



Welcome to

Spotlight on Vermont: A Small State with Big Ambitions

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Welcome and Introduction

Lynn Quincy

Director, Healthcare Value Hub



Housekeeping

- **Thank you for joining us today**
- **All lines are muted until Q&A**
- **Technical problems? Please text/call Tad Lee at 703-408-3204 or our office at 202-462-6262. Or use the Chat function in the webinar.**



Agenda for Today

Welcome & Introduction

- Lynn Quincy (Consumers Union, Healthcare Value Hub)

A Brief History of Health Reform in Vermont

- Georgia Maheras (Deputy Director for Health Care Reform, State of Vermont)

The Green Mountain Care Board

- Susan Barrett (Executive Director, Green Mountain Care Board)

The Vermont Health Care Innovation Project

- Georgia Maheras (Deputy Director for Health Care Reform, State of Vermont)

Universal Coverage and the All Payer Model

- Michael Costa (Deputy Director of Health Care Reform, State of Vermont)

An Advocate's Perspective

- Julia Shaw (Health Care Policy Analyst, Office of the Health Care Advocate)

Q & A

Finding Value in Health Care Reform

Georgia Maheras

Deputy Director for Health Care Reform, State of Vermont

Susan Barrett

Executive Director, Green Mountain Care Board

Michael Costa

Deputy Director of Health Care Reform, State of Vermont

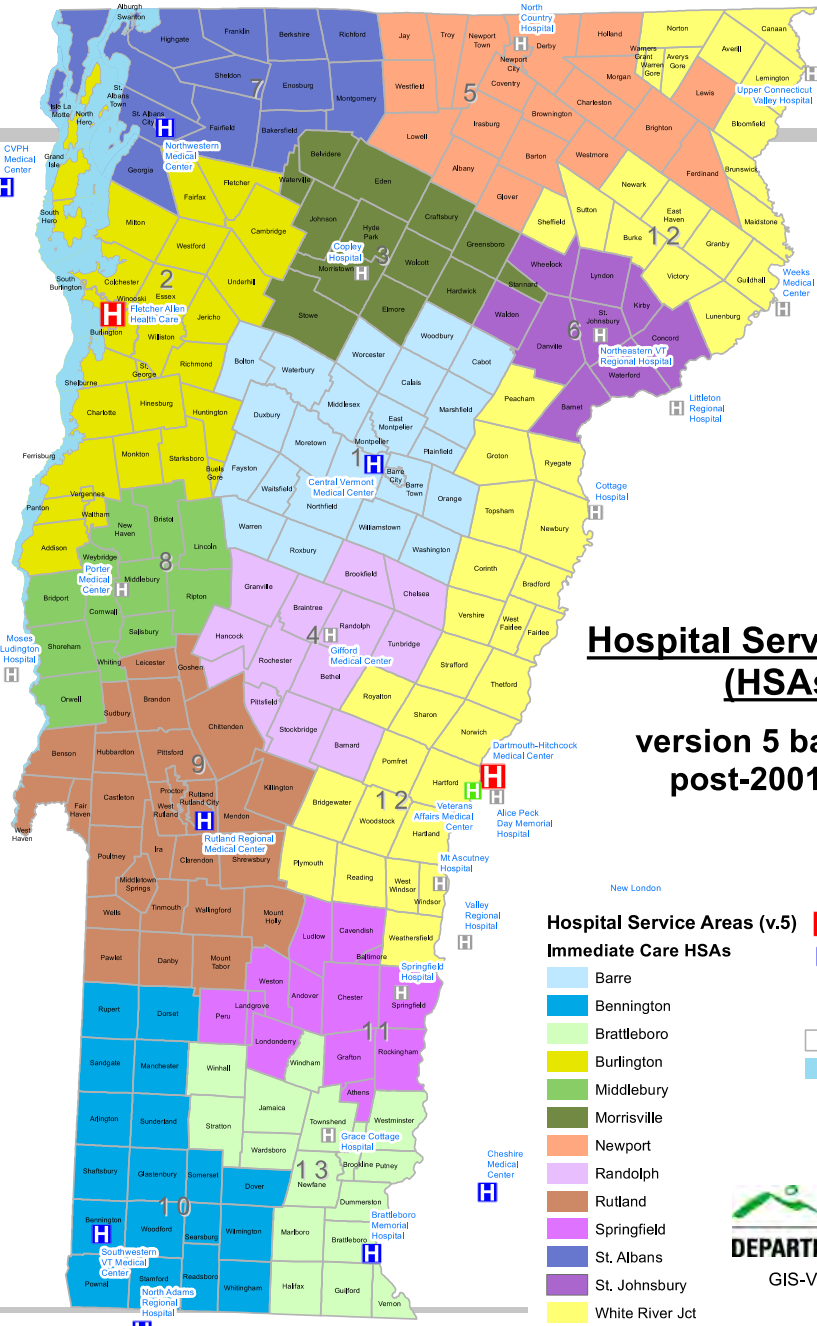
Julia Shaw

Health Care Policy Analyst, Office of the Health Care Advocate

Vermont's Delivery System

Some Features of Vermont's Health System

- 14 community hospitals, including 8 critical access hospitals (fewer than 25 beds)
- 1 in-state academic medical center, plus Dartmouth-Hitchcock, provide most tertiary care
- 11 FQHCs serving more than 120,000 Vermonters
- Fewer than 2000 physicians, more than half of whom are employed
- 3 health insurance carriers, only 2 in small group market
