

Blue Cross and Blue Shield of Vermont and Health Care Reform in Vermont

Senate Health and Welfare Committee

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Overview

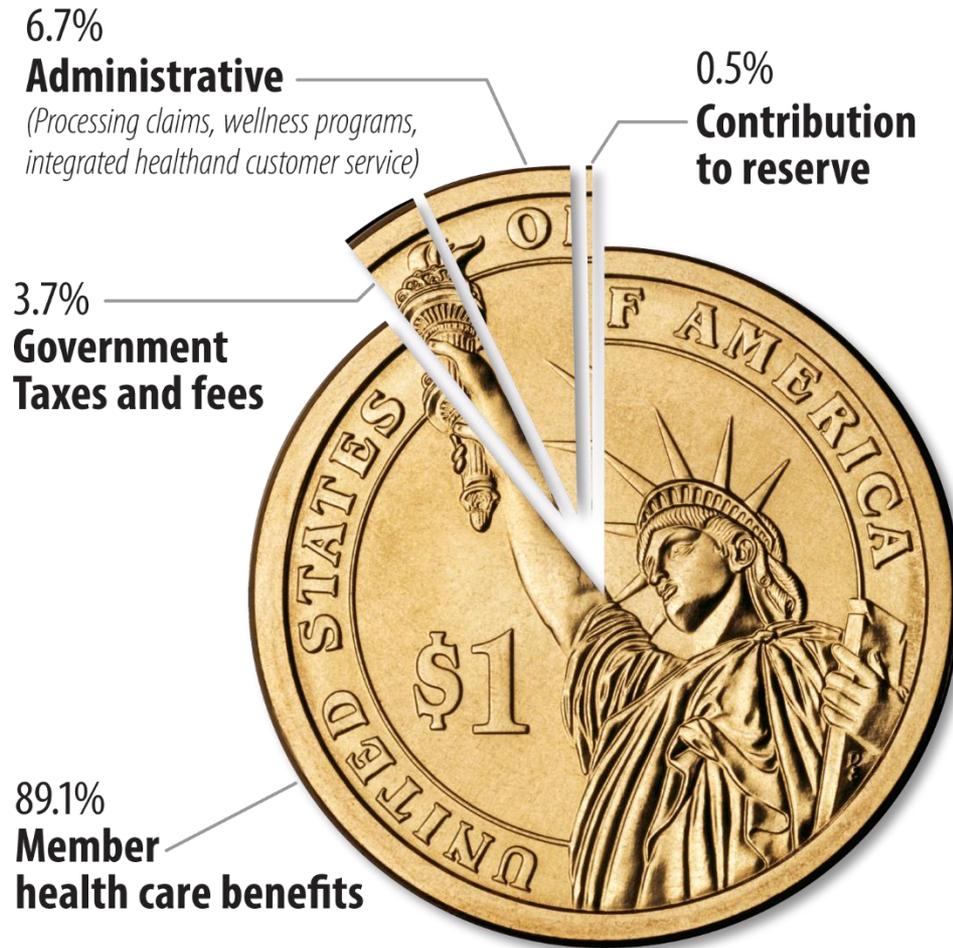
- BCBSVT Profile – *Who We Are*
- What makes up premiums?
- ACA marketplace disruption
- All Payer model
 - Collaborating with the Vermont ACO
- Advocating and advancing meaningful reform

BCBSVT Profile – *Who We Are*

- Independent; not-for-profit; Blue plan serving all Vermont markets and 235,000 Vermonters
 - Vermont company serving only Vermonters
- Every member of our team based in Vermont
 - Local Board and 425 employees
- Partner in state health care initiatives and reform efforts
- Vermont based mission and customer support

Local Mission and Service, Worldwide Access to Care

What makes up our premiums?



Based on 2018 Qualified Health Plan premium

Vermont ACA Marketplace Disruption



We should be looking at the structure of the entire Vermont Marketplace

BCBSVT's Role in the All Payer Model

Financial Risk Sharing Model

- 2014 – 2017 – Vermont Shared Savings Model
 - “Upside only” model rewarding providers for managing costs
 - All attributed Qualified Health Plan members included in the program
- 2018 – 2019 – All Payer ACO Model
 - 50%-50% risk share, strengthening provider incentives to manage costs
 - All attributed Qualified Health Plan members included in the program
 - Piloting ASO participation in ACO risk share
- 2020 and beyond – All Payer ACO Model
 - Shift towards 100% risk and global capitation
 - Expanded pool of members to be included in the program

