



2013 Vermont Health Care Expenditure Analysis

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March 2015

The Expenditure Analysis

The *Vermont Health Care Expenditure Analysis* is required under 18 V.S.A. § 9375a.

The analysis is prepared annually. The report is intended to be a tool to inform policy-makers and the public about health care spending.

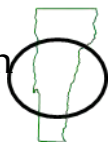
The *Vermont Health Care Expenditure Analysis* presents two separate reports:

- 1) health care spending for services delivered in Vermont; and
- 2) for health care services provided to Vermont residents within Vermont and in other states.

The Expenditure Analysis

The report reflects two perspectives:

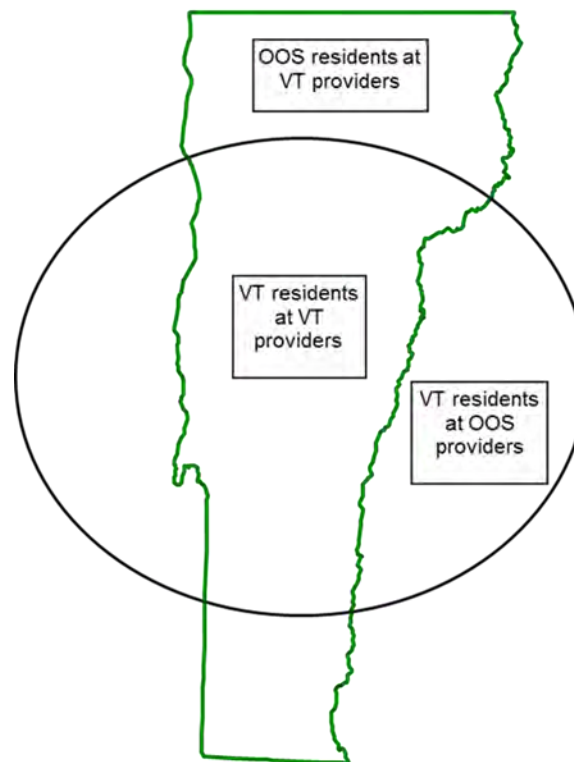
1)the **Resident analysis**,
payers' premium spending on
Vermont Residents ;



2)and the **Provider analysis**,
all net revenues received by Vermont
Providers for services rendered.

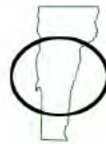


Because some Vermonters obtain health care out/of/state (OOS) and some non-Vermonters come to Vermont for care, both of these analytical constructs are necessary to manage and understand health care spending.



How the Two Perspectives differ

Populations	Resident Analysis	Provider Analysis
Vt Residents in state care	✓	✓
Vt Residents out of state care	✓	
Out of state patients in state care		✓



How the Two Perspectives differ

Recording Issues	Resident Analysis	Provider Analysis
Fiscal year issues related to reporting	√	√
Accounting differences	√	√
Taxonomy differences	√	√



2013 Vermont Health Care Expenditures

PAYERS	RESIDENT (As reported by Payers)	PROVIDER (As reported by Providers)
Out-of-Pocket	\$726,000	\$766,095
Private Insurance	\$1,892,396	\$1,835,703
Medicare	\$1,149,270	\$1,230,488
Medicaid	\$1,378,635	\$1,360,469
Other Government	\$183,261	\$248,003
TOTAL SPENDING	\$5,329,561	\$5,440,758

PROVIDER SERVICES		
Hospitals	\$2,030,774	\$2,456,129
Physician Services	\$712,253	\$526,743
Dental Services	\$221,565	\$260,734
Other Professional Services	\$169,658	\$243,944
Home Health Care	\$102,727	\$119,115
Drugs & Supplies	\$637,560	\$760,713
Vision Products & DME	\$120,205	\$135,123
Nursing Home Care	\$281,674	\$264,202
Other/Unclassified Health Services	\$50,014	\$33,539
Admin/Net Cost of Health Insurance	\$362,615	n.a
Government Health Care Activities	\$640,518	\$640,518
TOTAL SPENDING	\$5,329,561	\$5,440,758

All dollar amounts are reported in thousands - Multiply expenditures by 1,000 to arrive at the full expenditure amount.

Note: n.a. means Not Available

Note: In/Out migration-resident includes out of state care for residents.

Provider includes out of state patients treated.



2013 Highlights of VT EA Resident Analysis

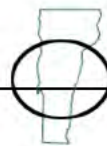
- Vermont Resident health care expenditures for 2013 were \$5.3 billion.
 - This is an increase of \$192 million over 2012.
 - An increase of 3.7% over 2012.
 - Private insurance spending increased \$35 million; 1.9% from 2012.
 - Medicare spending increased \$69 million; 6.3%.
 - Medicaid showed the largest dollar increase \$75 million; 5.8%.
 - Out of Pocket changed \$12 million; 1.4%.

Note: 2012 was updated for more accurate data. Updates increased spending \$13.952 million over the amount published last year. See technical notes.



2013 Highlights of VT EA Resident Analysis, cont.

- Compared to the CMS National Health Expenditures (NHE):
 - U.S. \$8,733 per capita vs. VT \$8,505 per capita.
 - U.S. 16.4% of GDP vs. Vermont's 18.1%
 - Vermont's annual average increase for the period 2008-2013 was 4.0%.
 - The U.S. (NHE) annual average for the 2008-2013 period was 3.9%.



2013 Vermont Health Care Expenditures

Resident Spending by Payer

	Original		Payer Spending			
	2012	Adjust.	Revised	2013	2012-2013	%
			2012		change	change
Private	\$1,886,087	(\$29,361)	\$1,856,726	\$1,892,396	\$35,670	1.9%
Medicaid	\$1,278,551	\$25,070	\$1,303,621	\$1,378,635	\$75,015	5.8%
Medicare	\$1,062,423	\$18,243	\$1,080,666	\$1,149,270	\$68,604	6.3%
All Other	\$896,845	\$0	\$896,845	\$909,260	\$12,416	1.4%
TOTAL	\$5,123,906	\$13,952	\$5,137,858	\$5,329,561	\$191,704	3.7%

Note: All Other - Out of Pocket, Other Government

All dollar amounts are reported in thousands



2013 Vermont Health Care Expenditures

Enrollment by Payer

	2012	2013	change	%
	count	count	count	%
Private	357,885	349,990	-7,895	-2.2%
Medicaid	113,891	127,342	13,451	11.8%
Medicare	108,395	111,954	3,559	3.3%
Uninsured	45,840	37,344	-8,496	-18.5%
TOTAL	626,011	626,630	619	0.1%

Note: 2013 enrollment still
under review



2013 Vermont Health Care Expenditures - Resident Payer Spending vs Enrollment

Spending increase is not related to increased population.

Payer Spending							Population Enrollment				
	Original 2012	Adjust.	Revised 2012	2013	2012-2013 change	% change		2012 count	2013 count	change count	% change
Private	\$1,886,087	(\$29,361)	\$1,856,726	\$1,892,396	\$35,670	1.9%	Private	357,885	349,990	-7,895	-2.2%
Medicaid	\$1,278,551	\$25,070	\$1,303,621	\$1,378,635	\$75,015	5.8%	Medicaid	113,891	127,342	13,451	11.8%
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Note: All Other - Out of Pocket, Other Government

All dollar amounts are reported in thousands



Health Insurance Coverage Profile Vermont Residents 2012-2013

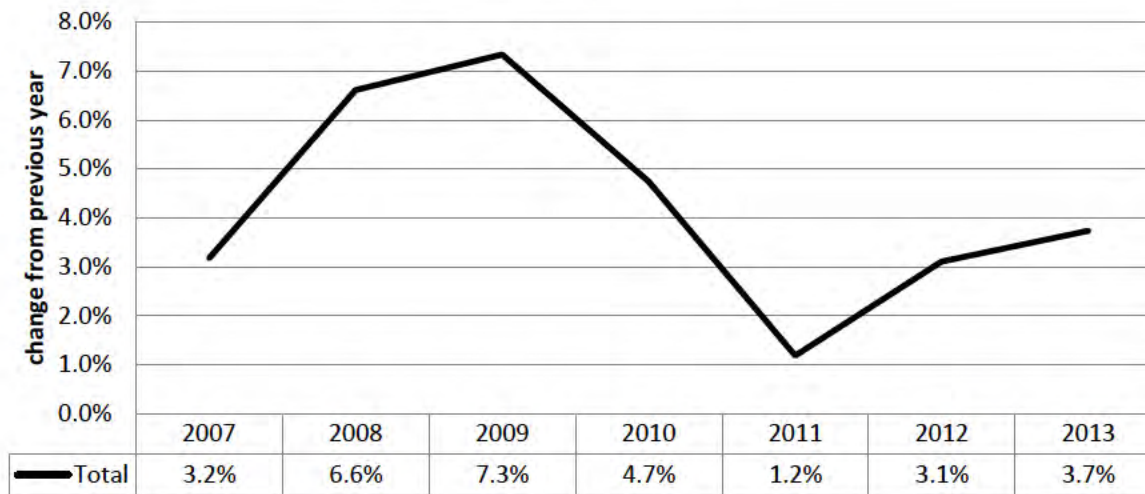
Under
Review

Category	2012	2013
Private Insured Market		
Non-group	4,297	4,387
Large Employer group	63,721	52,397
Small Employer group	25,267	31,122
Association	73,314	63,846
Insured Market Subtotal	166,599	151,752
Self-insured Employer Plans		
Self-insured Employer Plans	107,502	113,015
Federal Employees Health Benefit Plan & Military	29,818	29,999
Other		
VT residents covered under insurers outside VT	38,543	38,198
Catamount Health	15,423	17,026
Private Insured Market	357,885	349,990
Government Coverage		
Medicaid	113,891	127,342
Medicare	108,395	111,954
Government Coverage	222,286	239,296
Uninsured		
Uninsured	45,840	37,344
Total Vermont Population	626,011	626,630

Population
total is
correct.
Enrollment
categories
are still
under
review.

Annual change in resident spending

Resident Analysis

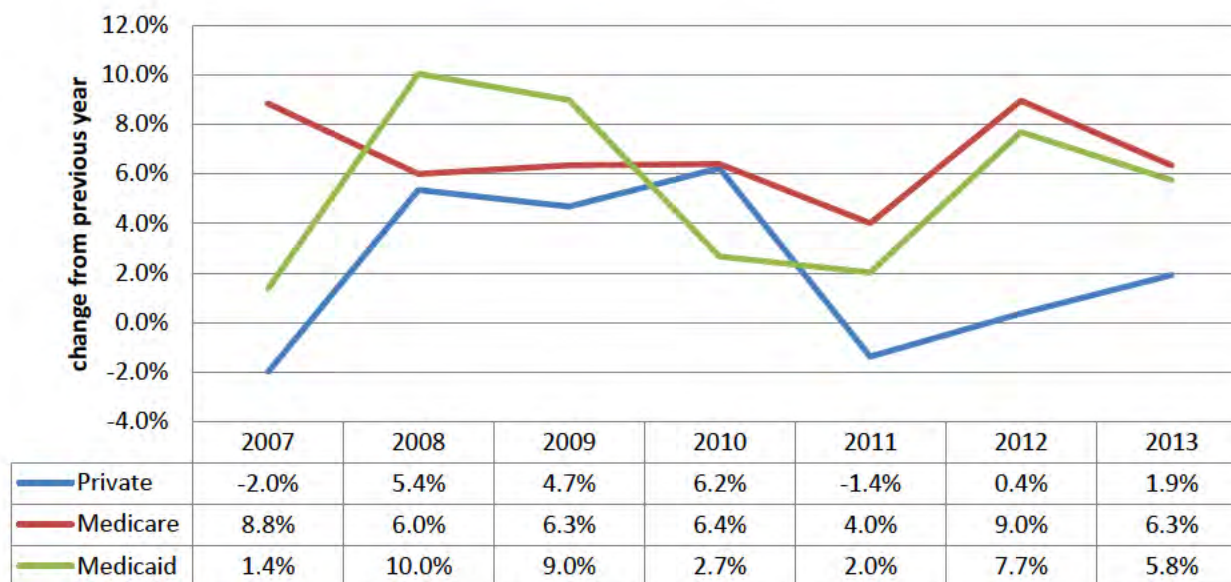


Note: 2012 was adjusted \$13.952 million over last year's published amount. See technical notes.



Annual change in spending by Payer

Resident Analysis

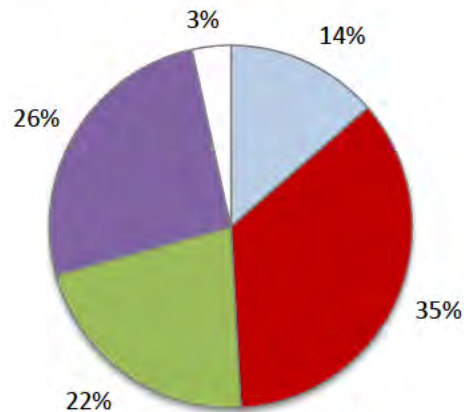


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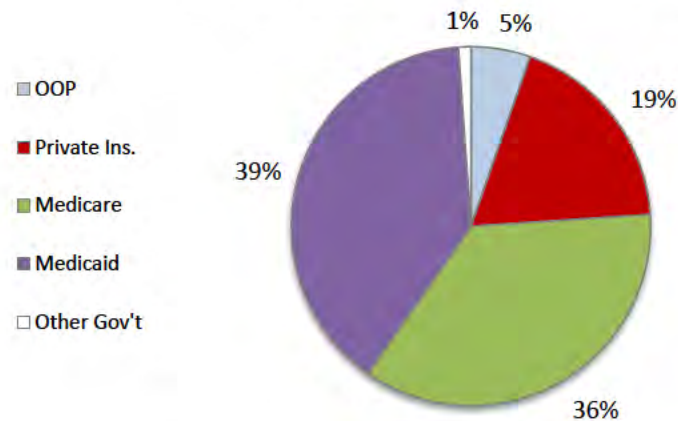


What are the sources of funds for Vermont Residents?

2013 Sources of funds



2012-2013 Share of Increase



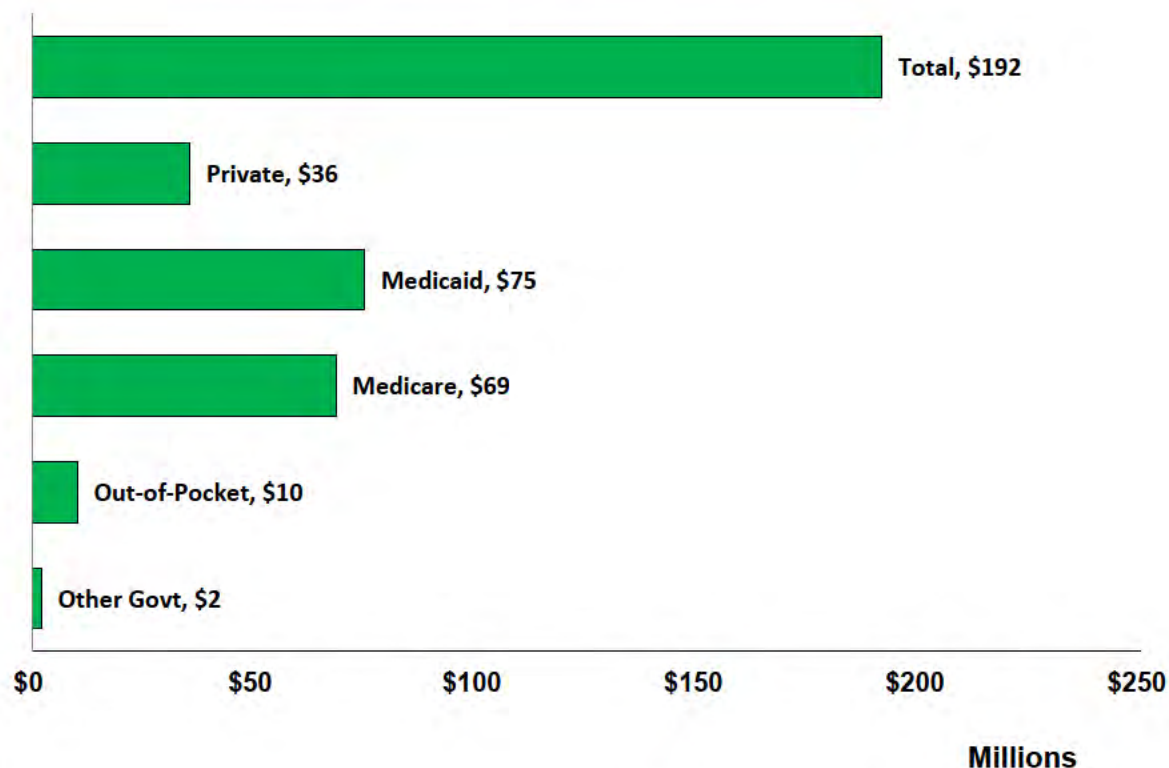
- OOP
- Private Ins.
- Medicare
- Medicaid
- Other Gov't



What was the increase by source of funds?