- 2.9% uninsured



Hospital Service Areas (HSAs)

version 5 based post-2001

Hospital Service Areas (v.5)

Immediate Care HSAs

- Barre
- Bennington
- Brattleboro
- Burlington
- Middlebury
- Morrisville
- Newport
- Randolph
- Rutland
- Springfield
- St. Albans
- St. Johnsbury
- White River Jct



VERMONT HEALTH REFORM



How did we get here?

- 20 year history of health reform:
 - Dr. Dynasaur, VHAP, Catamount, etc.
- Federal legislation:
 - Affordable Care Act in 2010
- Vermont legislation:
 - Act 48 in 2011
 - Act 171 in 2012
 - H.812
 - Studies that ask, “what’s next?”



VERMONT HEALTH REFORM

Innovation:

Finding the Way Towards Value

- Vermont's long history of innovation includes a potent brew:
 - A belief that public policy can and should play a role in providing health care value to Vermonters
 - A willingness to lead, being way out in front of the federal government and other states
 - The courage to think big and, if it doesn't work, find a way to move forward anyway
- Innovations that illustrate these points
 - Blueprint for Health
 - SIM Round 1 Test
 - Green Mountain Care/Single Payer
 - All Payer Model
 - Dr. Dynasaur 2.0 Study
 - Universal Primary Care Study
- These initiatives seem different but they are thematically coherent:
 - They are all different attempts to achieve the same goal: improve affordability, quality, and access to provide real value to Vermonters.

What are the newest reforms about?

financial ^{quality} _{misaligned} medical
care ^{shared} **coordination** _{payers}
patient-experience _{reform} ^{lower} **bundle**
pay-for-performance **episode**
fragmentation ^{incentives}
change ^{social} **capitation** **savings**
providers ^{behavioral costs} **motivate** **payment**



The Green Mountain Care Board

Susan Barrett

Executive Director,
Green Mountain Care Board



Who is the Green Mountain Care Board (GMCB)?

