

2014 Vermont Health Care Expenditure Analysis

Prepared by: Michael Davis and Lori Perry
April 2016

The Expenditure Analysis

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

The analysis is an annual report to inform policy makers and the public about health care spending in Vermont.

The report is a consistent model that:

- establishes a base of health care spending and funding,
- examines spending and sources of funds over time,
- provides spending from two different perspectives; 1) spending on behalf of Vermont residents, and 2) spending by Vermont providers for both residents and non-residents, and,
- allows comparisons of Vermont spending to the National Health Expenditures at CMS.

The Expenditure Analysis

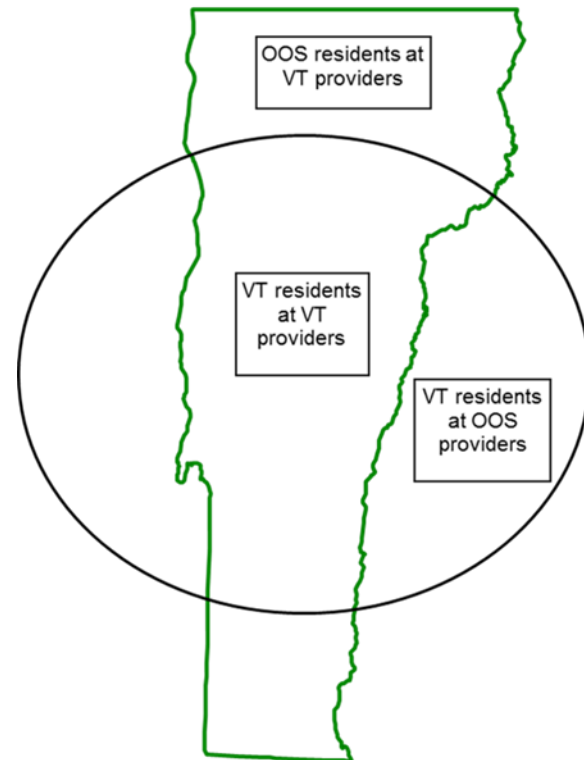
The report reflects two perspectives:

- 1) the **Resident analysis**, reports what payers spend* on Vermont Residents;
- 2) and the **Provider analysis**, reports 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.

* “Spend” for commercial payers is defined as the earned premiums for the company.



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		✓

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



Summary of 2014 Vt. Resident and Provider Expenditure Analyses

PAYERS	RESIDENT* (As reported by Payers)	PROVIDER** (As reported by Providers)
Out-of-Pocket	\$723	\$736
Private Insurance	\$1,920	\$1,826
Medicare	\$1,192	\$1,311
Medicaid	\$1,490	\$1,392
Other Government	\$216	\$281
TOTAL SPENDING	\$5,541	\$5,546

PROVIDER SERVICES	RESIDENT* (As reported by Payers)	PROVIDER** (As reported by Providers)
Hospitals	\$2,058	\$2,547
Hospitals-Only	\$2,058	\$2,136
Hospital-Physicians	\$0	\$411
Physician Services	\$741	\$414
Dental Services	\$233	\$262
Other Professional Services	\$191	\$251
Home Health Care	\$112	\$128
Drugs & Supplies	\$672	\$817
Vision Products & DME	\$122	\$117
Nursing Home Care	\$284	\$271
Other/Unclassified Health Services	\$67	\$34
Admin/Net Cost of Health Insurance	\$356	n.a.
Government Health Care Activities	\$705	\$705
TOTAL SPENDING	\$5,541	\$5,546

All dollar amounts are reported in millions - 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.



2014 Vermont Resident Analysis

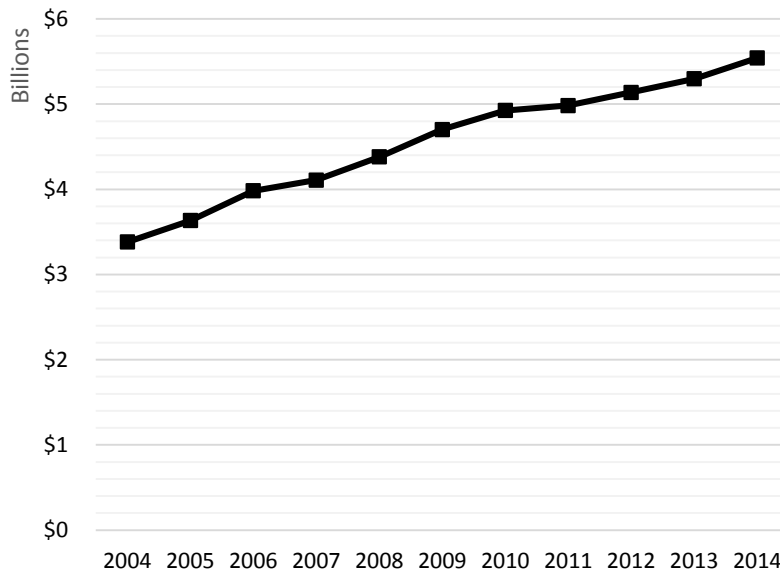
The **Resident analysis**, reports what payers spend on Vermont Residents, regardless whether they receive services in Vermont or not.



