare participates in the APM.
- **Setting the 2019 Medicare Benchmark:** The APM Agreement authorizes the GMCB to prospectively develop benchmarks (financial targets) for ACOs participating in the 2019 Vermont Medicare ACO Initiative, subject to CMS approval. The GMCB voted in December 2018 to set the target for OneCare Vermont, the only ACO participating in the initiative, at 3.8% over projected 2018 per member per month costs for the Aged and Disabled population, and 3.1% for the End Stage Renal Disease population. This growth rate is consistent with the State's obligations under the APM Agreement.

Project Area: ACOs and the All-Payer ACO Model

Relevant Statute/Authority: 18 V.S.A. § 9551; 42 U.S.C. § 1315a; All-Payer ACO Model Agreement

Overview: GMCB has four major responsibilities related to the All-Payer ACO Model:

- Set financial targets for Vermont Medicare ACOs and limit cost growth for certain health care services.
- Ensure reasonable alignment across Vermont ACO programs.
- Work with other signatories to achieve targets for the number of aligned Vermonters.
- Work with other signatories to achieve targets on twenty quality measures tied to three population health goals.

Looking Ahead to 2019

- **Reporting:** The GMCB will report 2018 results to CMS, including results on TCOC, scale and program alignment, and health outcomes and quality of care performance.
- **Medicare ACO Program Design:** The GMCB will continue to explore changes to the Vermont Medicare ACO Initiative to improve operations and align with other Vermont ACO programs.
- **Setting the 2020 financial target for Vermont Medicare ACOs:** The GMCB will set the benchmark for the Vermont Medicare ACO Initiative in 2020 in conjunction with 2020 ACO budget review.

¹⁹ See Report to the Legislature on Model implementation (September 15, 2018): <https://legislature.vermont.gov/assets/Legislative-Reports/GMCB-All-Payer-ACO-Model-Update-to-Legislature-FINAL-9-15-2018-002.pdf>.

ACO Oversight: Budget Review and Certification

Progress in 2018

- **2018 ACO Certification:** Following an extensive review, the GMCB certified OneCare Vermont (OneCare) in March 2018.²⁰ The GMCB is currently reviewing OneCare's continued eligibility for certification, including its compliance with certification requirements added during the 2018 legislative session.²¹ GMCB staff presented recommendations on January 9, 2019 and a vote is scheduled for late January.
- **2018 ACO Budget Monitoring:** In 2018, the GMCB monitored OneCare's compliance with the conditions of its 2018 budget, reviewed and approved in 2017.²²
- **Establishing OneCare's 2019 budget:** The GMCB received OneCare's proposed 2019 budget on October 1, 2018. After careful analysis and an extended public comment period, the Board voted to approve this budget with conditions in December 2018. The approved budget is approximately \$900 million with a vast majority of dollars flowing to providers, either through fixed payments from OneCare or fee-for-service payments from payers. This total reflects the inclusion of an estimated 196,000 Vermonters in ACO programs (up from 113,000 in 2018).
- **Medicaid Advisory Rate Case:** Per 18 V.S.A. § 9573, the GMCB is responsible for advising DVHA on the per beneficiary payment rates negotiated between DVHA and the ACO. The GMCB completed this review in December 2018, in conjunction with 2019 ACO budget review.²³

Project Area: Accountable Care Organizations and the All-Payer ACO Model

Relevant Statute/Authority: 18 V.S.A. § 9382; 18 V.S.A. § 9573.

Overview: An ACO must be certified by GMCB to be eligible to receive payments from Medicaid or a commercial insurer through a payment reform initiative such as the APM. GMCB is also responsible for reviewing and approving ACO budgets. There is currently one ACO operating in Vermont, OneCare Vermont.

Looking Ahead to 2019

- **Revisions to GMCB Rule 5.000:** The GMCB will revise GMCB Rule 5.000 in early 2019 to reflect statutory changes made during the 2018 legislative session.
- **Regular Reporting:** The GMCB expects to further develop and refine regular ACO reporting requirements as part of its monitoring and oversight responsibility.
- **Integrating Regulatory Processes:** The GMCB will continue to integrate ACO budget review and oversight with its other regulatory processes in service of the goals of containing cost growth and improving access, quality, and health.