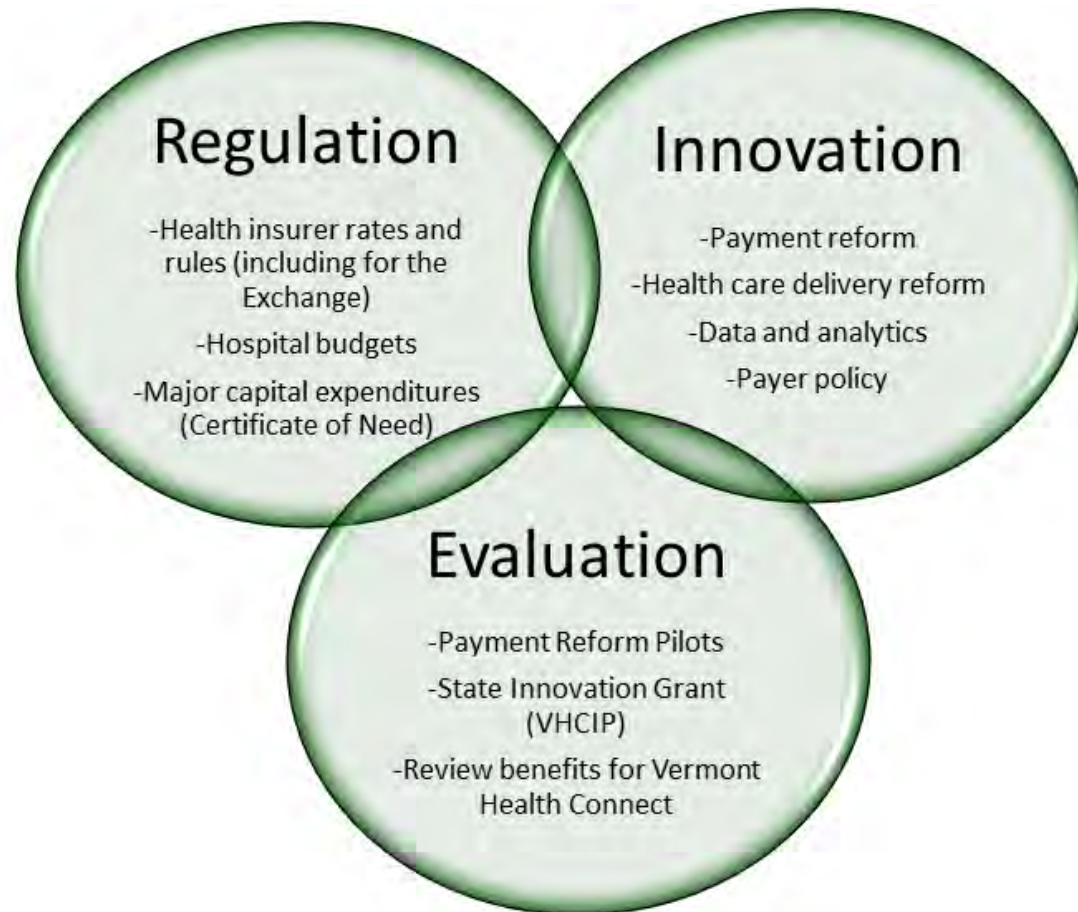
The GMCB was created by the Vermont Legislature in 2011. It is an independent group of five Vermonters who, with their staff, are charged with ensuring that changes in the health system improve quality while stabilizing costs.

Nominated by a broad-based committee and appointed by Governor Peter Shumlin, the Board includes:

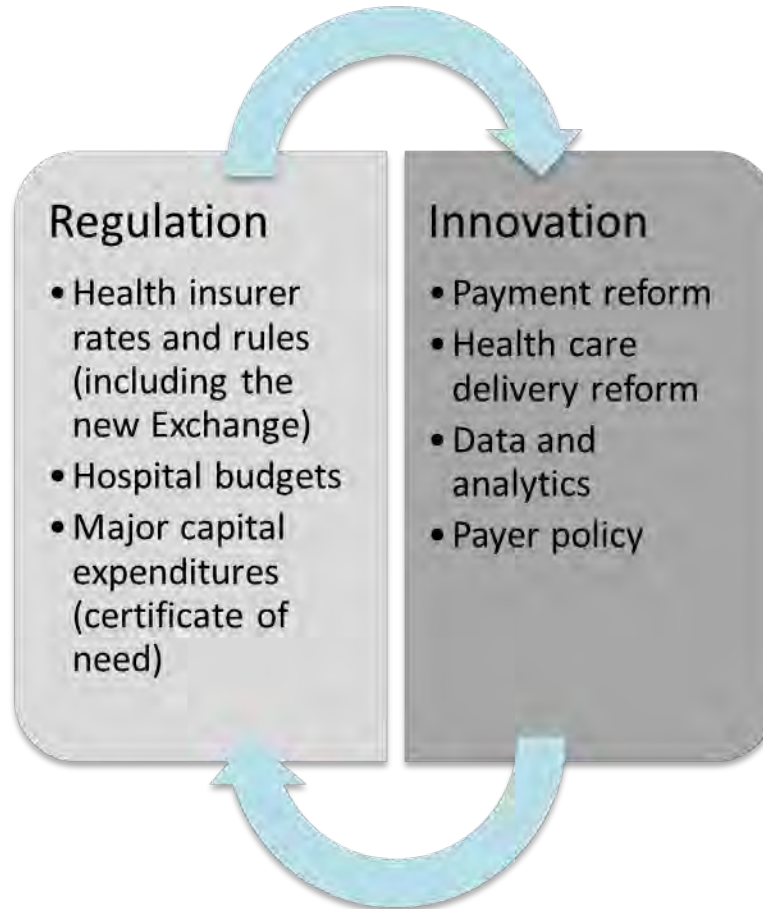
- Chair Al Gobeille
- Cornelius Hogan
- Betty Rambur, Ph.D., R.N.
- Allan Ramsay, M.D.
- Jessica A. Holmes, Ph.D.