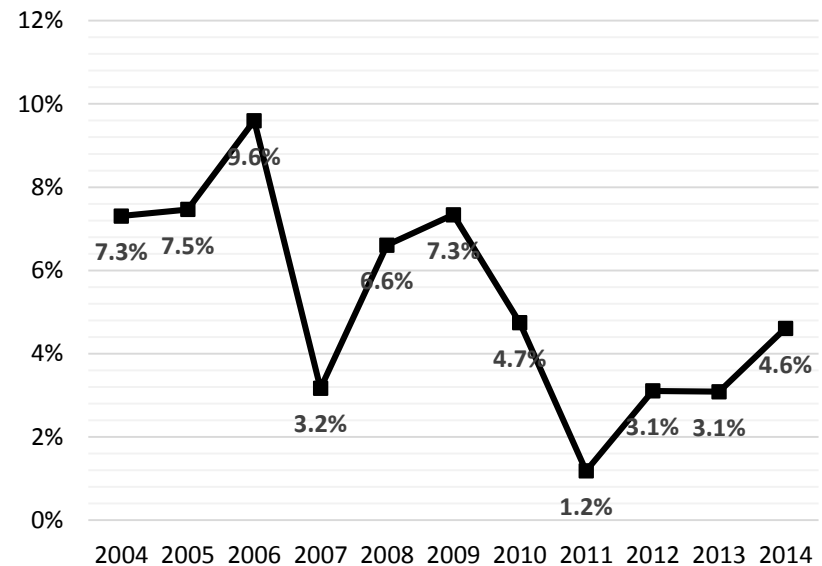
2014 Vt. Resident Analysis

Spending has increased from \$3.3 billion in 2004 to \$5.5 billion in 2014. This is an average annual increase of 5.1%.

