

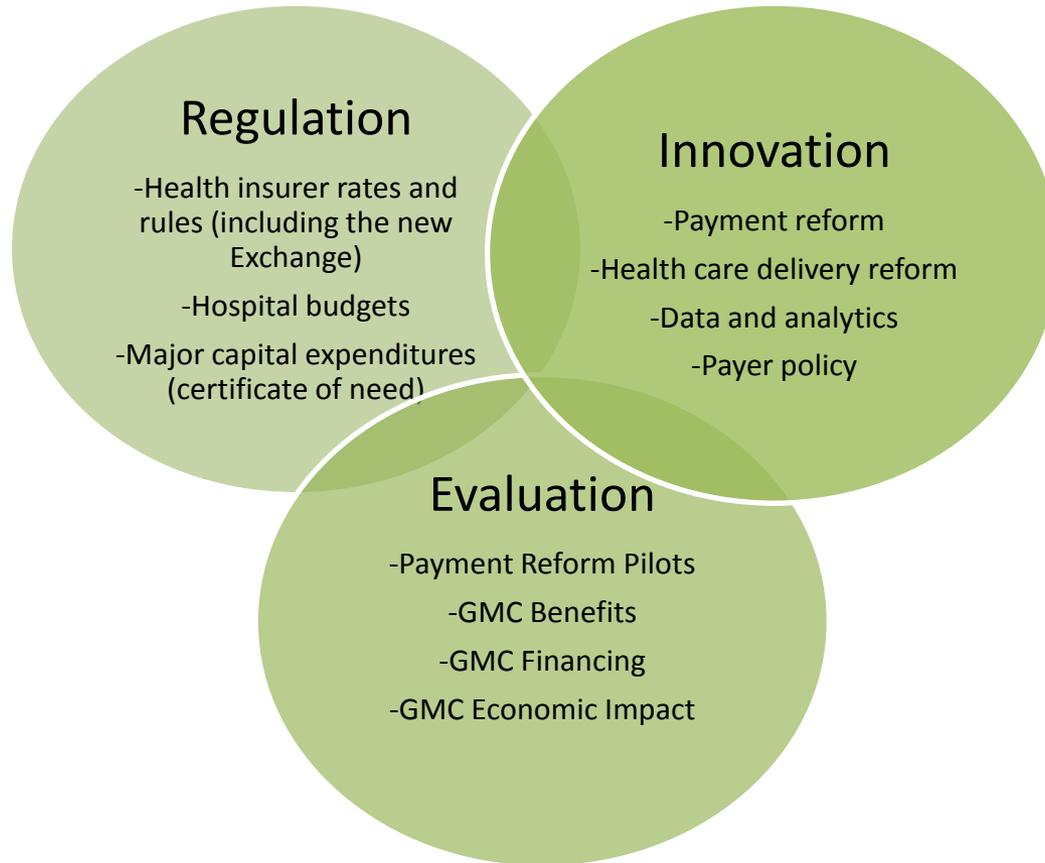
The Senate Committee on Health and Welfare