Resident Payer Change from 2012-2013

Expenditures in Private Insurance increased more slowly than public payer spending for the third year in a row.

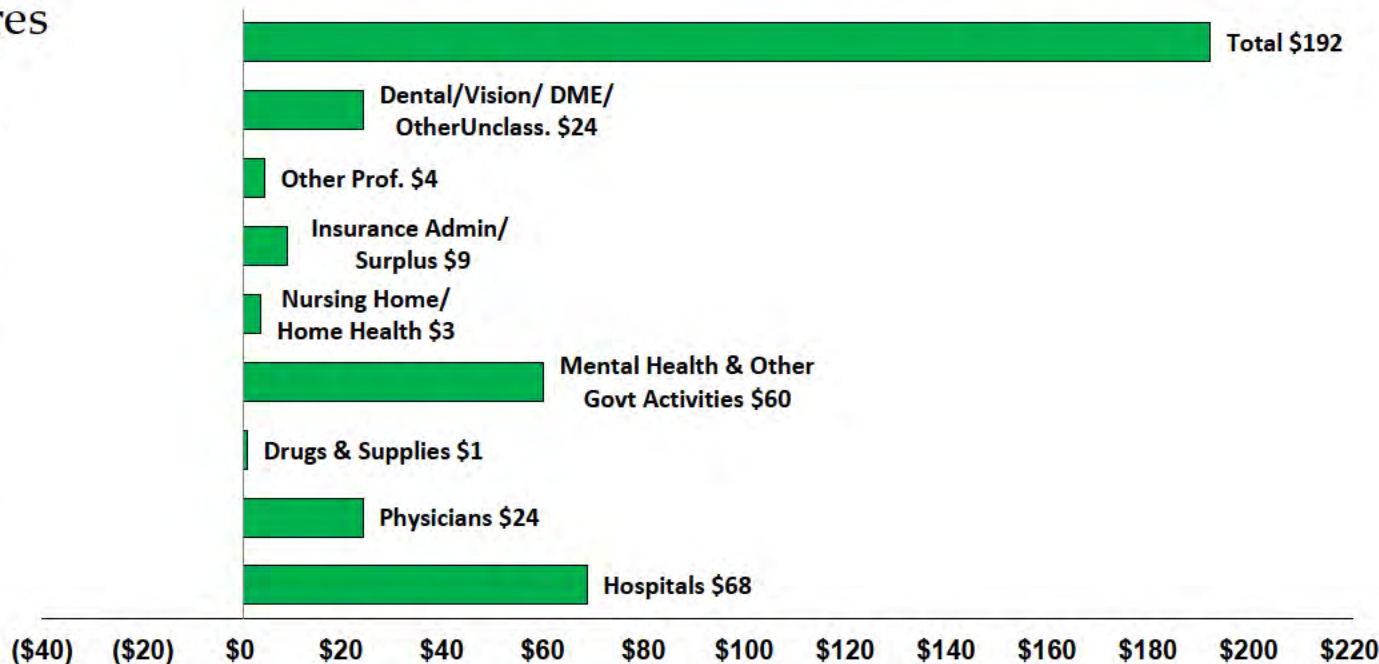


What services were bought with the increase?

From 2012-2013 total VT health care expenditures increased \$192 million to \$5.3 billion.

Hospitals and mental health and other government activities expenditures make up the majority of the spending growth.

Resident Service Category Change from 2012-2013



Footnote: rounding causes the sum of the values to equal \$193 million

Millions



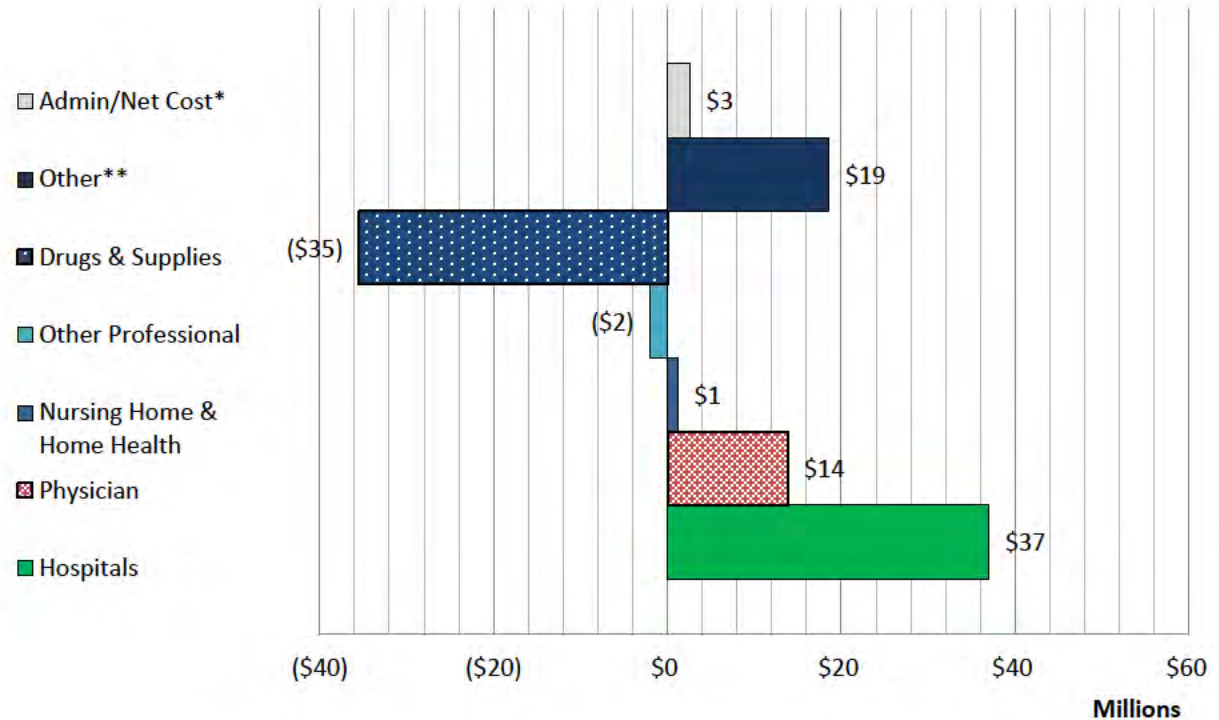
What are Private Insurance funds buying in 2013?

Private insurance grew \$35 million or 1.9% over 2012.

The top three increases of spending were:

- hospitals
- other services
- Physicians

Note: Drugs reflect a reporting change that is still under review. Total private spending will not change.



*Admin/Net Cost of Private Insurance (administrative services, taxes, and changes to reserves and underwriting gains or losses)

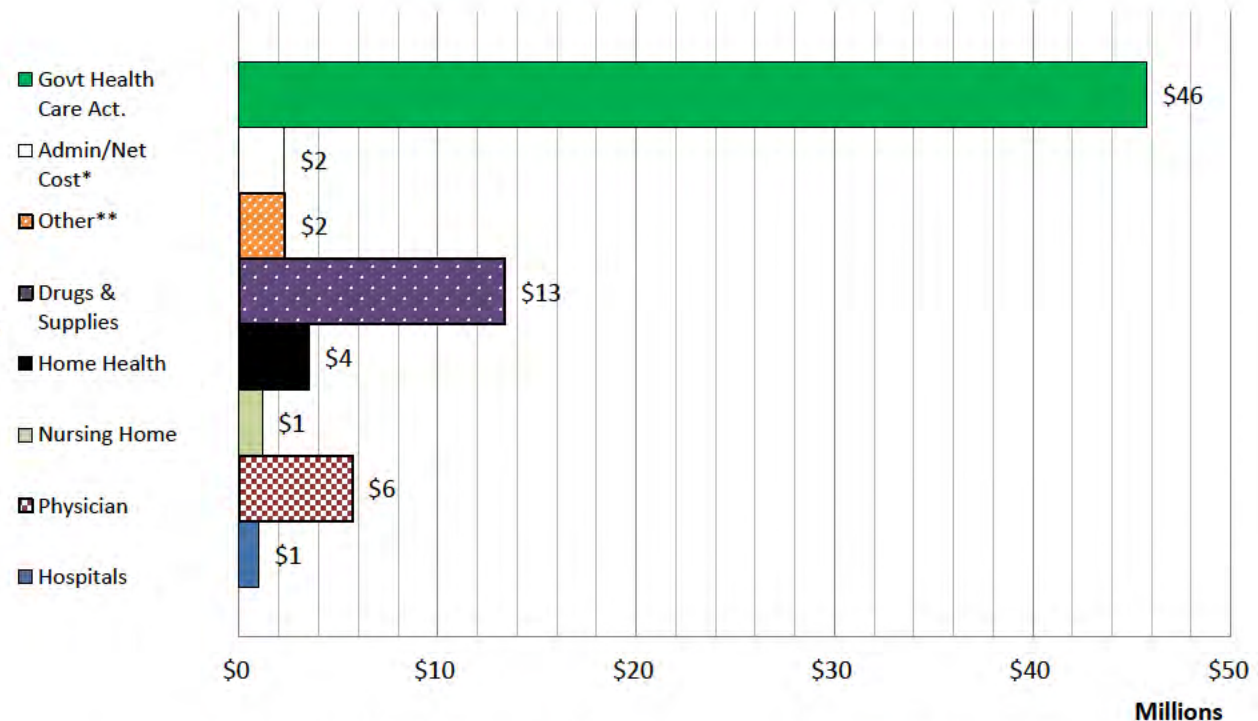
** Other includes services rendered by dentists, durable medical equip. suppliers, vision providers, and other misc. providers.



What are Medicaid funds buying in 2013?

Medicaid grew \$75 million or 5.8% over 2012.

Government Health Care Activity increase was in Mental health clinics and day treatment and MCO investments.



*Admin/Net Cost of Private Insurance (administrative services, taxes, and changes to reserves and underwriting gains or losses)

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

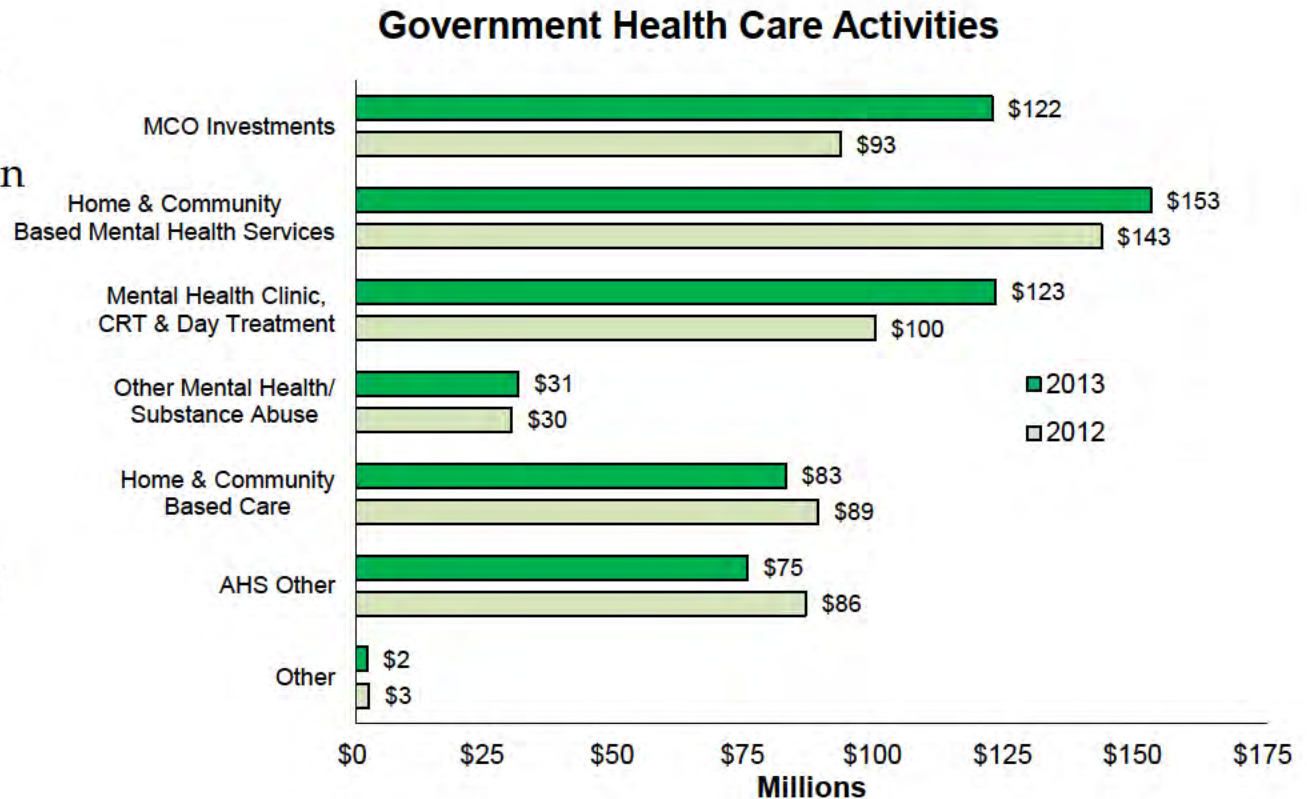


What types of services are included in 2013 GHCA?

Medicaid's Government health care activities increased \$46 million or 7.8% from 2012.

The top two increases of spending were:

- MCO investments
- MH Clinics CRT and day treatment



Note: Government health care activities are administered by the Vermont Agency of Human Services

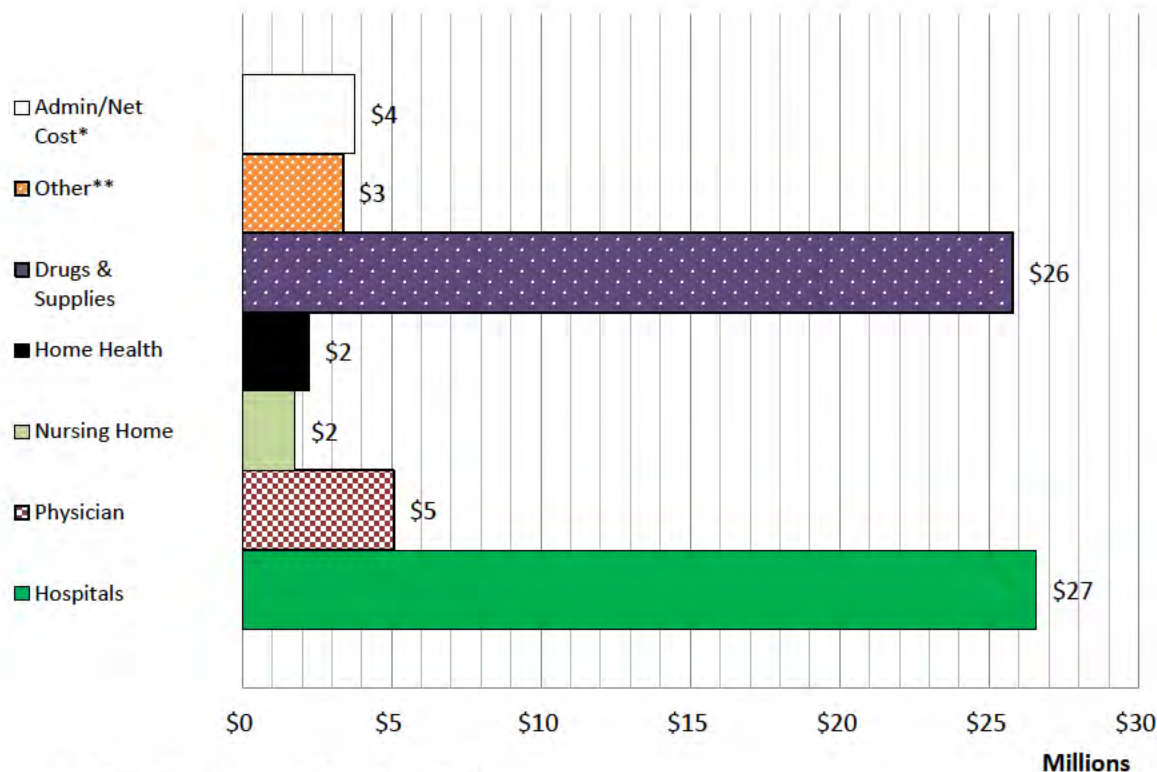


What are Medicare funds buying in 2013?

Medicare grew \$69 million or 6.3% over 2012.