VT Total Annual Spending



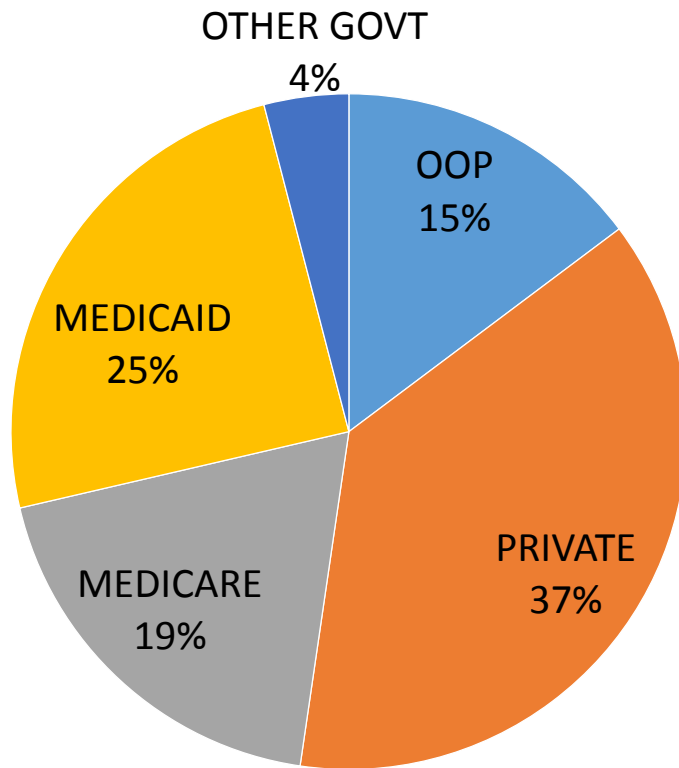
VT Total Annual Spending Growth



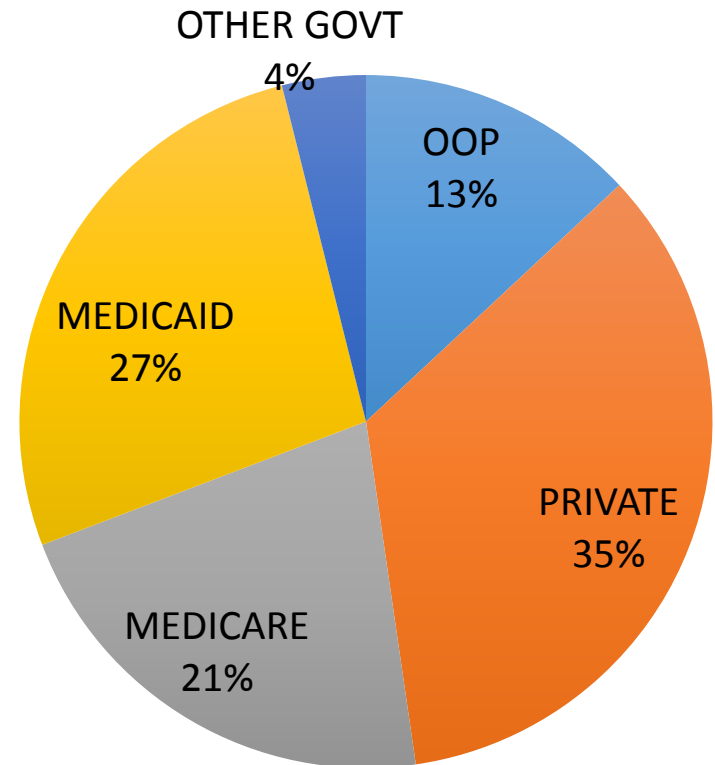
2014 Vt. Resident Analysis

Change in source of funds

Total Spending \$4.7 billion, 2009



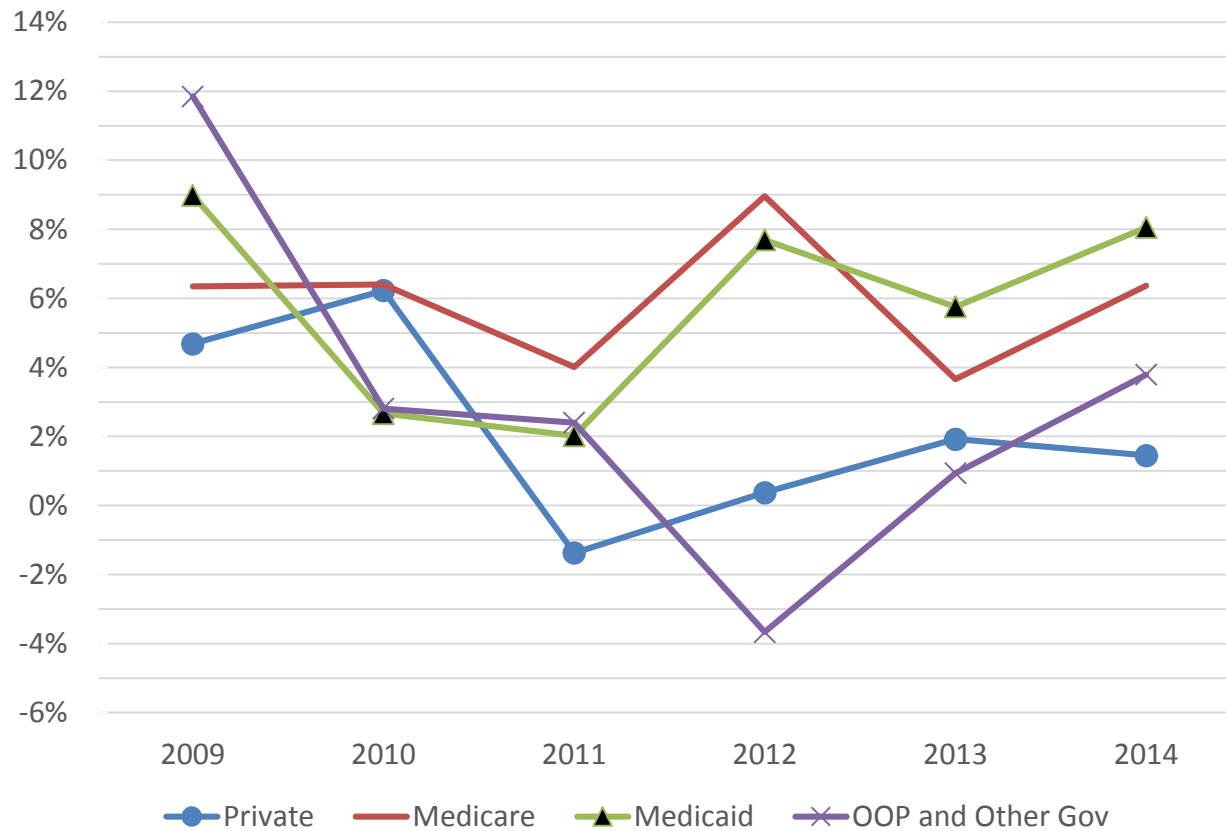