Al Gobeille
Chair

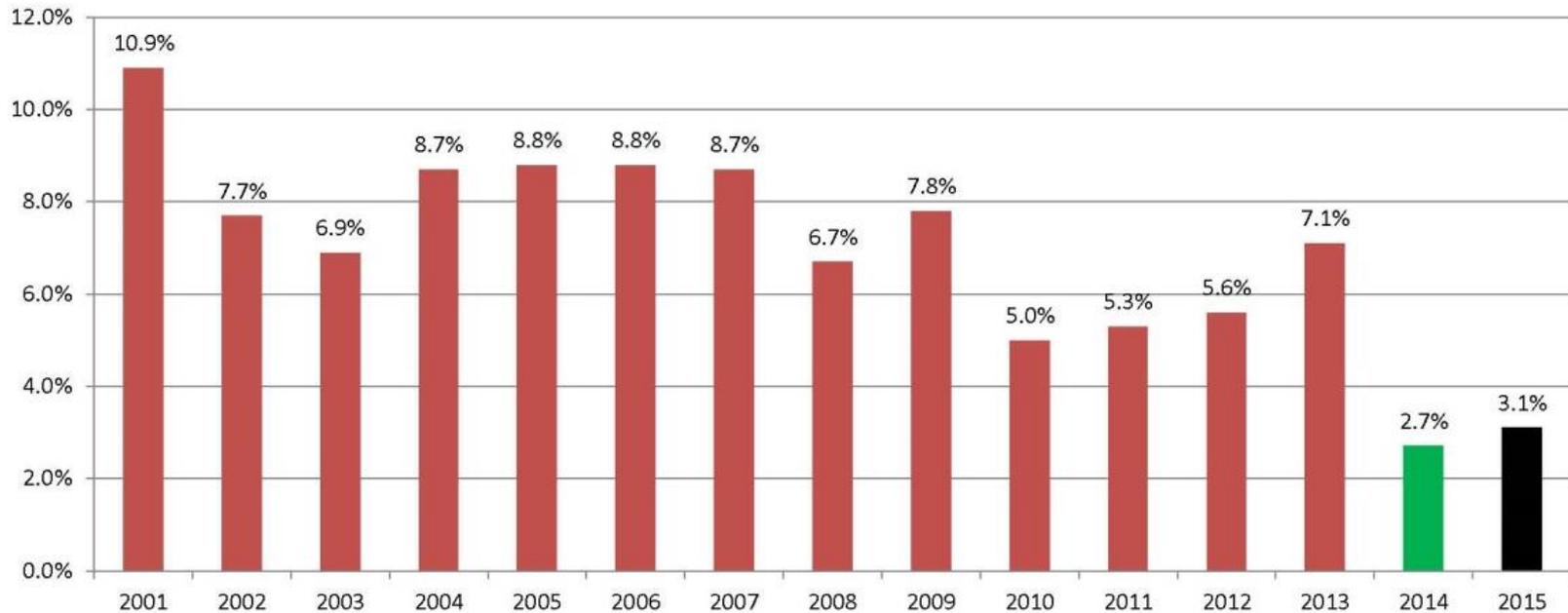
Green Mountain Care Board

1/29/2015

What we do



All Vermont Community Hospitals Net Patient Revenue Annual % Increase FY 2001 - 2015



Notes:

