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# 2010 Vermont Health Care Expenditure Analysis

**Green Mountain Care Board**  
**in collaboration with the Department of Banking, Insurance,**  
**Securities and Health Care Administration**  
**Revised as of March 26, 2012**

# Acknowledgements

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This report would not have been possible without the support of many individuals in government, private insurance, and health care provider organizations. The Green Mountain Care Board (GMCB) would like to thank GMCB staff, staff of the Department of Banking, Insurance, Securities and Health Care Administration (BISHCA) and all others who provided data and feedback in a timely manner. If you have questions about this report, please contact Michael Davis or Lori Perry at the GMCB (802) 828-2900.

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# Purpose of the Expenditure Analysis

The *Vermont Health Care Expenditure Analysis* provides information on health care spending for services delivered in Vermont and for services provided to Vermont residents within Vermont and in other states. The analysis is prepared annually. The analysis detailed in this report mostly relates to federal fiscal year 2010, the most recent year for which we have complete expenditure data.

Responsibility for preparing the Expenditure Analysis rests with the Department of Banking, Insurance, Securities and Health Care Administration (BISHCA). This year the analysis was prepared by Green Mountain Care Board (GMCB) staff in collaboration with BISHCA, as the staff who previously prepared the analysis have been transferred to the GMCB. A proposal before the legislature would transfer responsibility for future Expenditure Analyses to the GMCB. The report is intended to be a tool to educate the public about health care spending and to support health policy-makers in their decision-making.

# This report includes two different spending analyses

## Resident analysis

- includes expenditures on behalf of Vermont residents, regardless of where the health care was rendered

## Provider analysis

- includes all revenue received by providers located within Vermont, regardless of where the patient resides

**Because some Vermonters obtain health care out-of-state and some non-Vermonters come to Vermont for care, both of these analytical constructs consist of different populations and therefore both are necessary to understand total health care spending. Results of the resident analysis are provided first in this report, followed by results of the provider analysis.**

# What is health care spending?

For the purposes of this report, health care expenditures are construed very broadly, and include spending on:

- Hospital services
- Physician services
- Dental services
- Other professional services, such as chiropractic, physical therapy and podiatry
- Home health care
- Nursing home care
- Drugs, over-the-counter medicine, supplies, vision products and durable medical equipment
- Administrative costs related to health insurance
- Government health care activities
- And some other, unclassified health services

Health care expenditures do not include certain types of alternative or complementary therapies or unpaid care (such as care provided by family members).

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# RESULTS OF RESIDENT EXPENDITURE ANALYSIS

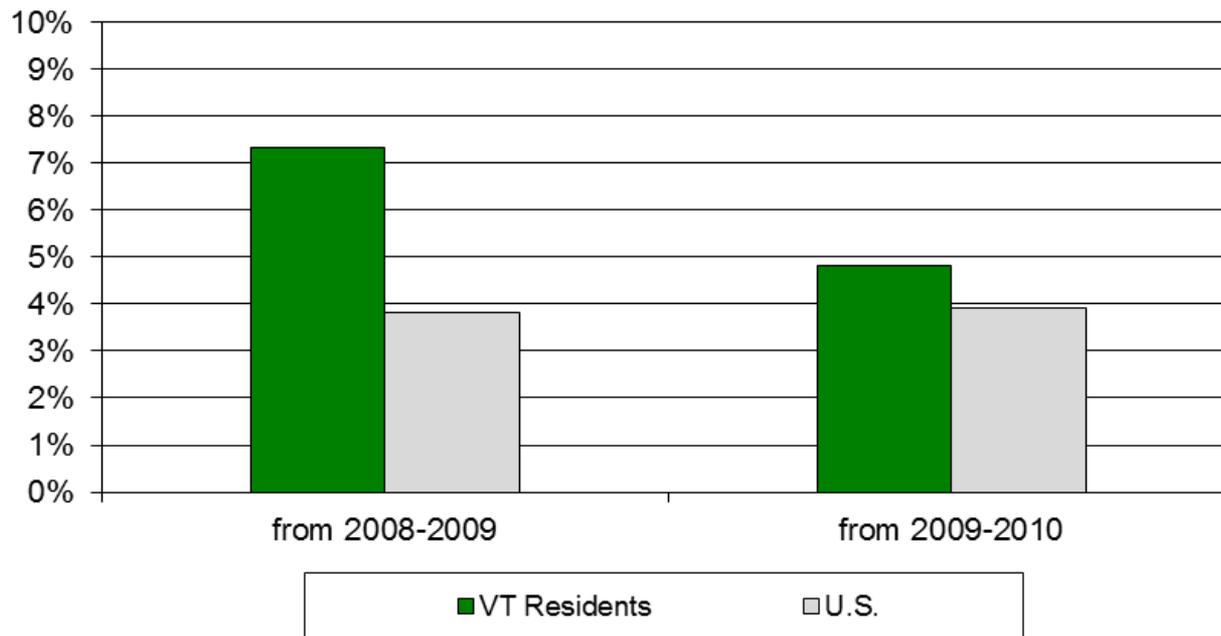
Expenditures for Vermont residents, regardless of location of service provider

# Highlights of the resident analysis

- Spending for healthcare services received on behalf of Vermont Residents grew 4.8% from 2009 to 2010, to \$4.9 billion.
- Vermont health care spending grew an average of 6.3% per year from 2005 to 2010.
- Health care spending was 19.2% of Vermont's economy in 2010, growing from 12.7% in the year 2000.
- In 2010, about 57% of Vermonters were enrolled in private insurance, 14% in Medicare, 19.5% in Medicaid, 2% in military coverage. 7.5% of Vermonters were estimated to be uninsured in 2010.
- Almost half (48%) of the financing for Vermont health care comes through government, while the remainder is private funding.
- The balance of government and private funding varies greatly by provider type.
- Vermont's accelerating per capita health care costs of \$7,876 are now just below national per capita spending level of \$7,919.
- More than 1/3 of Vermont health care spending is for hospital care.
- Some of the fastest growth in VT health care expenditures is in hospitals and government health activities.
- Spending on home health and nursing homes increased more slowly in Vermont than nationally.

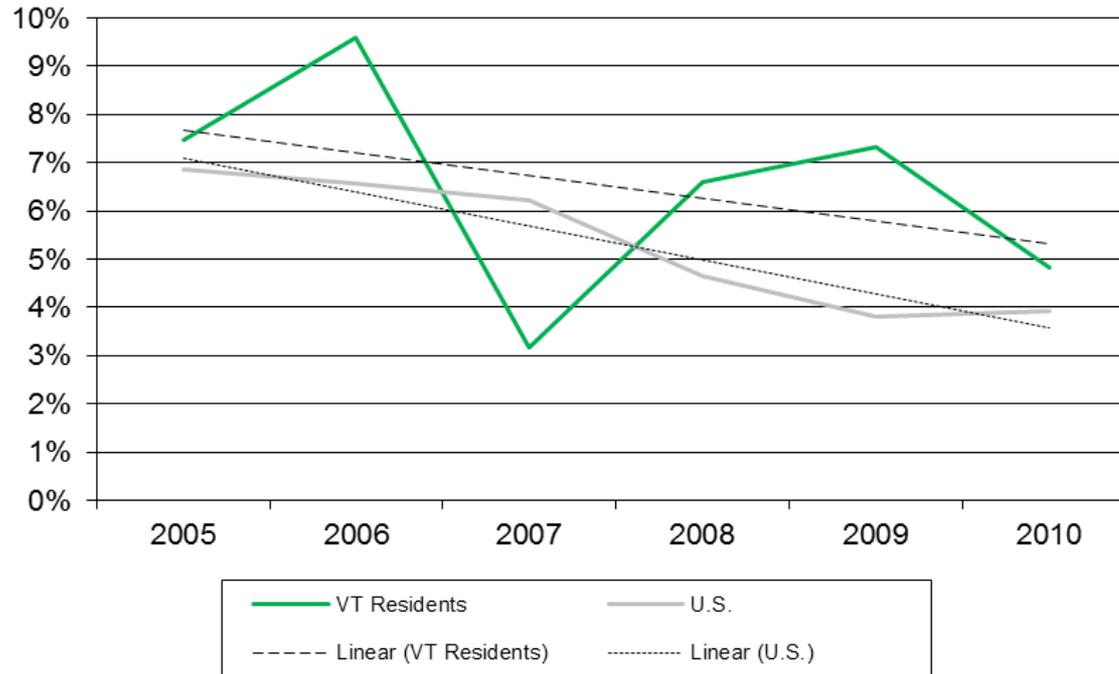
# Spending for healthcare services received on behalf of Vermont Residents grew 4.8% from 2009 to 2010

Annual Health Care Expenditure Growth,  
U.S. and Vermont Residents  
2008-2010



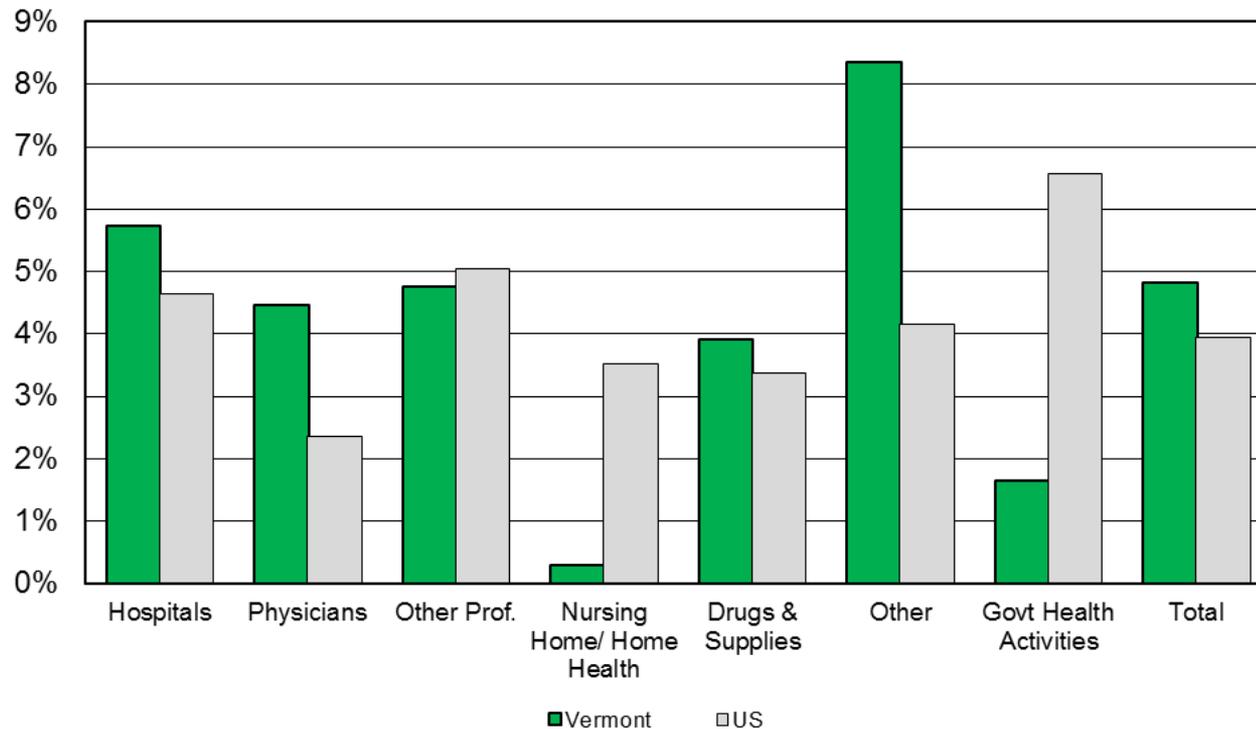
# Vermont health care spending grew an average of 6.3% per year from 2005 to 2010

Annual Health Care Expenditure Growth,  
U.S. and Vermont Residents  
2005-2010



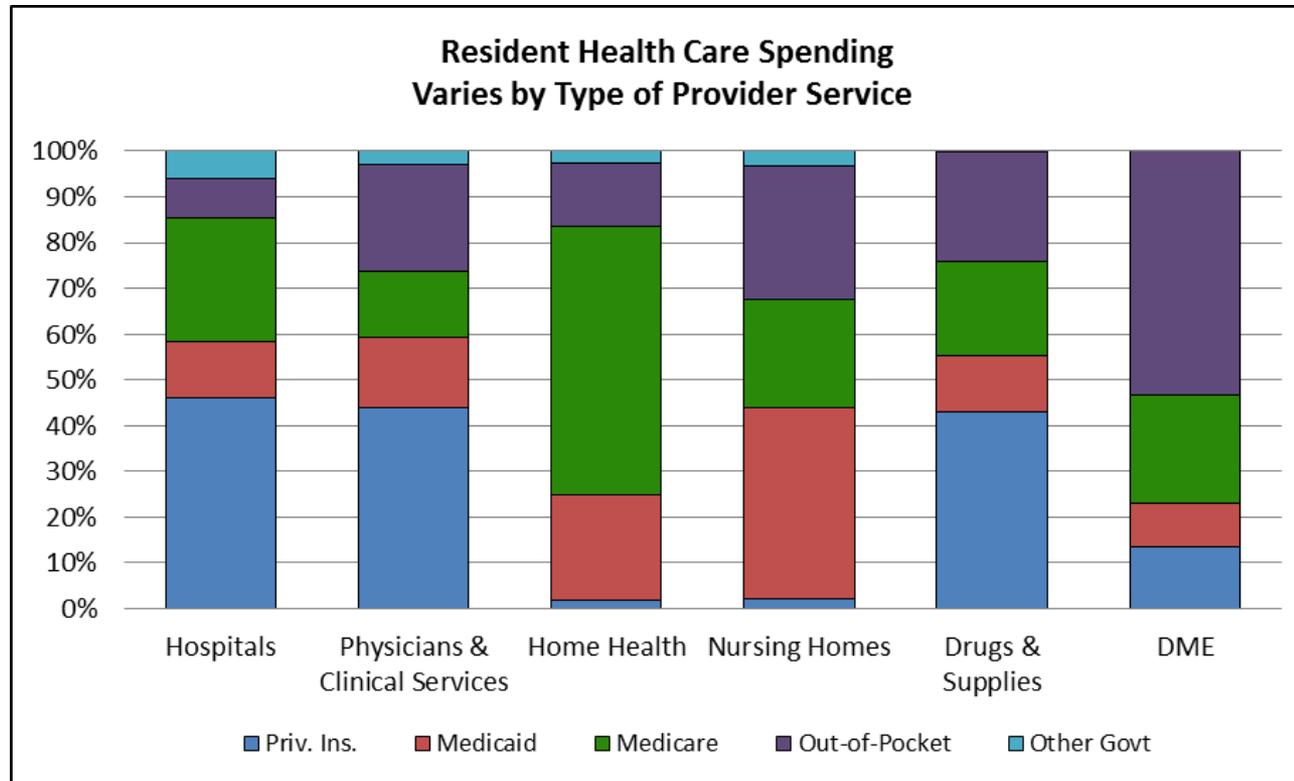
# Vermont spending growth varied by service type

**Vermont Provider Health Care Expenditures  
Growth by Provider Service Categories 2009-2010**



Note: US expenditures based on projections from NHE

# Who pays for care varies greatly by service type



# Health care spending was 19.2% of Vermont's economy in 2010, growing from 12.7% in 2000

Vermont Resident spending on health care accounted for 19.2% of the projected gross state product (GSP) in 2010. Nationally, health care accounted for 17.9% of GDP in 2010.