The top three increases of spending were:

- hospitals
- drugs & supplies
- physicians



Note: 2013 is an estimate based on 2012 data

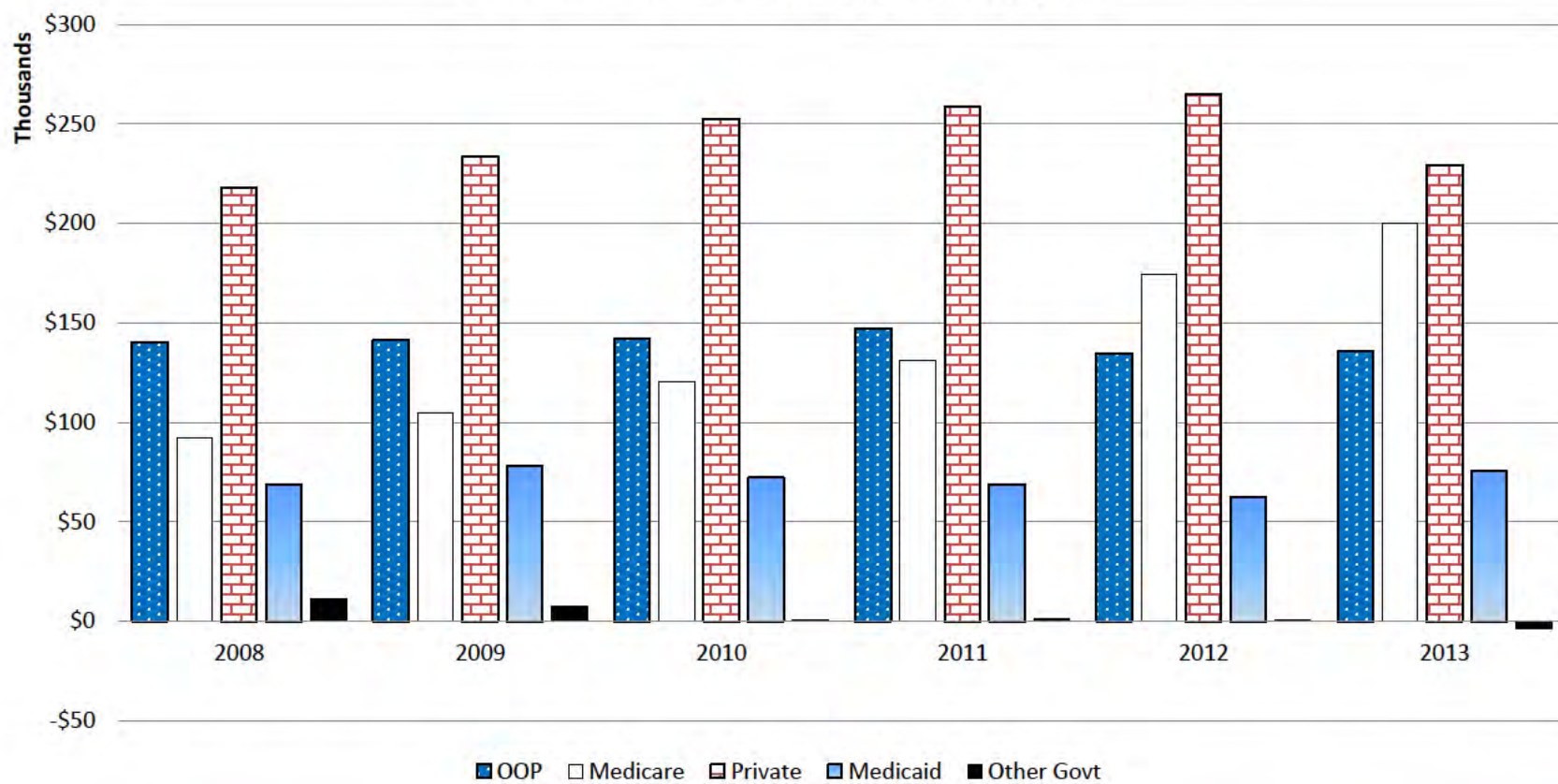
*Admin/Net Cost of Private Insurance (administrative services, taxes, and changes to reserves and underwriting gains or losses)

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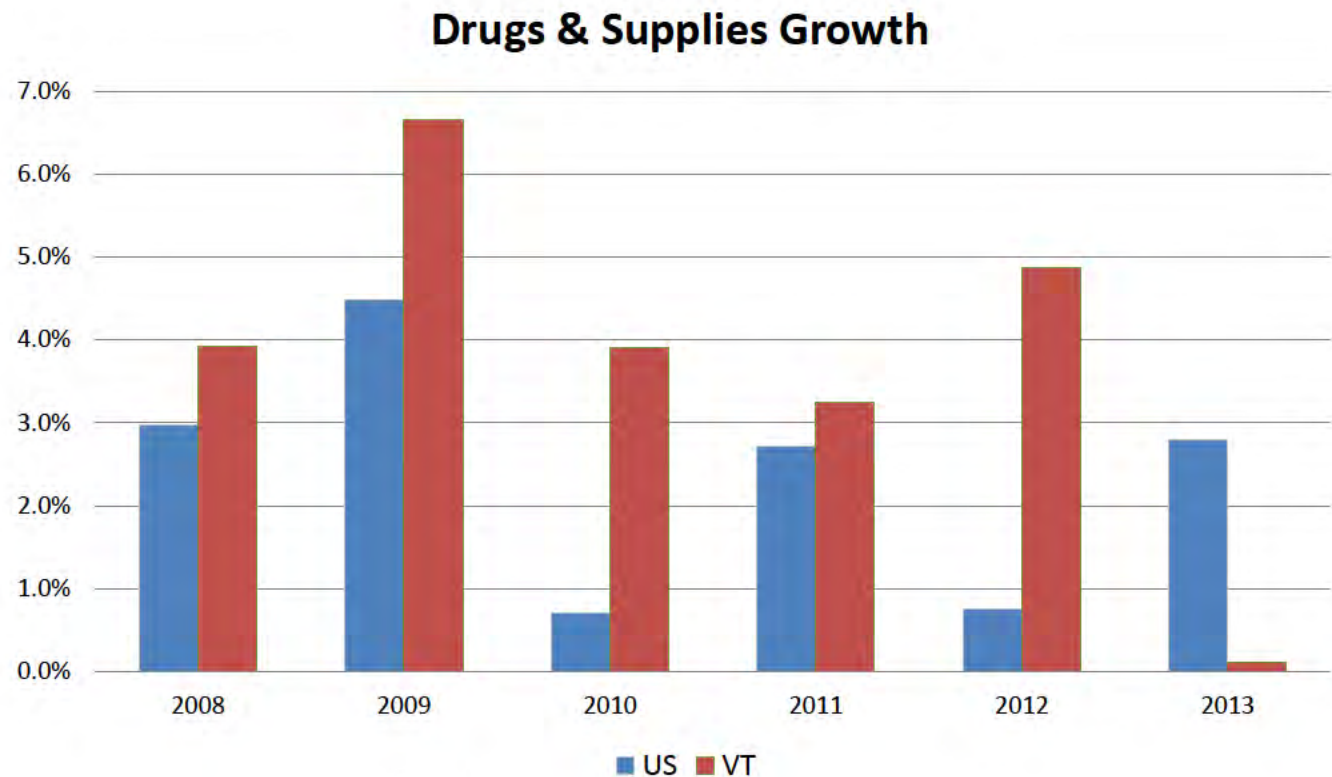
Highlight on Drugs & Supplies

Vermont Resident Drugs & Supplies



Highlight on Drugs & Supplies, cont.

Vermont's drugs & supplies expenditures grew only 0.1% from 2012; nationally the growth was 2.8%. The average annual growth between 2008-2013 was 3.7%, nationally 2.3%.



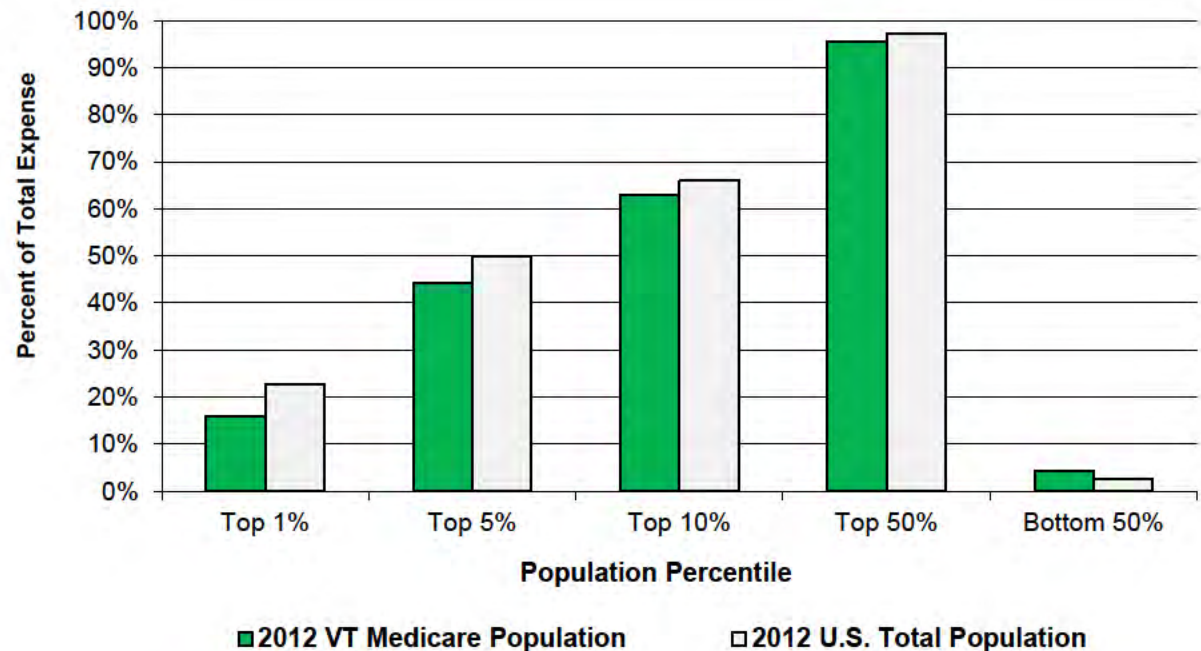
What does the Pareto Analysis show for Medicare?

The Pareto Analysis explains that for a given period, you will find that a small percentage of the population consumes a relatively large proportion of health care spending.

For the VT Medicare population in 2012, 5% of the population consumed 44.2% of the health care resources. This has been fairly constant over time for both Vermont and the U.S.

Source: MEPS Brief #449 (9/14)

**Medicare Spending is Highly Concentrated
Vermont & U.S.**



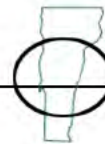
Note: 2013 data is not currently available for this analysis



2013 Expenditure Analysis Trends and Comparisons

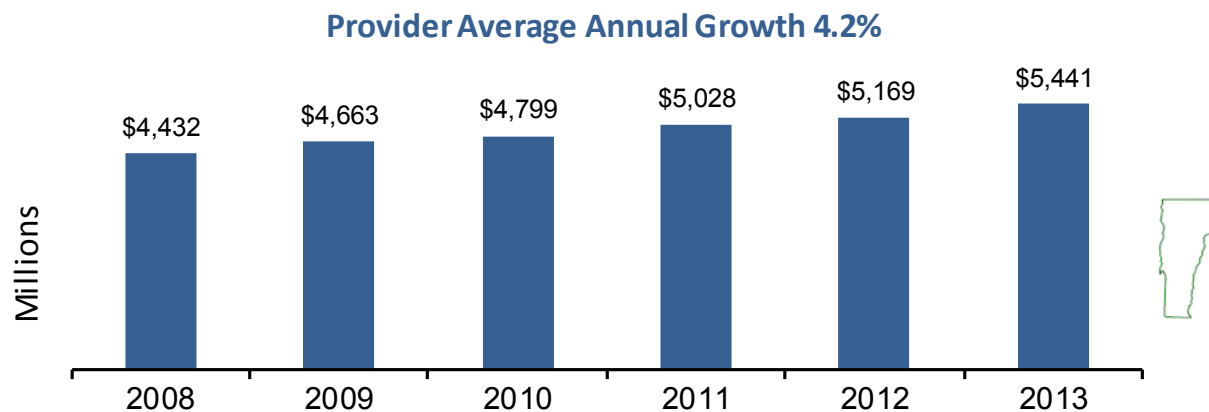
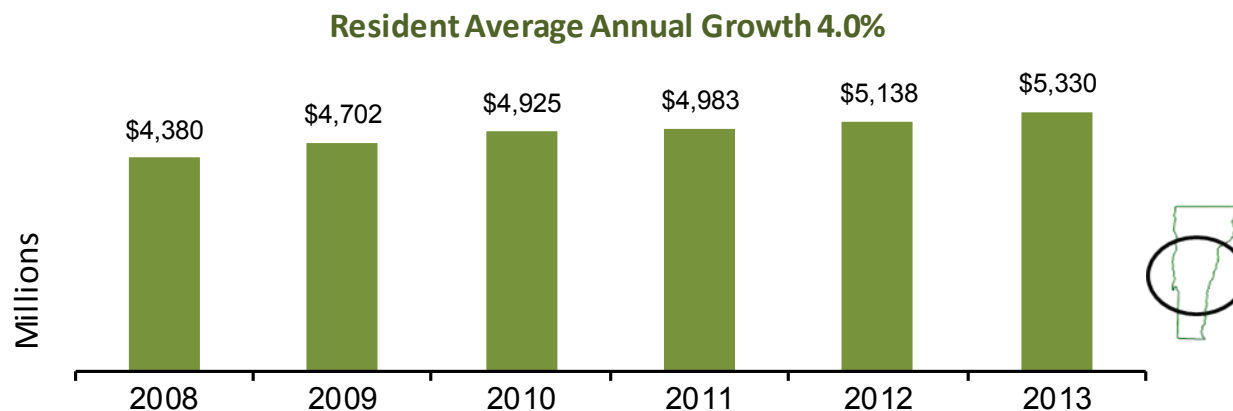
Resident Analysis trends over time

- Comparison of the Resident Analysis to the Provider Analysis
- Comparison to the CMS National Health Expenditures (NHE)