²⁰ The GMCB provisionally certified OneCare on January 5, 2018.

²¹ See [Act 167 of 2018](#), § 2 and 13a; [Act 200 of 2018](#), § 15; and [Act 204 of 2018](#), § 7.

²² See GMCB quarterly report to the Legislature on All-Payer Model implementation (December 15, 2018): <https://legislature.vermont.gov/assets/Legislative-Reports/GMCB-All-Payer-ACO-Model-Update-to-Legislature-FINAL-12-15-2018.pdf>.

²³ See Medicaid Advisory Rate Case of ACO Services: Review of OneCare's All-Inclusive Population Based Payment (December 14, 2018): <https://gmcboard.vermont.gov/sites/gmcb/files/OneCareVermont%20Medicaid%20Report%20FINAL%2020181214.pdf>.

DATA, ANALYTICS, AND EVALUATION

Data and Analytics

Progress in 2018

- **Standard Reporting:** Staff collaborated to create an interactive visualization of the GMCB's Expenditure Analysis Report, enhancing utility and accessibility of this resource. Leveraging federal dollars, staff designed and published its first enrollment trend report based on data submitted to Vermont's all-payer claims database, VHCURES.²⁴ Staff worked with commercial carriers and State partners to validate the information for its largest payers.
- **Reconvening the Data Governance Council:** To ensure appropriate oversight of its data assets, the Board adopted a revised Data Governance and Stewardship Charter and reestablished its Data Governance Council with expanded membership to represent a broader diversity of viewpoints related to data stewardship.
- **Enhancing VHCURES:** In 2018, GMCB staff developed a snapshot of VHCURES capabilities and the VHCURES Strategic Plan,²⁵ and launched public-facing reports using VHCURES data to help Vermonters better understand insurance enrollment and health care spending. Together, these resources allow decision makers to guide future development of VHCURES with a focus on projects that have the greatest potential to support GMCB regulatory responsibilities.

Looking Ahead to 2019

- **Expanded Reporting:** The Board will provide additional reports to highlight historical patterns of insurance coverage and hospital utilization, as well PMPM costs for certain populations.
- **Financial and Program Sustainability:** The GMCB's Data Governance Council will evaluate program expenses and consider leveraging new sources of revenue with the potential to support innovation and encourage new use cases for the GMCB's data sets.
- **Data Quality:** The GMCB will continue its work to improve data quality in VUHDDS and VHCURES. Two principal efforts will involve reconciling VUHDDS and VHCURES and leading a working group to begin a validation triangle, where VHCURES data are validated against payer and provider systems. Additionally, the Board anticipates contract procurement for VHCURES 3.0 data collection and consolidation to address new solution requirements.
- **Rulemaking:** The Board plans to revise and update Regulation H-2008-01,²⁶ the legal framework for managing data collection and release of the GMCB's data sets.

Project Area: Data, Analytics, and Evaluation

Relevant Statute/ Authority:
18 V.S.A. § 9410

Overview: The Board must maintain a unified health care database, reflecting health care utilization and costs for services provided in Vermont and to Vermont residents in another state. The Board maintains stewardship of two primary data sets:

- The Vermont Uniform Hospital Discharge Data Set (VUHDDS)
- The Vermont Health Care Uniform Reporting and Evaluation System (VHCURES)

²⁴ Current analytic reports are available at: <https://gmcbboard.vermont.gov/health-data-resources/analytics-rpts>.

²⁵ See VHCURES Strategic Plan (July 25, 2018): <https://gmcbboard.vermont.gov/health-data-resources/vhcures>.

²⁶ See Regulation H-2008-01, promulgated by the Dept. of Banking, Insurance, Securities and Healthcare Regulation (now the Dept. of Financial Regulation): <http://www.dfr.vermont.gov/sites/default/files/REG-H-08-01.pdf>.

