

Green Mountain Care Board FY 2020 Budget

Kevin Mullin, Board Chair
Jean Stetter, Financial Director

February 5, 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



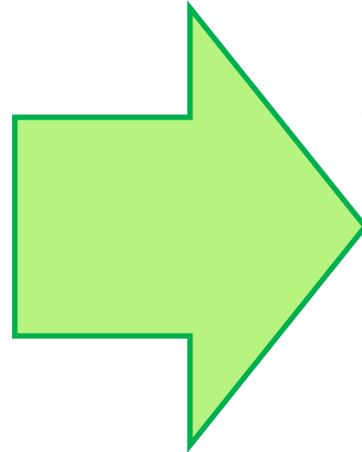
Tom Pelham
GMCB Member



Susan Barrett, J.D.
GMCB Executive Director

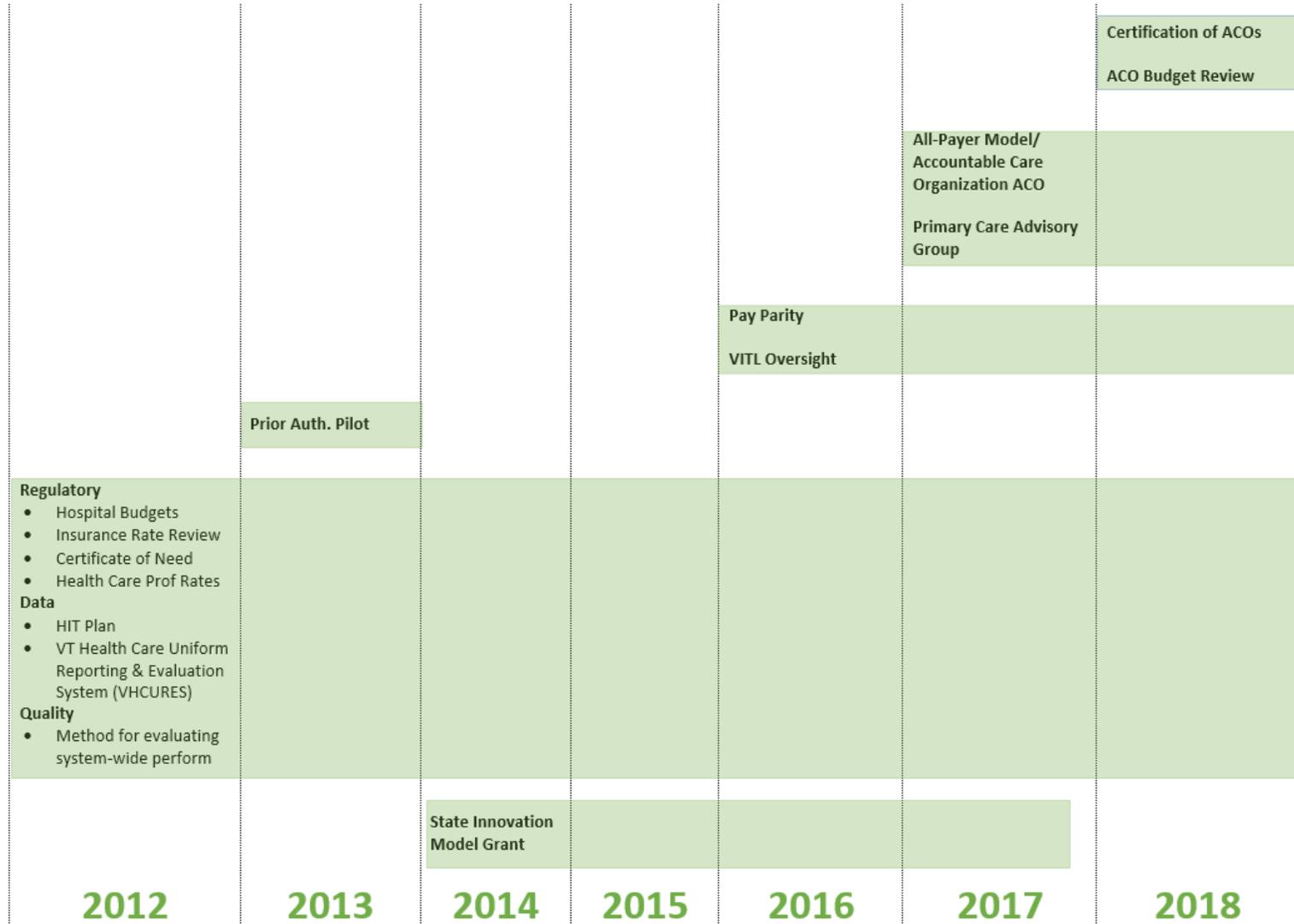
The Role of GMCB

The **Green Mountain Care Board** is charged with reducing the rate of health care cost growth in Vermont while ensuring that the State of Vermont maintains a high quality, accessible health care system.