ACO Attribution/Scale Target

BCBSVT is the only Commercial Payer participating

Model Agreement Requirements: Scale Estimates

Payer	2018 (Performance Year 1)			2019 (Performance Year 2)		
	APM Pop.	Pop. in Scale Target Initiatives	Scale Performance (Target)	APM Pop.	Pop. in Scale Target Initiatives	Scale Performance (Target)
Medicare	115,029	39,702	36% (60%)	~120,000	58,782	~50% (75%)
Medicaid	136,407	42,342		~140,000	79,150	
Commercial Self-Funded	182,151	9,874		~170,000	35,984	
Commercial Fully Insured	105,473	20,838		~110,000	22,502	
Commercial Medicare Advantage	11,749	0		~14,000	0	
All-Payer Total	550,809	112,756	20% (35%)	~554,000	196,418	~35% (50%)

- All current and projected commercial lives are BCBSVT members
- BCBSVT membership will grow as OneCare Network grows
- BCBSVT Large Group Insured and AHP populations ready to join program as soon as OneCare is ready to manage them

BCBSVT's Role in the All Payer Model

Collaborating to Improve the Quality and Value of Care

- BCBSVT contract with OneCare Vermont includes full support for All Payer Model quality measures
 - Six measures linked to payment
- BCBSVT and OneCare Vermont Clinical and Analytics teams meet quarterly to
 - identify opportunities
 - coordinate programming
 - maintain communication
- Joint teams have co-sponsored a number of care improvement initiatives

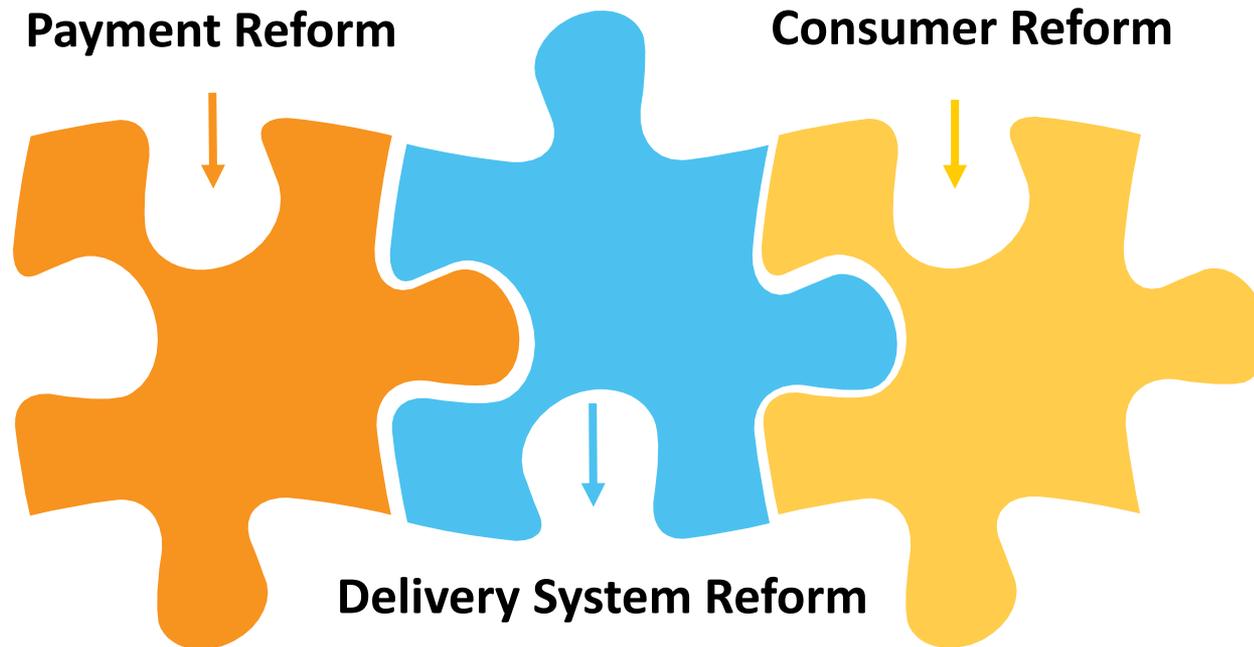
Reform Efforts and Healthcare Finance

Supporting and Leading Reform Efforts

- BCBSVT has a history of reform programs with provider collaboration supporting new models of care delivery and payment reform



Comprehensive Health Care Reform



Advocating and advancing meaningful reform

- Underfunding is not cost containment
- Payers, providers and government working together to create change
- Need to shift conversation and focus to creating affordability
- Continually identifying areas for collaboration and improvement
- Comprehensive health care reform never ends

A transformed health care system in which every Vermonter has health care coverage, and receives timely, effective, affordable care

~BCBSVT Vision~