Health Resource Allocation Plan (HRAP)

Progress in 2018

- Passage of Act 167 of 2018:²⁷ The Act amends 18 V.S.A. § 9405. The legislation was informed by a GMCB stakeholder process in 2017.²⁸
- Project Kick-Off: Planning work on the project began in August. GMCB staff developed a working project plan, researched needs assessments and health facilities inventories, and began development of data collection templates. The Board recruited a data and technical lead for the HRAP and other special projects in late fall 2018.
- Board Meeting Presentation: GMCB staff presented to the Board on September 26, 2018.²⁹ The presentation included a review of the new statute, timeline, vision, objectives, deliverables, and public input process.
- Stakeholder Engagement Planning: The stakeholder engagement and public input process will be conducted through Board meetings, the Advisory Committee, and the PCAG, as well as collaboration with other State agencies, external organizations, provider interviews, and public comment.

Looking Ahead to 2019

- Procure Vendor: The project team is developing a scope of work to procure outside assistance with certain aspects of the HRAP.
- Project Specifications: The project team will continue developing project specifications, data templates, and report prototypes.
- Data Collection and Analysis: Data collection and analysis will continue throughout 2019. The HRAP is not expected to be issued as one deliverable or a static document, but rather as a series of dynamic reports, visualizations, or other user-friendly tools designed to convey relevant information. The Board expects to release the HRAP in early 2020.

Project Area: Data, Analytics, and Evaluation

Relevant Statute/Authority: 18 V.S.A. § 9405 as amended by Act 167 of 2018

Overview: In 2018, the Legislature amended the requirements for the Health Resource Allocation Plan. The new HRAP will:

- Report on Vermont’s health care services and resources;
- Inform GMCB regulatory processes, cost containment and statewide quality of care efforts, health care payment and delivery system reform initiatives, and allocation of health resources within the state;
- Identify priorities using existing assessments, data, and public input;
- Consider the principles for health care reform in 18 V.S.A. § 9371;
- Identify and analyze gaps between needs and resources;
- Identify utilization trends;
- Consider cost impacts of filling gaps; and
- Be more dynamic and up-to-date.

²⁷ See [Act 167 of 2018](#).

²⁸ See Draft Legislative Proposals on Certificate of Need and the Health Resource Allocation Plan (Nov. 16, 2017): https://gmcboard.vermont.gov/sites/gmcb/files/files/meetings/presentations/CON%20and%20HRAP%20draft%20proposal_2017_11_16_FINAL.pdf.

²⁹ See Green Mountain Care Board Health Resource Allocation Plan Update Presentation (Sept. 26, 2018): https://gmcboard.vermont.gov/sites/gmcb/files/FINAL%20HRAP%20update%20to%20Board_9.26.18_DRAFT.pdf.

APPENDICES

Appendix A: Green Mountain Care Board Meetings in 2018

January 3, 2018	<ul style="list-style-type: none"> • Individual Mandate Presentation & Discussion • Cost-Sharing Reduction (CSR) Working Group Update
January 5, 2018	<ul style="list-style-type: none"> • Provisional Certification of OneCare Vermont
January 17, 2018	<ul style="list-style-type: none"> • Administrative Burdens Discussion • Primary Care Advisory Group (PCAG) Update • DVHA Qualified Health Plans Presentation
January 24, 2018	<ul style="list-style-type: none"> • DVHA Qualified Health Plans Presentation • Nursing Homes Discussion
January 31, 2018	<ul style="list-style-type: none"> • Hospital Budgets 2019 Update • Practice Variation
February 14, 2018	<ul style="list-style-type: none"> • Legislative Update on Federal Issues Working Group • Hospital Budget Update: 2017 Actuals & FY19 Budget Guidance • The Data Governance Council Charter Update • 21st Century Integrated Care
February 21, 2018	<ul style="list-style-type: none"> • S.175 Opportunities for a Bulk Purchasing Program • Hospital Budget Update: 2017 Actuals & FY19 Budget Guidance
February 26, 2018	<ul style="list-style-type: none"> • DVHA: Vermont Medicaid Next Generation Contract Monitoring • Vermont Information Technology Leaders (VITL) Transition Update: Connectivity Criteria
February 28, 2018	<ul style="list-style-type: none"> • Hospital Budget Discussion
March 12, 2018	<ul style="list-style-type: none"> • Hospital Budget Discussion • Reflective Silver Plans
March 14, 2018	<ul style="list-style-type: none"> • Hospital Budget Discussion • Certificate of Need: Green Mountain Surgery Center • Data Governance Council • Recommendation on OneCare Vermont Certification
March 21, 2018	<ul style="list-style-type: none"> • FY19 Hospital Budget Rebalance Discussion • Discussion of Proposed Commercial Rate Changes & Timing • GMCB All-Payer ACO Model Implementation Update • OneCare Vermont Certification Update • Defining Primary Care Spend • GMCB Data & Analytics Update
March 28, 2018	<ul style="list-style-type: none"> • FY19 Hospital Budget Guidance Discussion
April 4, 2018	<ul style="list-style-type: none"> • GMCB Statutory Duties Discussion • 2017 Hospital Budget Enforcement • GMCB Priority Setting & Statutory Duties
April 11, 2018	<ul style="list-style-type: none"> • Certificate of Need: Green Mountain Surgery Center • OneCare Vermont: 2018 First Quarter Update • 2017 Hospital Budget Enforcement Discussion • Vermont's Efforts to Confront the Opioid Dependency Crisis
April 18, 2018	<ul style="list-style-type: none"> • Traveling Board Meeting to St. Johnsbury: Introduction to Caledonia and So. Essex Accountable Community