Role of GMCB

Created by Act 48 of 2011



Role of GMCB



Act 54 of 2015

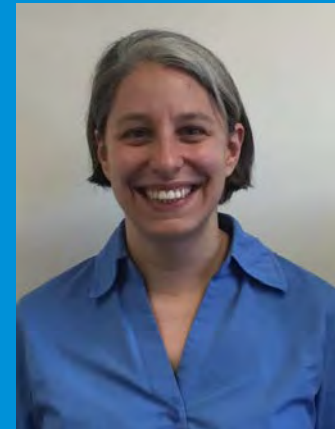
The Secretary of Administration or designee and the Green Mountain Care Board shall jointly explore an all-payer model, which may be achieved through a waiver from the Centers for Medicare and Medicaid Services.



The Vermont Health Care Innovation Project

Georgia Maheras

Deputy Director for Health
Care Reform, **State of
Vermont**



VHCIP Goals and Program Design

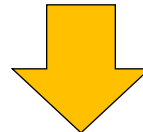
Payment Model Design
and Implementation

Practice Transformation

Health Data
Infrastructure

Evaluation

Program Management



Reduce Health
Care Costs

Improve
Population
Health



Improve
Quality of
Care

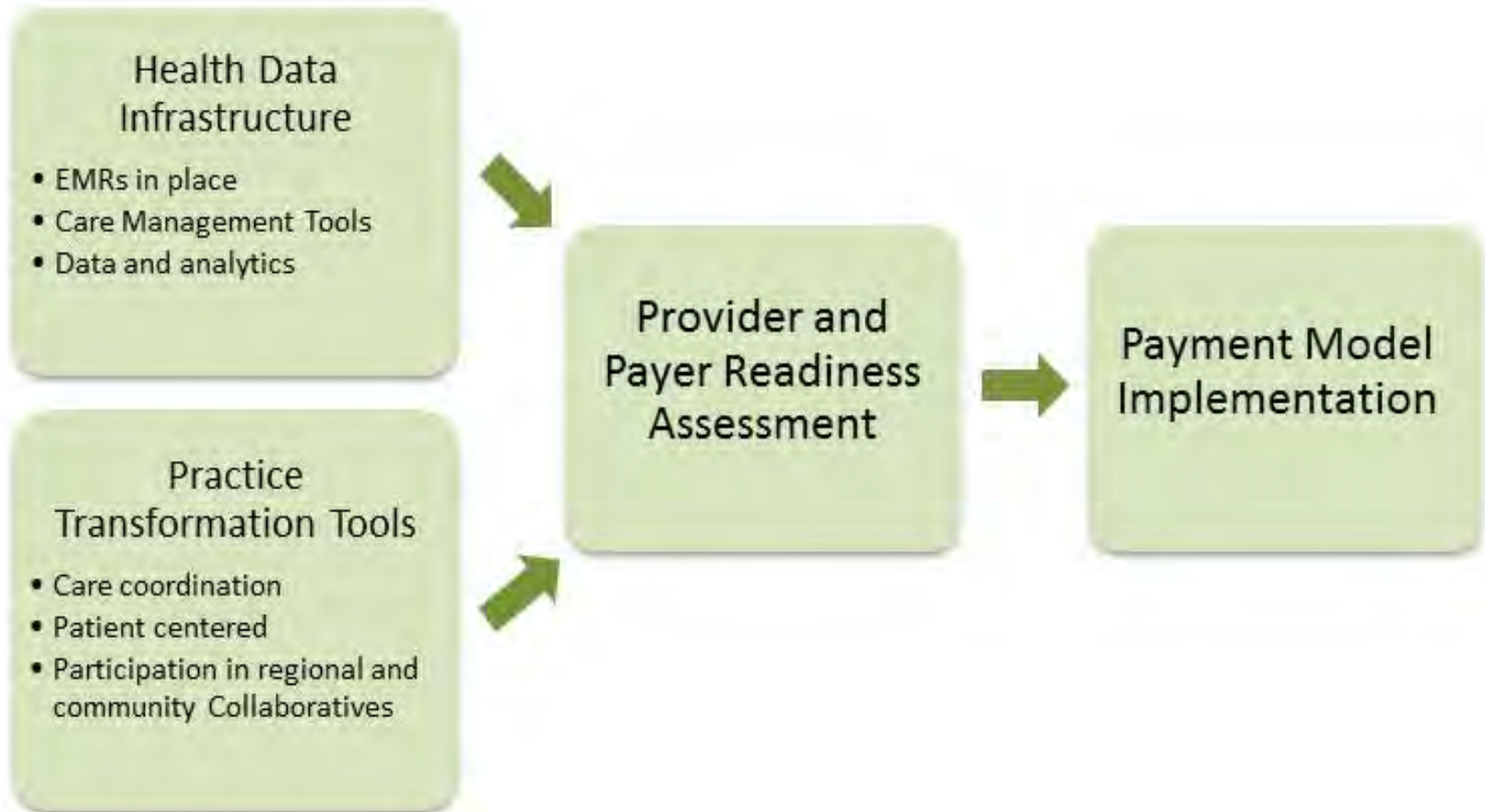
VERMONT HEALTH REFORM



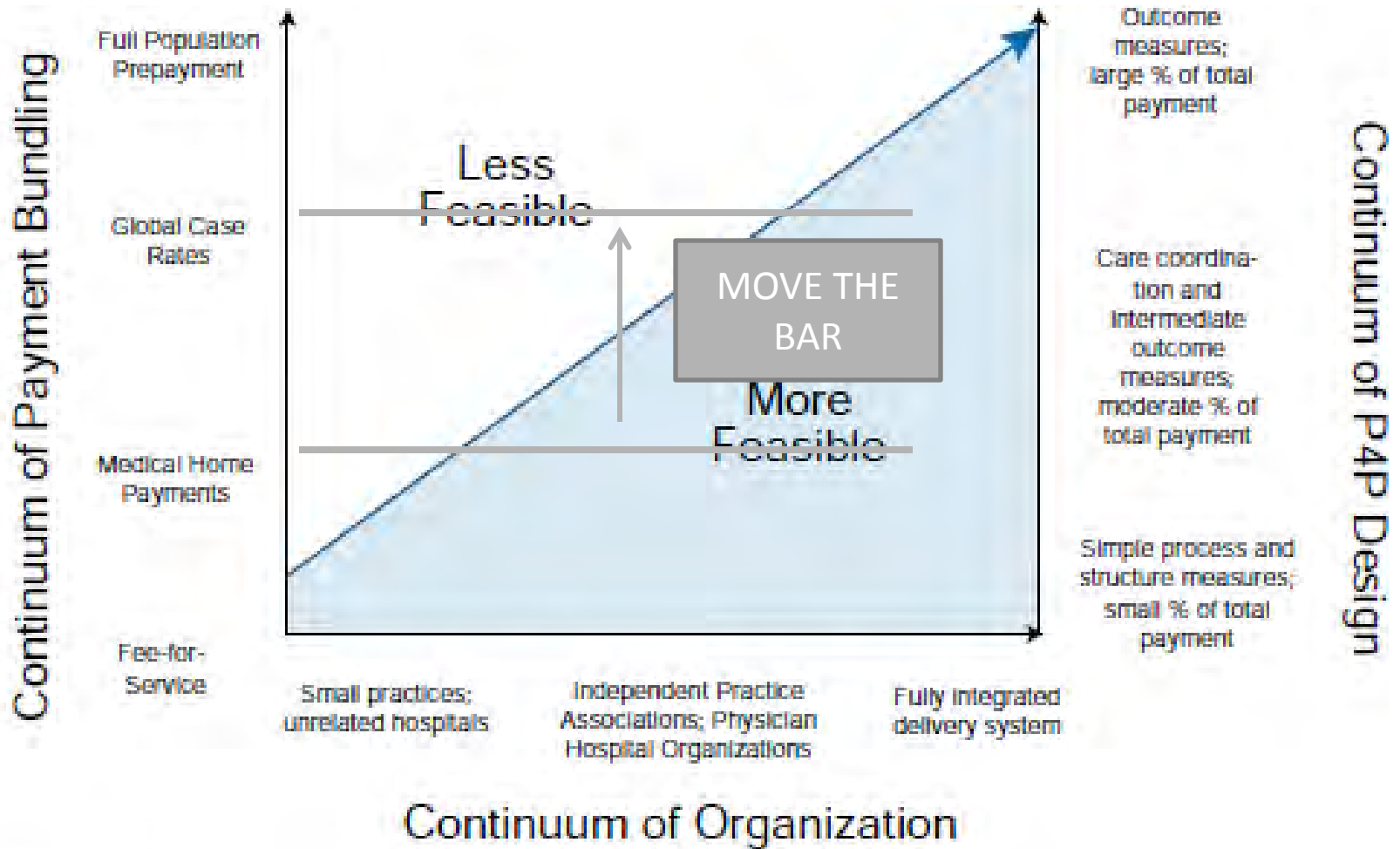
What is success?

