2021 Healthcare Affordability State Policy Scorecard

Polling data repeatedly shows that healthcare affordability is the number one issue that state residents, on both sides of the political aisle, want their policymakers to work on. This scorecard identifies areas where Vermont is doing well and areas where it can improve. It reflects policies implemented as of Dec. 31, 2020.

STATE: VERMONT **RANK: 3** out of 47 states + DC

***TOTAL SCORE:** 57.1 OUT OF 80 POSSIBLE POINTS*

Vermont has many policies to address affordability, but still has much work to do to. According to SHADAC, 9% of VT adults could not get needed medical care due to cost as of 2019, and the share of people with other affordability burdens is far higher. While VT's uninsurance rate (4.5%) may be a factor, healthcare is increasingly unaffordable largely due to high costs that affect everyone. According to the PCE, healthcare spending per person in VT grew 20% between 2013 and 2019, totaling $9,012 in 2019.*

	POLICY SCORE	OUTCOME SCORE	RECOMMENDATIONS
CURB EXCESS PRICES IN THE SYSTEM	**9.0 OUT OF 10 POINTS** VT is a leader in this area, with an active APCD, a healthcare spending oversight entity and spending targets.	**3.3 OUT OF 10 POINTS** High private prices are one factor driving costs. VT's inpatient private payer prices are 205% of Medicare prices, placing them in the middle range of all states. Ranked 34 out of 48 states, plus DC.	*Despite VT's strong policies, year-over-year increases in healthcare prices overwhelmingly drive state healthcare spending. Vermont should consider strong price transparency requirements.*
REDUCE LOW-VALUE CARE	**1.8 OUT OF 10 POINTS** VT requires some forms of patient safety reporting. 93% of hospitals have adopted antibiotic stewardship. VT has not yet measured the extent of low-value care being provided.	**9.0 OUT OF 10 POINTS** VT has less low-value care than the national average. Ranked 2 out of 50 states, plus DC.	*VT's overuse of low-value care is less than the national average, however they can still enact policies to improve care for residents. VT should consider using claims and EHR data to identify unnecessary care and enacting a multi-stakeholder effort to reduce it.*
EXTEND COVERAGE TO ALL RESIDENTS	**8.5 OUT OF 10 POINTS** Medicaid coverage for childless adults extends to 138% of FPL. Only lawfully residing immigrant children/pregnant women can access state coverage options. VT uses premium subsidies and Medicaid buy-in to reduce costs in the non-group market. Private payer rates are subject to affordability review.	**9.0 OUT OF 10 POINTS** VT is among the states with the least uninsured people, still 5% of VT residents are uninsured. Ranked 5 out of 50 states, plus DC.	*VT should consider offering coverage options for undocumented children and adults.*
MAKE OUT-OF-POCKET COSTS AFFORDABLE	**7.6 OUT OF 10 POINTS** VT has banned or heavily regulated short-term, limited-duration health plans; has partial surprise medical bill protections; caps cost-sharing for some high-value services; and has patient-centered, standard plan designs on their exchange.	**8.9 OUT OF 10 POINTS** VT ranked well in terms of affordability burdens (6 out of 49 states, plus DC), but 9% of adults could not get needed medical care due to cost. The share of people with other affordability burdens is far higher.	*VT should consider a suite of measures to ease consumer burdens, such as surprise medical bill protections not addressed by the federal No Surprises Act.*

APCD = All-Payer Claims Database **CHESS** = Consumer Healthcare Experience State Survey **CMS** = Centers for Medicare and Medicaid Services **EHR** = Electronic Health Records **FPL** = Federal Poverty Level **PCE** = Personal Consumption Expenditure (Healthcare PCE measures spending growth among households as well as nonprofit, commercial and government hospitals/nursing homes) **SHADAC** = State Health Access Data Assistance Center **SMB** = Surprise Medical Bill **STLD** = Short-Term, Limited-Duration

Full report and additional details at **www.HealthcareValueHub.org/Affordability-Scorecard/Vermont**

ALTARUM HEALTHCARE VALUE HUB

Healthcare Affordability State Policy Scorecard

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VERMONT NOTES

Methodological Notes:

State rank reflects the weighted sum of the policy and outcome scoring components. A lower state rank number (i.e. close to 1) reflects a higher overall score and better performance when compared to other states. For a complete discussion of methodology, please see healthcarevaluehub.org/affordability-scorecard/methodology.

Curb Excess Prices in the System:

In order to receive credit for price transparency tools, a state's tool had to be public-facing, searchable by specific procedure and hospital and show the negotiated rate paid by insurance plans/patients (not chargemaster rate). Vermont did not have a tool that met this criteria. VT has a healthcare spending oversight entity that targets all spending; all-payer spending benchmarks or price controls that are mandatory for all; and an APCD. Providers participating in VT's All-Payer ACO model are subject to spending benchmarks but those outside the model are not.

Reduce Low-Value Care:

According to the Johns Hopkins Overuse Index created using Medicare data, VT's overuse of low-value care is 2.1 standard deviations below the national average, which is likely a good thing assuming they are also delivering appropriate care. Improper use of antibiotics is another type of low-value care. VT mandates reporting and validation for CLABSI, but not for CAUTI. Antibiotic stewardship is the effort to measure and improve how antibiotics are prescribed by clinicians and used by patients—states were scored on what share of their hospitals follow the CDC's stewardship program.

Extend Coverage to All Residents:

VT funds premium subsidies and cost-sharing reductions, as well as a Medicaid Buy-In option for uninsured children in families with household incomes between 225-300% of FPL. VT offers Medicaid coverage to lawfully residing immigrant pregnant women and children without a 5-year wait. VT does not offer coverage options for undocumented children/pregnant people/adults. VT law requires its Green Mountain Care Board to determine whether proposed rates are affordable and promote the quality of, and access to, healthcare prior to being approved. VT is also an 'active purchaser,' which helps keep premiums down on the exchange.

Make Out-of-Pocket Costs Affordable:

High-deductible health plans create barriers to care for many families. According to SHADAC, the average family deductible among employer insurance plans in VT rose 14% between 2013 and 2019, totaling $3,330 in 2019. States should consider exploring new policies to reduce financial barriers to care for people with high-deductible health plans, although there are limits to how much states can influence employer insurance and Medicare. In response to rising insurance costs, some people turn to STLD health plans, which offer lower monthly premiums compared to ACA-compliant plans. However, these policies offer less coverage, can discriminate against people with pre-existing conditions and pose significant financial risks for consumers. States received credit depending on how much they limit or protect against these plans. VT has partial protections against surprise medical bills. 'Comprehensive' surprise medical billing protections include emergency departments and hospitals, apply to all insurance types, hold consumers harmless/prevent balance billing and adopt adequate payment standard or dispute resolution process. States with only some of these policies have 'partial' protections. The federal No Surprises Act prohibits surprise medical billing in most plans effective January 2022. However, it does not cover ground ambulances which often result in surprise bills. States can still implement protections in this area—64% of ground ambulance rides in VT charged to commercial insurance plans had the potential for surprise medical billing (Given the convenience sampling of the dataset and small sample size of VT [302], results may not be representative and should be interpreted with caution).* See Methodology for details. Standardized benefit plans include the following pre-deductible services with low to moderate copay amounts, including: non-preventive primary care; specialty care; mental health and substance use disorder treatment; urgent care; and generic prescription drugs. Routine pediatric care such as eye exams and dental exams are also available pre-deductible with little or no copayments. VT mandates separate prescription drug deductibles to lower financial barriers to needed medication.

* Informational data, not used in state score or ranking. Scorecard Updated: Sept. 17, 2021