April 25, 2018	<ul style="list-style-type: none"> • Critical Access Hospitals: Finance 101 • Federally Qualified Health Centers: Finance 101
May 2, 2018	<ul style="list-style-type: none"> • GMCB All-Payer Implementation Update
May 9, 2018	<ul style="list-style-type: none"> • DVHA Progress Update & DVHA/VITL Work Plan; • VITL Financial Submission & Work Plan Implementation • GMCB Staff Recommendation on VITL Budget
May 30, 2018	<ul style="list-style-type: none"> • GMCB Legislative Update • VITL Budget • Health Care Expenditure Analysis
June 6, 2018	<ul style="list-style-type: none"> • Health Workforce Panel Discussion
June 13, 2018	<ul style="list-style-type: none"> • State Health Assessment: Goals and Strategies for the State Health Improvement Plan • 2019 ACO Budget Guidance
June 27, 2018	<ul style="list-style-type: none"> • GMCB All-Payer Model Update
July 11, 2018	<ul style="list-style-type: none"> • 2019 ACO Proposed Quality Measures, Budget Guidance & Certification - • UVM Milestone Report on Investments Towards Increasing Mental Health Capacity
July 18, 2018	<ul style="list-style-type: none"> • Preliminary Look at Hospital Budgets • OneCare Vermont Performance Update • VNA's of Vermont: Home Health, Hospice and Health Care Reform
July 23, 2018	<ul style="list-style-type: none"> • Rate Review Hearing
July 24, 2018	<ul style="list-style-type: none"> • Rate Review Hearing
July 24, 2018	<ul style="list-style-type: none"> • Public Comment on Rate Review
August 1, 2018	<ul style="list-style-type: none"> • Advisory Committee Meeting
August 1, 2018	<ul style="list-style-type: none"> • BCBS Docket Number GMCB-009-18-rr Hearing Adjournment • 2019 New Certification Criteria and Vermont Medicare ACO Initiative • VITL: Quarterly Update • DVHA: Quarterly Update on VITL Oversight and HIE Planning • RiseVT Local Measurement Study
August 8, 2018	<ul style="list-style-type: none"> • OneCare: 2017 Data Review, Quality Improvement Initiative, and Rise VT's Role in APM • DVHA Presentation: 3-4-50 Role in the All-Payer Model
August 20, 2018	<ul style="list-style-type: none"> • Hospital Budget Hearing - Montpelier
August 22, 2018	<ul style="list-style-type: none"> • Hospital Budget Hearing - Burlington
August 27, 2018	<ul style="list-style-type: none"> • Hospital Budget Hearing - Castleton
August 29, 2018	<ul style="list-style-type: none"> • Hospital Budget Hearing - Montpelier
September 5, 2018	<ul style="list-style-type: none"> • FY19 Hospital Budget Discussion
September 11, 2018	<ul style="list-style-type: none"> • FY19 Hospital Budget Discussion
September 12, 2018	<ul style="list-style-type: none"> • FY19 Hospital Budget Discussion • GMCB Data Analysis Presentation
September 19, 2018	<ul style="list-style-type: none"> • Administrative Burdens Panel Discussion
September 26, 2018	<ul style="list-style-type: none"> • Individual Mandate Work Group Proposal • Health Resources Allocation Plan (HRAP) Update
October 10, 2018	<ul style="list-style-type: none"> • Advisory Committee Meeting
October 10, 2018	<ul style="list-style-type: none"> • Report on Health Care Perspectives
October 17, 2018	<ul style="list-style-type: none"> • Individual Mandate Working Group Update