Vermont Health Care Expenditures

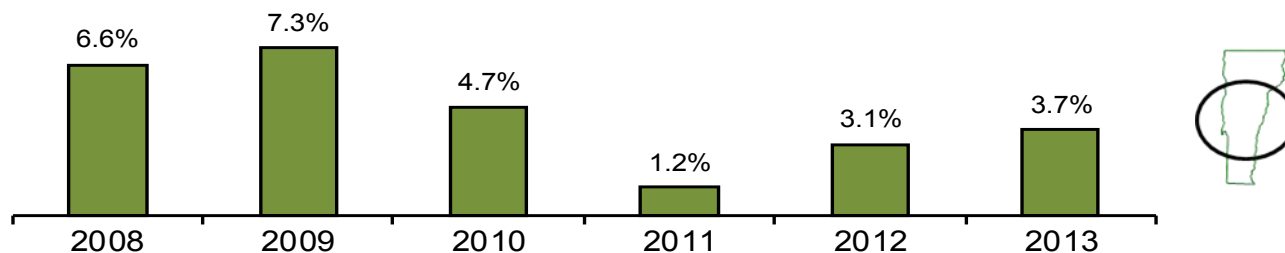
Resident and Provider spending views



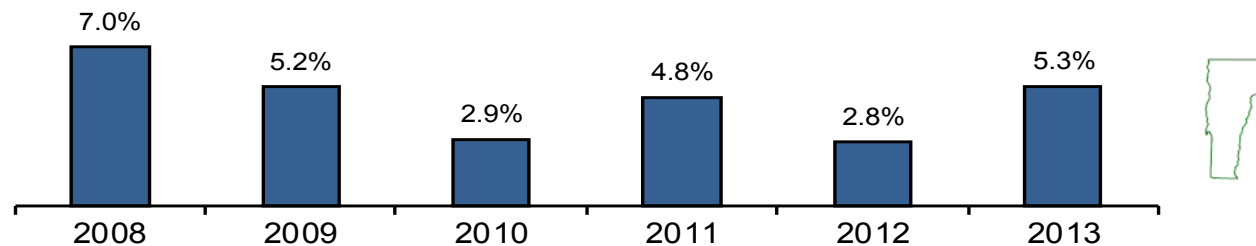
Vermont Health Care Expenditures

Resident and Provider spending views

Resident Average Annual Growth 4.0%

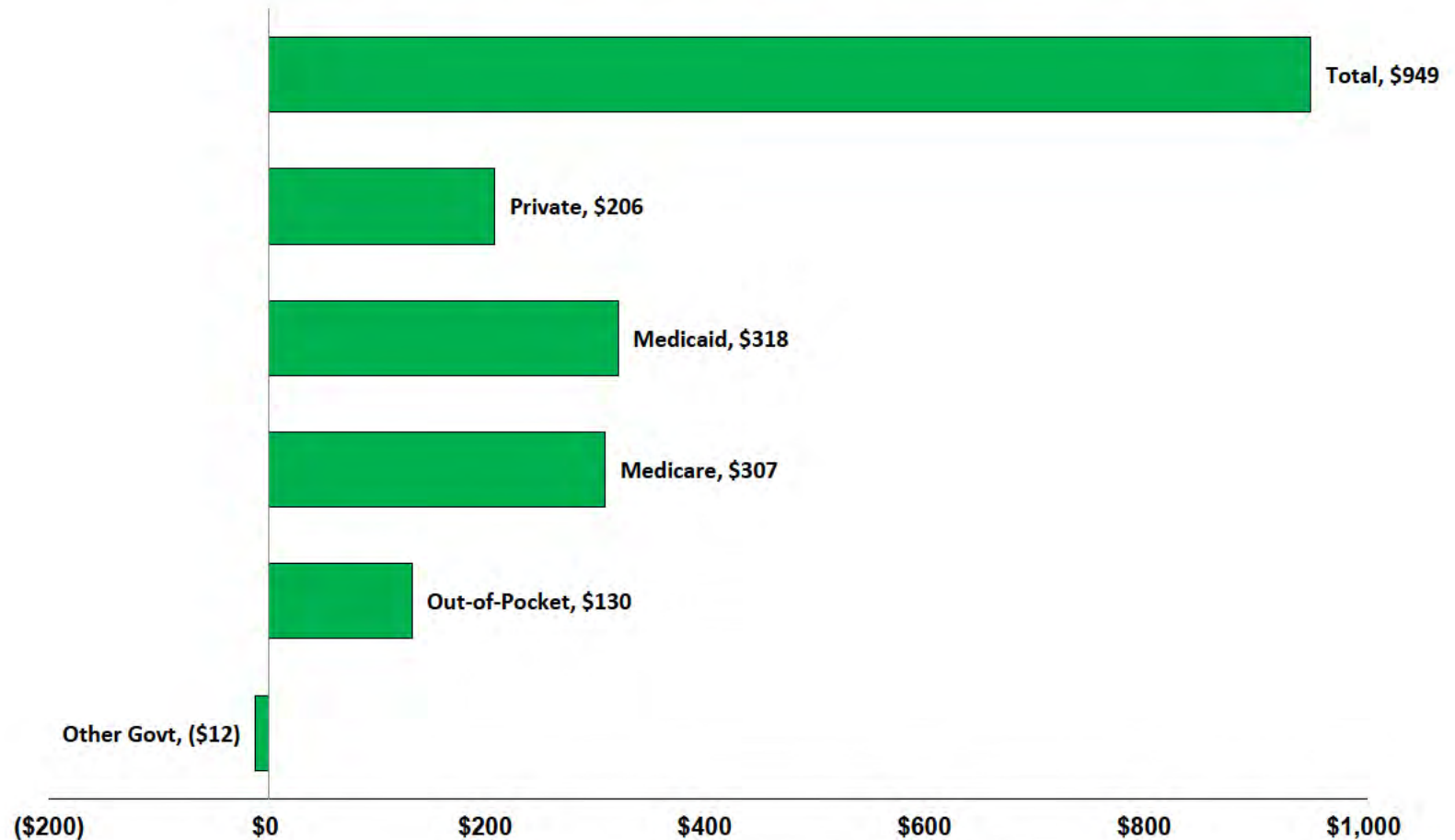


Provider Average Annual Growth 4.2%



Note: Use caution in interpreting year-to-year differences in health care spending or between resident and provider analyses.

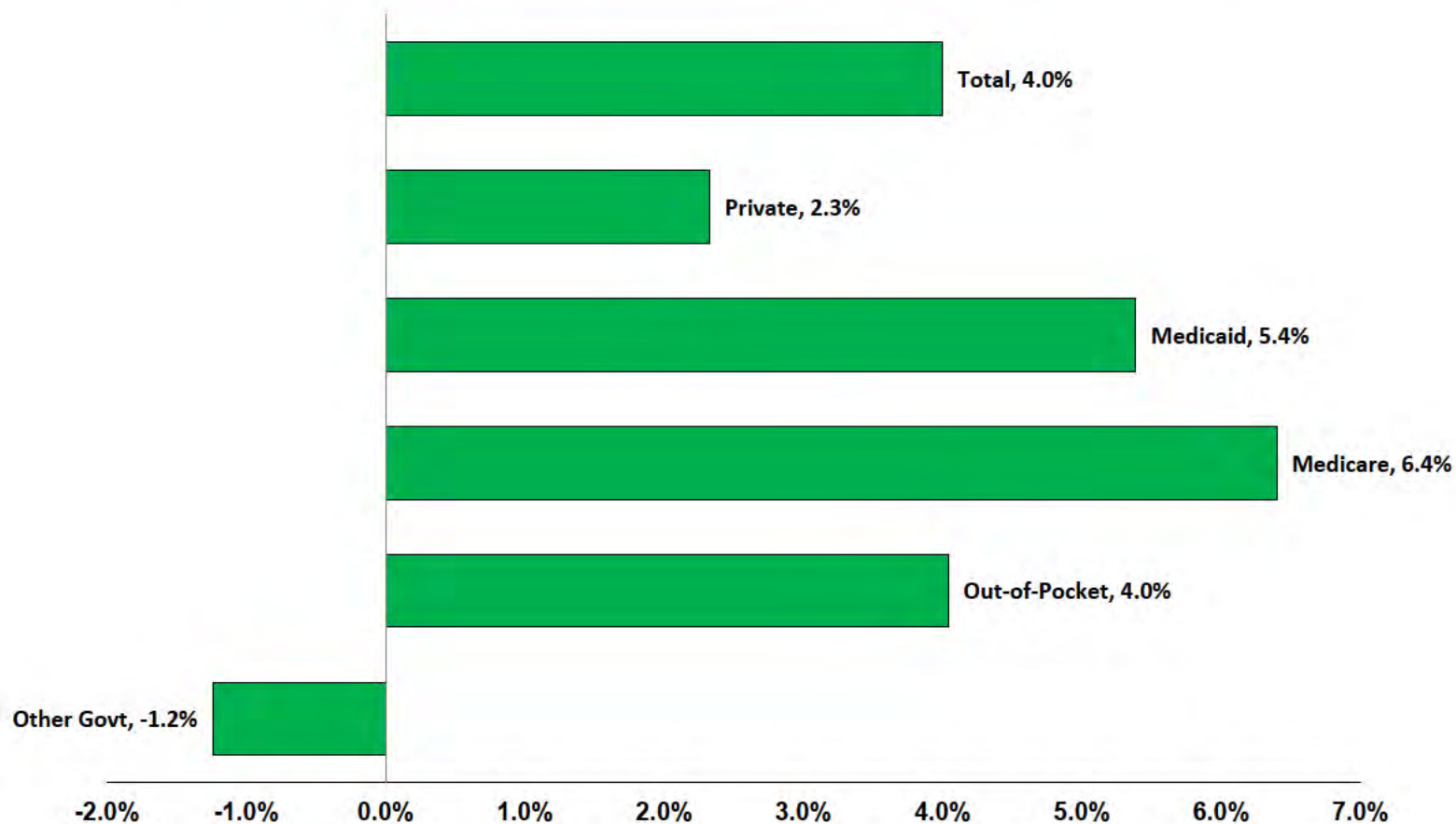
Resident Increase 2008 - 2013



Millions



Resident increase 2008 - 2013



Millions



National Health Expenditures

The National Health Expenditure Accounts (NHEA) are the official estimates of total health care spending in the United States.

Since 1960, the NHEA measures annual U.S. expenditures for health care goods and services, public health activities, government administration, the net cost of health insurance, and investment related to health care. The data are presented by type of service, by source of funding, and by type of sponsor.

The NHEA is prepared by CMS, the Office of the Actuary, and National Health Statistics Group.

State provider and resident data are prepared only every 5 years because the primary source of data is the quinquennial Economic Census. 2009 was the most recent year reported for the state of provider and resident data. It is expected that updated state data through 2014 will be available in fall of 2015.



National Health Expenditures is recorded at three different levels



Source: National Health Statistics Group, Office of the Actuary, Centers for Medicare & Medicaid Services
Vermont expenditures do not include investments in research, structures and equipment as defined in the NHE

Comparison to NHE - Key Findings

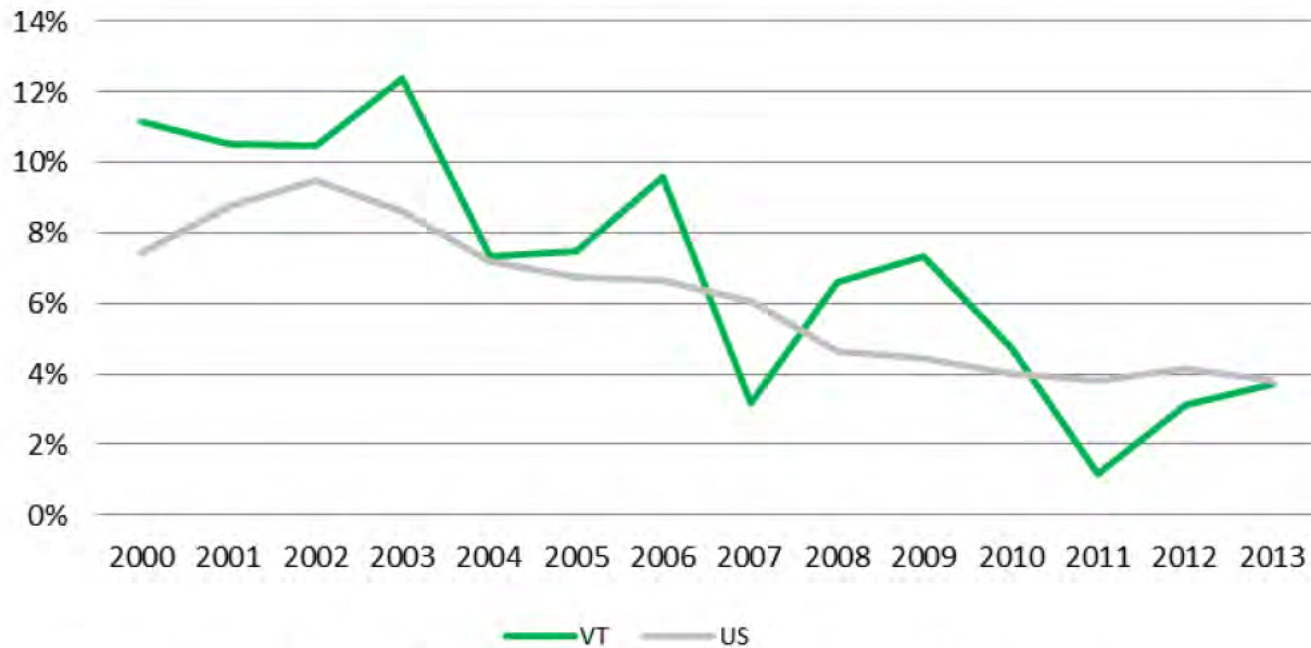
2013	National Health Expenditures		Health Consumption Expenditures		Personal Health Care	
	VT	U.S.	VT	U.S.	VT	U.S.
Total (billions)	n/a	\$2,919	\$5.3	\$2,755	\$4.3	\$2,469
Per Capita	n/a	\$9,255	\$8,505	\$8,733	\$6,904	\$7,826
Per Capita Annual Change (2012-2013)	n/a	2.9%	3.6%	3.1%	2.8%	3.0%
Per Capita Avg Annual Change (2008-2013)	n/a	3.1%	3.9%	3.3%	4.1%	3.3%
Share of Gross State/Domestic Product	n/a	17.4%	18.1%	16.4%	14.7%	14.7%

Note: VT data is from Resident Analysis latest updates
U.S. actual data is from CMS 12/23/2014



Comparison to NHE – actual spending

Health Spending Growth



Source: US data from CMS Health Consumption Expenditures
VT data from VT Healthcare Expenditures Analysis



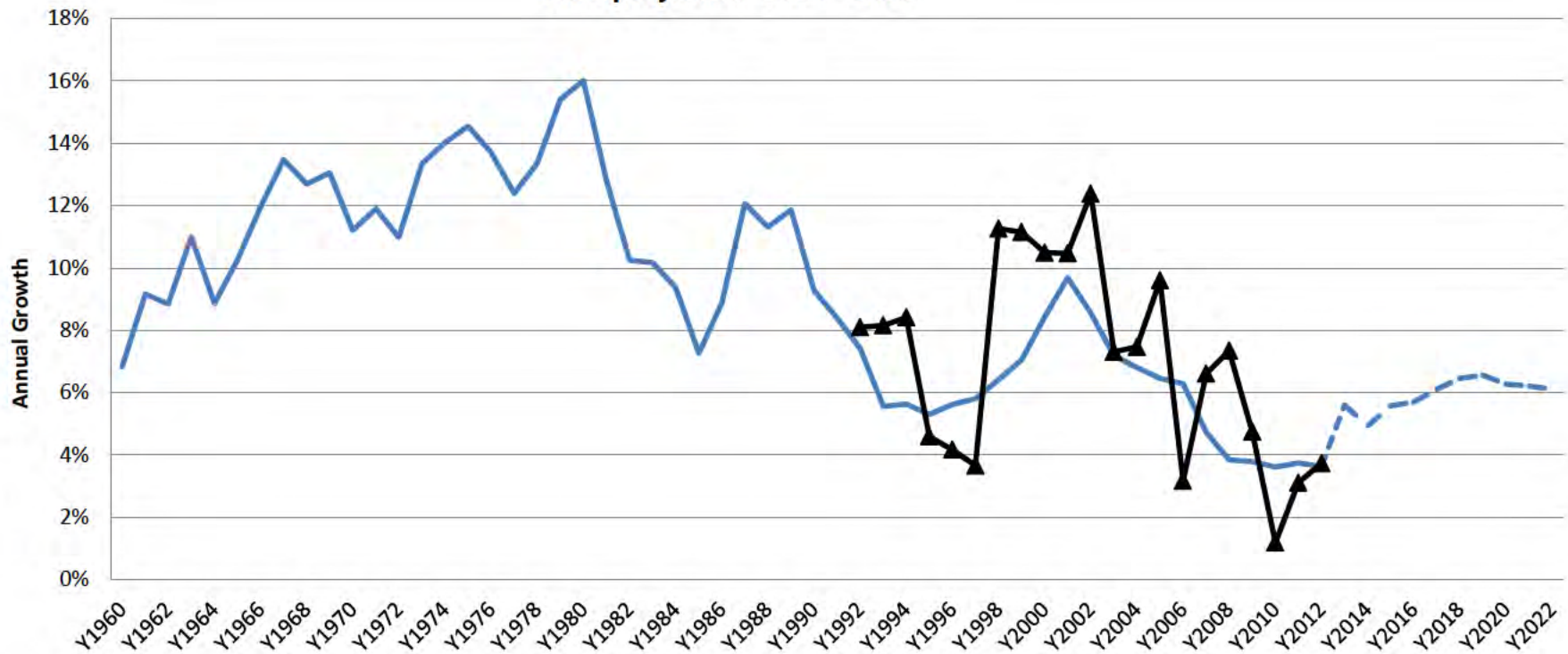
Comparison to NHE – longer term trends

Health Care Expenditures

VT actuals 1992 - 2013

NHE actuals 1960 - 2013

NHE projected 2014 - 2022

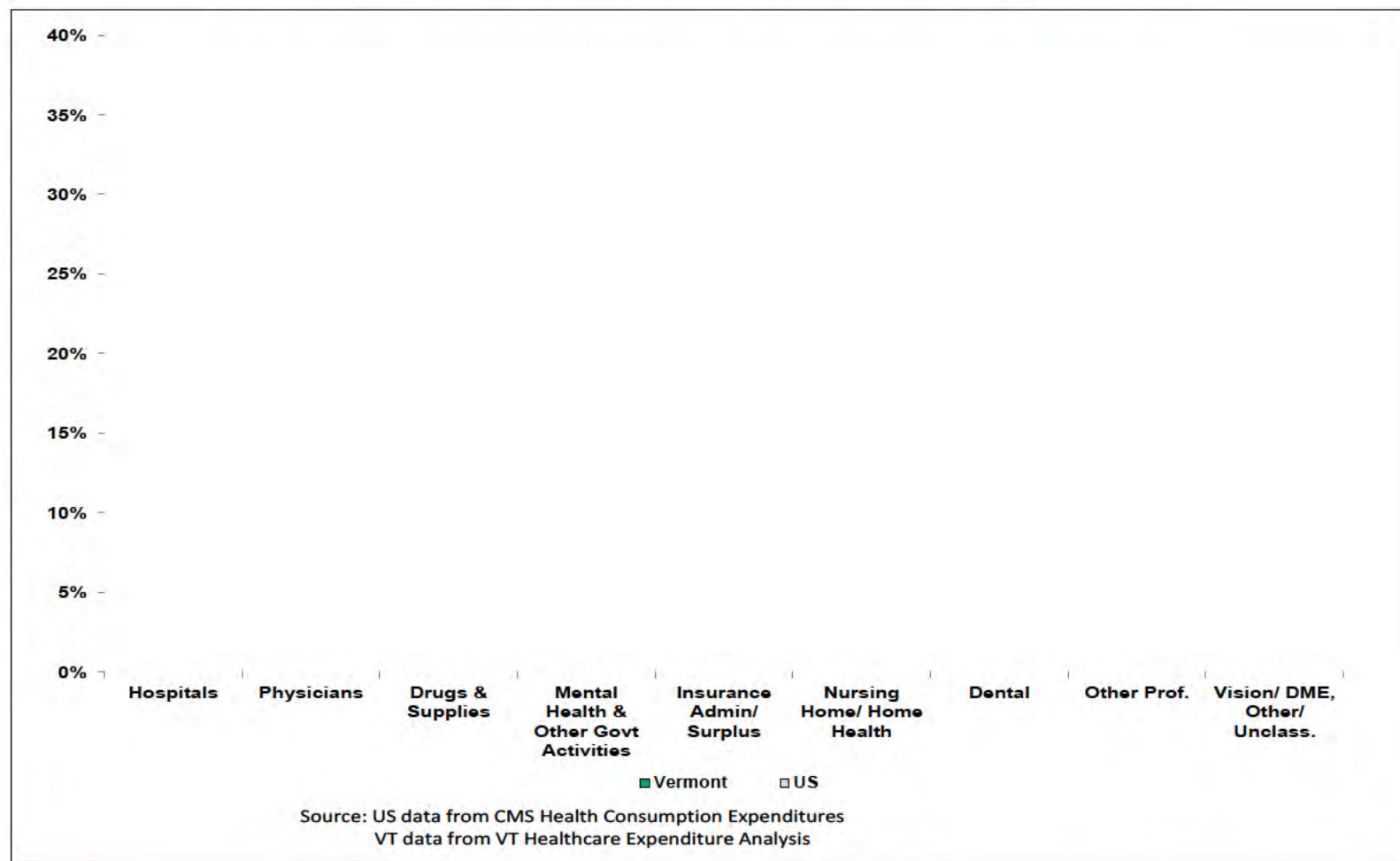


Note: VT data is from Resident Analysis.