- Supporting creation and implementation of value-based payments for providers in Vermont across all payers.
- Supporting the inclusion of 80% of Vermonters in alternatives to fee-for-service.
- Creating a system of care management that is agreed to by all payers and providers that:
 - Enables and rewards care integration and coordination among health, community and social services;
 - Utilizes advanced primary care infrastructure to the greatest extent possible;
 - Fills gaps;
 - Eliminates duplication of effort;
 - Creates clear protocols for providers based on best practices; and
 - Reduces confusion and improves the care experience for patients; and
- Creating a health data infrastructure to support a high-performing health system.
- Including activities that *support provider and payer readiness* to participate in alternative payment models.

Building Blocks to a Successful Payment Model



Moving Away from Fee-for-Service



Source: The Commonwealth Fund, 2008

Snapshot of SIM Payment Model Impacts

		Q1 2016
Beneficiaries Impacted	Commercial SSP	40,290
	Medicaid SSP	74,744
	Medicare SSP	61,066
	Commercial Blueprint (APMH/P4P)	127,889
	Medicaid Blueprint (APMH/P4P)	110,345
	Medicare Blueprint (APMH/P4P)	68,801
	Medicaid Health Home	2,706
Participating Providers	Medicare, Medicaid, Commercial SSPs	947
	Blueprint (APMH/P4P)	700
	Medicaid Health Home	123
Provider Organizations	Medicare, Medicaid, Commercial SSPs	73
	Blueprint (APMH/P4P)	62
	Medicaid Health Home	5

Snapshot of SIM Care Delivery & Health Data Infrastructure Impacts

	Impact
Health Data Infrastructure (all projects)	400 Providers
Practice Transformation: Learning Collaboratives	420 Providers
Practice Transformation: Subgrantee Program	15,334 Providers 304,276 Vermonters <small>*counts are not unduplicated</small>



Universal Coverage and the All Payer Model

Michael Costa

Deputy Director of Health
Care Reform,
State of Vermont



UNIVERSAL PUBLICALLY FINANCED COVERAGE

VERMONT HEALTH REFORM



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

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

- Our 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.

Alternatives Considered:

- Lower Benefit Plan
 - 80AV not acceptable because:
 - It would be a step down in benefits for many Vermonters.
 - Vermonters would see their net family income **decline**.
 - Only 14% less expensive.

- Other policy choices
 - Excluding out of state employees commuting to Vermont businesses saves \$200+ million but adds enormous complexity for businesses.
 - Keeping provider tax funding saves \$160 million but continues a hidden tax that is circular in a universal system.