	<ul style="list-style-type: none"> • GMCB Analytic Team Update • VITL Quarterly Update • DVHA Quarterly Update & VITL Oversight
October 24, 2018	<ul style="list-style-type: none"> • OneCare Vermont ACO Budget Presentation
October 31, 2018	<ul style="list-style-type: none"> • Traveling Board Meeting to Mt. Ascutney: Accountable Communities for Health
November 7, 2018	<ul style="list-style-type: none"> • GMCB Criteria for HIE Plan and Connectivity Criteria Review • DVHA HIE Plan Presentation • VITL Connectivity Criteria Presentation • GMCB Staff Preliminary Recommendation
November 14, 2018	<ul style="list-style-type: none"> • GMCB Accountable Care Organization (ACO) Budget Analysis • VT Medicare ACO Initiatives: Quality Framework, Beneficiary Notification, Governance
November 19, 2018	<ul style="list-style-type: none"> • GMCB Staff Recommendation on HIE Plan • Next Generation Medicaid ACO Pilot Project
November 28, 2018	<ul style="list-style-type: none"> • UVM Health Network Milestone Report on Investments Towards Increasing Mental Health Capacity
December 12, 2018	<ul style="list-style-type: none"> • GMCB ACO Budget Discussion • State Health Improvement Plan (SHIP) Presentation
December 17, 2018	<ul style="list-style-type: none"> • GMCB ACO Budget Discussion