U.S. data is from CMS 12/23/2014

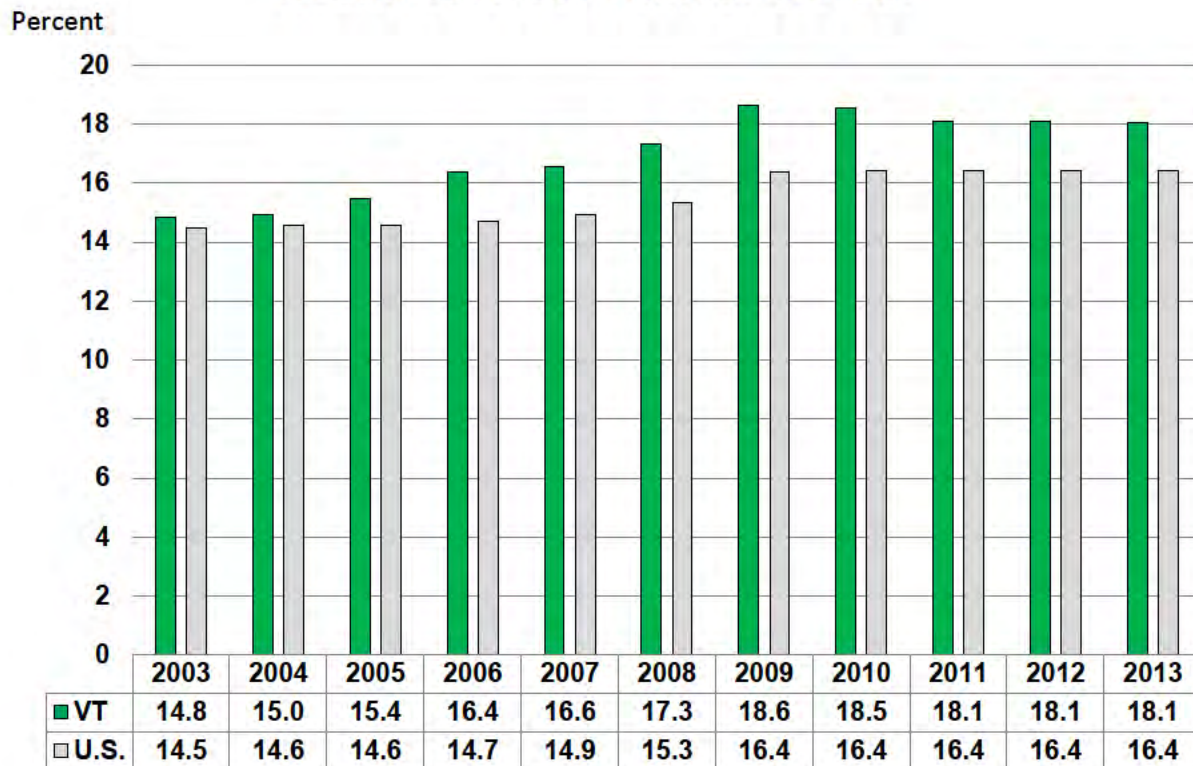


Comparison to NHE - % of health care dollars paid to provider service categories



Comparison to NHE - gross state product

Health Care GSP Annual Growth



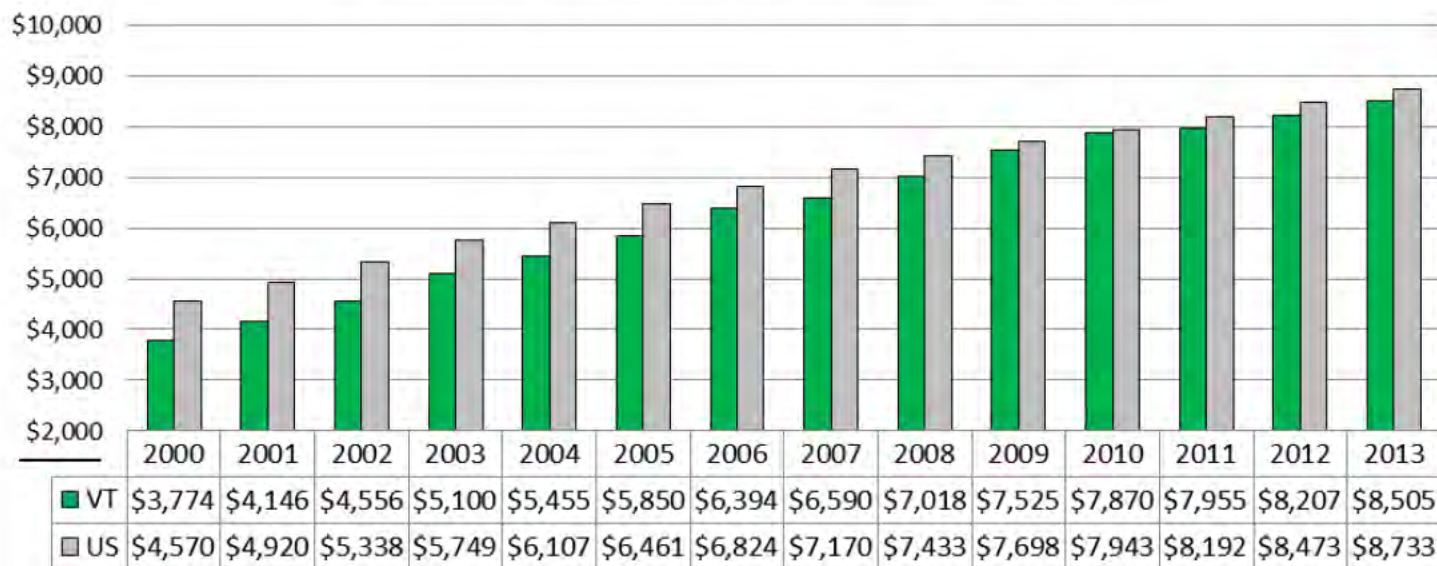
VT's health care spending as a percentage of GSP/GDP continues to be higher than the U.S. average

Note: Gross State Product (GSP), or gross regional product (GRP), is a measurement of the economic output of a state. It is the sum of all value added by industries within the state and serves as a counterpart to the gross domestic product (GDP).



Comparison to NHE - per capita spending

Per Capita Health Spending Growth

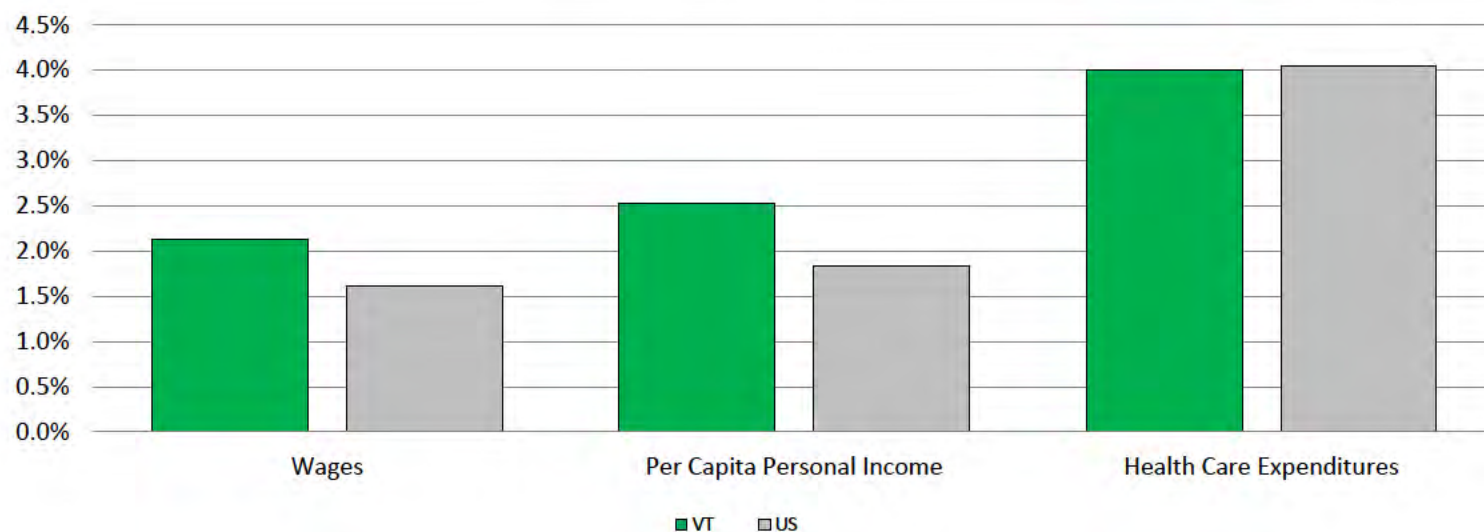


Source: US data from CMS Health Consumption Expenditures
VT data from VT Healthcare Expenditure Analysis



Comparison to selected measures in more recent years

**Average Annual Growth Between
2008-2013**

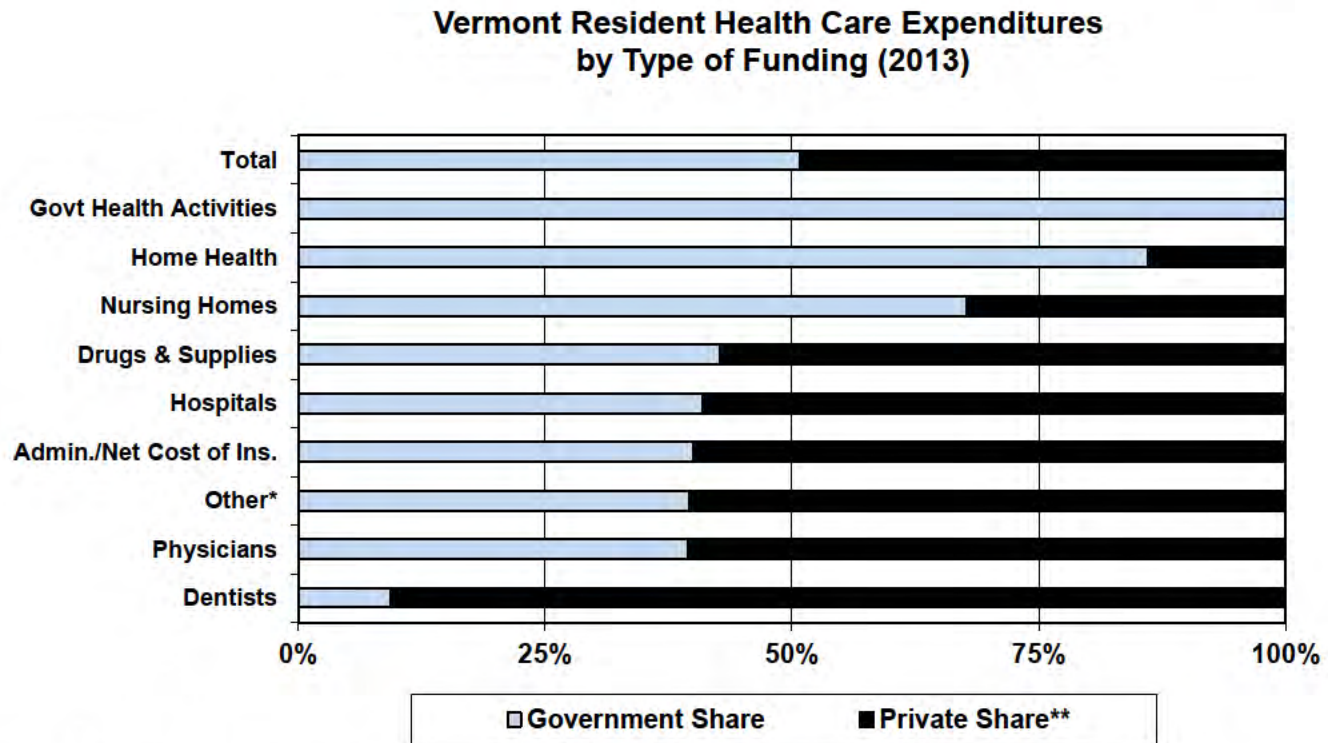


Source: US data from CMS Health Consumption Expenditures
US Dept of Labor, Bureau of Labor Statistics
VT data from VT Healthcare Expenditure Analysis
VT Dept. of Labor, Economic & Labor Market Informations



Resident spending – private vs. public payers

In 2013, health care expenditures were financed 50.9% by government payers and 49.1% by private payers.