a Budget increase as approved by the GMCB for FY 2014 budgets

b Budget increase as approved by the GMCB for FY 2015 budgets

Adjusted to reflect bad debt reporting change in 2012

a

b

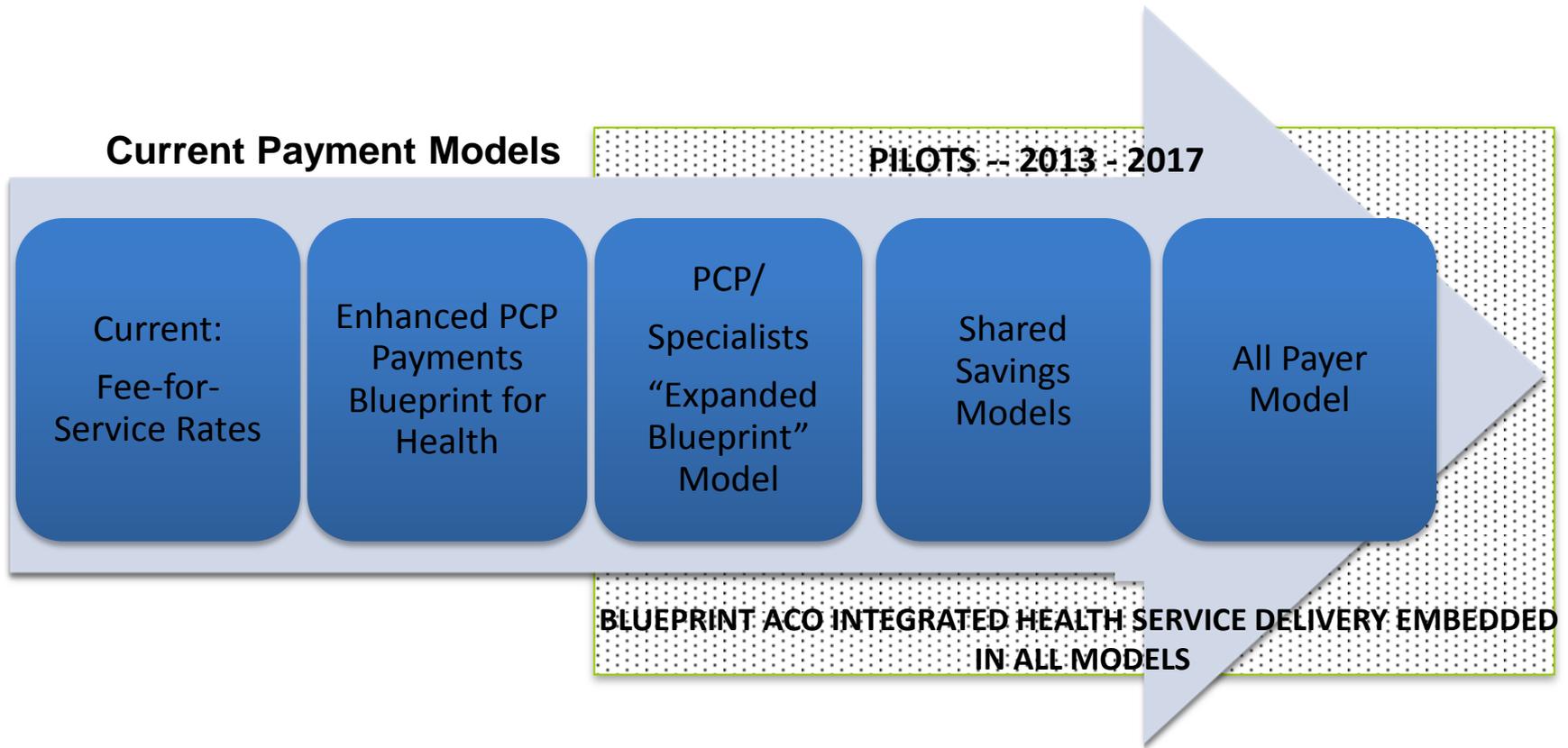
**Annual Rate Increase
Vermont Hospitals
FY 2012 - 2015**

Annual Rate Increase

	Approved Rate 2012	Approved Rate 2013	Approved Rate 2014	Submitted Rate 2015	Approved Rate 2015
Brattleboro Memorial Hospital	7.4%	5.2%	5.8%	2.70%	2.70%
Central Vermont Medical Center	6.0%	5.0%	6.9%	5.90%	5.90%
Copley Hospital	6.0%	3.0%	6.0%	0.00%	0.00%
Fletcher Allen Health Care	5.9%	9.4%	4.4%	7.80%*	7.80%*
Gifford Medical Center	7.0%	6.1%	7.6%	5.60%	5.60%
Grace Cottage Hospital	10.6%	6.5%	6.0%	5.00%	5.00%
Mt. Ascutney Hospital & Health Ctr	3.5%	7.0%	5.0%	3.22%	3.22%
North Country Hospital	5.1%	4.6%	8.0%	8.30%	8.30%
Northeastern VT Regional Hospital	7.5%	6.5%	5.6%	5.00%	5.00%
Northwestern Medical Center	6.3%	2.9%	3.9%	6.40%	6.40%
Porter Medical Center	10.3%	5.0%	6.0%	5.00%	5.00%
Rutland Regional Medical Center	9.8%	10.3%	4.8%	8.40%	8.40%
Southwestern VT Medical Center	5.5%	6.8%	7.2%	4.50%	4.50%
Springfield Hospital	5.8%	6.0%	4.6%	5.45%	5.45%
Median - all hospitals	6.2%	6.1%	5.9%	5.23%	5.23%