## selected per capita comparisons

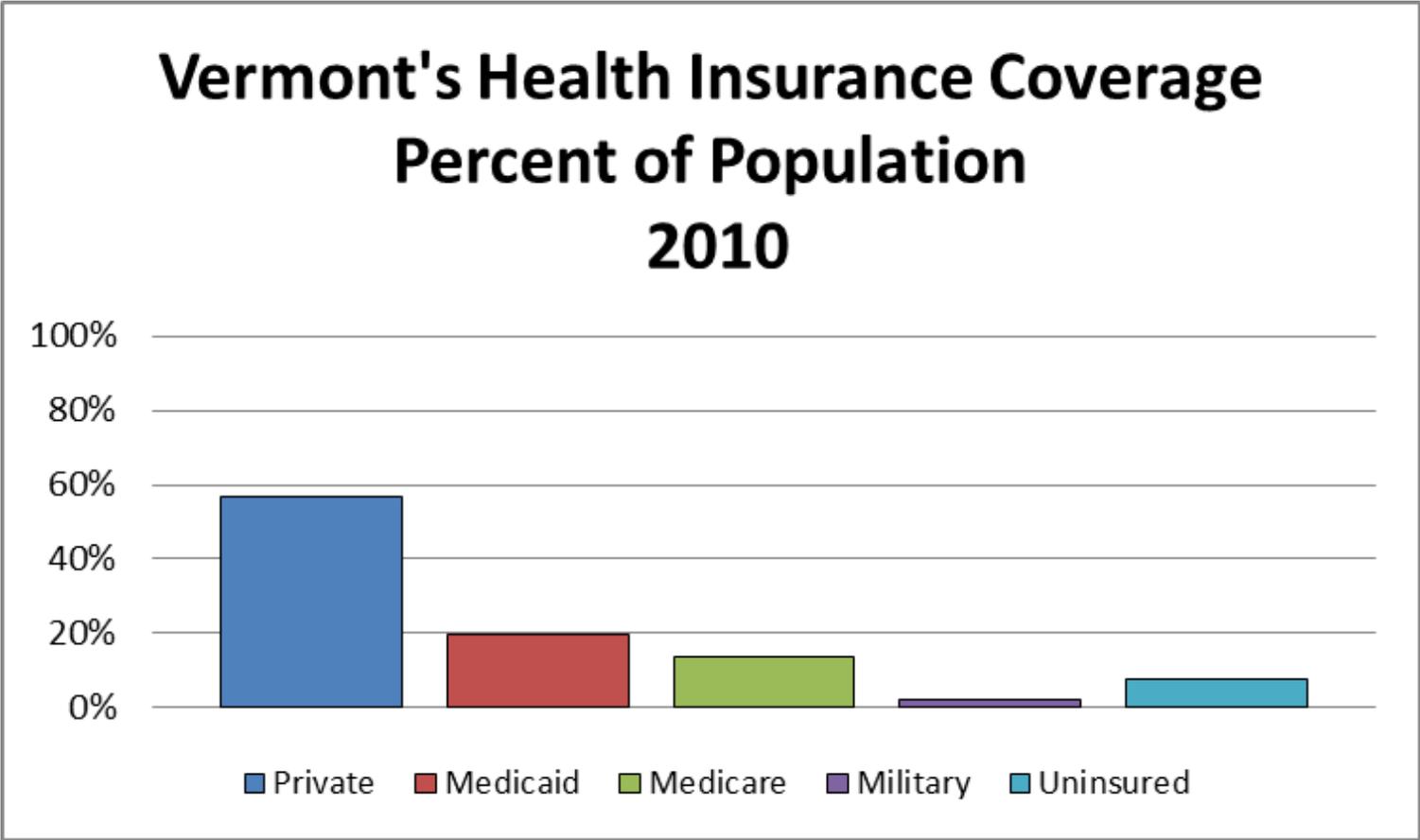
| Key Data Findings:<br><br>VT & U.S. (2010) | National Health Expenditures |         | Health Consumption Expenditures. |         | Personal Health Care |         |
|--------------------------------------------|------------------------------|---------|----------------------------------|---------|----------------------|---------|
|                                            | VT                           | U.S.    | VT                               | U.S.    | VT                   | U.S.    |
|                                            | Total (billions)             | n/a     | \$2,594                          | \$4.9   | \$2,445              | \$4.0   |
| Per Capita                                 | n/a                          | \$8,402 | \$7,876                          | \$7,919 | \$6,344              | \$7,082 |
| Annual Change (2009-2010)                  | n/a                          | 3.1%    | 4.2%                             | 3.2%    | 3.8%                 | 2.8%    |
| Avg Annual Change (2006-2010)              | n/a                          | 3.8%    | 5.4%                             | 3.8%    | 5.4%                 | 4.0%    |
| Share of Gross State/Domestic Product      | n/a                          | 17.9%   | 19.2%                            | 16.7%   | 15.5%                | 14.9%   |

| Key Data Findings:<br><br>VT & U.S. (2009) | National Health Expenditures |         | Health Consumption Expenditures. |         | Personal Health Care |         |
|--------------------------------------------|------------------------------|---------|----------------------------------|---------|----------------------|---------|
|                                            | VT                           | U.S.    | VT                               | U.S.    | VT                   | U.S.    |
|                                            | Total (billions)             | n/a     | \$2,496                          | \$4.7   | \$2,350              | \$3.8   |
| Per Capita                                 | n/a                          | \$8,149 | \$7,562                          | \$7,671 | \$6,111              | \$6,886 |
| Annual Change (2008-2009)                  | n/a                          | 3.0%    | 7.3%                             | 3.6%    | 7.8%                 | 4.1%    |
| Avg Annual Change (2006-2009)              | n/a                          | 4.0%    | 5.8%                             | 4.0%    | 5.9%                 | 4.4%    |
| Share of Gross State/Domestic Product      | n/a                          | 17.9%   | 19.1%                            | 16.7%   | 15.4%                | 15.0%   |

Note: VT data is from Resident Analysis.

U.S. actual data is from CMS 1/30/2012.

In 2010, about 57% of Vermonters were enrolled in private insurance, 14% in Medicare and 19.5% in Medicaid

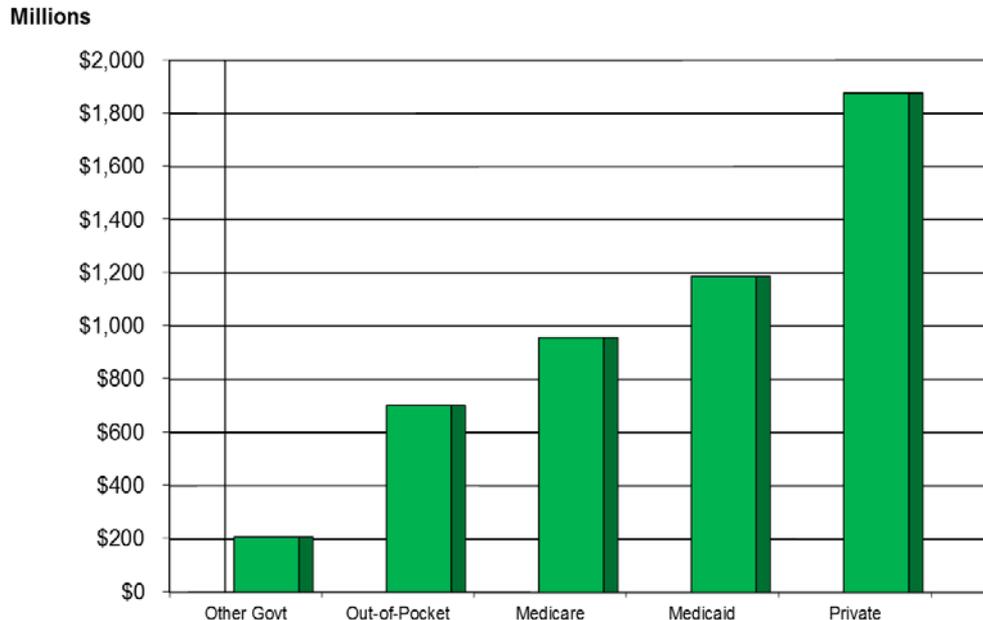


# Almost half of Vermont health care spending comes through government, while the remainder is private funding

In 2010, Vermont residents spent a total of \$4.9 billion on health care, of which 38.1% was paid for through private insurance, 24.1%

Medicaid, 19.4% Medicare, 4.2% other Government and 14.2% from out-of-pocket.

Nationally, health expenditures reached \$2.6 trillion, private insurance paid for 32.7%, 15.5% Medicaid, 20.2% Medicare, 20% other Government and 11.6% from out-of-pocket.

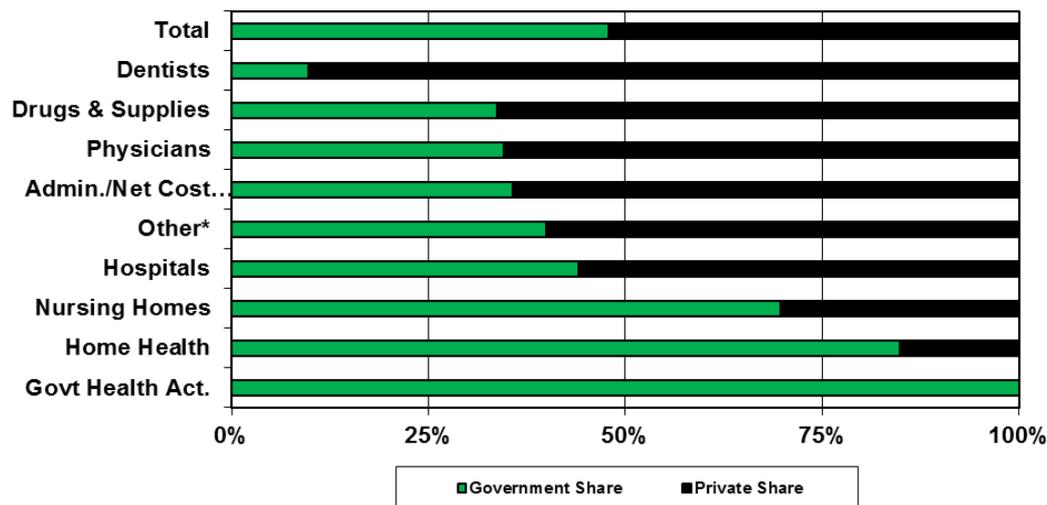


# The balance of government versus private funding varies greatly by provider type

The percent of care financed by government or private payers varies considerably at the provider service level.

In 2010, nursing homes received 69% of their funding from government sources. In contrast, the government financed only 33% for drugs and supplies.

Vermont Resident Health Care Expenditures  
by Type of Funding (2010)

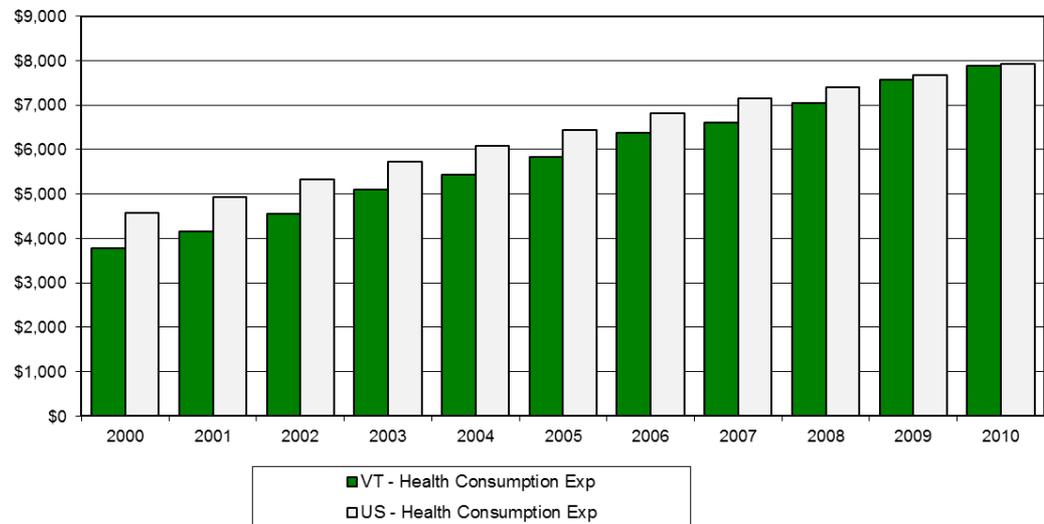


\*Other includes services rendered by other professionals, durable medical equip. suppliers, vision\* providers, and other misc. providers

# Vermont's accelerating per capita health care costs are now just below national per capita spending level

Vermont per capita costs of \$7,876 is slightly less than the U.S. per capita amount of \$7,919.