- Health insurer rate review (including the Exchange)
- Hospital Budgets
- ACO Budgets
- VITL Budget
- Major capital expenditures (Certificate of Need)
- Health Resource Allocation Plan (HRAP)
- Implementation of APM
- ACO Oversight, Certification, Rule 5.0 (Act 113)
- Review/modify/approve plan designs for Vermont Health Connect
- Data and Analytics (VHCURES, VUHHDS and APM Analytics)
- Primary Care Advisory Group
- General Advisory Group
- Data Governance Council
- Annual Expenditure Analysis
- Annual Cost Shift Report
- Approve State HIT and Health Care Workforce Plans
- Prescription Drug Transparency

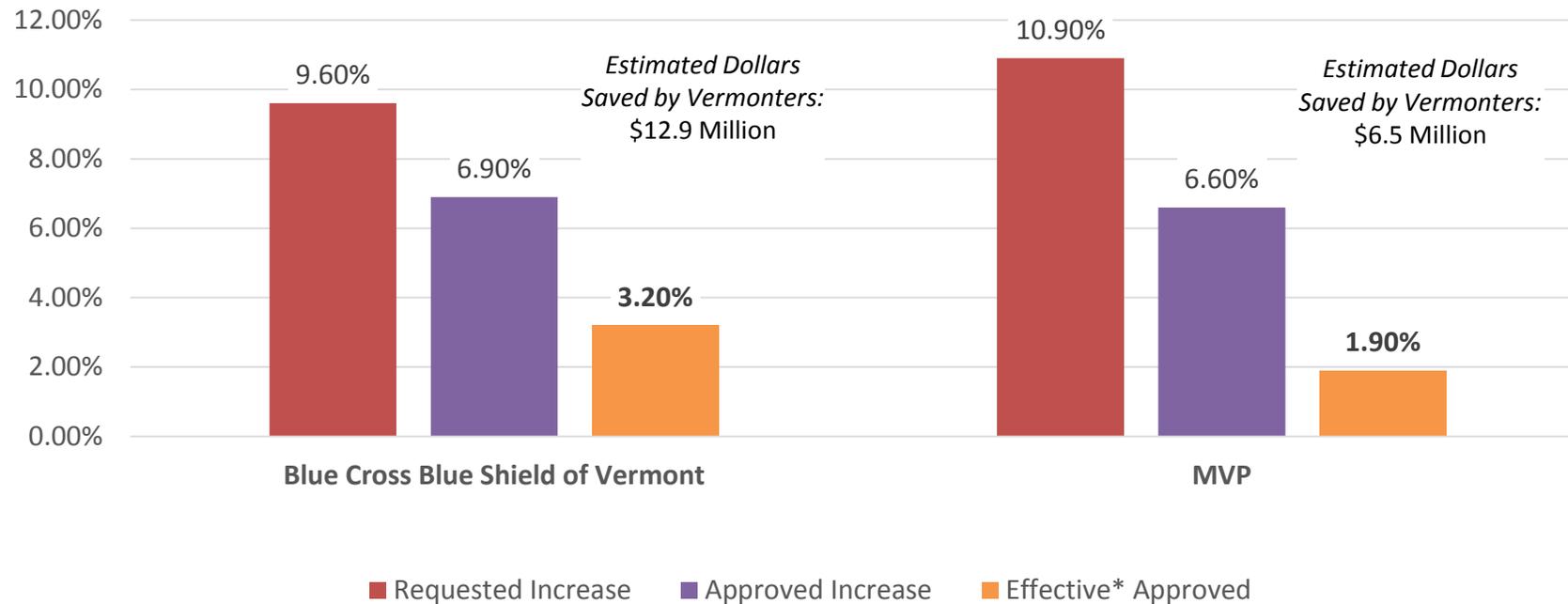
Snapshot of GMCB Regulatory History



Health Insurance Rate Review (Individual and Small Group Plans)