*Commercial "Ask" per FAHC

Payment Reform Model Timeline



Update on ACO Shared Savings Program

Attributed Lives by ACO by Respective Payer to date

	Medicare	Medicaid	Blue Cross Blue Shield VT	MVP	Total
OneCare Vermont	54,746	27,400	20,449		102,595
Community Health Accountable Care (CHAC)	5,980	20,068	9,906		35,954
Vermont Collaborative Physicians/Accountable Care Coalition of the Green Mountains (VCP/ACCGM)	7,509		7,830		15,339
Total	68,235	47,468	38,185	N/A	153,888

Note: Cells shaded gray indicate that those ACO and Payer decided not to enter into a Shared Savings Program Agreement.

What is an all-payer model?

- A system of health care provider payment under which all payers – Medicare, Medicaid and commercial insurers such as Blue Cross and Blue Shield – pay doctors, hospitals and other health care providers on a consistent basis, within rules prescribed by a state or national government
- Can be used to promote desirable outcomes and reduce or eliminate cost-shifting between payers
- In the U.S., the only example of an all-payer model is in Maryland (currently only for hospital payments)
- A number of other countries use all-payer systems to assure that provider payments are fair, transparent and consistent with desired policies such as promoting primary care, prevention, quality of care and cost containment

One project, two major components

Vermont All-Payer Model Project Structure and Responsibilities

	Model agreement with CMS	GMCB regulatory enhancements and provider payment details
Purpose	To establish the parameters of an agreement with the federal government that would permit Medicare inclusion in a Vermont all-payer system	To establish the specific rules and processes governing provider payment, ACO oversight and all-payer oversight
Lead agency(ies)	GMCB and AOA	GMCB
Coordinating agencies	AHS	DFR, AHS, AOA

Related processes
Legislative oversight: Regulatory and Medicaid budgets
Administrative rules process

The “price” differential

- When it enacted Act 48, the Legislature expressed its intent “to eliminate the shift of costs between the payers of health services to ensure that the amount paid to health care professionals is sufficient to enlist enough providers to ensure that health services are available to all Vermonters and are distributed equitably.” 18 V.S.A. § 9376(a).
- This language comes from the statute that gives the GMCB the authority to “set reasonable rates” for the reimbursement of health care providers. 18 V.S.A. § 9376(b)(1).

What is the magnitude of the cost shift in dollars?

Fiscal Year	Medicare	Medicaid	Free Care	Bad Debt		*Commercial Insurance & Other
Actual 2008	\$ 69,003,712	\$ 103,569,366	\$ 23,623,972	\$ 30,252,980	→	\$ 226,450,033
Actual 2009	\$ 73,627,496	\$ 119,979,398	\$ 24,292,187	\$ 32,391,214	→	\$ 250,290,295
Actual 2010	\$ 73,515,988	\$ 138,016,619	\$ 24,806,398	\$ 33,076,863	→	\$ 269,415,868
Actual 2011	\$ 88,399,861	\$ 152,256,740	\$ 25,784,124	\$ 34,331,093	→	\$ 300,771,818
Actual 2012	\$ 68,334,861	\$ 151,931,648	\$ 24,347,367	\$ 39,264,676	→	\$ 283,878,552
Actual 2013	\$ 128,033,776	\$ 105,998,937	\$ 24,685,204	\$ 37,386,222	→	\$ 296,104,139
Budget 2014	\$ 166,065,165	\$ 134,778,449	\$ 25,982,503	\$ 40,263,981	→	\$ 367,090,098
Budget 2015	\$ 175,171,362	\$ 150,394,735	\$ 26,137,170	\$ 41,464,624	→	\$ 393,167,892

Payer values include all hospital and employed physician services.

Medicaid values include non-Vermont Medicaid of approximately 5%.

* The amount shifted to commercial insurance and self-pays.

Medicaid Cost Shift Investment