Per Capita Health Care Expenditures  
U.S. and VT (2000-2010)

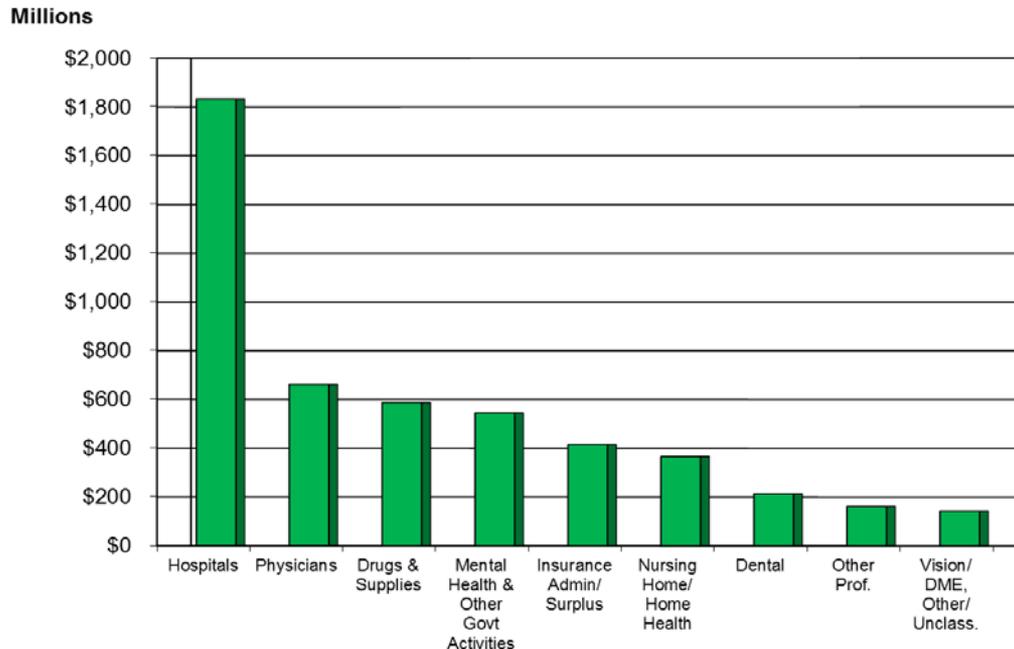


# More than one third of Vermont health care spending is for hospital care

In 2010, Vermont residents spent 37% on hospitals, 13% on physicians and 12% on drugs and supplies.

Nationally, 31% was spent on hospitals, 20% on physicians and 12% on drugs and supplies.

Some of the higher rate of hospital spending in Vermont may be due to the fact that a high percentage of Vermont physicians are employed by hospitals and therefore expenditures on those physicians is counted as “hospital” spending.



# Some of the fastest growth in VT health care expenditures is in hospitals and government health activities

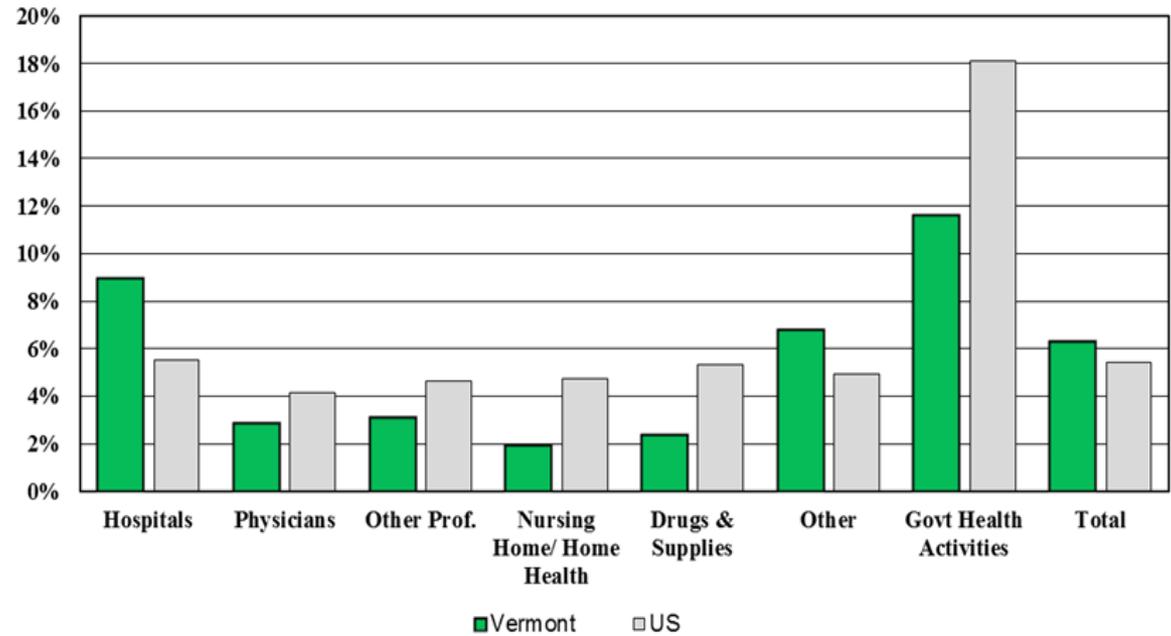
Spending on hospitals increased 9.0% in Vermont from 2005 to 2010, compared with 5.5% nationally.

Spending on physicians increased 2.8%, compared with 4.2% nationally.

Spending on drugs and supplies increased 2.4%, compared with 5.3% growth nationally.

Government health activities grew 12% in Vermont, and 18% nationally.

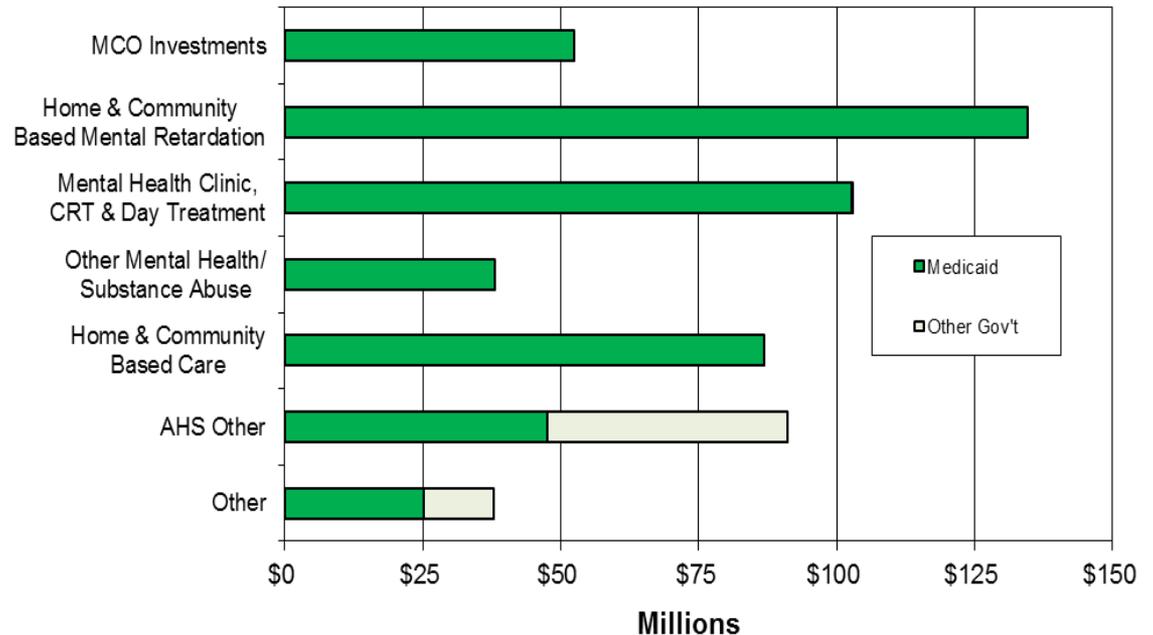
Vermont Resident Health Care Expenditures  
Average Annual Growth by Provider Service Categories  
(2005-2010)



# Government health care activities are paid for mostly by Medicaid, and relate to Vermont's Medicaid waivers

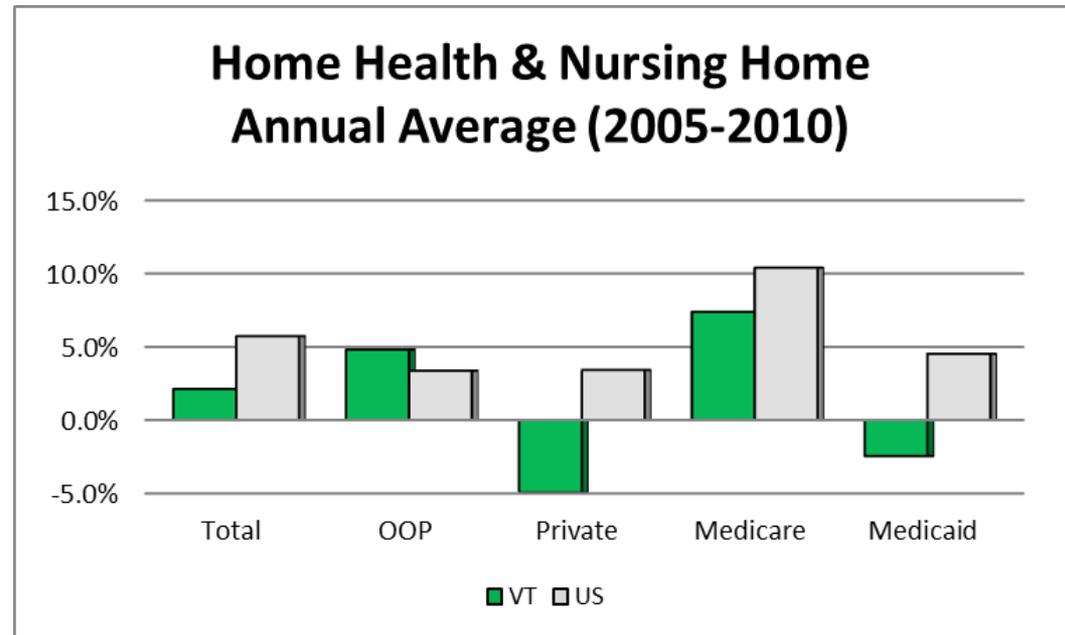
Medicaid is the primary payer of these activities, accounting for 90% of \$544 million in 2010. Government Health Care Activities increased 1.6% from 2009.

### 2010 Government Health Care Activities



## Spending on home health and nursing homes increased more slowly in Vermont than nationally between 2005 and 2010

Spending growth on home health and nursing homes from 2005 to 2010 was 2% compared to the national average of 6%. The rate of growth for these expenditures has been even lower for private insurance and Medicaid.



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# RESULTS OF PROVIDER EXPENDITURE ANALYSIS

Payments to Vermont providers, regardless of patient's state of residence

# Highlights of the provider analysis

- Payments to Vermont health care providers totaled \$4.8 billion in 2010. This was an increase of 2.9% over 2009.
- Provider expenditures grew at an average annual rate of 6.5% from 2005 to 2010.
- The shift of physicians from private practice to hospital employment has affected the rate of growth in these sectors, lowering physician growth rates and increasing hospital growth rates.
- Fletcher Allen Health Care accounts for about half of the hospital spending in Vermont.
- Vermonters also rely heavily on Dartmouth-Hitchcock Medical Center for hospital care.
- The distribution of expenditures across provider categories has shifted due to Medicaid policies and physician employment by hospitals.

## Payments to Vermont health care providers totaled \$4.8 billion in 2010, 2.9% higher than in 2009

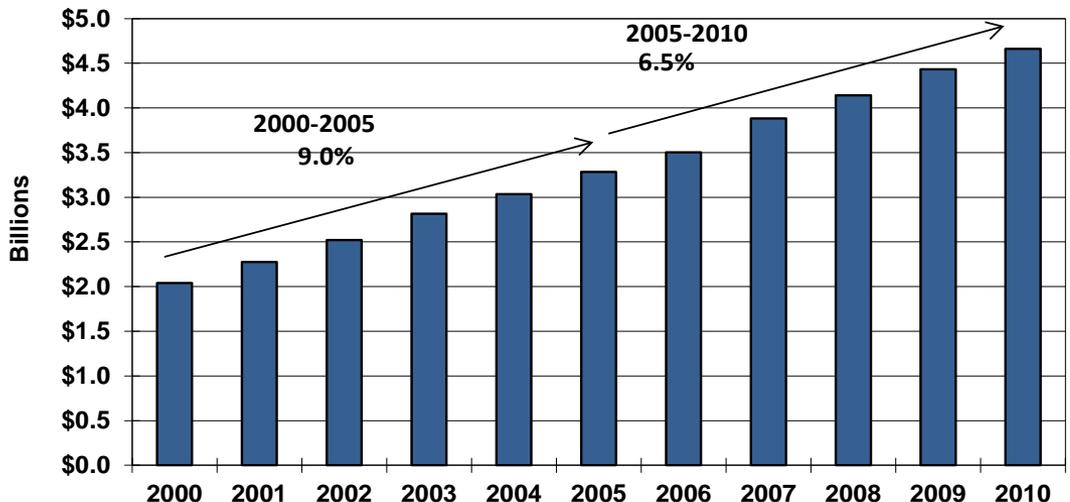
Provider spending includes both residents and out-of-state patients receiving care in Vermont.