Total Spending \$5.5 billion, 2014



2014 Vt. Resident Analysis

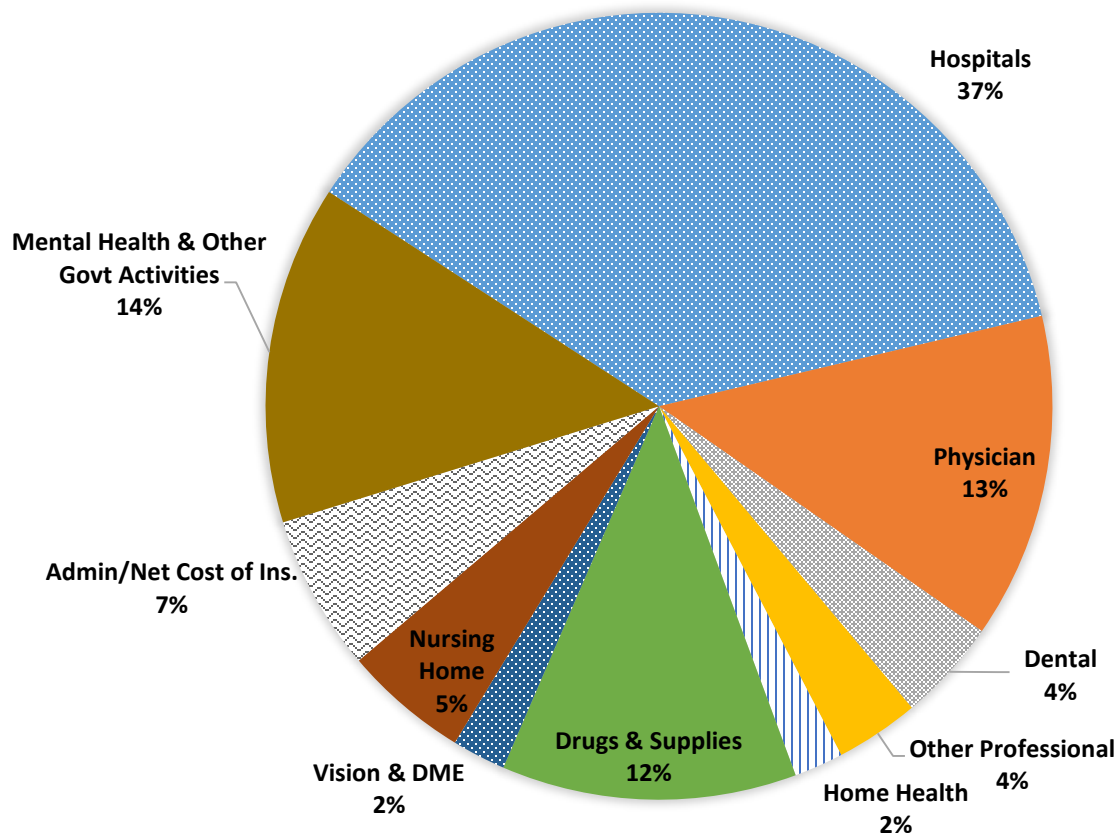
Change in source of fund by payer

Looking back to 2009, total spending has increased from \$4.7 billion in 2009 to \$5.5 billion in 2014. This is an average annual increase of 3.3%.