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

** Out of pocket expenditures are included as Private payers



2013 Highlights of VT EA Provider Analysis

- Vermont Provider health care expenditures for 2013 were \$5.4 billion.
 - This is an increase of \$272 million over 2012.
 - An increase of 5.3% over 2012.
- Hospitals increased \$167 million or 5.6% over 2012.
- Government Health Care Activities increased \$60 million or 4.7%
- Drugs & supplies increased \$47 million or 5.4%.
- Physicians decreased \$46 million or -2.1%
 - Some increase included in hospital category

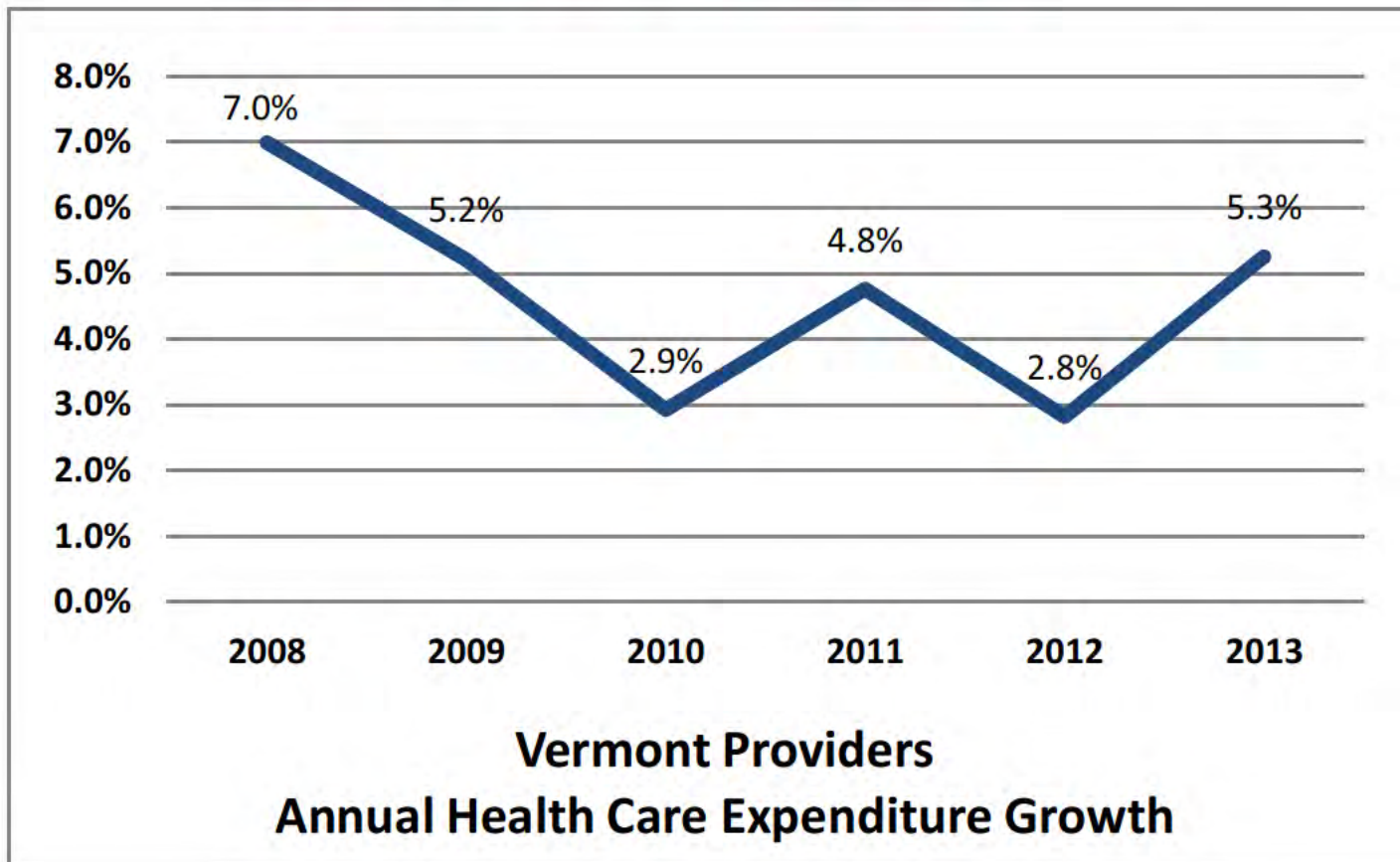


2013 Highlights of VT EA Provider Analysis, cont.

- The migration of physicians to hospitals from private practice continues to grow.
- Vermont providers annual average growth for the period 2008-2013 was 4.2%.
- Vermonters migrate out of state for hospital services more than out of state patients migrate instate

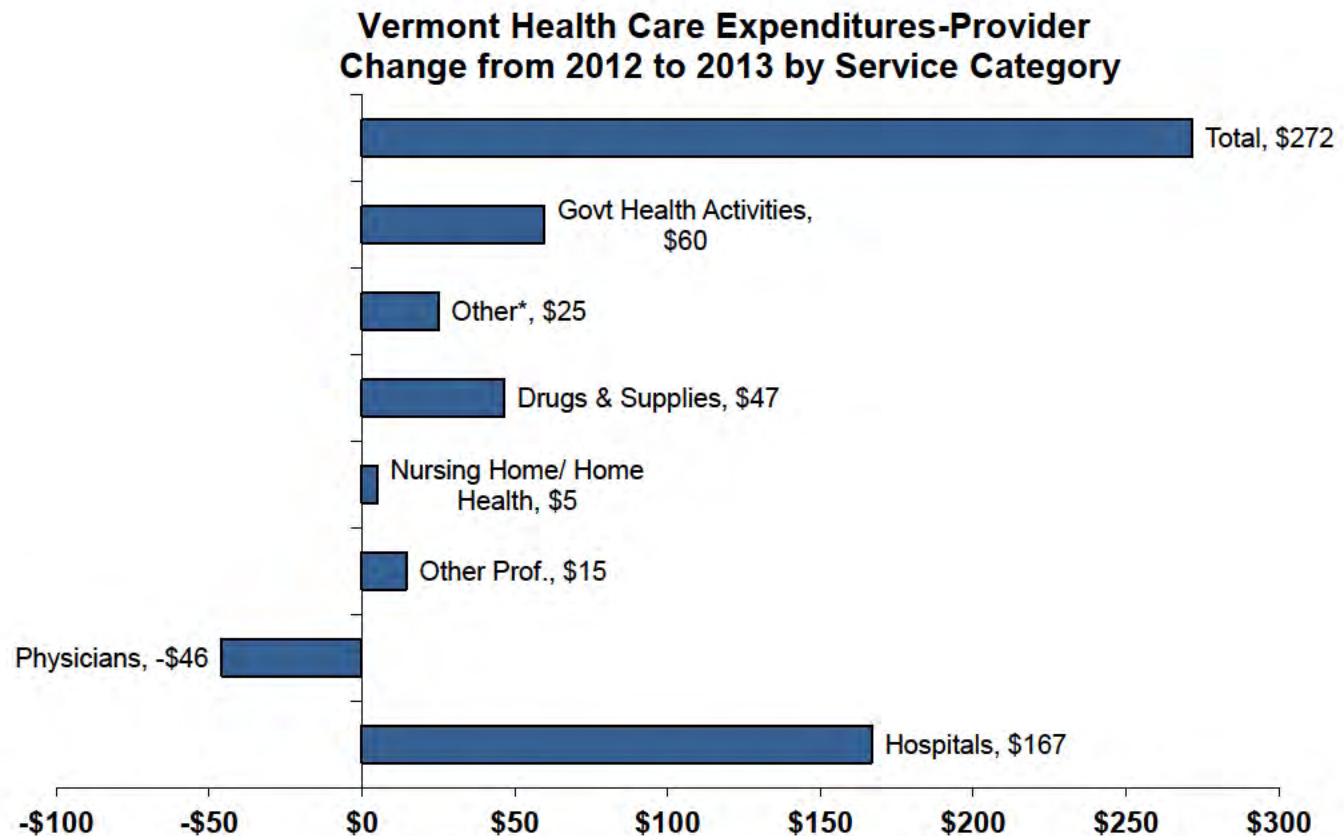


What has been the provider expenditure growth rate in Vermont?



Provider spending, what accounts for the increase?

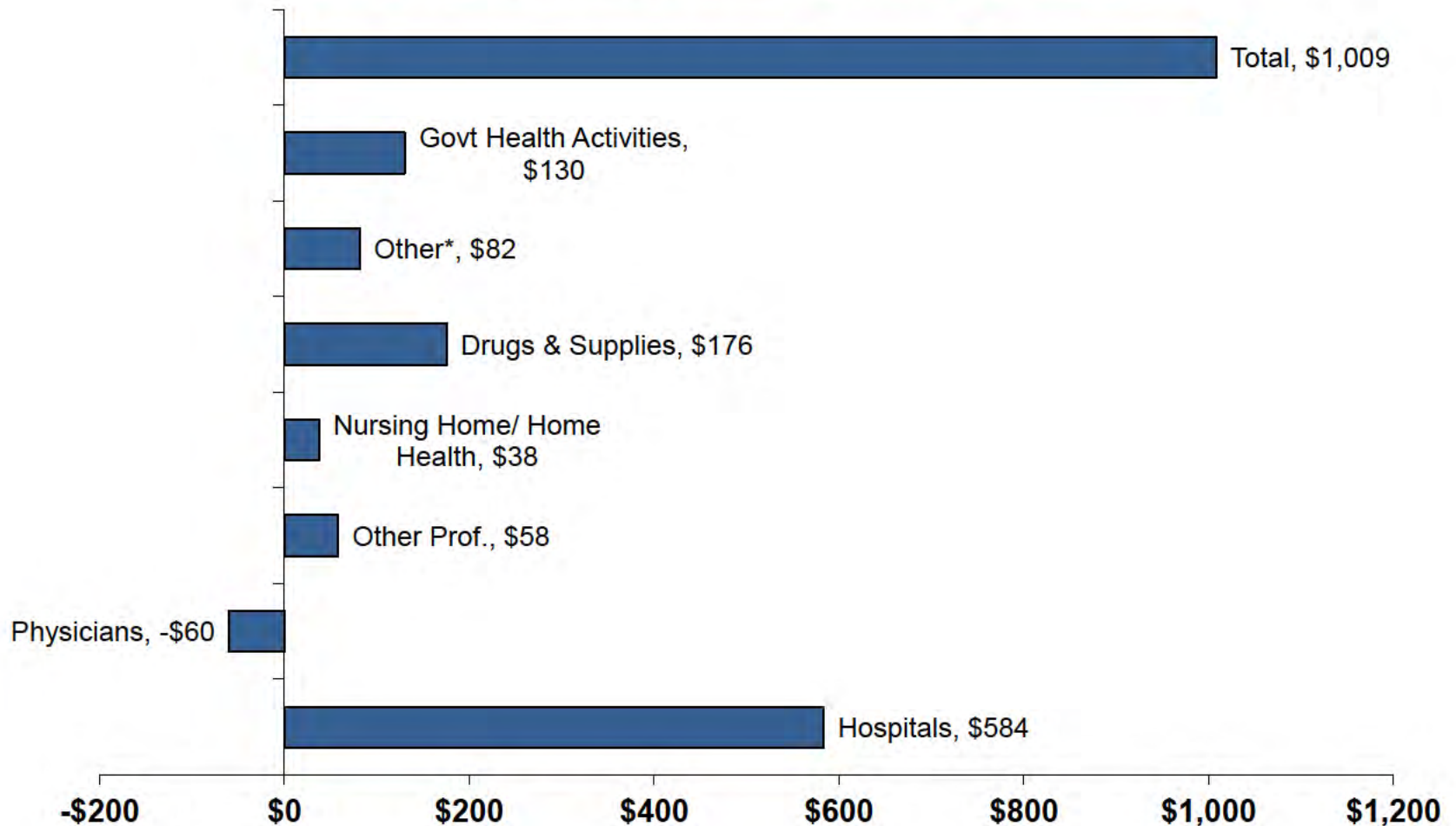
In 2013, total provider spending was \$5.4 billion; an increase of \$272 million from 2012.



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



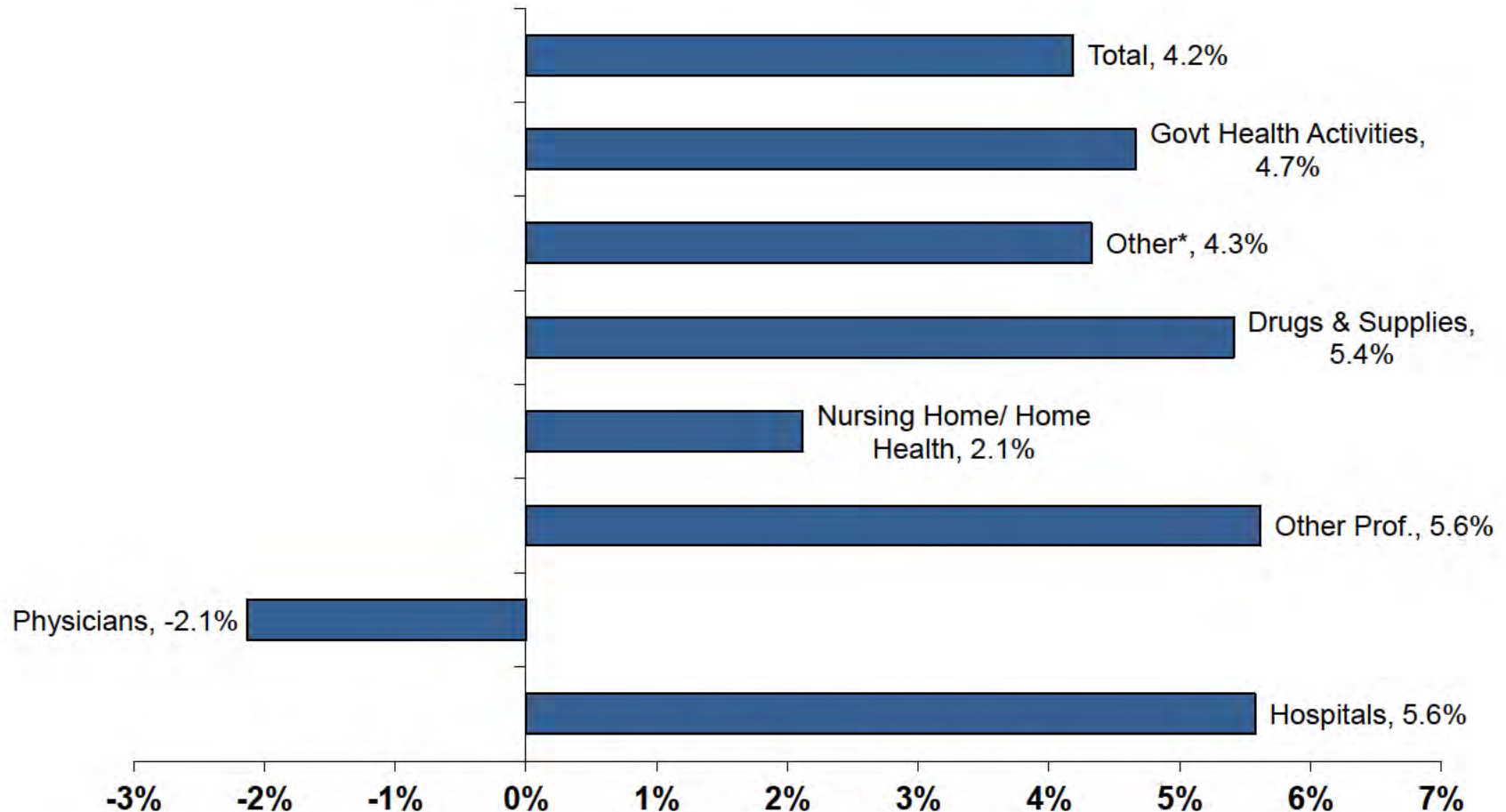
Provider Increase 2008-2013



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Provider Increase 2008-2013

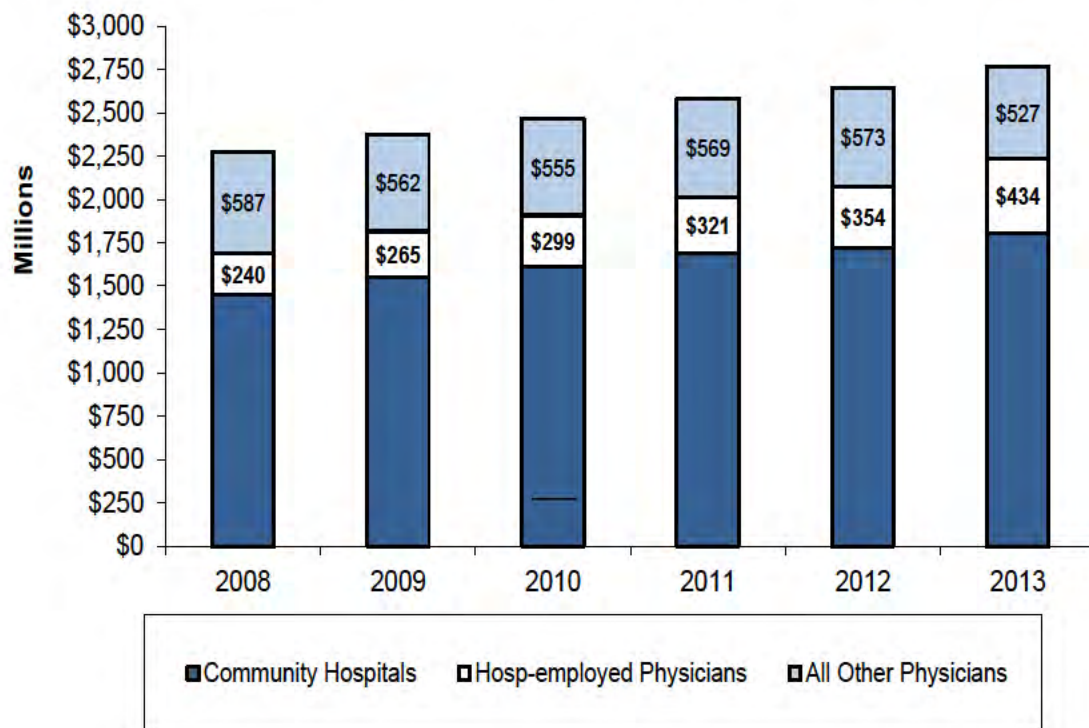


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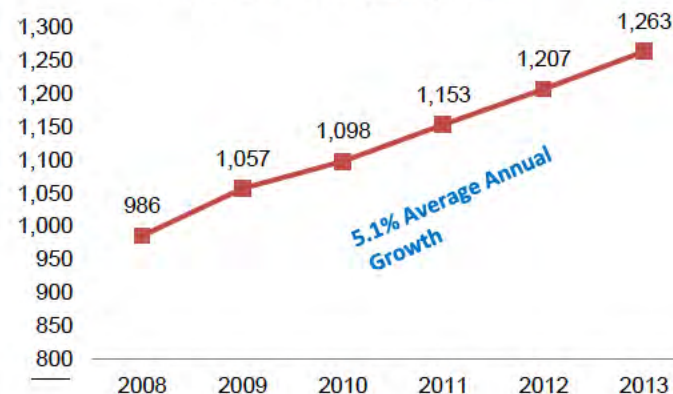