Provider spending totaled \$4.8 billion in 2010. This is a growth of 2.9% over 2009 or \$136 million. Provider spending was slightly lower than resident spending of \$4.9 billion

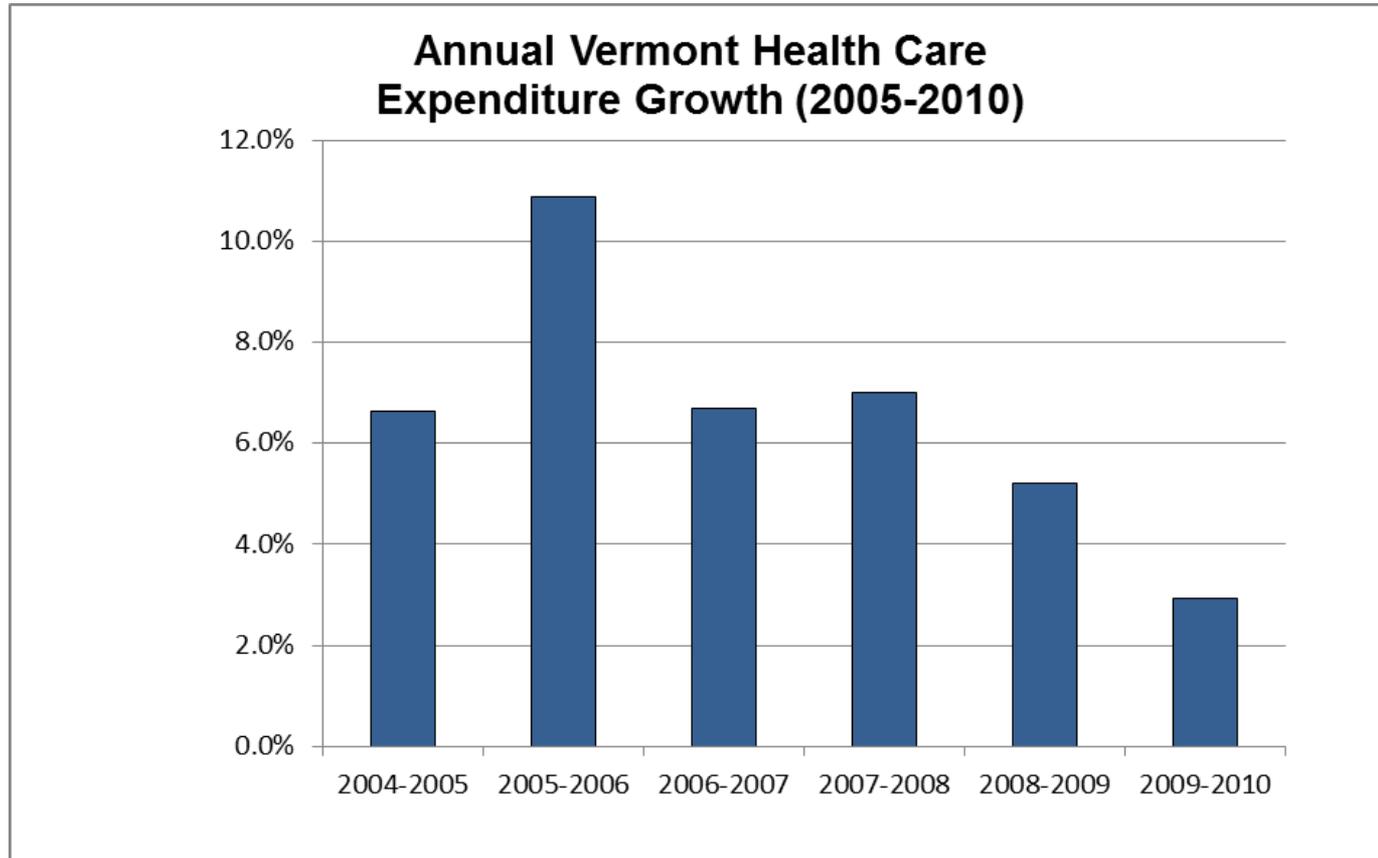
Hospitals had the largest share of provider spending growth at 6%.

Expenditures that dropped in growth were physicians, with a decrease of \$6.3 million (1.1%) and drugs and supplies, with a decrease of \$11.2 million (1.7%). Again, we do not know how much of the change in physician expenditures is due to an increase in hospital-based employment.

Vermont Provider Health Care Expenditures  
(in billions)



# Provider expenditures grew at an average annual rate of 6.5% from 2005 to 2010

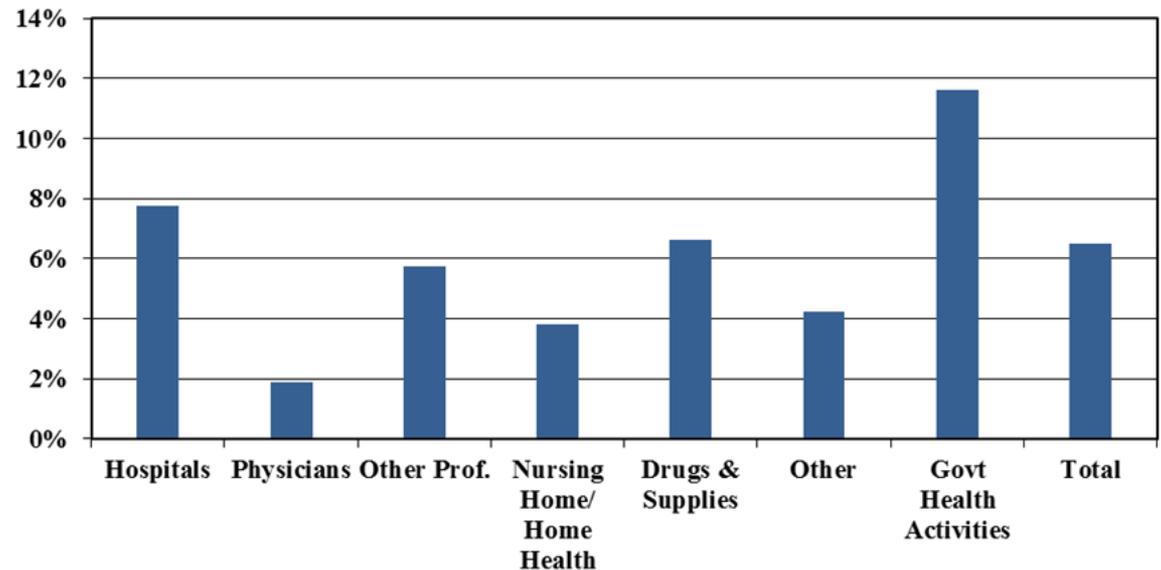


## The shift of physicians from private practice to hospital employment may have affected the rate of growth in these two sectors

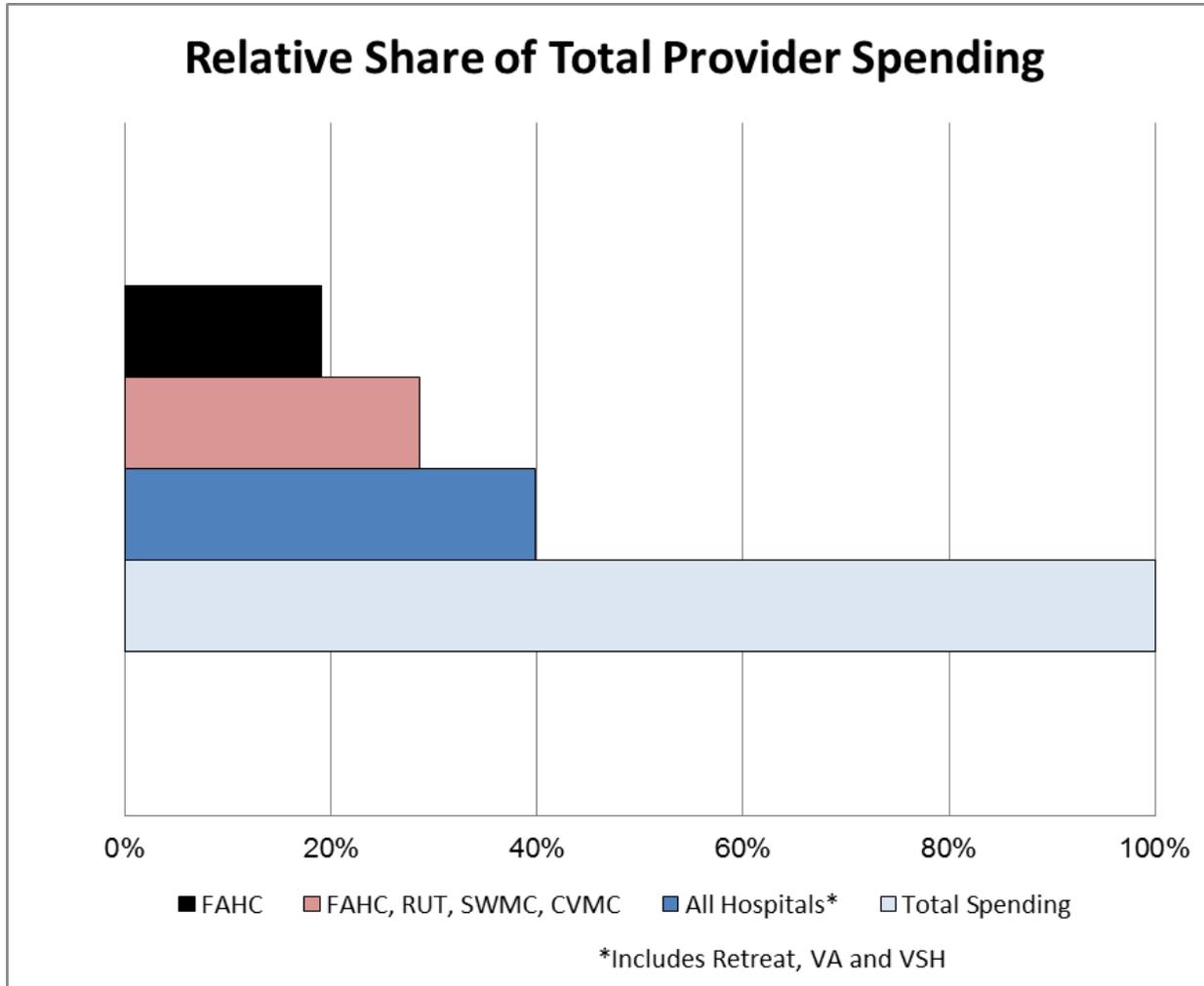
Hospitals and government health activities grew the most, while Physicians grew only 1.9% from 2005 to 2010. However, this is may be due in large part to the shift from private practice to hospital employed physicians.

Since 2005 the average annual growth for hospital-employed physicians was 6.9%. It is estimated that almost a third of total physician spending is now occurring through hospital operating budgets.

**Vermont Provider Health Care Expenditures**  
**Average Annual Growth by Provider Service Categories**  
**(2005-2010)**



# Fletcher Allen Health Care accounts for about half of the hospital spending in Vermont



# Vermonters also rely heavily on Dartmouth-Hitchcock Medical Center for hospital care

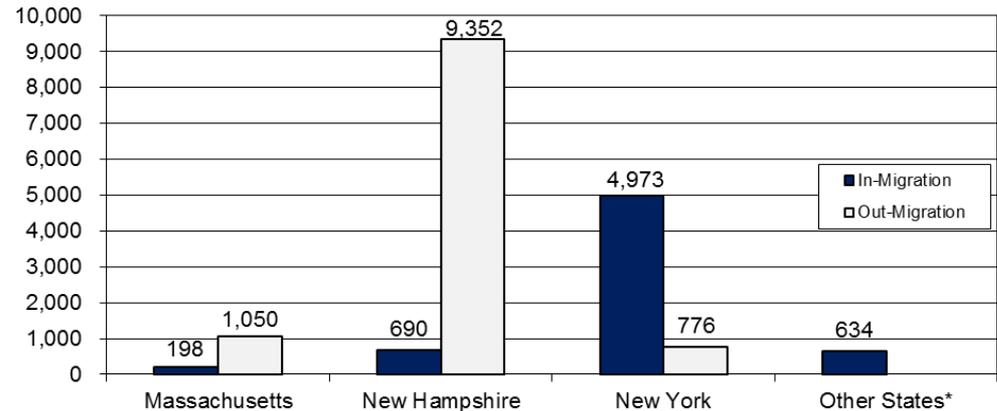
In 2010, 21% of Vermont resident inpatient discharges were at out-of-state hospitals.

84% of the out-of-state discharges, 9,352 were in New Hampshire. 7,986 of these were at Dartmouth Hitchcock Medical Center.

On average, Vermont residents are using more complex and expensive services at out-of-state hospitals than at Vermont hospitals, as illustrated in the table to the right.

Severity of illness, type of service provided and payer mix may account for the different relative use of services.