2014 VT Resident Analysis

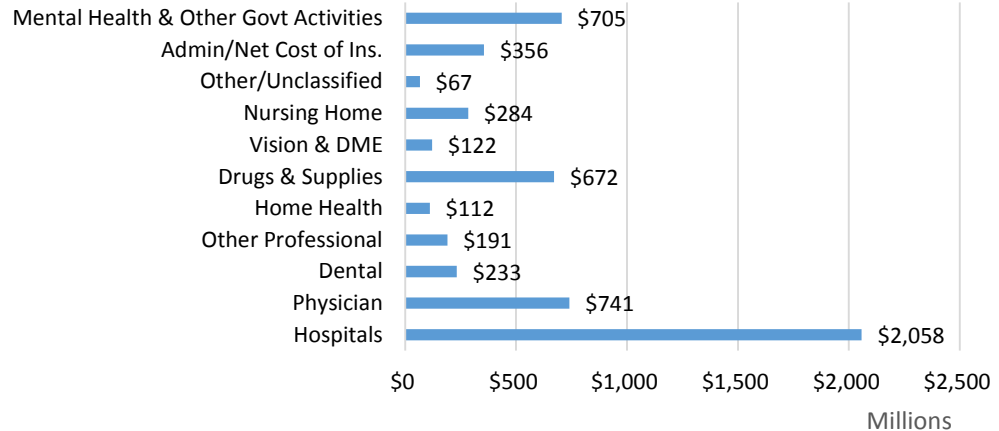
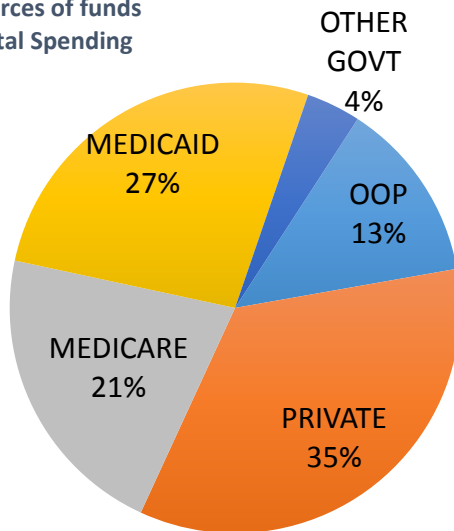
Provider payments and Services bought - \$5.5 billion



