

Green Mountain Care Board Annual Report Overview

Kevin Mullin, GMCB Chair
Susan Barrett, GMCB Executive Director

January 23, 2019

GMCB Members & Leadership



Kevin Mullin
GMCB Chair



Jessica Holmes, Ph.D.
GMCB Member



Robin Lunge, J.D., MHCDS
GMCB Member



Maureen Usifer
GMCB Member



Tom Pelham
GMCB Member

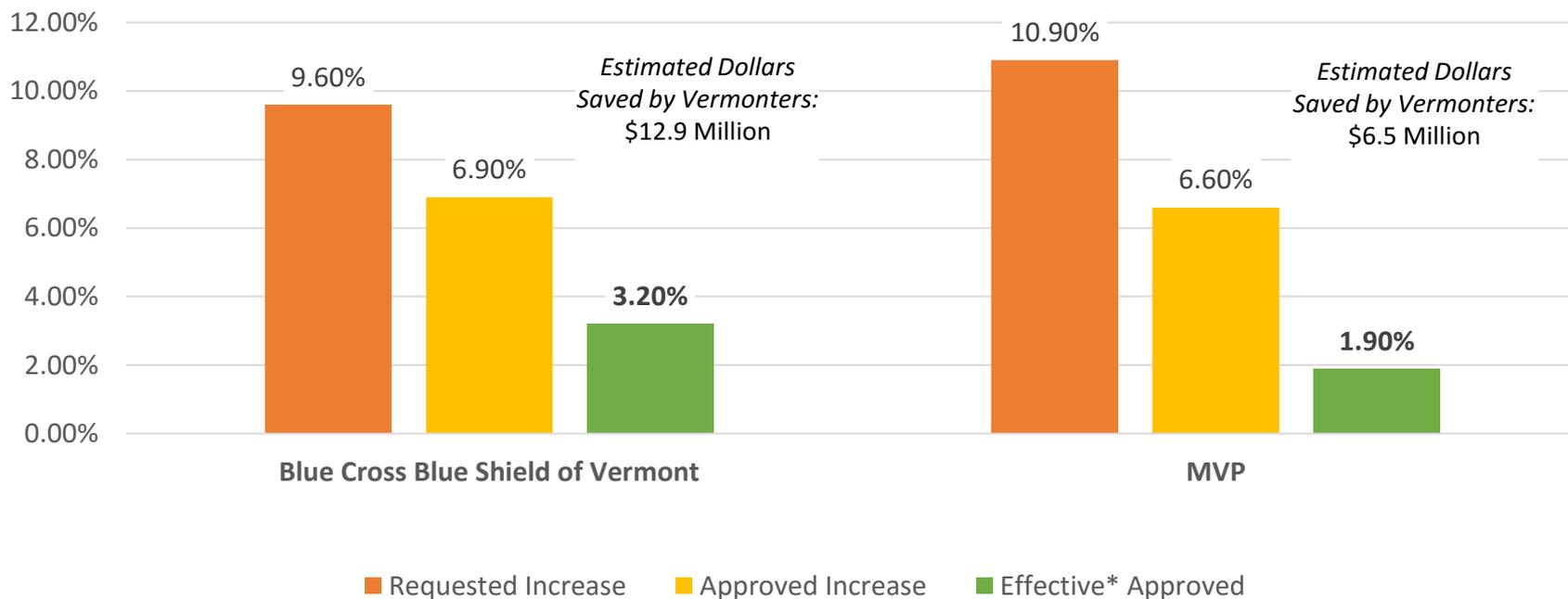


Susan Barrett, J.D.
GMCB Executive Director

Health Insurance Rate Review (Individual and Small Group Plans)