**2010 Inpatient Discharges**  
**In-Migration of Non-VT Residents to VT Hospitals**  
**Out-Migration of VT Residents to Non-VT Hospitals**



|                                                                   | Discharges | Total Charges | Average Charges | Average DRG Wt* | Ave. Chgs Care Mix Adj. |
|-------------------------------------------------------------------|------------|---------------|-----------------|-----------------|-------------------------|
| Total Vermont Residents in Vermont Hospitals                      | 41,057     | \$769,495,202 | \$18,742        | 1.29            | \$14,561                |
| Total Out-Migration (Vermont Residents in Out-Of-State Hospitals) | 11,178     | \$413,742,927 | \$37,014        | 1.81            | \$20,400                |
| Total In-Migration (Out-of-State Residents in Vermont Hospitals)  | 6,492      | \$167,010,968 | \$25,726        | 1.64            | \$15,652                |
| Net Out-Migration                                                 | 4,686      | \$246,731,959 | \$52,653        |                 |                         |

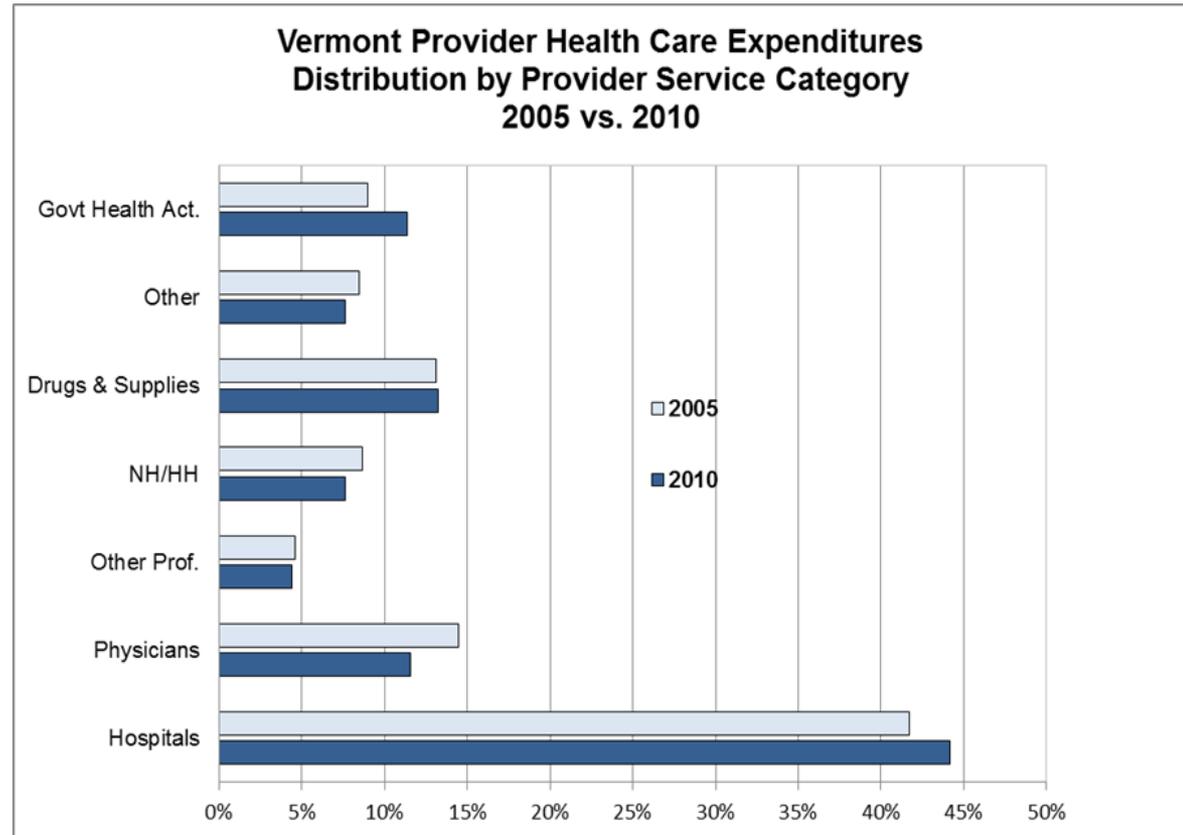
Source: 2009 Vermont Uniform Hospital Discharge Data Set



# The distribution of expenditures across provider categories has shifted due to Medicaid policy changes and physician employment by hospitals

The distribution of provider service categories has not shifted significantly from 2005 to 2010 except in the area of government health activities due in part to the Global Commitment and Choices for Care Medicaid Waivers, which began in 2006.

Physicians may have shifted due to increased employment by hospitals.



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2010 Vermont Health Care Expenditure Analysis

# DETAILED DATA

# 2010 Vermont Health Care Expenditures - Resident Analysis

All dollar amounts are reported in thousands

|                                            | Percent of Total | Total       | Out-of-Pocket | Private Insurance | Medicare  | Vermont Medicaid | Other Federal | State & Local |
|--------------------------------------------|------------------|-------------|---------------|-------------------|-----------|------------------|---------------|---------------|
| <b>Hospitals</b>                           | 37.2%            | \$1,832,784 | \$158,345     | \$842,594         | \$493,579 | \$228,828        | \$87,183      | \$22,255      |
| Community Hospitals                        | 34.6%            | \$1,707,596 | \$158,345     | \$829,855         | \$490,389 | \$228,828        | \$151         | \$29          |
| Veterans Hospital                          | 1.8%             | \$88,626    | \$0           | \$1,470           | \$0       | \$0              | \$87,032      | \$124         |
| Psychiatric Hosp: State                    | 0.5%             | \$22,512    | \$0           | \$409             | \$0       | \$0              | \$0           | \$22,103      |
| Psychiatric Hosp: Private                  | 0.3%             | \$14,050    | \$0           | \$10,860          | \$3,190   | \$0              | \$0           | \$0           |
| <b>Physician Services*</b>                 | 13.4%            | \$662,422   | \$94,163      | \$329,285         | \$114,590 | \$110,874        | \$12,968      | \$543         |
| <b>Dental Services</b>                     | 4.3%             | \$213,659   | \$129,801     | \$60,724          | \$0       | \$22,052         | \$14          | \$1,069       |
| <b>Other Professional Services</b>         | 3.3%             | \$162,145   | \$24,655      | \$85,362          | \$21,121  | \$31,003         | \$4           | \$1           |
| Chiropractor Services                      | 0.3%             | \$17,084    | \$2,600       | \$12,222          | \$1,403   | \$860            | \$0           | \$0           |
| Physical Therapy Services                  | 0.8%             | \$37,777    | \$5,748       | \$23,059          | \$5,699   | \$3,271          | \$1           | \$0           |
| Psychological Services                     | 0.9%             | \$46,610    | \$7,087       | \$19,616          | \$2,588   | \$17,318         | \$1           | \$1           |
| Podiatrist Services                        | 0.1%             | \$5,090     | \$774         | \$2,432           | \$1,593   | \$291            | \$0           | \$0           |
| Other                                      | 1.1%             | \$55,584    | \$8,446       | \$28,033          | \$9,838   | \$9,265          | \$2           | \$0           |
| <b>Home Health Care</b>                    | 1.9%             | \$95,504    | \$13,375      | \$1,596           | \$55,934  | \$22,221         | \$967         | \$1,409       |
| <b>Drugs &amp; Supplies</b>                | 11.9%            | \$588,175   | \$142,225     | \$252,628         | \$120,596 | \$72,208         | \$1,181       | (\$663)       |
| <b>Vision Products &amp; DME</b>           | 2.0%             | \$98,467    | \$52,606      | \$13,375          | \$23,077  | \$9,408          | \$0           | \$2           |
| <b>Nursing Home Care</b>                   | 5.5%             | \$271,597   | \$79,442      | \$5,868           | \$64,030  | \$113,706        | \$0           | \$8,550       |
| <b>Other/Unclassified Health Services</b>  | 0.9%             | \$44,734    | \$6,843       | \$59              | \$18,432  | \$3,637          | \$1           | \$15,761      |
| <b>Admin/Net Cost of Health Insurance</b>  | 8.4%             | \$414,746   | N/A           | \$284,041         | \$45,774  | \$84,931         | \$0           | \$0           |
| Change in surplus                          | N/A              | \$21,312    | N/A           | \$21,312          | n.a.      | n.a.             | \$0           | \$0           |
| Administration                             | N/A              | \$393,434   | N/A           | \$262,729         | \$45,774  | \$84,931         | \$0           | \$0           |
| <b>Government Health Care Activities**</b> | 11.0%            | \$544,102   | n.a.          | \$0               | n.a.      | \$487,654        | \$32,750      | \$23,698      |
| <b>TOTAL VERMONT EXPENDITURES</b>          | 100.0%           | \$4,928,336 | \$701,454     | \$1,875,532       | \$957,132 | \$1,186,524      | \$135,068     | \$72,625      |
| Percent of total expenditures              |                  | 100.0%      | 14.2%         | 38.1%             | 19.4%     | 24.1%            | 2.7%          | 1.5%          |

\* Hospital-employed physician practices are included in the Physician Services category in the Resident Matrix.

\*\* See Spotlight on Government Health Care Activities in this report for further detail.

|      |                                                                             |
|------|-----------------------------------------------------------------------------|
|      | Payer reported data                                                         |
|      | Allocations estimated from VT specific data                                 |
|      | Amounts imputed from National Health Expenditures or other indirect sources |
| N/A  | Not Applicable                                                              |
| n.a. | Not Available                                                               |



## 2010 Vermont Health Care Expenditures - Resident Analysis Private Insurance Detail

All dollar amounts are reported in thousands

|                                            | Percent of Total | Total Private Insurance | Self-Insured | BCBS VT   | MVP        | Workers' Comp | Other Private |
|--------------------------------------------|------------------|-------------------------|--------------|-----------|------------|---------------|---------------|
| <b>Hospitals</b>                           | 44.9%            | \$842,594               | \$233,683    | \$201,973 | \$78,517   | \$27,412      | \$301,009     |
| Community Hospitals                        | 44.2%            | \$829,855               | \$229,460    | \$200,233 | \$75,188   | \$27,412      | \$297,562     |
| Veterans Hospital                          | 0.1%             | \$1,470                 | \$425        | \$509     | \$1        | \$0           | \$534         |
| Psychiatric Hosp: State                    | 0.0%             | \$409                   | \$22         | \$26      | \$0        | \$0           | \$361         |
| Psychiatric Hosp: Private                  | 0.6%             | \$10,860                | \$3,776      | \$1,204   | \$3,328    | \$0           | \$2,552       |
| <b>Physician Services*</b>                 | 17.6%            | \$329,285               | \$90,308     | \$77,609  | \$30,788   | \$17,658      | \$112,922     |
| <b>Dental Services</b>                     | 3.2%             | \$60,724                | \$22,362     | \$1,177   | \$151      | \$283         | \$36,750      |
| <b>Other Professional Services</b>         | 4.6%             | \$85,362                | \$19,969     | \$20,931  | \$3,039    | \$15,829      | \$25,594      |
| Chiropractor Services                      | 0.7%             | \$12,222                | \$2,972      | \$3,397   | \$171      | \$1,655       | \$4,027       |
| Physical Therapy Services                  | 1.2%             | \$23,059                | \$4,546      | \$4,465   | \$991      | \$6,532       | \$6,525       |
| Psychological Services                     | 1.0%             | \$19,616                | \$5,576      | \$6,412   | \$281      | \$218         | \$7,128       |
| Podiatrist Services                        | 0.1%             | \$2,432                 | \$668        | \$592     | \$210      | \$109         | \$853         |
| Other                                      | 1.5%             | \$28,033                | \$6,207      | \$6,065   | \$1,385    | \$7,316       | \$7,061       |
| <b>Home Health Care</b>                    | 0.1%             | \$1,596                 | \$405        | \$90      | \$396      | \$392         | \$313         |
| <b>Drugs &amp; Supplies</b>                | 13.5%            | \$252,628               | \$68,815     | \$64,832  | \$17,768   | \$6,162       | \$95,052      |
| <b>Vision Products &amp; DME</b>           | 0.7%             | \$13,375                | \$3,645      | \$3,716   | \$659      | \$65          | \$5,290       |
| <b>Nursing Home Care</b>                   | 0.3%             | \$5,868                 | \$1,580      | \$1,752   | \$144      | \$501         | \$1,892       |
| <b>Other/Unclassified Health Services</b>  | 0.0%             | \$59                    | \$22         | \$0       | \$26       | \$0           | \$10          |
| <b>Admin/Net Cost of Health Insurance</b>  | 15.1%            | \$284,041               | \$57,689     | \$53,736  | \$10,543   | \$27,198      | \$134,876     |
| Change in surplus                          | 1.1%             | \$21,312                | n.a.         | \$13,127  | (\$13,041) | n.a.          | \$21,226      |
| Administration                             | 14.0%            | \$262,729               | \$57,689     | \$40,609  | \$23,583   | \$27,198      | \$113,650     |
| <b>Government Health Care Activities**</b> | N/A              | \$0                     | n.a.         | n.a.      | n.a.       | n.a.          | n.a.          |
| <b>TOTAL VERMONT EXPENDITURES</b>          | 100.0%           | \$1,875,532             | \$498,478    | \$425,815 | \$142,030  | \$95,499      | \$713,709     |
| Percent of total expenditures              |                  | 100.0%                  | 26.6%        | 22.7%     | 7.6%       | 5.1%          | 38.1%         |

\* Hospital-employed physician practices are included in the Physician Services category in the Resident Matrix.