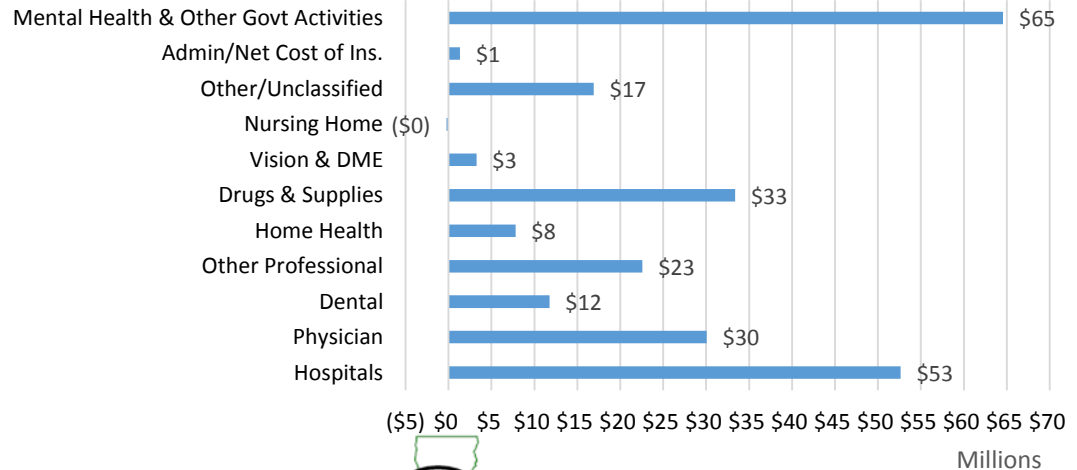
2014 VT Resident, All Payers

Total Spending \$5.5 billion

Sources of funds
Total Spending

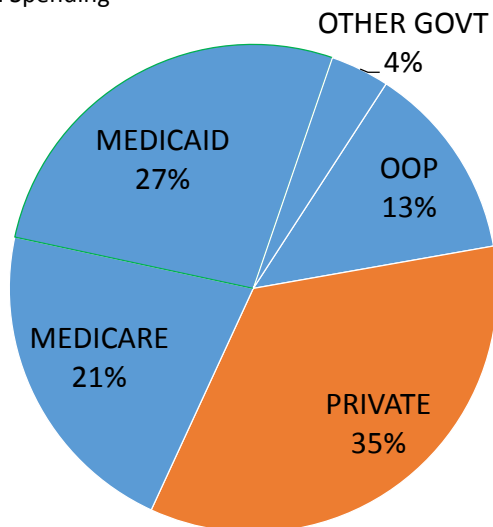


Spending Increased, \$244.1 million



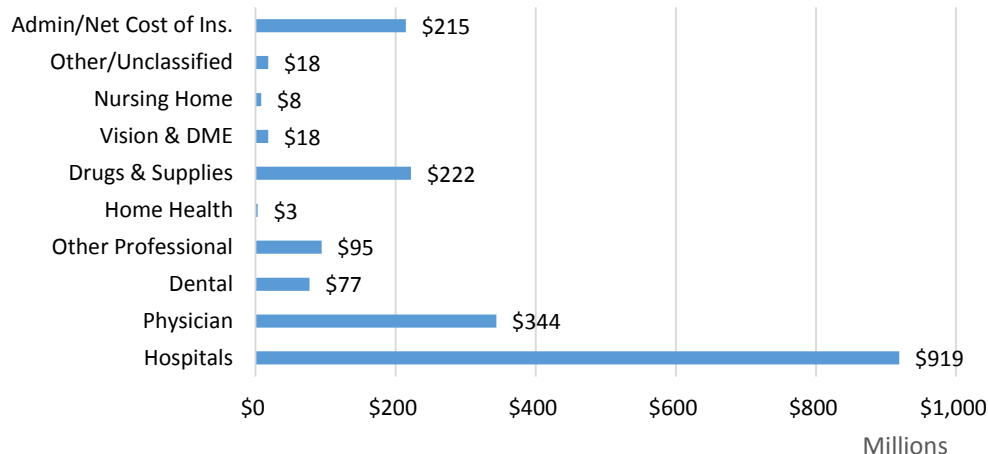
2014 VT Resident, Private Insurance

Sources of funds
Total Spending



All spending includes payments to in-state and out-of-state providers. Hospital payments - 27% out-of-state and 73% in-state hospitals.