Average Annual Rate Increase – 2019 Vermont Health Connect Plans

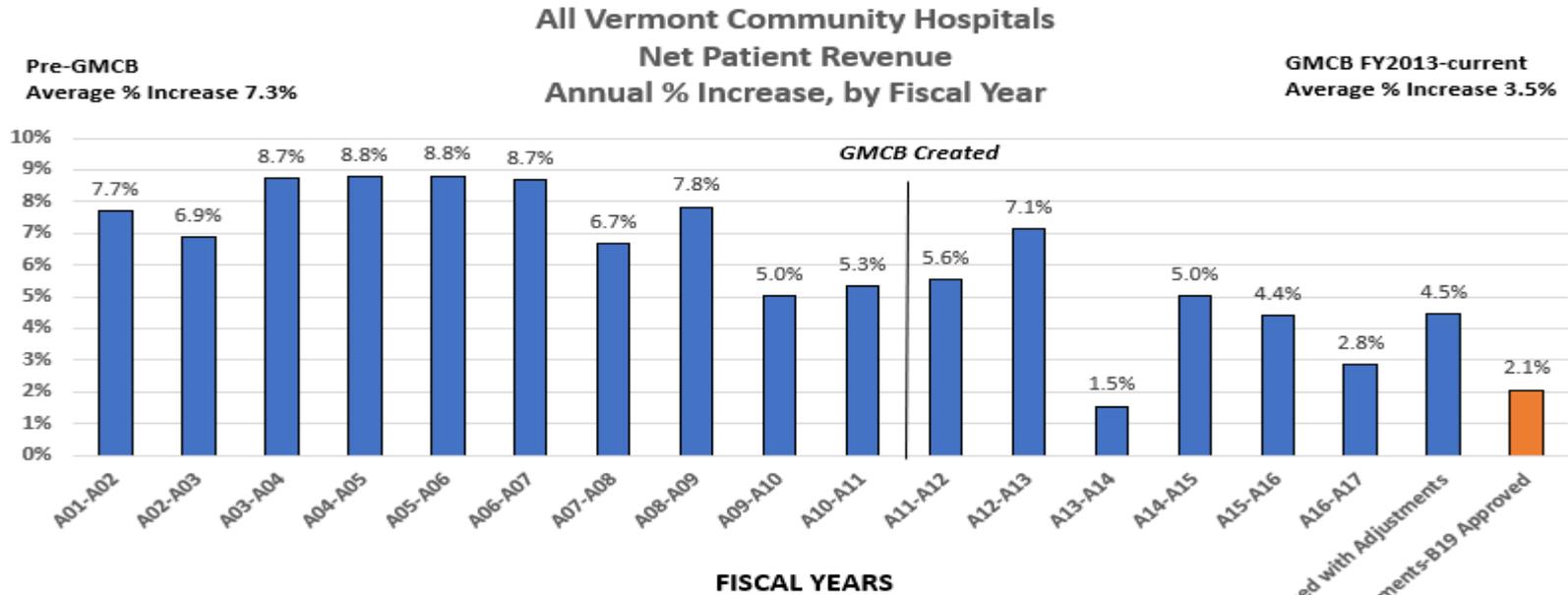
Total Estimated Savings = \$19.4 Million



* The "effective" rate increases – the actual rate increases that will be experienced by Vermonters – take into account the availability of additional federal subsidy dollars resulting from changes made to Vermont law during the 2018 legislative session.

Hospital Budgets

- FY2019 Hospital Budget Review: Hospitals initially requested a 2.9% increase in Net Patient Revenue (NPR) from the Board-approved Fiscal Year 2018 to the hospitals' submitted Fiscal Year 2019 budgets
- The Board approved a 2.1% NPR increase for Fiscal Year 2019 over the approved and adjusted Fiscal Year 2018 base (\$52.8 million)



Notes:

A = Actual
B = Budget

GMCCB assumed responsibility for reviewing and approving hospital budgets in FY2013.

Results for FY 2001-2011 were adjusted to reflect Bad Debt reporting change effective in FY 2012.

A17-B18 Rebased with Adjustments
B18 Rebased with Adjustments-B19 Approved

Certificate of Need (CON) 2018 Decisions

- University of Vermont Medical Center (Replacement of Epic Health Information System)
- Rutland Regional Medical Center (Construction of New Medical Office Building)
- Kindred Healthcare (Corporate Restructure)
- University of Vermont Medical Center (Purchase of Real Estate in South Burlington)
- Gifford Health Care (Construction of an independent living facility)
- Northeastern Vermont Regional Hospital (Replacement of Mobile MRI with Fixed MRI)

For more information, see GMCB Certificate of Need webpage: <http://gmcboard.vermont.gov/con/issued>.

The Vermont All-Payer ACO Model:

Tackling Unsustainable Cost, Improving Quality and Outcomes

PROBLEM: The cost of health care in Vermont is increasing at an unsustainable rate and there is room to improve the health of Vermonters and the quality of care they receive.

STRATEGY:

- *Care Delivery:* Facilitate integrated and coordinated delivery care across the continuum; focus more on primary care and prevention, deliver care lower cost settings, reduce duplication of services.
- *Payment:* Move away from fee-for-service reimbursement, which rewards the delivery of more services, to population-based payments under which providers accept responsibility for the health of a group of patients in exchange for a set amount of money.

INTERVENTION:

Implement a statewide ACO model under which the majority of Vermont providers participate in aligned programs across Medicare, Medicaid, and commercial payers. Agreement signed in 2016, enabling Medicare's participation.

All-Payer ACO Model: What Is It?