\*\* See Spotlight on Government Health Care Activities in this report for further detail.

|      |                                                                             |
|------|-----------------------------------------------------------------------------|
|      | Payer reported data                                                         |
|      | Allocations estimated from VT specific data                                 |
|      | Amounts imputed from National Health Expenditures or other indirect sources |
| N/A  | Not Applicable                                                              |
| n.a. | Not Available                                                               |

# 2010 Vermont Health Care Expenditures - Provider Analysis

All dollar amounts are reported in thousands

|                                            | Percent of Total | Total              | Out-of-Pocket    | Private Insurance  | Medicare           | Vermont Medicaid   | Other Federal    | State & Local   |
|--------------------------------------------|------------------|--------------------|------------------|--------------------|--------------------|--------------------|------------------|-----------------|
| <b>Hospitals</b>                           | 44.2%            | <b>\$2,120,790</b> | \$181,636        | \$958,567          | \$590,964          | \$227,276          | \$134,525        | \$27,821        |
| Community Hospitals                        | 39.8%            | <b>\$1,908,768</b> | \$176,999        | \$932,726          | \$584,491          | \$214,552          | \$0              | \$0             |
| Veterans Hospital                          | 3.1%             | <b>\$147,148</b>   | \$4,024          | \$9,106            | \$0                | \$0                | \$133,895        | \$124           |
| Psychiatric Hosp: State                    | 0.5%             | <b>\$22,313</b>    | \$25             | \$0                | \$0                | \$0                | \$185            | \$22,103        |
| Psychiatric Hosp: Private                  | 0.9%             | <b>\$42,560</b>    | \$588            | \$16,735           | \$6,473            | \$12,725           | \$446            | \$5,595         |
| <b>Physician Services*</b>                 | 11.6%            | <b>\$555,307</b>   | \$78,937         | \$294,315          | \$109,469          | \$60,510           | \$11,591         | \$485           |
| <b>Dental Services</b>                     | 5.0%             | <b>\$239,321</b>   | \$145,390        | \$68,017           | \$0                | \$24,701           | \$16             | \$1,197         |
| <b>Other Professional Services</b>         | 4.4%             | <b>\$212,090</b>   | \$32,250         | \$115,054          | \$28,230           | \$36,551           | \$5              | \$1             |
| Chiropractor Services                      | 0.7%             | <b>\$33,556</b>    | \$5,106          | \$24,006           | \$2,755            | \$1,688            | \$0              | \$0             |
| Physical Therapy Services                  | 1.0%             | <b>\$46,868</b>    | \$7,131          | \$28,608           | \$7,070            | \$4,058            | \$1              | \$0             |
| Psychological Services                     | 1.0%             | <b>\$45,898</b>    | \$6,979          | \$19,316           | \$2,548            | \$17,053           | \$1              | \$1             |
| Podiatrist Services                        | 0.1%             | <b>\$4,967</b>     | \$755            | \$2,373            | \$1,555            | \$284              | \$0              | \$0             |
| Other                                      | 1.7%             | <b>\$80,802</b>    | \$12,278         | \$40,751           | \$14,301           | \$13,468           | \$3              | \$0             |
| <b>Home Health Care</b>                    | 2.3%             | <b>\$108,655</b>   | \$4,293          | \$11,683           | \$57,167           | \$33,135           | \$967            | \$1,409         |
| <b>Drugs &amp; Supplies</b>                | 13.2%            | <b>\$634,813</b>   | \$153,502        | \$272,660          | \$130,158          | \$77,934           | \$1,274          | (\$716)         |
| <b>Vision Products &amp; DME</b>           | 2.0%             | <b>\$93,738</b>    | \$50,079         | \$12,733           | \$21,968           | \$8,956            | \$0              | \$1             |
| <b>Nursing Home Care</b>                   | 5.4%             | <b>\$257,348</b>   | \$42,209         | \$2,850            | \$75,967           | \$121,443          | \$5,487          | \$9,392         |
| <b>Other/Unclassified Health Services</b>  | 0.7%             | <b>\$32,775</b>    | \$14,451         | \$2,063            | \$0                | \$500              | \$0              | \$15,761        |
| <b>Admin/Net Cost of Health Insurance</b>  | N/A              | n.a.               | n.a.             | n.a.               | n.a.               | n.a.               | n.a.             | n.a.            |
| Change in surplus                          | N/A              | n.a.               | n.a.             | n.a.               | n.a.               | n.a.               | n.a.             | n.a.            |
| Administration                             | N/A              | n.a.               | n.a.             | n.a.               | n.a.               | n.a.               | n.a.             | n.a.            |
| <b>Government Health Care Activities**</b> | 11.3%            | <b>\$544,102</b>   | \$0              | \$0                | \$0                | \$487,654          | \$32,750         | \$23,698        |
| <b>TOTAL VERMONT EXPENDITURES</b>          | 100.0%           | <b>\$4,798,939</b> | <b>\$702,747</b> | <b>\$1,737,941</b> | <b>\$1,013,923</b> | <b>\$1,078,661</b> | <b>\$186,616</b> | <b>\$79,050</b> |
| Percent of total expenditures              |                  | 100.0%             | 14.6%            | 36.2%              | 21.1%              | 22.5%              | 3.9%             | 1.6%            |

\* Hospital-employed physician practices are included in the Community Hospital category in the Provider Matrix. Physicians amount reported \$278 million.

\*\* See Spotlight on Government Health Care Activities in this report for further detail.

|      |                                                                             |
|------|-----------------------------------------------------------------------------|
|      | Provider reported data                                                      |
|      | Allocations estimated from VT specific data                                 |
|      | Amounts imputed from National Health Expenditures or other indirect sources |
| N/A  | Not Applicable                                                              |
| n.a. | Not Available                                                               |

## 2010 Vermont Health Care Expenditures - Provider Analysis Private Insurance Detail

All dollar amounts are reported in thousands

|                                            | Percent of Total | Total Private Insurance | Self-Insured     | BCBS VT          | MVP              | Workers' Comp   | Other Private    |
|--------------------------------------------|------------------|-------------------------|------------------|------------------|------------------|-----------------|------------------|
| <b>Hospitals</b>                           | 55.2%            | <b>\$958,567</b>        | \$266,663        | \$230,338        | \$89,738         | \$29,730        | \$342,098        |
| Community Hospitals                        | 53.7%            | <b>\$932,726</b>        | \$258,239        | \$225,347        | \$84,618         | \$29,640        | \$334,883        |
| Veterans Hospital                          | 0.5%             | <b>\$9,106</b>          | \$2,623          | \$3,141          | \$8              | \$40            | \$3,294          |
| Psychiatric Hosp: State                    | 0.0%             | <b>\$0</b>              | \$0              | \$0              | \$0              | \$0             | \$0              |
| Psychiatric Hosp: Private                  | 1.0%             | <b>\$16,735</b>         | \$5,801          | \$1,850          | \$5,113          | \$50            | \$3,921          |
| <b>Physician Services*</b>                 | 16.9%            | <b>\$294,315</b>        | \$80,717         | \$69,367         | \$27,518         | \$15,782        | \$100,930        |
| <b>Dental Services</b>                     | 3.9%             | <b>\$68,017</b>         | \$25,048         | \$1,318          | \$169            | \$317           | \$41,164         |
| <b>Other Professional Services</b>         | 6.6%             | <b>\$115,054</b>        | \$26,644         | \$27,919         | \$4,061          | \$22,309        | \$34,121         |
| Chiropractor Services                      | 1.4%             | <b>\$24,006</b>         | \$5,838          | \$6,671          | \$336            | \$3,250         | \$7,910          |
| Physical Therapy Services                  | 1.6%             | <b>\$28,608</b>         | \$5,639          | \$5,539          | \$1,230          | \$8,104         | \$8,096          |
| Psychological Services                     | 1.1%             | <b>\$19,316</b>         | \$5,491          | \$6,314          | \$277            | \$214           | \$7,019          |
| Podiatrist Services                        | 0.1%             | <b>\$2,373</b>          | \$652            | \$578            | \$205            | \$106           | \$832            |
| Other                                      | 2.3%             | <b>\$40,751</b>         | \$9,023          | \$8,816          | \$2,013          | \$10,635        | \$10,264         |
| <b>Home Health Care</b>                    | 0.7%             | <b>\$11,683</b>         | \$251            | \$2,939          | \$614            | \$84            | \$7,795          |
| <b>Drugs &amp; Supplies</b>                | 15.7%            | <b>\$272,660</b>        | \$74,272         | \$69,972         | \$19,177         | \$6,650         | \$102,589        |
| <b>Vision Products &amp; DME</b>           | 0.7%             | <b>\$12,733</b>         | \$3,470          | \$3,538          | \$627            | \$62            | \$5,036          |
| <b>Nursing Home Care</b>                   | 0.2%             | <b>\$2,850</b>          | \$767            | \$851            | \$70             | \$243           | \$919            |
| <b>Other/Unclassified Health Services</b>  | 0.1%             | <b>\$2,063</b>          | \$2,063          | \$0              | \$0              | \$0             | \$0              |
| <b>Admin/Net Cost of Health Insurance</b>  | N/A              | <b>n.a.</b>             | n.a.             | n.a.             | n.a.             | n.a.            | n.a.             |
| Change in surplus                          | N/A              | <b>n.a.</b>             | n.a.             | n.a.             | n.a.             | n.a.            | n.a.             |
| Administration                             | N/A              | <b>n.a.</b>             | n.a.             | n.a.             | n.a.             | n.a.            | n.a.             |
| <b>Government Health Care Activities**</b> | 0.0%             | <b>\$0</b>              | \$0              | \$0              | \$0              | \$0             | \$0              |
| <b>TOTAL VERMONT EXPENDITURES</b>          | 100.0%           | <b>\$1,737,941</b>      | <b>\$479,895</b> | <b>\$406,242</b> | <b>\$141,974</b> | <b>\$75,178</b> | <b>\$634,652</b> |
| Percent of total expenditures              |                  | 100.0%                  | 27.6%            | 23.4%            | 8.2%             | 4.3%            | 36.5%            |

\* Hospital-employed physician practices are included in the Community Hospital category in the Provider Matrix. Physicians amount reported \$278 million.

\*\* See Spotlight on Government Health Care Activities in this report for further detail.

|      |                                                                             |
|------|-----------------------------------------------------------------------------|
|      | Provider reported data                                                      |
|      | Allocations estimated from VT specific data                                 |
|      | Amounts imputed from National Health Expenditures or other indirect sources |
| N/A  | Not Applicable                                                              |
| n.a. | Not Available                                                               |

**VERMONT HEALTH REFORM**



# Revised 2009 Vermont Health Care Expenditures - Resident Analysis

as of January 2012

All dollar amounts are reported in thousands

|                                            | Percent of Total | Total       | Out-of-Pocket | Private Insurance | Medicare  | Vermont Medicaid | Other Federal | State & Local |
|--------------------------------------------|------------------|-------------|---------------|-------------------|-----------|------------------|---------------|---------------|
| <b>Hospitals</b>                           | 36.9%            | \$1,733,474 | \$162,606     | \$809,276         | \$464,973 | \$200,536        | \$74,264      | \$21,819      |
| Community Hospitals                        | 34.5%            | \$1,624,072 | \$162,606     | \$798,784         | \$461,967 | \$200,536        | \$147         | \$32          |
| Veterans Hospital                          | 1.6%             | \$75,554    | \$0           | \$1,305           | \$0       | \$0              | \$74,117      | \$132         |
| Psychiatric Hosp: State                    | 0.5%             | \$22,372    | \$0           | \$717             | \$0       | \$0              | \$0           | \$21,655      |
| Psychiatric Hosp: Private                  | 0.2%             | \$11,475    | \$0           | \$8,470           | \$3,005   | \$0              | \$0           | \$0           |
| <b>Physician Services*</b>                 | 13.5%            | \$634,075   | \$87,671      | \$329,674         | \$107,949 | \$100,212        | \$8,487       | \$83          |
| <b>Dental Services</b>                     | 4.5%             | \$209,458   | \$132,188     | \$56,656          | \$0       | \$20,181         | \$22          | \$412         |
| <b>Other Professional Services</b>         | 3.3%             | \$154,786   | \$25,384      | \$81,220          | \$19,896  | \$28,284         | \$0           | \$1           |
| Chiropractor Services                      | 0.4%             | \$18,806    | \$3,150       | \$13,399          | \$1,322   | \$936            | \$0           | \$0           |
| Physical Therapy Services                  | 0.8%             | \$35,818    | \$5,901       | \$22,171          | \$5,369   | \$2,378          | \$0           | \$0           |
| Psychological Services                     | 0.9%             | \$43,163    | \$7,121       | \$18,377          | \$2,438   | \$15,226         | \$0           | \$1           |
| Podiatrist Services                        | 0.1%             | \$4,687     | \$778         | \$2,163           | \$1,501   | \$245            | \$0           | \$0           |
| Other                                      | 1.1%             | \$52,311    | \$8,434       | \$25,110          | \$9,268   | \$9,499          | \$0           | \$0           |
| <b>Home Health Care</b>                    | 2.1%             | \$97,124    | \$14,047      | \$1,321           | \$52,692  | \$23,713         | \$0           | \$5,350       |
| <b>Drugs &amp; Supplies</b>                | 12.0%            | \$566,076   | \$141,209     | \$233,782         | \$105,125 | \$78,423         | \$915         | \$6,622       |
| <b>Vision Products &amp; DME</b>           | 1.9%             | \$91,551    | \$48,915      | \$12,228          | \$21,739  | \$8,666          | \$0           | \$3           |
| <b>Nursing Home Care</b>                   | 5.7%             | \$268,927   | \$75,325      | \$5,019           | \$60,319  | \$121,235        | \$0           | \$7,029       |
| <b>Other/Unclassified Health Services</b>  | 0.9%             | \$44,001    | \$6,588       | \$244             | \$17,364  | \$4,010          | \$0           | \$15,795      |
| <b>Admin/Net Cost of Health Insurance</b>  | 7.8%             | \$367,042   | N/A           | \$236,141         | \$46,173  | \$84,728         | \$0           | \$0           |
| Change in surplus                          | N/A              | (\$31,382)  | N/A           | (\$31,382)        | n.a.      | n.a.             | \$0           | \$0           |
| Administration                             | N/A              | \$398,424   | N/A           | \$267,524         | \$46,173  | \$84,728         | \$0           | \$0           |
| <b>Government Health Care Activities**</b> | 11.4%            | \$535,313   | n.a.          | \$0               | n.a.      | \$485,736        | \$28,762      | \$20,816      |
| <b>TOTAL VERMONT EXPENDITURES</b>          | 100.0%           | \$4,701,828 | \$693,932     | \$1,765,562       | \$896,231 | \$1,155,724      | \$112,451     | \$77,928      |
| Percent of total expenditures              |                  | 100.0%      | 14.8%         | 37.6%             | 19.1%     | 24.6%            | 2.4%          | 1.7%          |

\* Hospital-employed physician practices are included in the Physician Services category in the Resident Matrix.