Average Annual Rate Increase – 2019 Vermont Health Connect Plans

Total Estimated Savings = \$19.4 Million

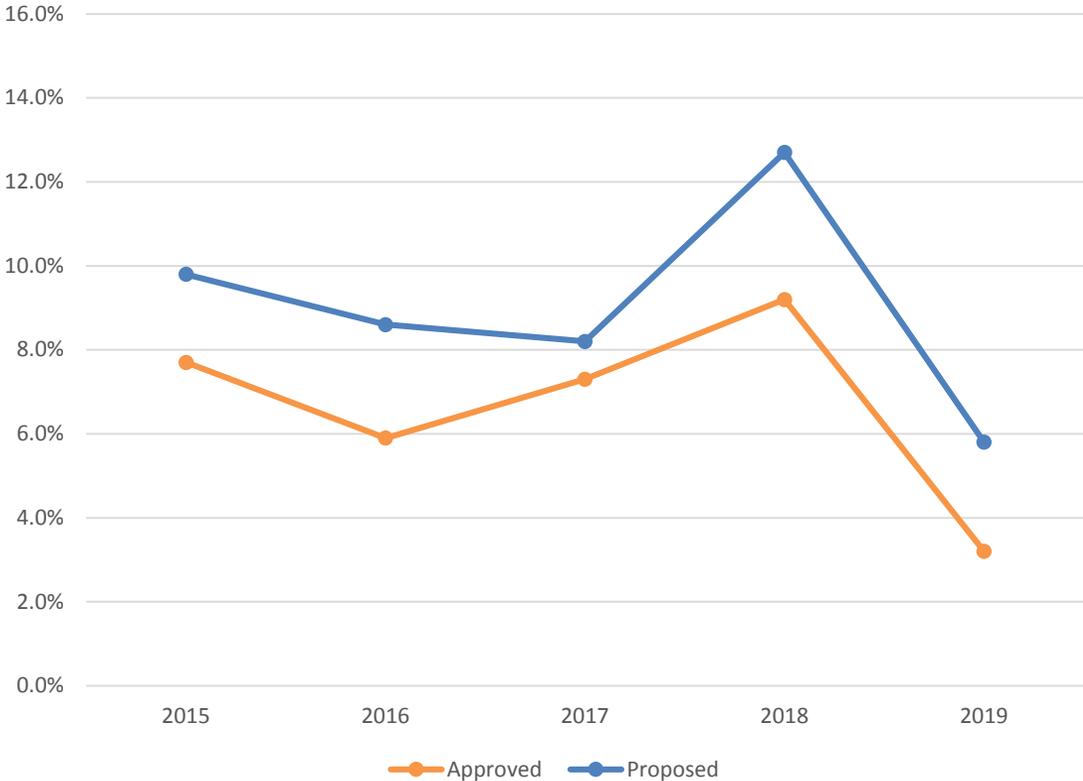


* The "effective" rate increases – the actual rate increases that will be experienced by Vermonters – take into account the availability of additional federal subsidy dollars resulting from changes made to Vermont law during the 2018 legislative session.