Total Spending \$1.9 billion

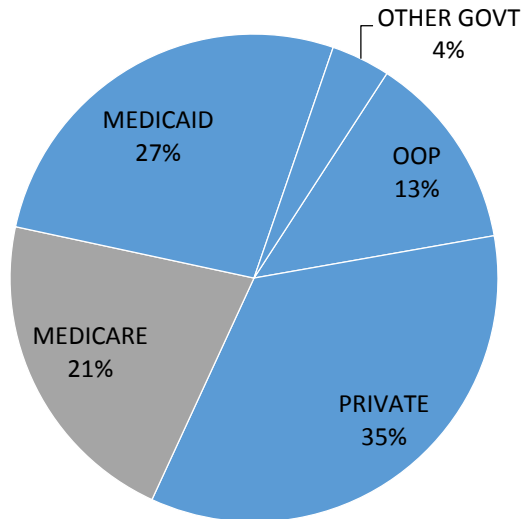


Spending Increased, \$27.4 million, 1.4%



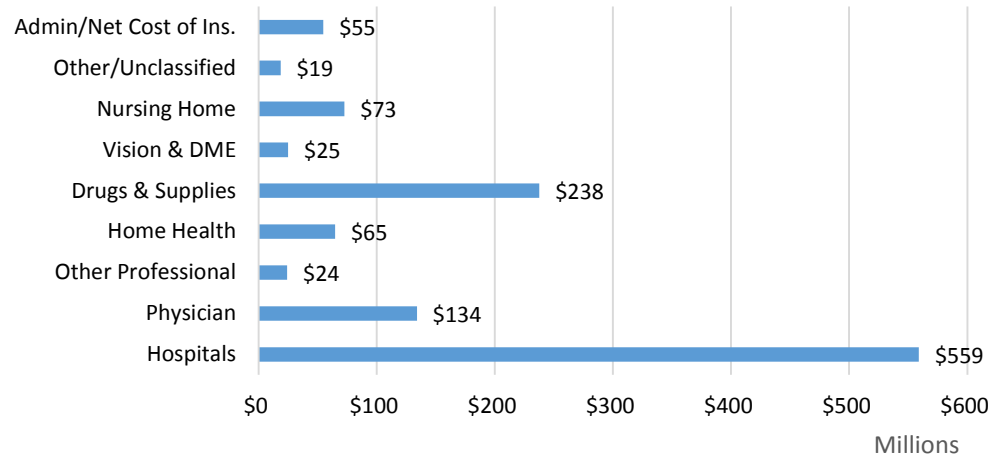
2014 VT Resident, Medicare

Sources of funds
Total Spending

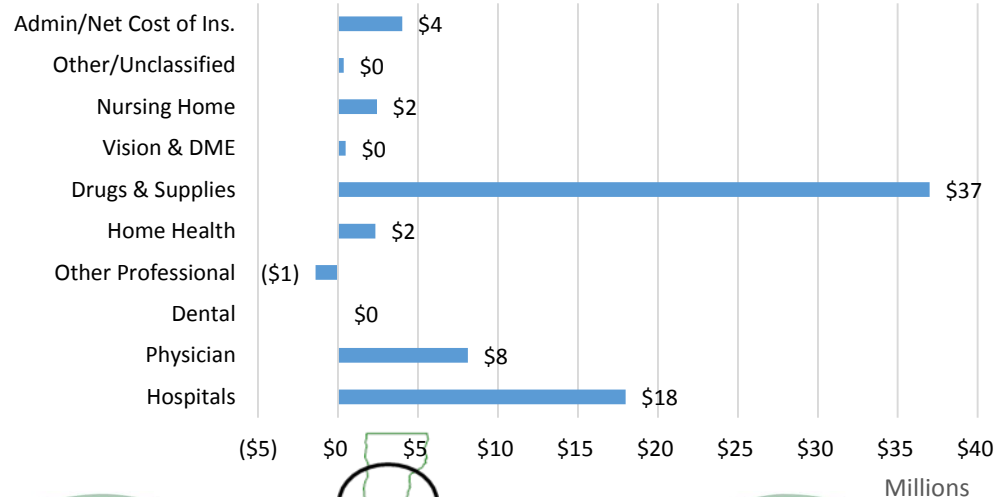


The large spending increase in drugs is due to the increase in payments under the Part D program.