\*\* See Spotlight on Government Health Care Activities in this report for further detail.

|      |                                                                             |
|------|-----------------------------------------------------------------------------|
|      | Payer reported data                                                         |
|      | Allocations estimated from VT specific data                                 |
|      | Amounts imputed from National Health Expenditures or other indirect sources |
| N/A  | Not Applicable                                                              |
| n.a. | Not Available                                                               |

VERMONT HEALTH REFORM



# Revised 2009 Vermont Health Care Expenditures - Resident Analysis

## Private Insurance Detail

as of January 2012

All dollar amounts are reported in thousands

|                                            | Percent of Total | Total Private Insurance | Self-Insured | BCBS VT   | MVP       | Workers' Comp | Other Private |
|--------------------------------------------|------------------|-------------------------|--------------|-----------|-----------|---------------|---------------|
| <b>Hospitals</b>                           | 45.8%            | \$809,276               | \$204,180    | \$208,333 | \$71,645  | \$25,526      | \$299,593     |
| Community Hospitals                        | 45.2%            | \$798,784               | \$201,101    | \$206,793 | \$68,962  | \$25,526      | \$296,402     |
| Veterans Hospital                          | 0.1%             | \$1,305                 | \$355        | \$441     | \$46      | \$0           | \$463         |
| Psychiatric Hosp: State                    | 0.0%             | \$717                   | \$3          | \$5       | \$0       | \$0           | \$709         |
| Psychiatric Hosp: Private                  | 0.5%             | \$8,470                 | \$2,721      | \$1,094   | \$2,636   | \$0           | \$2,019       |
| <b>Physician Services*</b>                 | 18.7%            | \$329,674               | \$83,045     | \$82,347  | \$31,527  | \$16,453      | \$116,302     |
| <b>Dental Services</b>                     | 3.2%             | \$56,656                | \$20,292     | \$1,362   | \$192     | \$276         | \$34,535      |
| <b>Other Professional Services</b>         | 4.6%             | \$81,220                | \$16,750     | \$20,673  | \$2,294   | \$17,063      | \$24,440      |
| Chiropractor Services                      | 0.8%             | \$13,399                | \$2,623      | \$3,475   | \$122     | \$3,070       | \$4,108       |
| Physical Therapy Services                  | 1.3%             | \$22,171                | \$4,145      | \$4,699   | \$985     | \$5,668       | \$6,673       |
| Psychological Services                     | 1.0%             | \$18,377                | \$4,785      | \$6,262   | \$299     | \$197         | \$6,834       |
| Podiatrist Services                        | 0.1%             | \$2,163                 | \$555        | \$572     | \$189     | \$39          | \$808         |
| Other                                      | 1.4%             | \$25,110                | \$4,641      | \$5,665   | \$699     | \$8,089       | \$6,017       |
| <b>Home Health Care</b>                    | 0.1%             | \$1,321                 | \$285        | \$117     | \$274     | \$394         | \$250         |
| <b>Drugs &amp; Supplies</b>                | 13.2%            | \$233,782               | \$60,501     | \$62,152  | \$20,808  | \$5,530       | \$84,790      |
| <b>Vision Products &amp; DME</b>           | 0.7%             | \$12,228                | \$2,956      | \$3,385   | \$668     | \$118         | \$5,101       |
| <b>Nursing Home Care</b>                   | 0.3%             | \$5,019                 | \$1,282      | \$1,672   | \$86      | \$256         | \$1,723       |
| <b>Other/Unclassified Health Services</b>  | 0.0%             | \$244                   | \$85         | \$2       | \$114     | \$0           | \$42          |
| <b>Admin/Net Cost of Health Insurance</b>  | 13.4%            | \$236,141               | \$56,112     | \$34,242  | \$13,697  | \$40,514      | \$91,577      |
| Change in surplus                          | -1.8%            | (\$31,382)              | n.a.         | (\$6,100) | (\$5,253) | n.a.          | (\$20,029)    |
| Administration                             | 15.2%            | \$267,524               | \$56,112     | \$40,342  | \$18,951  | \$40,514      | \$111,605     |
| <b>Government Health Care Activities**</b> | N/A              | \$0                     | n.a.         | n.a.      | n.a.      | n.a.          | n.a.          |
| <b>TOTAL VERMONT EXPENDITURES</b>          | 100.0%           | \$1,765,562             | \$445,488    | \$414,285 | \$141,307 | \$106,129     | \$658,353     |
| Percent of total expenditures              |                  | 100.0%                  | 25.2%        | 23.5%     | 8.0%      | 6.0%          | 37.3%         |

\* Hospital-employed physician practices are included in the Physician Services category in the Resident Matrix.

\*\* See Spotlight on Government Health Care Activities in this report for further detail.

|      |                                                                             |
|------|-----------------------------------------------------------------------------|
|      | Payer reported data                                                         |
|      | Allocations estimated from VT specific data                                 |
|      | Amounts imputed from National Health Expenditures or other indirect sources |
| N/A  | Not Applicable                                                              |
| n.a. | Not Available                                                               |

**VERMONT HEALTH REFORM**



# Revised 2009 Vermont Health Care Expenditures - Provider Analysis

as of January 2012

All dollar amounts are reported in thousands

|                                            | Percent of Total | Total              | Out-of-Pocket    | Private Insurance  | Medicare         | Vermont Medicaid   | Other Federal    | State & Local   |
|--------------------------------------------|------------------|--------------------|------------------|--------------------|------------------|--------------------|------------------|-----------------|
| <b>Hospitals</b>                           | 42.9%            | <b>\$2,000,218</b> | \$186,544        | \$904,440          | \$550,272        | \$215,723          | \$114,596        | \$28,643        |
| Community Hospitals                        | 38.9%            | <b>\$1,815,090</b> | \$181,731        | \$884,454          | \$544,691        | \$204,214          | \$0              | \$0             |
| Veterans Hospital                          | 2.7%             | <b>\$127,439</b>   | \$4,255          | \$9,025            | \$0              | \$0                | \$114,026        | \$132           |
| Psychiatric Hosp: State                    | 0.5%             | <b>\$21,758</b>    | \$45             | \$22               | \$0              | \$0                | \$36             | \$21,655        |
| Psychiatric Hosp: Private                  | 0.8%             | <b>\$35,932</b>    | \$514            | \$10,939           | \$5,581          | \$11,509           | \$534            | \$6,856         |
| <b>Physician Services*</b>                 | 12.0%            | <b>\$561,643</b>   | \$77,656         | \$312,186          | \$103,435        | \$60,251           | \$8,037          | \$79            |
| <b>Dental Services</b>                     | 5.3%             | <b>\$246,564</b>   | \$155,605        | \$66,693           | \$0              | \$23,756           | \$26             | \$485           |
| <b>Other Professional Services</b>         | 4.4%             | <b>\$205,546</b>   | \$33,690         | \$109,832          | \$27,143         | \$34,880           | \$0              | \$1             |
| Chiropractor Services                      | 0.7%             | <b>\$31,836</b>    | \$5,333          | \$22,683           | \$2,237          | \$1,584            | \$0              | \$0             |
| Physical Therapy Services                  | 1.0%             | <b>\$45,178</b>    | \$7,443          | \$27,964           | \$6,771          | \$3,000            | \$0              | \$0             |
| Psychological Services                     | 1.0%             | <b>\$44,536</b>    | \$7,348          | \$18,962           | \$2,515          | \$15,711           | \$0              | \$1             |
| Podiatrist Services                        | 0.1%             | <b>\$5,158</b>     | \$856            | \$2,380            | \$1,652          | \$270              | \$0              | \$0             |
| Other                                      | 1.7%             | <b>\$78,838</b>    | \$12,711         | \$37,844           | \$13,967         | \$14,316           | \$0              | \$0             |
| <b>Home Health Care</b>                    | 2.2%             | <b>\$102,802</b>   | \$6,690          | \$8,142            | \$51,077         | \$30,799           | \$745            | \$5,350         |
| <b>Drugs &amp; Supplies</b>                | 13.9%            | <b>\$646,021</b>   | \$161,151        | \$266,798          | \$119,971        | \$89,499           | \$1,044          | \$7,557         |
| <b>Vision Products &amp; DME</b>           | 1.7%             | <b>\$80,154</b>    | \$42,826         | \$10,706           | \$19,033         | \$7,587            | \$0              | \$2             |
| <b>Nursing Home Care</b>                   | 5.4%             | <b>\$252,566</b>   | \$41,861         | \$2,486            | \$71,033         | \$125,175          | \$4,306          | \$7,705         |
| <b>Other/Unclassified Health Services</b>  | 0.7%             | <b>\$31,856</b>    | \$13,616         | \$1,979            | \$0              | \$500              | \$0              | \$15,761        |
| <b>Admin/Net Cost of Health Insurance</b>  | N/A              | n.a.               | n.a.             | n.a.               | n.a.             | n.a.               | n.a.             | n.a.            |
| Change in surplus                          | N/A              | n.a.               | n.a.             | n.a.               | n.a.             | n.a.               | n.a.             | n.a.            |
| Administration                             | N/A              | n.a.               | n.a.             | n.a.               | n.a.             | n.a.               | n.a.             | n.a.            |
| <b>Government Health Care Activities**</b> | 11.5%            | <b>\$535,313</b>   | \$0              | \$0                | \$0              | \$485,736          | \$28,762         | \$20,816        |
| <b>TOTAL VERMONT EXPENDITURES</b>          | 100.0%           | <b>\$4,662,684</b> | <b>\$719,639</b> | <b>\$1,683,263</b> | <b>\$941,964</b> | <b>\$1,073,904</b> | <b>\$157,515</b> | <b>\$86,398</b> |
| Percent of total expenditures              |                  | 100.0%             | 15.4%            | 36.1%              | 20.2%            | 23.0%              | 3.4%             | 1.9%            |

\* Hospital-employed physician practices are included in the Community Hospital category in the Provider Matrix. Physicians amount reported \$265 million.

\*\* See Spotlight on Government Health Care Activities in this report for further detail.

|      |                                                                             |
|------|-----------------------------------------------------------------------------|
|      | Provider reported data                                                      |
|      | Allocations estimated from VT specific data                                 |
|      | Amounts imputed from National Health Expenditures or other indirect sources |
| N/A  | Not Applicable                                                              |
| n.a. | Not Available                                                               |

VERMONT HEALTH REFORM



# Revised 2009 Vermont Health Care Expenditures - Provider Analysis

## Private Insurance Detail

as of January 2012

All dollar amounts are reported in thousands

|                                            | Percent of Total | Total Private Insurance | Self-Insured     | BCBS VT          | MVP              | Workers' Comp   | Other Private    |
|--------------------------------------------|------------------|-------------------------|------------------|------------------|------------------|-----------------|------------------|
| <b>Hospitals</b>                           | 53.7%            | <b>\$904,440</b>        | \$228,491        | \$233,279        | \$80,034         | \$28,834        | \$333,803        |
| Community Hospitals                        | 52.5%            | <b>\$884,454</b>        | \$222,534        | \$228,832        | \$76,312         | \$28,786        | \$327,991        |
| Veterans Hospital                          | 0.5%             | <b>\$9,025</b>          | \$2,444          | \$3,034          | \$318            | \$47            | \$3,183          |
| Psychiatric Hosp: State                    | 0.0%             | <b>\$22</b>             | \$0              | \$0              | \$0              | \$0             | \$22             |
| Psychiatric Hosp: Private                  | 0.6%             | <b>\$10,939</b>         | \$3,513          | \$1,413          | \$3,404          | \$1             | \$2,607          |
| <b>Physician Services*</b>                 | 18.5%            | <b>\$312,186</b>        | \$78,640         | \$77,979         | \$29,854         | \$15,580        | \$110,133        |
| <b>Dental Services</b>                     | 4.0%             | <b>\$66,693</b>         | \$23,886         | \$1,603          | \$227            | \$324           | \$40,652         |
| <b>Other Professional Services</b>         | 6.5%             | <b>\$109,832</b>        | \$22,212         | \$27,438         | \$3,019          | \$24,784        | \$32,380         |
| Chiropractor Services                      | 1.3%             | <b>\$22,683</b>         | \$4,441          | \$5,883          | \$207            | \$5,197         | \$6,954          |
| Physical Therapy Services                  | 1.7%             | <b>\$27,964</b>         | \$5,229          | \$5,927          | \$1,242          | \$7,149         | \$8,416          |
| Psychological Services                     | 1.1%             | <b>\$18,962</b>         | \$4,937          | \$6,461          | \$309            | \$203           | \$7,052          |
| Podiatrist Services                        | 0.1%             | <b>\$2,380</b>          | \$611            | \$629            | \$208            | \$43            | \$889            |
| Other                                      | 2.2%             | <b>\$37,844</b>         | \$6,994          | \$8,537          | \$1,054          | \$12,191        | \$9,068          |
| <b>Home Health Care</b>                    | 0.5%             | <b>\$8,142</b>          | \$175            | \$2,048          | \$428            | \$59            | \$5,432          |
| <b>Drugs &amp; Supplies</b>                | 15.9%            | <b>\$266,798</b>        | \$69,046         | \$70,930         | \$23,747         | \$6,311         | \$96,764         |
| <b>Vision Products &amp; DME</b>           | 0.6%             | <b>\$10,706</b>         | \$2,588          | \$2,963          | \$585            | \$103           | \$4,466          |
| <b>Nursing Home Care</b>                   | 0.1%             | <b>\$2,486</b>          | \$635            | \$828            | \$43             | \$127           | \$854            |
| <b>Other/Unclassified Health Services</b>  | 0.1%             | <b>\$1,979</b>          | \$1,979          | \$0              | \$0              | \$0             | \$0              |
| <b>Admin/Net Cost of Health Insurance</b>  | N/A              | n.a.                    | n.a.             | n.a.             | n.a.             | n.a.            | n.a.             |
| Change in surplus                          | N/A              | n.a.                    | n.a.             | n.a.             | n.a.             | n.a.            | n.a.             |
| Administration                             | N/A              | n.a.                    | n.a.             | n.a.             | n.a.             | n.a.            | n.a.             |
| <b>Government Health Care Activities**</b> | 0.0%             | <b>\$0</b>              | \$0              | \$0              | \$0              | \$0             | \$0              |
| <b>TOTAL VERMONT EXPENDITURES</b>          | 100.0%           | <b>\$1,683,263</b>      | <b>\$427,651</b> | <b>\$417,068</b> | <b>\$137,937</b> | <b>\$76,122</b> | <b>\$624,484</b> |
| Percent of total expenditures              |                  | 100.0%                  | 25.4%            | 24.8%            | 8.2%             | 4.5%            | 37.1%            |

\* Hospital-employed physician practices are included in the Community Hospital category in the Provider Matrix. Physicians amount reported \$265 million.