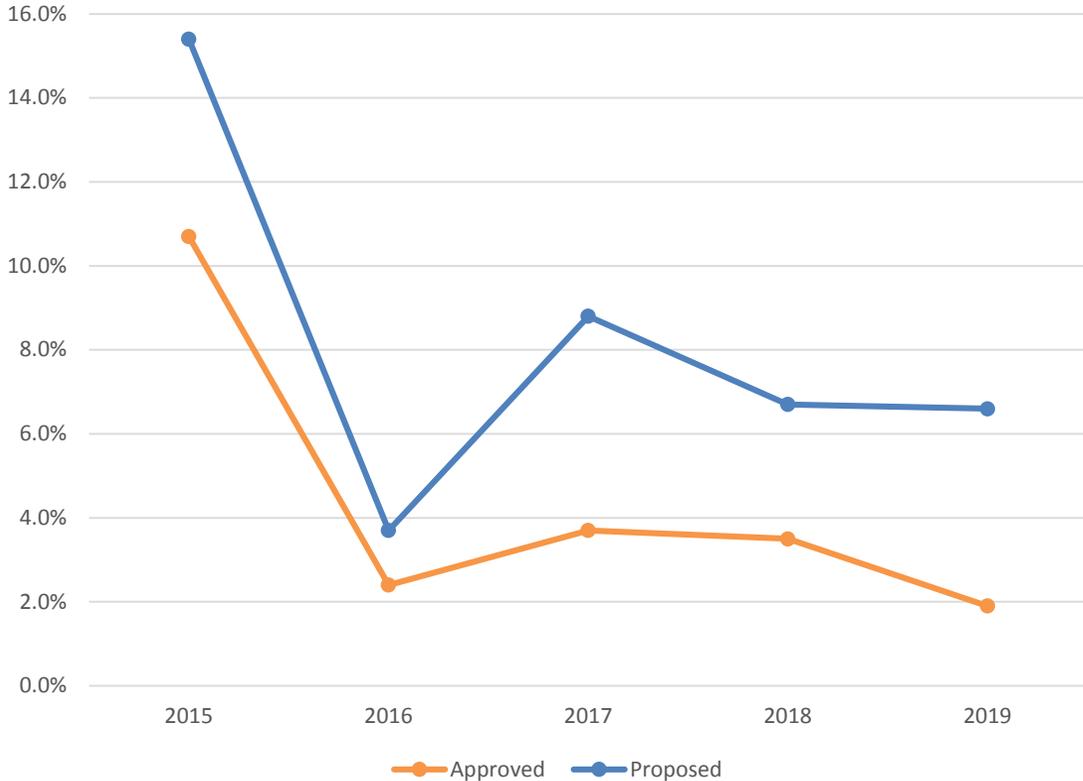
Performance Measure

Rates for VT Health Connect Products

BCBS - FY19 \$12.9M savings to VHC insured population

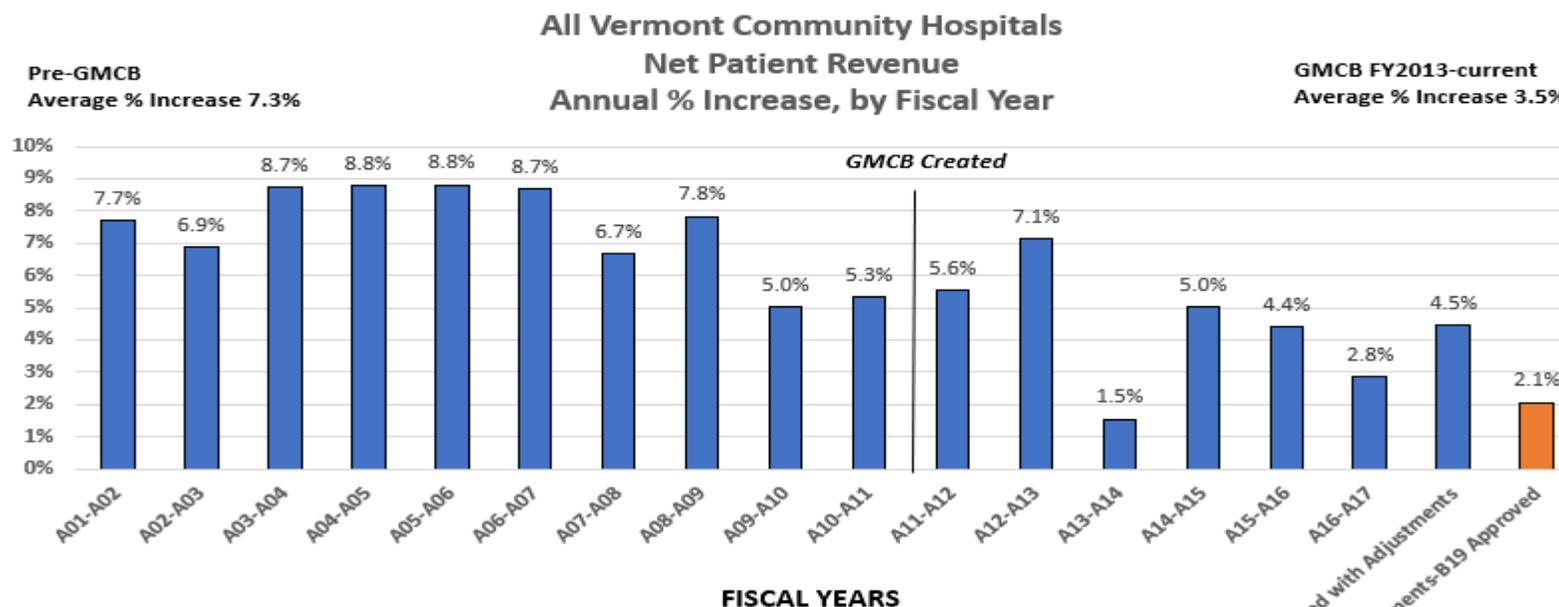


MVP – FY19 \$6.5M savings to VHC insured population



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.

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

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.