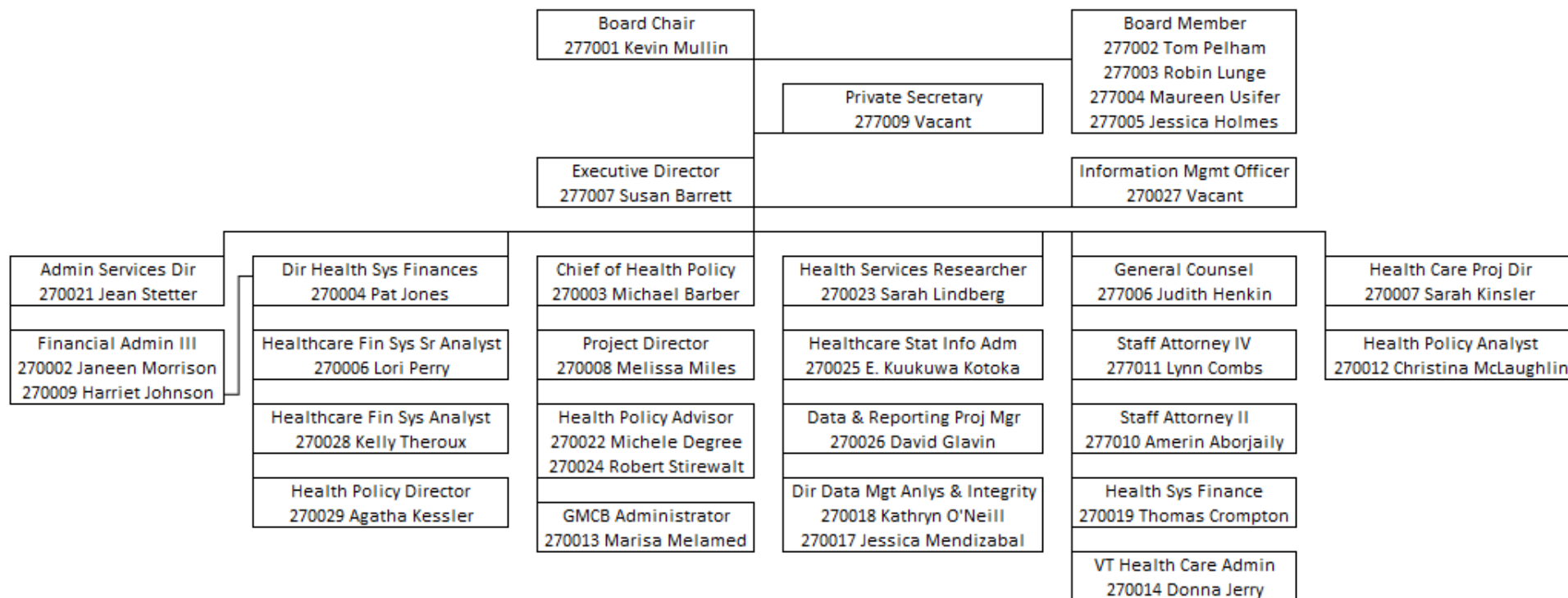
Appendix B: GMCB Budget and Staffing

Figure 6: GMCB Budget, 2018-2019

	FY2018 Budget	FY2018 Expenditures	FY2019 Budget
Total Budget	\$10,516,300	\$9,393,766	\$9,433,738
Expenses by Fund			
General Fund	\$2,453,553	\$2,419,154	\$2,707,671
GMCB Regulatory & Administration Fund	\$4,033,536	\$3,276,124	\$3,951,345
Other Special Funds	\$60,000	-	\$60,000
Global Commitment	\$2,743,899	\$2,123,132	\$2,496,120
Interdepartmental Transfer	\$998,738	\$1,488,718	\$87,307
Federal Fund	\$226,574	\$86,638	\$131,295

The Green Mountain Care Board's actual FY 2018 spending came in under budget due to the VHCURES upgrade moving slower than projected during the Fall of 2016 and the delayed implementation of the All Payer Model (APM).

Appendix C: GMCB Organizational Chart



Appendix D: Board Member Biographies

The GMCB was created by the Vermont Legislature in 2011. It is an independent group of five Vermonters who, with their staff, are charged with ensuring that changes in the health care system improve quality while stabilizing costs. Nominated by a broad-based committee and appointed by the Governor, the Board includes:

Kevin Mullin, Chair

The Chairman of the Green Mountain Care board is tasked with directing the board's charge of curbing health care cost growth and reforming the way health care is provided to Vermonters.

Kevin Mullin spent the majority of his career as a small business owner. He is a graduate of Castleton University with a degree in Finance, and has taught at the Community College of Vermont and served on numerous community and professional boards. He is a nineteen-year veteran of the Vermont Legislature including four years in the House and fifteen years in the Senate, where he has served on committees including as Chair of the Senate Education and Senate Economic Development, Housing, and General Affairs Committees. As a member of the Senate Health and Welfare Committee, he helped to write both Catamount Health and Green Mountain Care legislation. He has a deep commitment to controlling health care spending. Appointed by Governor Phil Scott on May 24, 2017, and reappointed on August 17, 2018 to a term ending on February 29, 2024.

Jessica Holmes, Ph.D.

Jessica Holmes is a Professor of Economics at Middlebury College. Her teaching portfolio includes courses in microeconomics, health economics, the economics of social issues and the economics of sin. She has published several articles in areas such as philanthropy, economic development, health economics, labor economics and pedagogy. Prior to joining the Middlebury faculty, she worked as a litigation consultant for National Economic Research Associates, conducting economic analyses for companies facing lawsuits involving securities fraud, product liability, and intellectual property. Jessica received her undergraduate degree from Colgate University and her PhD in Economics from Yale University. She is a past Trustee of Porter Medical Center, having served as Board Secretary and Co-chair of the Strategy Committee. Jessica lives in Cornwall. Appointed by Governor Peter Shumlin for a term beginning on October 8, 2014, and ending on September 30, 2020.