An ACO is a group of doctors, hospitals, and other health care providers who come together voluntarily to give coordinated, high-quality care to patients

- The All-Payer Model enables the three main payers of health care in Vermont – Medicaid, Medicare, and commercial insurance – to pay an Accountable Care Organization (ACO) differently than through fee-for-service reimbursement.
 - Facilitated by state law and an agreement between the State and the Centers for Medicare and Medicaid Services (CMS) that allows Medicare's participation
- Provides the opportunity to improve health care delivery to Vermonters, changing the emphasis from seeing patients more routinely for episodic illness to providing longitudinal and preventive care. A more predictable revenue stream supports providers in initiating additional delivery system reforms that improve quality and reduce costs.

All-Payer ACO Model Agreement

What is Vermont responsible for?

State Action on Financial Trends

- Moves from **volume-driven fee-for-service** payment... to a **value-based, pre-paid model for ACOs**
 - ✓ All-Payer Growth Target: Compounded annualized growth rate <3.5%
 - ✓ Medicare Growth Target: 0.1-0.2% below national projections
- Requires alignment across payers, which supports participation from providers and increases “Scale”
 - ✓ All-Payer Scale Target – Year 5: 70% of Vermonters
 - ✓ Medicare Scale Target – Year 5: 90% of Vermont Medicare Beneficiaries

State/Provider Action on Quality Measures

- State is responsible for performance on **20 quality measures** (*see next slide*), including three population health goals for Vermont
 - ✓ Improve access to primary care
 - ✓ Reduce deaths due to suicide and drug overdose
 - ✓ Reduce prevalence and morbidity of chronic disease
- ACO/providers are responsible for meeting quality measures embedded in contracts with payers

Improving the Health of Vermonters

How will we measure success?

- Vermont is responsible for meeting targets on **20 measures** under the Model

Process Milestones and **Health Care Delivery System Quality Targets** support achievement of ambitious **Population Health Goals**

Process Milestones

Health Care Delivery
System Quality
Targets

Population
Health
Outcomes

Goals selected based on Vermont's priorities:

1. Improve **access to primary care**
2. Reduce **deaths due to suicide and drug overdose**
3. Reduce **prevalence and morbidity of chronic disease**

ACO Oversight: Certification & Budget Review

- Following an extensive review, the GMCB certified OneCare Vermont (OneCare) in March 2018. Reviewing continued eligibility for certification in January 2019.
- The GMCB reviewed OneCare's 2019 budget in late 2018. After careful analysis and an extended public comment period, the Board voted to approve OneCare's 2019 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).

Health Information Technology

- GMCB began receiving regular updates from VITL and DVHA in early 2018 in response to concerns about VITL's operations and performance. Act 187 of 2018 affirmed this course of action, and required DVHA and VITL to perform additional reporting.
- The Board reviewed and approved VITL's FY2019 budget in May 2018.
- DVHA proposed a Health Information Exchange Strategic Plan to the Board in Fall 2018. The Board voted to approve this plan in November 2018.

Data & Analytics

- Staff are developing visualizations of GMCB reports, including the annual Vermont Health Care Expenditure Analysis Report, to increase utility and accessibility.
- The GMCB reconvened its Data Governance Council with new, broader membership to ensure diverse viewpoints related to data stewardship.
- The GMCB is working to enhance Vermont's all-payer claims database, VHCURES, which comprises eligibility and claims data for most Vermont residents.
- Increasing capacity for in-house analysis to support regulatory decision-making, reducing GMCB reliance on contractors.

GMCB Priorities in 2019

1. **Year 2 All-Payer ACO Model (APM) Implementation:** Focused on meeting the goals of the APM Agreement while exercising robust ACO Oversight.
2. **Regulatory Integration:** Linking health insurance rate review, hospital budget review, Certificate of Need, and ACO certification and budget review to support the APM and overall goals.
3. **VHCURES 3.0:** New vendor to manage VHCURES system.
4. **HRAP 2020:** Act 167 of 2018 amended the requirements for the Health Resource Allocation Plan (HRAP). GMCB is working to re-imagine and assemble the HRAP as a series of dynamic reports, visualizations, or other user-friendly tools in 2019.
5. **Health Care Workforce:** Work with educators, health care providers, and state and community organizations to discuss opportunities to address Vermont's health care workforce challenges
6. **Transparent Regulation:** GMCB strives for transparency and public engagement in its regulatory activities.

Reports

| 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) Note: This was a product of the Individual Mandate Working Group. Act 182 tasked the GMCB with convening this working group. |
| 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) |

Resources

[The GMCB Annual Report can be found here.](#)