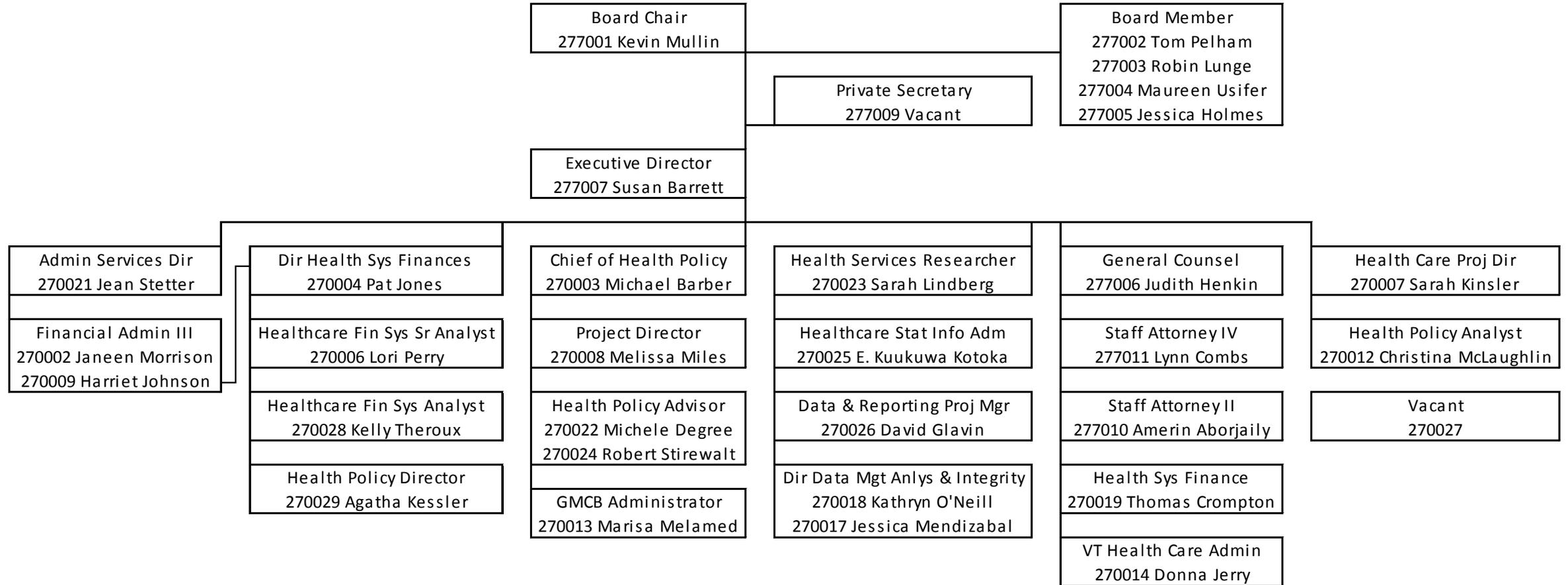
Data & Analytics

- 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.

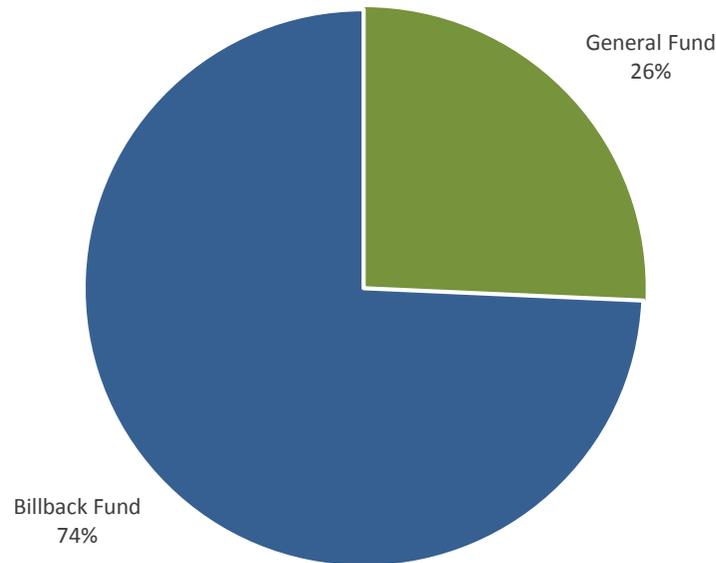
GMCB February 2019



Green Mountain Care Board FY 2020 Governor's Recommend Budget

MISSION:

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



FY 2020 SUMMARY & HIGHLIGHTS

- All Funds **-\$64k** or **-0.8%**
 - +0.9% General Fund up \$19k (Retirement/Benefits)
 - +72% Billback Fund up \$2.5M
 - **-100%** Global Commitment down **-\$2.5M**
 - **-100%** Federal Fund down **-\$70k**
 - **-100%** HIT Fund down **-\$60k**
- 5 Board, 5 Exempt, 22 Classified positions
- Billback Statute
 - 18 V.S.A. § 9374 (h) currently requires that 40% by the State from State monies and 60% by Industry
 - Governor's Recommended Budget: 26% by the State from State monies and 74% by Industry