Robin Lunge, J.D., MHCDS

Robin J. Lunge, JD, MHCDS, was appointed to the Board in November 2016. Prior to joining the Board, Robin served for almost six years as the State's Director of Health Care Reform for Governor Peter Shumlin's administration. Her past experience includes working as a nonpartisan staff attorney at Vermont Legislative Council, where she drafted legislation and provided support to members of the Vermont Legislature relating to health and human services matters, and at the Center on Budget and Policy Priorities in Washington D.C. as a senior policy analyst on public benefits issues. Robin's areas of expertise are federal and state public benefit programs, health care, and health care reform. Robin holds a B.A. from the University of California Santa Cruz, a J.D. from Cornell Law School, and a Masters of Health Care Delivery Science from Dartmouth College. Appointed by Governor Peter Shumlin for a term beginning on November 28, 2016, and ending on November 27, 2022.

Tom Pelham

Tom Pelham served as Deputy Secretary of Administration and Tax Commissioner under Governor Jim Douglas, and as Commissioner and Deputy Commissioner of Finance and Management under Governor Howard Dean. As Finance Commissioner during the creation and enactment of the Vermont Health Access Plan (VHAP), Pelham was responsible for creating the fiscal capacity to expand health insurance to Vermonters while ensuring overall statewide budgetary sustainability. He also served as Commissioner and Deputy Commissioner of Housing and Community Affairs under Governors Madeleine Kunin and Richard Snelling. In 2002, Pelham was elected as an Independent to serve Vermont's Washington 6 District in the House of Representatives. While serving on the House Appropriations Committee, he helped restructure Vermont's Medicaid health care premium and co-pay system to better align with recipients' incomes and ability to pay. Pelham is a native Vermonter from Arlington and now resides in Berlin. He earned his B.A. from Tufts University and his M.A. from Harvard University. Appointed by Governor Phil Scott for a term commencing November 3, 2017 and ending-September 30, 2023.

Maureen Usifer

Maureen Usifer is a finance professional with over thirty years of corporate public and private CFO and board experience. Maureen currently serves on several public and non-profit boards including as Director and Audit Chair for BlackRock Capital Investment Corporation, Trustee for St. Michael's College and as a Green Mountain Consortium Board Member. Maureen was the CFO for Vermont-based Seventh Generation with oversight for Finance, Accounting, IT, and legal. Maureen was also a senior finance director with Church & Dwight Co., Inc., where her responsibilities included budget oversight, cost optimization, investor relations and mergers and acquisitions. Maureen lives in Colchester. She has an undergraduate degree from St. Michael's College and an M.B.A. from Clarkson University. Appointed by Governor Phil Scott for a term beginning May 24, 2017, and ending on September 30, 2021.

Leadership

Susan J. Barrett, J.D., Executive Director

Susan J. Barrett, an attorney, was formerly Director of Public Policy in Vermont for the Bi-State Primary Care Association. She joined Bi-State in 2011 after nearly 20 years in the pharmaceutical industry with Novartis, Merck, and Wyeth. Susan's health care experience also includes pro bono legal work and an internship with Health Law Advocates, a non-profit public interest law firm in Massachusetts. She is a graduate of New England Law Boston and Regis College. She lives in Norwich.

Appendix E: Glossary

ACO	Accountable Care Organization
ACH	Accountable Community for Health
APM	All-Payer ACO Model
CON	Certificate of Need
DVHA	Department of Vermont Health Access
GMCB	Green Mountain Care Board
HRAP	Health Resource Allocation Plan
NPR	Net Patient Revenue
ORCA	Onion River Community Access
PCAG	Primary Care Advisory Group
VHIE	Vermont Health Information Exchange
VITL	Vermont Information Technology Leaders
VHCURES	Vermont Health Care Uniform Reporting and Evaluation System
VUHDDS	Vermont Uniform Hospital Discharge Data Set

*Green Mountain Care Board
144 State Street
Montpelier, Vermont 05620-3601
802-828-2177*

www.gmcboard.vermont.gov