ALL PAYER MODEL

All-Payer Model (Where We Are)

- What the heck does that even mean?
- The all payer model at 100,000 feet
 - The idea that if you (1) have all health care payers pay in the same way and (2) pay for value of services NOT volume of services that (3) you can create a better health care system
- Why now?
 - Federal innovation programs make this an achievable goal
 - Sincere belief that the status quo is not sustainable

All-Payer Model

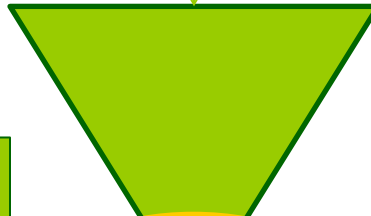
- Why we want to do it?
 - Improve experience of care for patients
 - Improve access to primary, preventive services
 - Reward high value care
 - Construct a highly integrated system
 - Empower provider-led health care delivery change
 - Control the rate of growth in total health care expenditures
 - Align measures of health care quality and efficiency across health care system
- Why do we think we can achieve our goals?
 - Maturity of ACO model in Vermont
 - evolution not revolution
 - Provider commitment to health care reform and integrated health care system
 - GMCB regulatory structure
 - Federal support via SIM

All-Payer Model Conceptual Framework

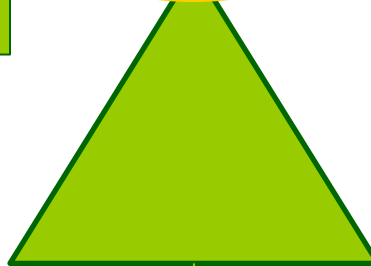
Medicare
Medicaid
Commercial
Self-Insured



Money In: Have all types of payers pay an ACO in a common way



ACO embodies provider led reform, commitment to adopt and use best practices, and leverage analytics



Money Out: ACO pays providers focusing on value based payments, investment in primary care, and measuring quality/access



Hospitals
Physicians
Health Centers
Other Providers

VERMONT HEALTH REFORM

Why Change?

Paying Differently Than Fee-for-Service

- Health care cost growth is not sustainable.
- Health care needs have evolved since the fee-for-service system was established more than fifty years ago.
 - More people are living today with multiple chronic conditions.
 - CDC reports that treating chronic conditions accounts for 86% of our health care costs.
- Fee-for-service reimbursement is a barrier for providers trying to coordinate patient care and to promote health.
 - Care coordination and health promotion activities are not rewarded by fee-for-service compensation structure.

2017 STUDIES

Studies for 2017 (Where We May be Going)

- Dr. Dynasaur 2.0
 - Building on success of existing SCHIP program and powerful local brand
 - Program covers children up to age 17 and 312% FPL
 - Study is to determine impact of (a) covering all Vermonters up to age 26 (b) regardless of income
- Universal primary Care Study
- **Examine the cost of providing primary care to all Vermont residents starting January 1, 2017**
 - Provide cost estimates of primary care without universal primary care reform, i.e. **status quo**
 - Provide cost estimates of universal primary care, **with cost-sharing**
 - Provide cost estimates of universal primary care, with **no cost-sharing**
 - Key note: Vermonters would still need their current coverage



An Advocate's Perspective

Julia Shaw

Health Care Policy Analyst,
**Office of the Health Care
Advocate**



A Consumer Advocate's Perspective on Health Care Reform in VT



Presented by

Julia Shaw, MPH
Health Care Policy Analyst
Office of the Health Care Advocate

May 20, 2016



Agenda



- Office of the Health Care Advocate
 - Who we are and what we do
- Statewide Reform Initiatives
 - Single-Payer Health Care
 - Dr. Dynasaur 2.0
 - Universal Primary Care
 - SIM Grant/Vermont Health Care Innovation Project
 - Medicaid and Commercial Shared Savings Program ACOs
 - All Payer Model/Single Accountable Care Organization
 - Consumer Principles for Vermont's All-Payer Model
 - H. 812: Regulation of ACOs and Consumer Protections



The HCA: Who We Are



- A special project within Vermont Legal Aid
 - Created by the Vermont Legislature in 1998
- **Mission:**
 - To help Vermonters with problems involving access to health care and insurance/coverage
 - To be a voice for health care consumers
- **Staff:**
 - Chief Health Care Advocate, 7 Advocates, 4 Attorneys, 1 Policy Analyst, 1 Communications/Web Manager



The HCA: Statutory Authority (1)



