

The Call for Single Payer: One State's Experience

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Vermont: The Road to Reform

20+ year history of health reform

- Dr. Dynasaur, VHAP, Catamount, etc.

Federal legislation

- Affordable Care Act in 2010

Vermont legislation

- Act 48 in 2011 – Defining Reform
- Act 171 in 2012 – Implementing Reform
- Act 133 of 2016 – ACO Regulation
- Many studies that ask, “what’s next?”

Federal Agreements

- 1115 Medicaid Waiver
- VT All Payer ACO Agreement



Universal Publicly Financed Coverage

Universal Publically Financed Coverage: Green Mountain Care (Where We Have Been)

All Vermonters by virtue of residency

- Primary for most
- Secondary for those with other coverage (e.g. Medicare)

Comprehensive covered services and cost-sharing based on Affordable Care Act

Requires U.S. HHS & Treasury to grant a waiver from ACA rules & CMS to grant a waiver from Medicaid rules

Universal Publicly Financed Coverage: Road to a Finance Proposal

Green Mountain Care should feature a new funding source, not new funding

- A belief that policy debate should focus on redirecting the money Vermonters already spend

Moving from Financing Concept to Finance Plan: Major Headwinds

Federal and state funding estimates for Green Mountain Care were less than expected.

Critical policy choices not included in previous reports cost more money.

Economy grew more slowly than we had expected.

Easing the transition for thousands of small Vermont businesses into Green Mountain Care was necessary but extremely expensive.

Public Financing Proposal

- Uniform payroll tax was estimated to be:
 - **11.5 % tax** on all Vermont businesses on their qualifying Vermont payroll, no exceptions and no transitions

Income Based Public Premium would have been:

- Sliding scale from **0%-9.5% of income**, depending upon income and family size,
- All Vermonters over 400% FPL (\$102,220 for family of 4 in 2017) to pay 9.5% of income, capped at \$27,500.

Where Are We Now: All-Payer ACO Model

All-Payer ACO Model Agreement: Framework for Transformation

- State action on financial trends & quality measures
 - Moves from volume-driven fee-for-service payment to a value-based, pre-paid model for ACOs
 - ✓ All-Payer Growth Target: 3.5%
 - ✓ Medicare Growth Target: 0.1-0.2% below national
 - Requires alignment across Medicare, Medicaid, and participating Commercial payers
- Scale targets

	Performance Year 1 (2018)	Performance Year 2 (2019)	Performance Year 3 (2020)	Performance Year 4 (2021)	Performance Year 5 (2022)
All-Payer Scale Target	36%	50%	58%	62%	70%
Medicare Scale Target	60%	75%	79%	83%	90%

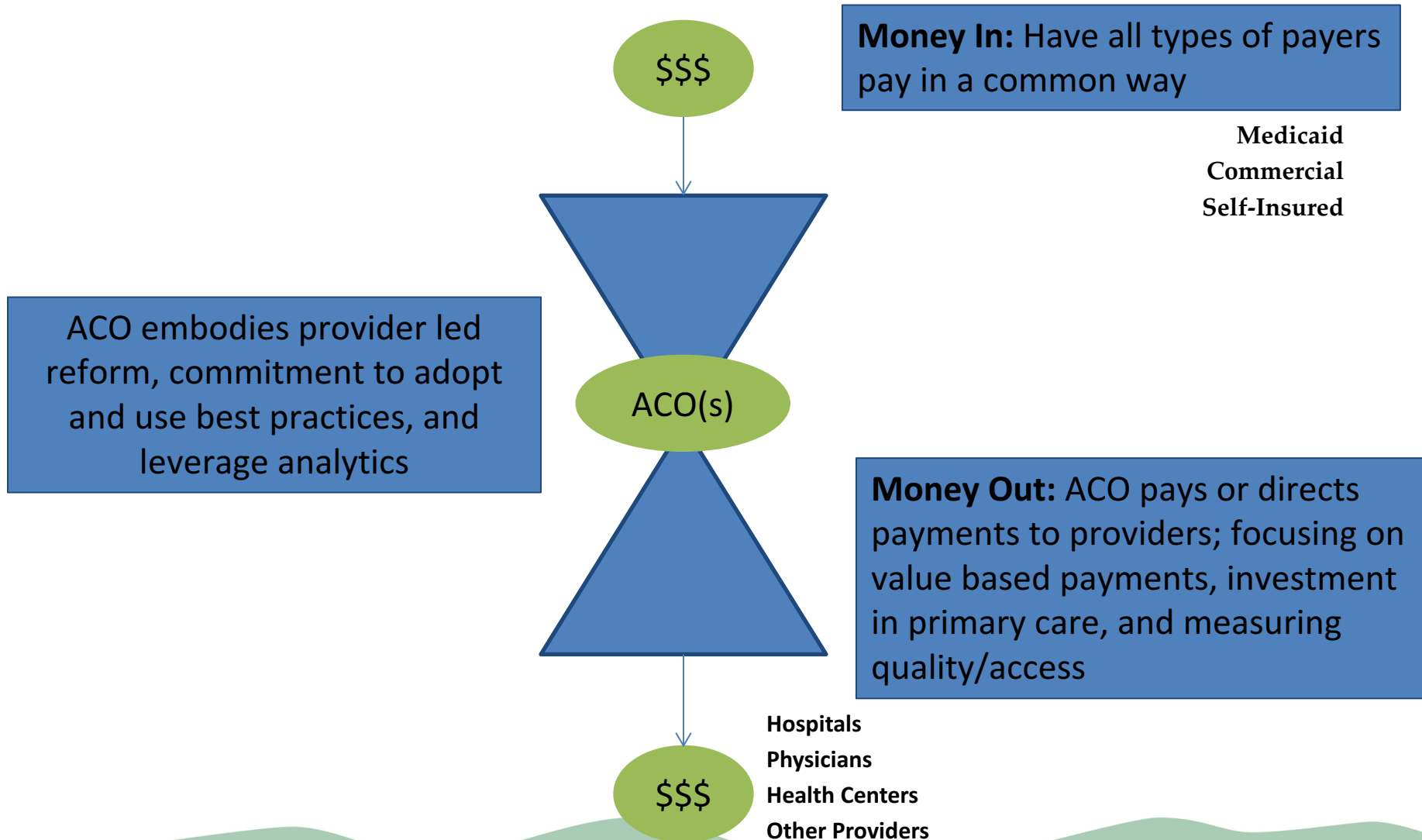
All-Payer ACO Model Agreement: Overarching Population Health Goals

3 important goals to improve the health of
Vermonters:

- #1: Improving access to primary care**
- #2: Reducing deaths from suicide and drug overdose**
- #3: Reducing prevalence and morbidity of chronic disease (COPD, Diabetes, Hypertension)**

Vermont's priorities helped inform these goals
(e.g., State Health Improvement Plan)

All-Payer Model Conceptual Framework





Thank You!

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