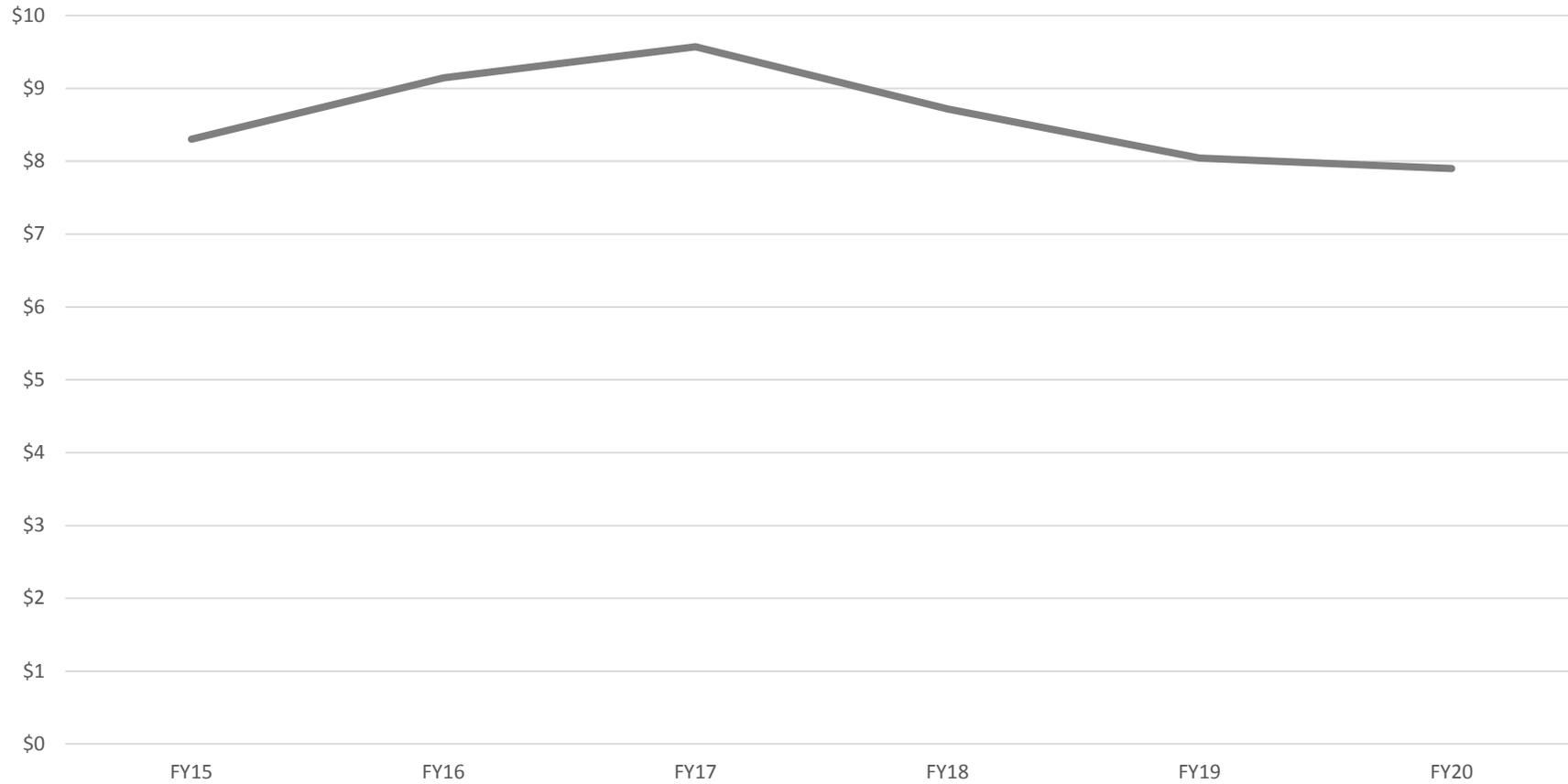
Crosswalk

Fiscal Year 2020 Budget Development Form - Green Mountain Care Board

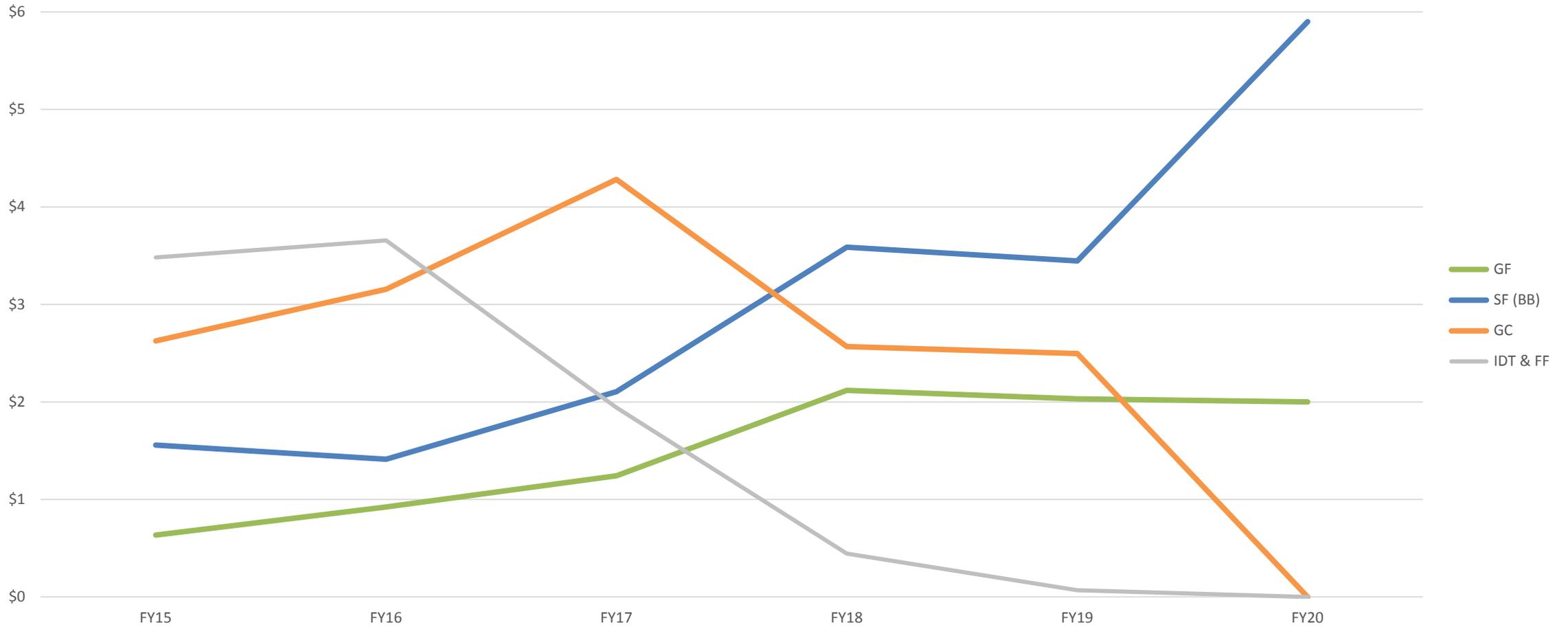
	General \$\$	Transp \$\$	Special \$\$	Tobacco \$\$	Federal \$\$	Interdept'l Transfer \$\$	Global Commitment \$\$	Total \$\$
Green Mountain Care Board: FY 2019 Approp	2,032,469	0	3,446,789	0	70,000	0	2,495,518	8,044,776
Other Changes: (Please insert changes to your base appropriation that occurred after the passage of Act 11)								0
FY 2019 After Other Changes	0	0	0	0	0	0	0	0
Total Approp. After FY 2019 Other Changes	2,032,469	0	3,446,789	0	70,000	0	2,495,518	8,044,776
Reduced contracts as Cycle IV Rate Review grant ends in FY19					(70,000)			(70,000)
HIT Funds to AHS			(60,000)					(60,000)
Health Care Advocate level funded FY19 As Passed (\$510k)								0
Salary changes	24,037		34,812				24,037	82,886
Benefits (retirement rate increase, health ins plan changes, etc)	46,271		86,079				27,205	159,555
Vacancy savings to 2%	20,721		30,009				20,721	71,451
Operating expenses (primarily FFS)	1,265		1,827				1,593	4,685
Contract changes - ACO development & current VHCURES savings	(73,290)		(105,719)				(73,556)	(252,565)
Remove all Global Commitment dollars 01/18/19			2,495,518				(2,495,518)	0
								0
Subtotal of Increases/Decreases	19,004	0	2,482,526	0	(70,000)	0	(2,495,518)	(63,988)
FY 2020 Governor Recommend	2,051,473	0	5,929,315	0	0	0	0	7,980,788
Green Mountain Care Board FY 2019 Appropriation	2,032,469	0	3,446,789	0	70,000	0	2,495,518	8,044,776
Reductions and Other Changes	0	0	0	0	0	0	0	0
SFY 2019 Total After Reductions and Other Changes	0	0	0	0	0	0	0	0
TOTAL INCREASES/DECREASES	19,004	0	2,482,526	0	(70,000)	0	(2,495,518)	(63,988)
Green Mountain Care Board FY 2020 Governor Recommend	2,051,473	0	5,929,315	0	0	0	0	7,980,788
	0.9%		72.0%		-100.0%		-100.0%	-0.8%



Total Appropriation (in millions)