- Assist health care consumers
 - Provide advice on health coverage and services
 - Investigate and resolve complaints; assist with appeals
- Provide information to the public, agencies, members of the General Assembly, and others
 - Problems and concerns of health insurance consumers
 - Recommend solutions
- Analyze and monitor federal, state, and local laws, rules, and policies
 - Relating to patients and health insurance consumers



The HCA: Statutory Authority (2)



- Suggest policies, procedures, or rules to the Green Mountain Care Board (GMCB)
 - To protect patients' and consumers' interests
- Pursue administrative, judicial, and other remedies
 - On behalf of any individual health insurance consumer or group of consumers
- Represent the interests of Vermonters in cases before the GMCB
- The GMCB must consult with the HCA about its policies and activities and their impact on consumers



What We Do



- Advocacy Team provides free help with health care and insurance access for all Vermonters
- Policy Team advocates on behalf of consumers
 - Green Mountain Care Board
 - Health Insurance Rate Reviews: Acts as party representing Vermont health care consumers
 - Certificate of Need Process: Acts as an “interested party”
 - Hospital Budgets: Asks questions and provides testimony (new)
 - ACO Budgets: Asks questions and provides testimony (new)
 - Other State Agencies
 - Participates in committees and task forces (MEAB, VHCIP)
 - Comments on proposed rules
 - State Legislature
 - Advocates for laws and policies that benefit health care consumers



Single-Payer Health Care



- Single-Payer Health Care
 - Level of coverage expected by Vermonters did not correspond to the political will for financing
- Current proposals to move toward single-payer, supported by different advocates
 - Dr. Dynasaur 2.0 – Medicaid for all Vermonters <27
 - \$100K for study in budget
 - Universal Primary Care
 - Literature review study in budget, no \$
 - HCA did not support or oppose these proposals



State Innovation Model Grant



- Vermont Health Care Innovation Project
 - 7 work groups, Steering Committee, Core Team
 - Medicaid and Commercial Shared Savings Programs
 - HCA advocated for Standards to include consumer engagement requirements for Accountable Care Organizations (ACOs)
 - Beneficiaries on governing boards
 - Consumer advisory groups
 - HCA advocated for increased accountability of ACOs
 - Stronger sets of quality measures
 - Measures for more populations (i.e., not just Medicare)
 - Higher performance thresholds for earning shared savings



All-Payer Model & Single ACO (1)



Paper: *Consumer Principles for Vermont's All-Payer Model*

- Outlines 7 consumer principles for a risk-bearing model
 - Access to Care
 - Quality of Care
 - Consumer Protection
 - Consumer & Patient Engagement
 - Transparency
 - Social Determinants of Health
 - Integration

➤ Available at <http://www.vtlawhelp.org/health-care-policy>



All-Payer Model & Single ACO (2)



H. 812: *Implementing an All-Payer Model and Oversight of ACOs*

- Passed in 2016 legislative session
- Only allows an APM if it meets a set of criteria
 - Consistent with principles of health care reform in VT law, preserves Medicare consumer protections and provider choice, allows providers to choose whether to participate in ACOs, includes outcome measures for population health, payments from Medicare go directly to health care providers or ACOs
- Requires certification of ACOs by GMCB based on a set of criteria
 - Grievance process, quality & utilization measures, transparency & consumer engagement in governance, provider choice, etc.
- Requires GMCB to review ACO budgets and gives HCA a role

➤ Available at <http://legislature.vermont.gov/bill/status/2016/H.812>



Questions?



Contact Information:

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HCA HelpLine: 1-800-917-7787





Questions for the panelists?

Click the “raise hand” icon at the top of your screen



To unmute, press *6

Please do not put us on hold!

Next Webinar:

Research Gaps: What We Don't Know Impedes Progress

June. 17, 2016
2:00pm – 3:00 E.S.T.

Registration at www.HealthCareValueHub.org/events



Thank you!

Robert Wood Johnson Foundation
Georgia Maheras
Michael Costa
Julia Shaw
Susan Barrett

Contact Lynn Quincy at lquincy@consumer.org
or any member of the Hub team with your follow-up questions.

Visit us at www.HealthCareValueHub.org

A stethoscope is positioned over a stack of US dollar bills, including several \$20 bills. The stethoscope's chest piece is centered over the bills, and its tubing loops around them. The background is a solid blue color.