Some of the growth in the hospital budgets is explained by the increase of employed physicians

Vermont Community Hospitals & Physician Expenditures



Hospital Employed Physicians

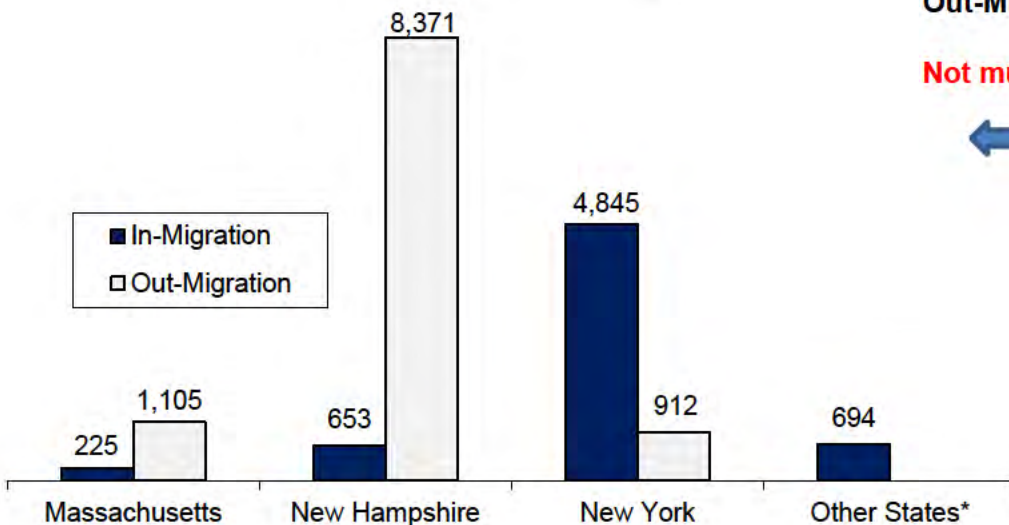


Many Vermonters rely on New Hampshire's Dartmouth Hitchcock Medical Center for care.

2012 Inpatient Discharges

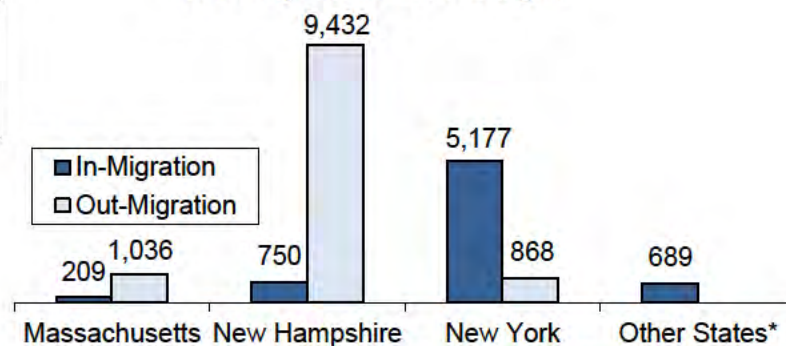
In-Migration of Non-VT Residents to VT Hospitals
Out-Migration of VT Residents to Non-VT Hospitals

Not much change since 2008.



Source: 2012 VT Uniform Hospital Discharge Data Set (NH data not complete, used average of 2009 2010 & 2011)
Notes: All figures exclude discharges from VA hospital.
* VT residents use hospitals in other states, but reporting is currently unavailable.

2008 Inpatient Discharges



Typically Vermonters will pay more for care out of state

2012 Vermont Inpatient Hospital Migration

	Discharges	Total Charges	Average Charges	Average DRG Wt*	Ave. Chgs Care Mix Adj.
Total Vermont Residents in Vermont Hospitals	40,245	\$887,568,223	\$22,054	1.33	\$16,552
Total Out-Migration (Vermont Residents in Out-Of-State Hospitals)	10,388	\$416,391,933	\$40,084	1.81	\$22,155
Total In-Migration (Out-of-State Residents in Vermont Hospitals)	6,417	\$189,529,562	\$29,536	1.65	\$17,922

Source: 2012 Vermont Uniform Hospital Discharge Data Set (NH data not complete, used average of 2009 & 2010 & 2011) Does not include newborns.

* DRG weights indicate the relative costs for treating patients during the prior year. For example, a DRG with a weight of 2.0 means that charges were historically twice the national average whereas a DRG with a weight of 0.5 was half the national average.



Detail Data Tables

2013 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
Hospitals	38.1%	\$2,030,774	\$174,870	\$919,020	\$563,204	\$275,887	\$97,629	\$164
Community Hospitals	35.9%	\$1,913,390	\$174,870	\$903,564	\$558,924	\$275,887	\$129	\$15
Veterans Hospital	1.9%	\$102,008	\$0	\$4,360	\$0	\$0	\$97,500	\$148
Psychiatric Hosp: State	0.1%	\$2,703	\$0	\$2,703	\$0	\$0	\$0	\$0
Psychiatric Hosp: Private	0.2%	\$12,673	\$0	\$8,393	\$4,280	\$0	\$0	\$0
Physician Services*	13.4%	\$712,253	\$88,704	\$342,150	\$127,072	\$142,912	\$11,289	\$125
Dental Services	4.2%	\$221,565	\$127,004	\$73,693	\$0	\$20,692	\$15	\$161
Other Professional Services	3.2%	\$169,658	\$28,571	\$81,339	\$26,930	\$32,817	\$1	(\$0)
Chiropractor Services	0.2%	\$13,095	\$2,205	\$8,443	\$1,616	\$831	\$0	(\$0)
Physical Therapy Services	0.8%	\$40,739	\$6,861	\$23,149	\$7,357	\$3,372	\$1	\$0
Psychological Services	1.0%	\$53,466	\$9,004	\$21,839	\$3,398	\$19,227	(\$1)	(\$0)
Podiatrist Services	0.1%	\$5,004	\$843	\$2,086	\$1,725	\$351	\$0	(\$0)
Other	1.1%	\$57,353	\$9,659	\$25,822	\$12,835	\$9,036	\$1	\$0
Home Health Care	1.9%	\$102,727	\$11,999	\$2,313	\$61,146	\$23,642	\$2,041	\$1,587
Drugs & Supplies	12.0%	\$637,560	\$135,952	\$229,236	\$200,095	\$75,783	(\$2,776)	(\$731)
Vision Products & DME	2.3%	\$120,205	\$66,452	\$17,724	\$25,865	\$10,163	\$1	(\$0)
Nursing Home Care	5.3%	\$281,674	\$85,533	\$5,437	\$67,154	\$116,921	\$0	\$6,629
Other/Unclassified Health Services	0.9%	\$50,014	\$6,915	\$4,171	\$18,545	\$4,435	\$0	\$15,948
Admin/Net Cost of Health Insurance	6.8%	\$362,615	N/A	\$217,313	\$59,259	\$86,043	\$0	\$0
Government Health Care Activities**	12.0%	\$640,518	n.a.	\$0	n.a.	\$589,340	\$18,363	\$32,815
TOTAL VERMONT EXPENDITURES	100.0%	\$5,329,561	\$726,000	\$1,892,396	\$1,149,270	\$1,378,635	\$126,563	\$56,698
Percent of total expenditures		100.0%	13.6%	35.5%	21.6%	25.9%	2.4%	1.1%

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

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

N/A

n.a.

Payer reported data

Allocations estimated from VT specific data

Amounts imputed from National Health Expenditures or other indirect sources

Not Applicable

Not Available



2013 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	TVHP***	MVP	Workers' Comp	Other Private
Hospitals	48.6%	\$919,020	\$319,360	\$293,520	\$89,946	\$55,939	\$23,098	\$137,157
Community Hospitals	47.7%	\$903,564	\$311,789	\$290,546	\$89,091	\$53,643	\$23,098	\$135,397
Veterans Hospital	0.2%	\$4,360	\$3,060	\$724	\$274	\$0	\$0	\$302
Psychiatric Hosp: State	0.1%	\$2,703	\$2,368	\$47	\$8	\$0	\$0	\$280
Psychiatric Hosp: Private	0.4%	\$8,393	\$2,142	\$2,204	\$574	\$2,296	\$0	\$1,177
Physician Services*	18.1%	\$342,150	\$128,832	\$99,775	\$26,310	\$19,349	\$20,778	\$47,106
Dental Services	3.9%	\$73,693	\$41,737	\$1,186	\$171	\$75	\$355	\$30,169
Other Professional Services	4.3%	\$81,339	\$19,399	\$28,852	\$6,632	\$1,481	\$12,526	\$12,448
Chiropractor Services	0.4%	\$8,443	\$2,436	\$3,220	\$672	\$82	\$696	\$1,337
Physical Therapy Services	1.2%	\$23,149	\$3,359	\$5,030	\$1,305	\$492	\$10,863	\$2,100
Psychological Services	1.2%	\$21,839	\$4,750	\$10,216	\$1,977	\$176	\$24	\$4,696
Podiatrist Services	0.1%	\$2,086	\$793	\$656	\$174	\$75	\$88	\$300
Other	1.4%	\$25,822	\$8,061	\$9,730	\$2,505	\$656	\$855	\$4,015
Home Health Care	0.1%	\$2,313	\$271	\$180	\$28	\$161	\$1,580	\$93
Drugs & Supplies	12.1%	\$229,236	\$54,389	\$92,367	\$23,737	\$11,439	\$3,313	\$43,993
Vision Products & DME	0.9%	\$17,724	\$7,655	\$4,724	\$1,400	\$508	\$1,163	\$2,273
Nursing Home Care	0.3%	\$5,437	\$878	\$1,684	\$198	\$217	\$1,580	\$880
Other/Unclassified Health Services	0.2%	\$4,171	\$2,796	\$65	\$17	\$95	\$0	\$1,197
Admin/Net Cost of Health Insurance	11.5%	\$217,313	\$42,999	\$32,527	\$16,559	\$10,157	\$58,292	\$56,779
Government Health Care Activities**	N/A	\$0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
TOTAL VERMONT EXPENDITURES	100.0%	\$1,892,396	\$618,317	\$554,881	\$164,998	\$99,422	\$122,684	\$332,095
Percent of total expenditures		100.0%	32.7%	29.3%	8.7%	5.3%	6.5%	17.5%

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

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

***TVHPw as previously reported in Other Private

<div style="display: inline-block; width: 20px; height: 10px; background-color: white; border: 1px solid black;"></div>	Payer reported data
<div style="display: inline-block; width: 20px; height: 10px; background-color: yellow; border: 1px solid black;"></div>	Allocations estimated from VT specific data
<div style="display: inline-block; width: 20px; height: 10px; background-color: lightgreen; border: 1px solid black;"></div>	Amounts imputed from National Health Expenditures or other indirect sources
N/A	Not Applicable
n.a.	Not Available



Revised 2012 Vermont Health Care Expenditures - Resident Analysis

Updated from original published in April 2014

All dollar amounts are reported in thousands

	Percent of Total	Total	Out-of-Pocket	Private Insurance	Medicare	Vermont Medicaid	Other Federal	State & Local
Hospitals	38.2%	\$1,962,740	\$169,682	\$882,043	\$536,617	\$274,920	\$96,012	\$3,465
Community Hospitals	35.9%	\$1,844,441	\$169,682	\$866,658	\$532,699	\$274,920	\$314	\$166
Veterans Hospital	1.9%	\$99,497	\$0	\$3,619	\$0	\$0	\$95,698	\$181
Psychiatric Hosp: State	0.1%	\$3,562	\$0	\$443	\$0	\$0	\$0	\$3,118
Psychiatric Hosp: Private	0.3%	\$15,241	\$0	\$11,323	\$3,918	\$0	\$0	\$0
Physician Services*	13.4%	\$688,645	\$86,715	\$328,317	\$121,995	\$137,219	\$13,944	\$456
Dental Services	4.1%	\$213,150	\$129,023	\$63,055	\$0	\$20,380	\$29	\$663
Other Professional Services	3.2%	\$165,466	\$25,954	\$83,370	\$24,960	\$31,164	\$16	\$2
Chiropractor Services	0.3%	\$15,441	\$2,450	\$10,647	\$1,537	\$808	\$0	\$0
Physical Therapy Services	0.7%	\$36,748	\$5,774	\$21,375	\$6,800	\$2,795	\$4	\$0
Psychological Services	1.0%	\$51,138	\$8,034	\$21,275	\$3,127	\$18,697	\$4	\$2
Podiatrist Services	0.1%	\$4,986	\$770	\$2,160	\$1,666	\$390	\$0	\$0
Other	1.1%	\$57,152	\$8,926	\$27,913	\$11,832	\$8,473	\$8	\$0
Home Health Care	1.9%	\$95,884	\$12,290	\$1,868	\$58,913	\$20,127	\$1,641	\$1,045
Drugs & Supplies	12.4%	\$636,887	\$134,757	\$264,708	\$174,304	\$62,397	\$782	(\$61)
Vision Products & DME	2.2%	\$111,052	\$62,732	\$13,837	\$24,765	\$9,714	\$2	\$2
Nursing Home Care	5.5%	\$285,141	\$89,559	\$4,676	\$65,376	\$115,768	\$1	\$9,761
Other/Unclassified Health Services	0.9%	\$43,912	\$5,032	\$139	\$18,243	\$4,549	\$1	\$15,948
Admin/Net Cost of Health Insurance	6.9%	\$353,983	N/A	\$214,714	\$55,492	\$83,777	\$0	\$0
Government Health Care Activities**	11.3%	\$580,998	n.a.	\$0	n.a.	\$543,606	\$13,808	\$23,585
TOTAL VERMONT EXPENDITURES	100.0%	\$5,137,858	\$715,744	\$1,856,726	\$1,080,666	\$1,303,621	\$126,235	\$54,866
Percent of total expenditures		100.0%	13.9%	36.1%	21.0%	25.4%	2.5%	1.1%

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

** See 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



2008-2013 Vermont Resident Health Care Expenditures

All dollar amounts are reported in thousands - Multiply expenditures by 1,000 to arrive at the full expenditure amount.