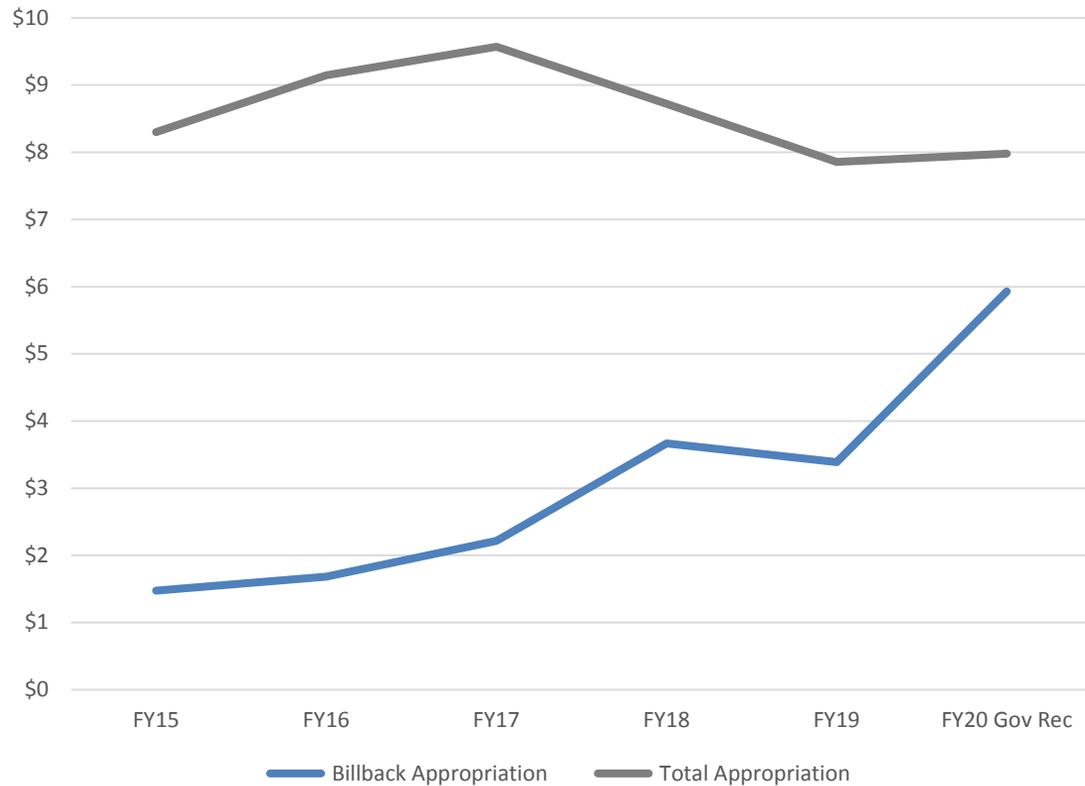


Appropriation by Fund Source (in millions)



Industry Billback

Appropriation (in millions)



Allocation

Includes HCA, but not VPQHC

	FY17	FY18	FY19	FY20
State	40%	40%	40%	26.0%
HMS (BCBS)	15%			
HMO (MVP & BCBS)	15%	45%	24%	29.6%
Insurer (MVP, Cigna & Other)	15%			
Hospitals	15%	15%	30%	37.0%
ACO	0%	0%	6%	7.4%
	100%	100%	100%	100%

Industry Billback FY14 - FY18 Actual, FY19-FY20 Estimate (in thousands)

Organization Name	FY14	FY15	FY16	FY17	FY18	FY19	FY20
UVMMC	\$ 192	\$ 244	\$ 253	\$ 262	\$ 369		
Rutland	58	75	78	88	120		
CVMC	30	46	52	58	79		
Southwestern	39	52	47	47	65		
Northwestern	22	31	32	37	50		
Springfield	20	28	28	27	38		
Copley	15	20	22	24	35		
Brattleboro	17	22	21	22	32		
Porter	16	21	23	22	29		
North Country	13	19	19	20	27		
Northeastern	14	17	17	19	26		
Gifford	12	17	17	19	25		
Mt Ascutney	4	5	5	5	7		
Carlos Otis	2	3	2	2	2		
Total for Hospitals	\$ 454	\$ 600	\$ 618	\$ 652	\$ 904	\$ 1,120	\$ 2,965
Blue Cross and Blue Sheild of Vermont	\$ 322	\$ 468	\$ 486	\$ 520	\$ 1,570		
MVP Health Plan Inc	8	13	153	198	228		
MVP Health Insurance Company	244	345	337	299	192		
The Vermont Health Plan, LLC	305	617	400	285	126		
Cigna Health and Life Ins Co	6	87	150	173	-		
Connecticut General Life Insurance Company	151	(28)	7	0	-		
Cigna Health and Life Ins Co/Connecticut General Life Ins Co	-	-	-	-	127		
UnitedHealthcare Insurance Company	21	7	28	47	36		
Aetna Life Insurance Company	22	11	16	32	29		
MVP Health Services Corp	-	-	-	-	10		
4 Ever Life Insurance Company	0	(0)	4	6	4		
State Farm Mutual Automobile Insurance Company	2	1	2	3	3		
QCC Insurance Company	4	2	4	5	3		
MVP Health Insurance Company of New Hampshire, Inc.	8	13	-	-	-		
All Other	3	1	1	1	1		
Total for Insurers	\$ 1,096	\$ 1,536	\$ 1,589	\$ 1,568	\$ 2,330	\$ 1,280	\$ 2,372
Total ACO	\$ -	\$ 155	\$ 593				
Grand TOTAL	\$ 1,550	\$ 2,135	\$ 2,206	\$ 2,220	\$ 3,234	\$ 2,555	\$ 5,929

Billback Notes:

Hospital calculation based on budgeted acute admissions.

Insurance Company calculations based on Earned Premium.

Insurance companies assessed are licensed to do business in Vermont.

For FY19, the ACO will be assessed as per the statute.

Resource Slides

- [Annual Report](#)
- [Legislative Reports](#)
- [Insurance Rate Review](#)
- [All-Payer Model Information](#)
- [Billback Report](#)