\*\* See Spotlight on Government Health Care Activities in this report for further detail.

|      |                                                                             |
|------|-----------------------------------------------------------------------------|
|      | Provider reported data                                                      |
|      | Allocations estimated from VT specific data                                 |
|      | Amounts imputed from National Health Expenditures or other indirect sources |
| N/A  | Not Applicable                                                              |
| n.a. | Not Available                                                               |

**VERMONT HEALTH REFORM**



# Definitions and Data Sources: Resident (Payer)

| Expenditure Categories                    | Definition                                                                                                                                                                                                                                                                                                    | Data Sources for Payer Matrix                                                                                                                                                                             | Allocation to Provider Services                                                                                           |
|-------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| <u>Out-of-Pocket</u>                      | Includes expenditures made directly by consumers to purchase health care services and supplies; includes deductibles and coinsurance. Excludes payments for insurance premiums that are included in the insurance expenditure category.                                                                       | Medicare and VHCURES data includes out of pocket costs for enrollees. Also, average of NHE per capita data and data from Market Decisions (from the 2009 VT Household Health Insurance Survey).           | Allocation based on NHE distributions, line item data from Market Decisions, and other Resident expenditures.             |
| <u>Private Insurance</u>                  | Includes expenditures made by BCBSVT, MVP, CIGNA, TVHP and other private commercial payers that sell benefit plans regulated by BISHCA. Includes comprehensive major medical insurance, Medicare supplement insurance, long-term care, and dental insurance. Excludes accident only and disability insurance. | BCBSVT, CIGNA, TVHP and MVP reported 2010 data by provider service category. Other private commercial insurance expenditures were calculated from the 2010 Annual Statement Supplement filed with BISHCA. | Actuals as reported by BCBSVT, CIGNA, TVHP and MVP.<br><br>Other private allocation based on BCBSVT and MVP distribution. |
| - Commercial                              |                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                           |                                                                                                                           |
| - Self-Insured                            | Includes expenditures by companies that assume financial risk and directly pay for health services for their employees. These plans are exempt from state regulation under ERISA.                                                                                                                             | Calculated from the 2010 Annual Statement Supplement filed with BISHCA.                                                                                                                                   | Allocation based on BCBSVT and MVP distribution.                                                                          |
| - Workers' Compensation                   | Includes the medical component of workers' compensation claims. Some of these claims are self-insured and some are private insurance.                                                                                                                                                                         | Calculated with data from A.M. Best, the National Council on Compensation Ins., and the National Academy of Social Ins.                                                                                   | Allocation based on 2010 workers' compensation medical payments in Oregon.                                                |
| <u>Medicare</u>                           | Includes expenditures made by the federal government on behalf of beneficiaries of the national Medicare program, including the elderly and disabled.                                                                                                                                                         | 2009 claims data for Medicare beneficiaries who are VT residents regardless of location of covered services received, and inflated by a 3-year average increase, with adjustments for drugs and admin.    | Actual reported 2009 claims data for VT beneficiaries.                                                                    |
| <u>Medicaid</u>                           | Includes health expenditures for beneficiaries of VT's medical assistance program, a federal-state health insurance program for certain low-income and medically needy people and aged, blind, and disabled residents. The program provides medical and prescription drug coverage.                           | 2010 Medicaid expenditure claims data prepared by AHS. Global Commitment, Long-Term Care, SCHIP, and MCO Investments are included in the data.                                                            | Actual reported claims data and input from AHS.                                                                           |
| <u>Other Government Federal</u>           | Includes federal expenditures to operate the V.A. Hospital, grants administered by the VT Dept. of Health for health care services not covered through the Medicare or Medicaid program, and expenditures on federally qualified health centers.                                                              | 2010 data from the V.A. Hospital, AHS, and the Bi-State Primary Care Association.                                                                                                                         | Allocation based on input from AHS.                                                                                       |
| <u>Other Government State &amp; Local</u> | Includes public health activities and payments made by the state government for health care services that are not covered through the Medicare or Medicaid program.                                                                                                                                           | 2010 data from AHS, the VT State Hospital, the V.A. Hospital, and DHCA.                                                                                                                                   | Allocation based on input from AHS.                                                                                       |

AHS Agency of Human Services  
 BISHCA Department of Banking, Insurance, Securities and Health Care Administration  
 DME Durable medical equipment  
 NHE National Health Expenditures model  
 DAIL Department of Disabilities, Aging & Independent Living

BCBSVT Blue Cross Blue Shield of Vermont  
 CIGNA Connecticut General Life Ins Co of Amer.  
 DHCA Division of Health Care Administration  
 ERISA Employment Retirement Income Security Act  
 V.A. Veterans' Administration  
 SCHIP State Children's Health Insurance Program

**VERMONT HEALTH REFORM**



# Definitions and Data Sources: Provider

| Expenditure Categories                      | Definition                                                                                                                                                                                                                                                                                                                                                                            | Data Sources for Provider Matrix                                                                                                                                    | Allocation to Payers of Services                                                                                                                                         |
|---------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Hospitals</b>                            | Includes net revenues from all inpatient and outpatient acute care services and paid physician salaries and expenses at VT community hospitals, Brattleboro Retreat, VT State Hospital, and V.A. Hospital.                                                                                                                                                                            | 2010 data from all VT non-profit community hospitals, VT State Hospital, V.A. Hospital, and Brattleboro Retreat.                                                    | Payer as reported by hospitals. Unspecified expenditures allocated based on resident matrix.                                                                             |
| <b>Physician Services</b>                   | Includes revenue for all physicians (including osteopathic physicians), rural health clinics, federally qualified health centers, nurse practitioners, and physician assistants. Salaries and expenses paid for Vermont hospital-owned physician practices are excluded (see Hospitals).                                                                                              | 2002 U.S. Economic Census, inflated to 2010 with NHE data.                                                                                                          | Allocation based on resident matrix. Represents total net practice revenue, not physician net income.                                                                    |
| <b>Dental Services</b>                      | Includes revenue for dental and oral surgery services.                                                                                                                                                                                                                                                                                                                                | 2007 U.S. Economic Census, inflated to 2010 with NHE data                                                                                                           | Allocation based on resident matrix.                                                                                                                                     |
| <b>Other Professional Services</b>          | Includes all revenue for services provided by licensed health care professionals who are not physicians or dentists and who directly bill for their services. Includes: chiropractic services, physical therapy services, podiatrist services, psychological services, and all other expenditures for services provided by health professionals that are not specifically identified. | Chiropractic, physical therapy, psychological, podiatrist, and other professional services data from 2007 U.S. Economic Census, inflated to 2010 with NHE data      | Allocation based on resident matrix.                                                                                                                                     |
| <b>Home Health Care</b>                     | Includes revenue from all services provided by home health agencies.                                                                                                                                                                                                                                                                                                                  | 2010 data from the AHS-DAIL, Bayada and Associates in Physical & Occupational Therapy.                                                                              | AHS-DAIL and Bayada.                                                                                                                                                     |
| <b>Drugs and Supplies</b>                   | Includes all revenue for prescription drugs and non-durable supplies that are purchased by prescription. Non-prescription drugs are included.                                                                                                                                                                                                                                         | 2010 Verispan, L.L.C. data (Henry J. Kaiser Family Foundation, State Health Facts Online) averaged with 2010 NHE drugs growth rate. Estimate for supplies added.    | Allocation based on resident matrix.                                                                                                                                     |
| <b>Vision Products &amp; DME</b>            | Includes all revenue for products that aid sight and for all services provided by optometrists and opticians. Also includes expenditures for durable medical equipment purchased from independent vendors.                                                                                                                                                                            | 2007 U.S. Economic Census, inflated to 2010 with NHE data                                                                                                           | Allocation based on resident matrix.                                                                                                                                     |
| <b>Nursing Home Care</b>                    | Includes all revenues received by nursing homes, including intermediate care facilities and skilled nursing facilities.                                                                                                                                                                                                                                                               | Expenditure data reported to AHS Division of Rate Setting for 2010. Estimates added for non-Medicaid homes.                                                         | Government expenditures allocated as reported by nursing homes to AHS. Private expenditures distributed based on resident matrix.                                        |
| <b>Other / Unclassified Health Services</b> | Includes all services not specified elsewhere, including college health fees, office-based business health spending, and some public school health spending.                                                                                                                                                                                                                          | University of Vermont, Vermont Department of Education, others.                                                                                                     | Payer as reported by provider.                                                                                                                                           |
| <b>Admin/Net Cost of Health Insurance</b>   | Includes the administrative costs of health care programs. Net cost is the difference of premiums earned and benefits incurred and includes administrative costs, as well as, additions to reserves, rate credits and dividends, premium taxes, and plan profits or losses and is estimated separately.                                                                               | 2010 data by provider service category. Other private commercial insurance expenditures were calculated from the 2010 Annual Statement Supplement filed with BISHCA | Reported directly by Payer.                                                                                                                                              |
| <b>Government Health Activities</b>         | Includes all expenditures for health activities through AHS, public mental health funding, case management services, and VT Department of Corrections health-related spending. State and Federal grants and DHCA expenditures are also included.                                                                                                                                      | AHS and DHCA.                                                                                                                                                       | Allocated as reported by AHS. AHS does not include employee or operating costs, only grant programs. DHCA includes employee and operating costs and contract with VPQHC. |

# Methodologies, technical notes

- **US comparisons:** National Health Expenditure Data (NHE), the Centers for Medicare and Medicaid Services' website at <http://www.cms.gov/NationalHealthExpendData/> (**pages 9,10,13,15,17,18,19 and 21 based on actual 2010 expenditures, page 11 is based on projected 2010 data**)
- **VT GSP** as of 01/30/12 at U.S. Dept. of Commerce, Bureau of Economic Analysis, current GDP by state website <http://www.bea.gov/iTable/iTable.cfm?ReqID=70&step=1&isuri=1&acrdrn=1> (**page 13**)
- Vermont's per capita health care costs are the average amount spent on health care for each Vermont resident (**page 13**)
- **Population counts:** BISHCA uses population estimates as calculated by the Vermont Department of Health (VDH) and BISHCA's Vermont Household Health Insurance Survey; CMS uses U.S. Census data for Vermont. This difference is relatively minor, but can alter actual per capita values. For more information about the health insurance market and coverage in Vermont, see website <http://www.bishca.state.vt.us/sites/default/files/FAQ2010IssueBrief-healthinsurance.pdf> (**page 14**)
- 2010 Vermont Uniform Hospital Discharge Data Set website-<http://www.bishca.state.vt.us/health-care/vermont-uniform-hospital-discharge-data-set-vuhdds> (**page 28**)
- GMCB is working to improve the estimate for the **Physician category**. Current estimates have limited information as to the total number of physicians and their earnings as well as the defining and accounting for hospital-employed physicians. (**pages 26 and 29**)
- VHCURES website-[http://www.bishca.state.vt.us/health-care/health-insurers/vermont-healthcare-claims-uniform-reporting-and-evaluation-system-vhcure#VHCURES\\_Reports](http://www.bishca.state.vt.us/health-care/health-insurers/vermont-healthcare-claims-uniform-reporting-and-evaluation-system-vhcure#VHCURES_Reports) (**page 39**)
- **Medicare data** are from the 2009 Vermont Medicare Annual Report prepared for BISHCA by Dan Gottlieb of The Dartmouth Institute for Health Policy & Clinical Practice (TDI) (**page 39**)
- The **Out of Pocket (OOP)** methodology relies on Vermont data and less on the census and the NHE. Medicare claims expenditures reported to BISHCA from TDI include out of pocket costs by Medicare enrollees. VHCURES allows measurement of the insured enrollee's actual out of pocket costs for about 85% of the commercial market. Survey and 2007 census data and the NHE is still used to help estimate out of pocket costs for unique provider populations and services. (**page 39**)