PAYERS	2008	2009	2010	2011	2012	2013	2012-2013 Annual Change	2008-2013 Average Annual Change
Out-of-Pocket	\$595,542	\$693,932	\$701,454	\$715,787	\$715,744	\$726,000	1.4%	4.0%
Private Insurance	\$1,686,526	\$1,765,562	\$1,875,532	\$1,849,761	\$1,856,726	\$1,892,396	1.9%	2.3%
Medicare	\$842,766	\$896,231	\$953,599	\$991,815	\$1,080,666	\$1,149,270	6.3%	6.4%
Medicaid	\$1,060,444	\$1,155,724	\$1,186,524	\$1,210,509	\$1,303,621	\$1,378,635	5.8%	5.4%
Other Government	\$195,086	\$190,379	\$207,693	\$215,196	\$181,101	\$183,261	1.2%	-1.2%
TOTAL RESIDENT EXPENDITURES	\$4,380,364	\$4,701,828	\$4,924,802	\$4,983,068	\$5,137,858	\$5,329,561	3.7%	4.0%
Annual Percent Change	6.6%	7.3%	4.7%	1.2%	3.1%	3.7%		

PROVIDERS	2008	2009	2010	2011	2012	2013	2012-2013 Annual Change	2008-2013 Average Annual Change
Hospitals	\$1,517,122	\$1,733,474	\$1,832,195	\$1,899,578	\$1,962,740	\$2,030,774	3.5%	6.0%
Physician Services	\$642,458	\$634,075	\$660,083	\$662,381	\$688,645	\$712,253	3.4%	2.1%
Dental Services	\$201,372	\$209,458	\$213,659	\$212,744	\$213,150	\$221,565	3.9%	1.9%
Other Professional Services	\$148,609	\$154,786	\$162,968	\$176,146	\$165,466	\$169,658	2.5%	2.7%
Home Health Care	\$102,553	\$97,124	\$95,541	\$93,375	\$95,884	\$102,727	7.1%	0.0%
Drugs & Supplies	\$530,779	\$566,076	\$588,175	\$607,303	\$636,887	\$637,560	0.1%	3.7%
Vision Products & DME	\$90,629	\$91,551	\$98,663	\$106,568	\$111,052	\$120,205	8.2%	5.8%
Nursing Home Care	\$255,318	\$268,927	\$270,909	\$279,569	\$285,141	\$281,674	-1.2%	2.0%
Other/Unclassified Health Services	\$33,971	\$44,001	\$43,759	\$42,533	\$43,912	\$50,014	13.9%	8.0%
Admin/Net Cost of Health Insurance	\$347,516	\$367,042	\$414,746	\$361,245	\$353,983	\$362,615	2.4%	0.9%
Government Health Care Activities	\$510,037	\$535,313	\$544,102	\$541,626	\$580,998	\$640,518	10.2%	4.7%
TOTAL RESIDENT EXPENDITURES	\$4,380,364	\$4,701,828	\$4,924,802	\$4,983,068	\$5,137,858	\$5,329,561	3.7%	4.0%
Annual Percent Change	6.6%	7.3%	4.7%	1.2%	3.1%	3.7%		



2013 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
Hospitals	45.1%	\$2,456,129	\$208,624	\$1,077,345	\$670,739	\$340,152	\$150,953	\$8,317
Community Hospitals	41.1%	\$2,236,102	\$204,364	\$1,045,206	\$660,247	\$326,286	\$0	\$0
Veterans Hospital	3.0%	\$162,856	\$4,116	\$8,591	\$0	\$0	\$150,000	\$148
Psychiatric Hosp: State	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Psychiatric Hosp: Private	1.1%	\$57,172	\$143	\$23,548	\$10,492	\$13,867	\$952	\$8,169
Physician Services*	9.7%	\$526,743	\$65,601	\$240,933	\$107,122	\$105,050	\$7,950	\$88
Dental Services	4.8%	\$260,734	\$149,456	\$86,721	\$0	\$24,350	\$18	\$190
Other Professional Services	4.5%	\$243,944	\$41,081	\$121,307	\$40,705	\$40,849	\$2	(\$0)
Chiropractor Services	0.7%	\$38,289	\$6,448	\$24,687	\$4,724	\$2,429	\$0	(\$0)
Physical Therapy Services	1.0%	\$54,028	\$9,099	\$30,700	\$9,757	\$4,472	\$1	\$0
Psychological Services	1.0%	\$52,033	\$8,763	\$21,254	\$3,306	\$18,711	(\$1)	(\$0)
Podiatrist Services	0.1%	\$5,207	\$877	\$2,170	\$1,794	\$365	\$0	(\$0)
Other	1.7%	\$94,387	\$15,895	\$42,496	\$21,123	\$14,871	\$2	\$0
Home Health Care	2.2%	\$119,115	\$4,850	\$12,032	\$63,429	\$35,181	\$2,036	\$1,587
Drugs & Supplies	14.0%	\$760,713	\$162,213	\$273,517	\$238,747	\$90,421	(\$3,313)	(\$872)
Vision Products & DME	2.5%	\$135,123	\$74,698	\$19,924	\$29,075	\$11,425	\$1	(\$0)
Nursing Home Care	4.9%	\$264,202	\$44,031	\$2,376	\$80,672	\$123,200	\$6,724	\$7,198
Other/Unclassified Health Services	0.6%	\$33,539	\$15,541	\$1,550	\$0	\$500	\$0	\$15,948
Admin/Net Cost of Health Insurance	N/A	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Government Health Care Activities**	11.8%	\$640,518	\$0	\$0	\$0	\$589,340	\$18,363	\$32,815
TOTAL VERMONT EXPENDITURES	100.0%	\$5,440,758	\$766,095	\$1,835,703	\$1,230,488	\$1,360,469	\$182,733	\$65,269
Percent of total expenditures		100.0%	14.1%	33.7%	22.6%	25.0%	3.4%	1.2%

* Hospital-employed physician practices are included in the Community Hospital category in the Provider Matrix. Physicians amount reported is \$434 million.

** See 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



Methodologies, technical notes and sources

- **US comparisons: National Health Expenditure Data (NHE), the Centers for Medicare and Medicaid Services'** website at <http://http://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsHistorical.html>
- **NHE, Health Consumption Expenditures :** <http://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/Downloads/tables.pdf>
- **VT GSP** at U.S. Dept. of Commerce, Bureau of Economic Analysis, <http://www.bea.gov/iTable/iTable.cfm?reqid=70&step=1&isuri=1&acrdn=1#reqid=70&step=7&isuri=1&7001=1200&7002=1&7003=200&7090=70&7005=-1&7006=50000&7093=levels&7004=naics>
- **VT Dept of Labor** <http://www.vtlmi.info/occupation.cfm>
- **US Dept of Labor, Bureau of Labor Statistics** http://stats.bls.gov/oes/current/oes_nat.htm
- **Vermont Healthcare Claims Uniform Reporting and Evaluation System (VHCURES)** <http://gmcboard.vermont.gov/vhcures>
- **Medicare data** are from Dan Gottlieb of The Dartmouth Institute for Health Policy & Clinical Practice (TDI). The 2013 actual Vermont Medicare Report will be prepared by June of 2015. This report includes an estimate of Medicare based upon recent growth trends.
- The **Out of Pocket** (OOP) methodology relies on Vermont data and less on the census and the NHE. Medicare claims expenditures reported to GMCB 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 90% of the commercial market. Survey and 2007 census data (latest available) and the NHE is still used to help estimate out of pocket costs for unique provider populations and services.

Methodologies, technical notes and sources

2012 Expenditure Analysis was adjusted for more accurate data. Adjustments were made in the amount of \$13.952 million.

- Private insurance was adjusted in self-insurance and other private
- Medicaid was adjusted for the Graduate Medical Education payments
- Medicare was adjusted to reflect better data for Medicare Part D drugs

The enrollment for 2013 is still under review:

- Enrollment could effect allocation of spending categories, ie; drugs

Truven/Brandeis reporting is being reviewed and reconciled to the current format of the Expenditure Analysis.

Process Next steps/Plans

GMCB Board and staff to review/comment on 2013 report

Report to be presented to legislature in late March

Report to be updated again in late spring for Medicare and VHCURES/Truven input

Report will be revised to include new/additional spending categories as we prepare for 2014 report

Future plans include development of data base to facilitate reporting improvements and data management

Process Next steps/Plans

We can now drill down into the Expenditure Analysis by different dimensions such as age, geography, primary care vs. specialty. The slides are prepared to show how we can use the 2013 VHCURES data. Work is still underway to study, analyze, and reconcile this information.

See the example in the Appendix that follows.

Appendix

2013 Commercial Claims Expenditure Detail

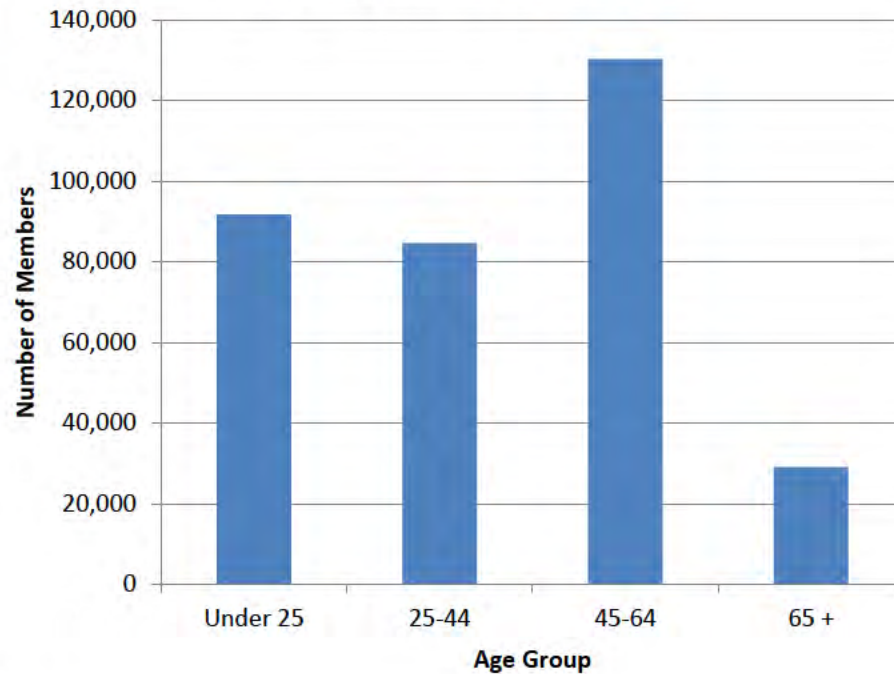
All data from commercial insurance claims in VHCURES

Preliminary Data under review

draft

Appendix

Ages of Commercially Insured Vermonters in 2013



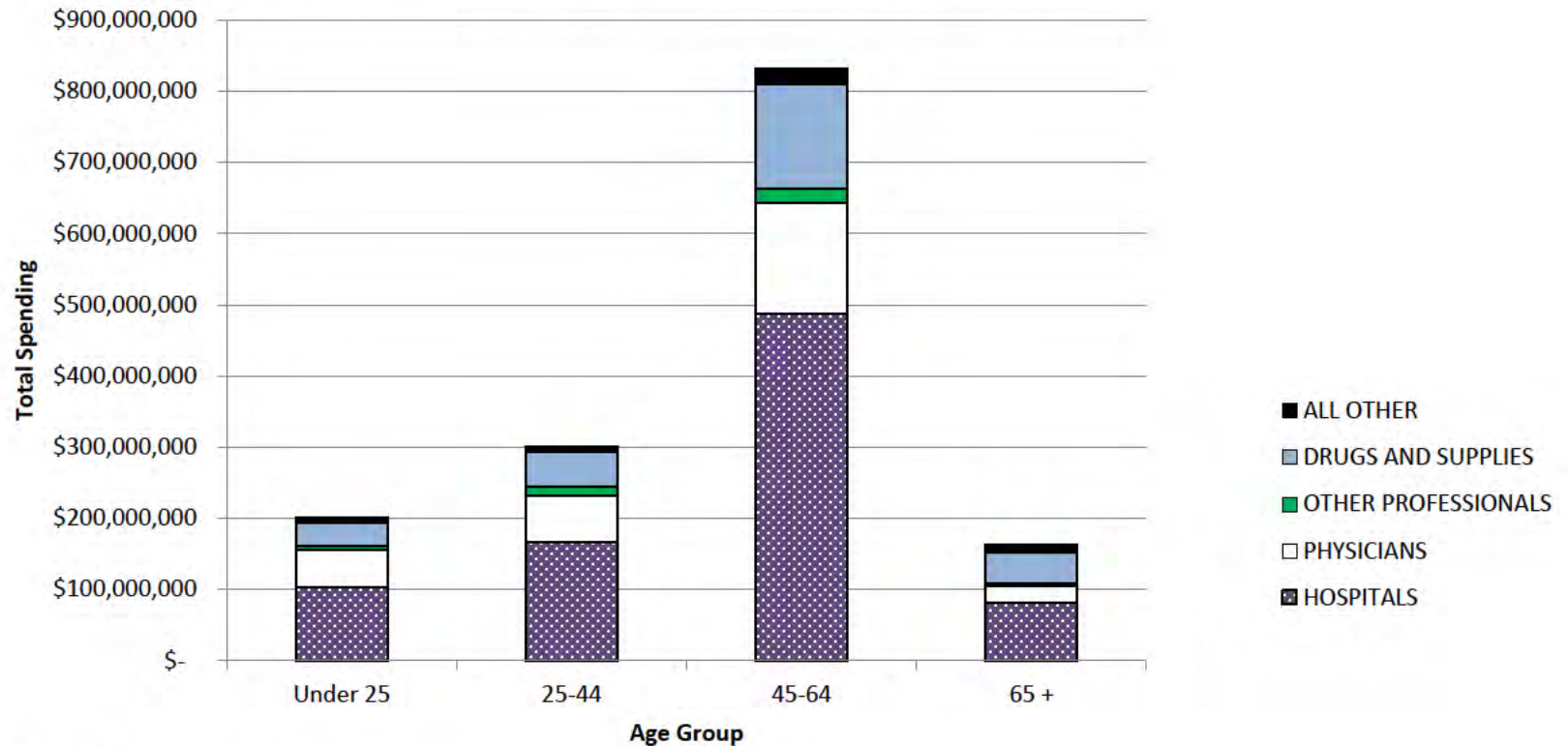
Notes:

- All data from VHCURES, 12/2014 extract.

draft

Appendix

Total 2013 Commercial Spending



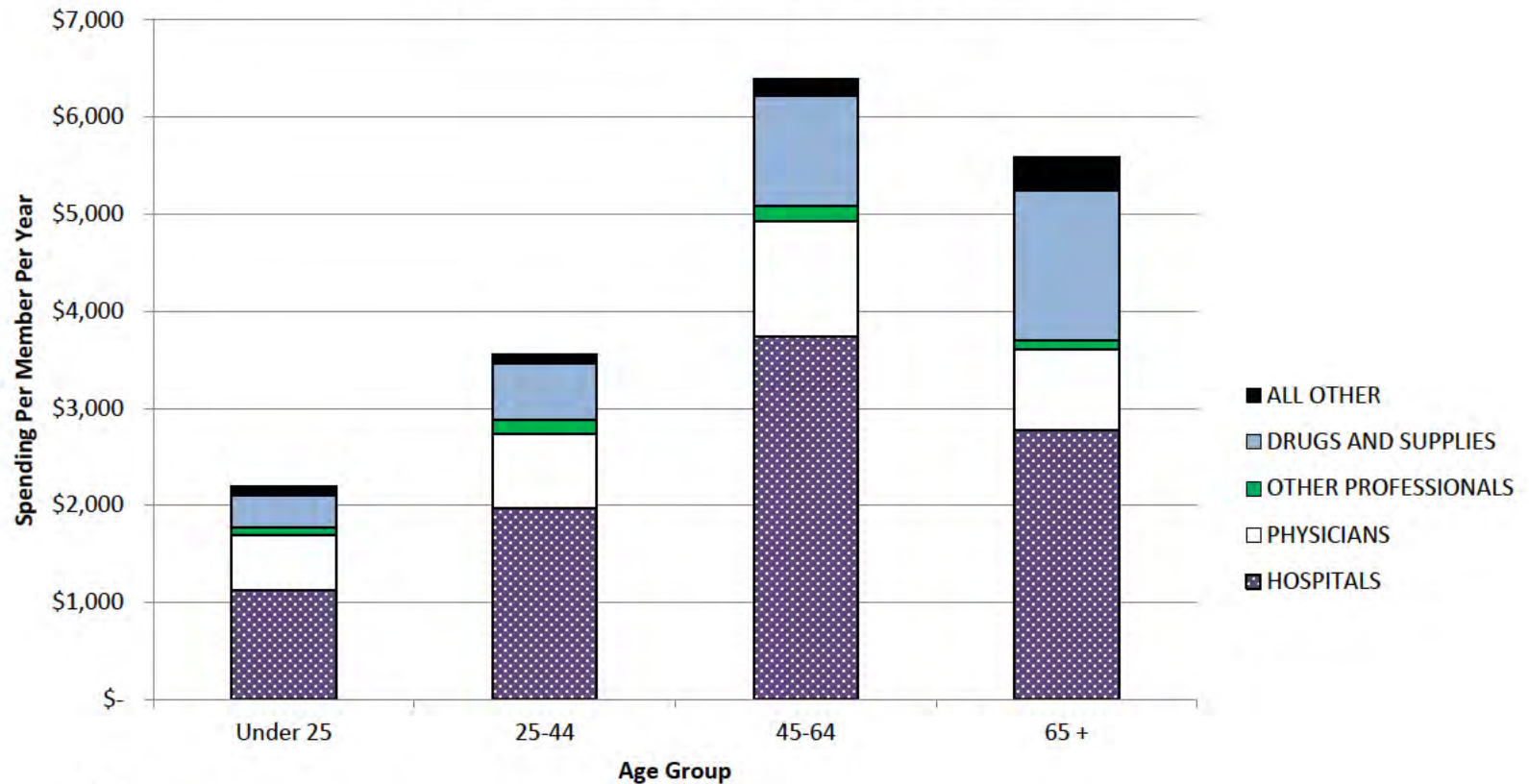
Notes:

- All data from VHCURES, 12/2014 extract. Total commercial spending will be higher.
- Spending is plan paid amounts for all primary and secondary claims.
- Spending on those over age 65 is the amount paid by commercial insurance only.
- Total spending is not weighted for demographics. High spending in the 50-64 year old age groups are partly due to a larger number of people in these age groups.

draft

Appendix

2013 PMPY Commercial Spending



Notes:

- All data from VHCURES, 12/2014 extract.
- Spending is plan paid amounts for all primary and secondary claims.
- Spending on those over age 65 is the amount paid by commercial insurance only.
- Membership count is for 12-month equivalent enrollment in major medical plans (total number of member months/12). This does not include prescription drug or behavior health only plans.

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