Total Spending \$1.2 billion

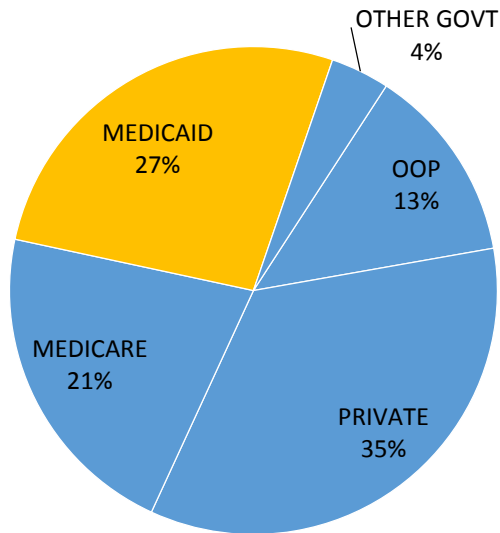


Spending Increased, \$71.3 million, 6.4%

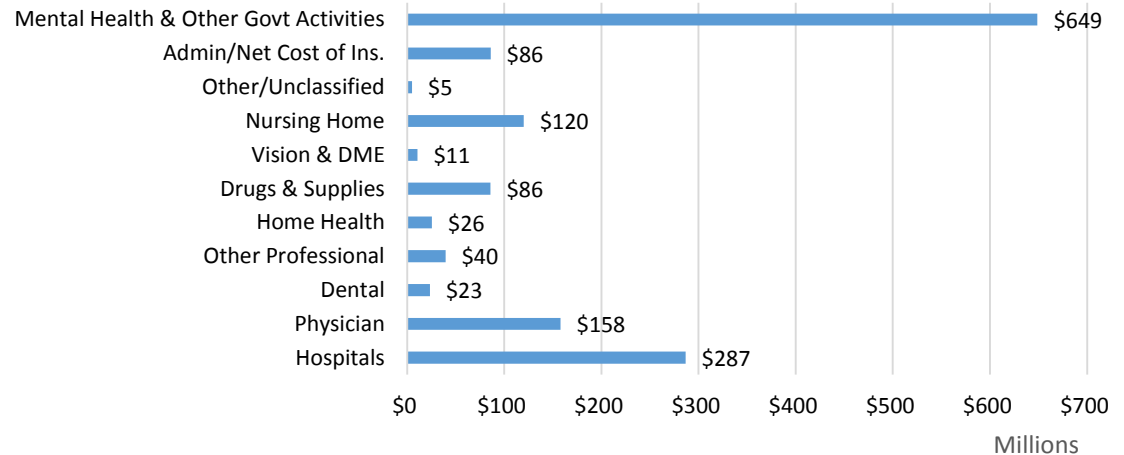


2014 VT Resident, Medicaid

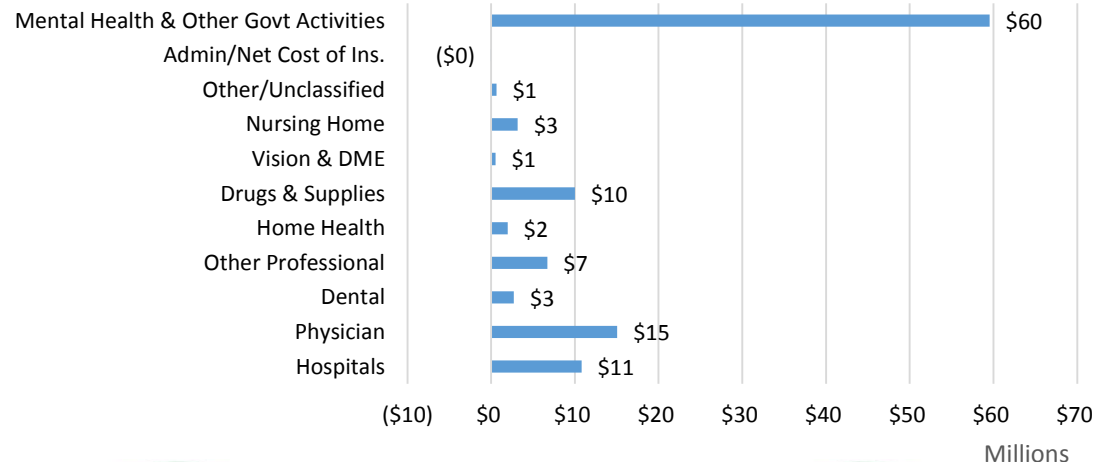
Sources of funds
Total Spending



Total Spending \$1.5 billion



Spending Increased, \$111 million, 8.1%



Mental Health & Other Government Activities shows that over 60% of the \$60.7 million increase is in Mental Health clinics and AHS Other.



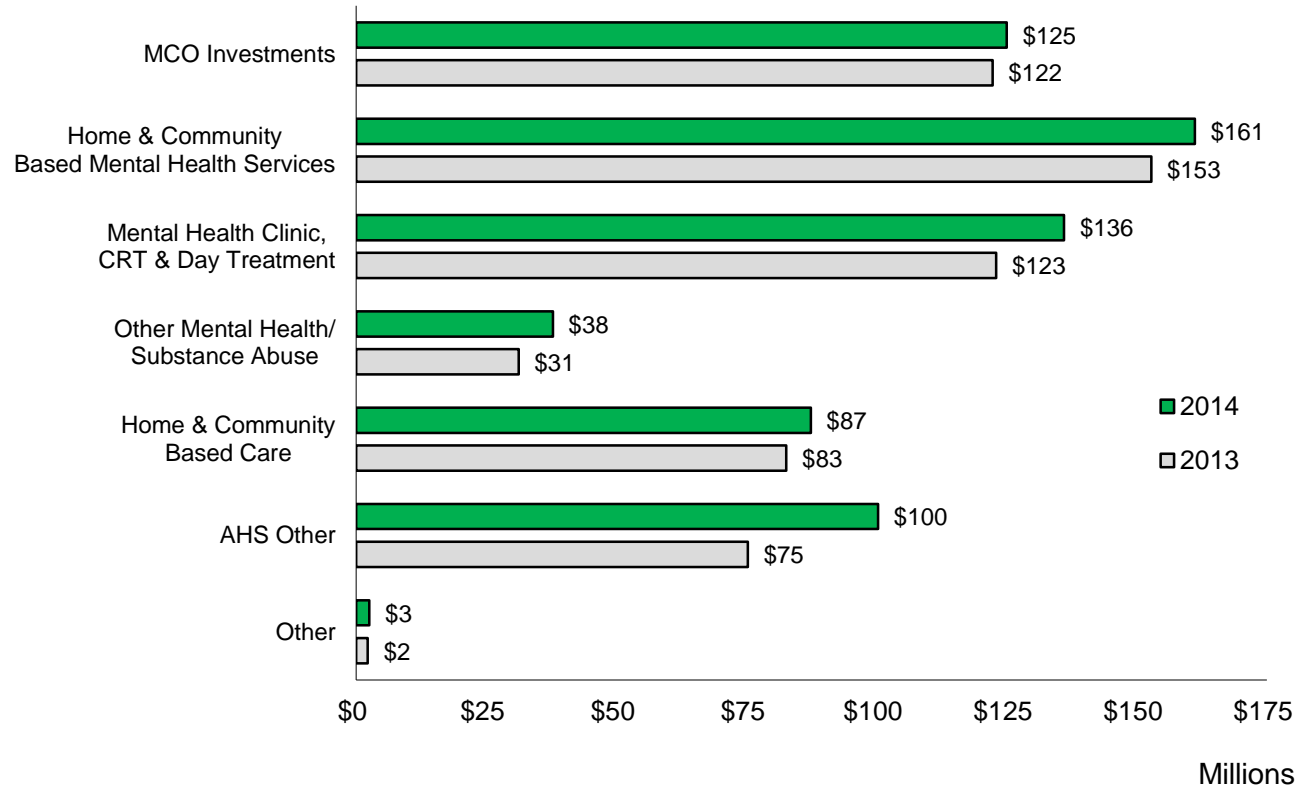
2014 VT Resident, Medicaid

2014 Mental Health & Other Government Activities grew to \$650.2 million – about 43% of the total Medicaid spend.

AHS Other includes such programs as Diagnostic Screening, Preventive Services, and Transportation services.

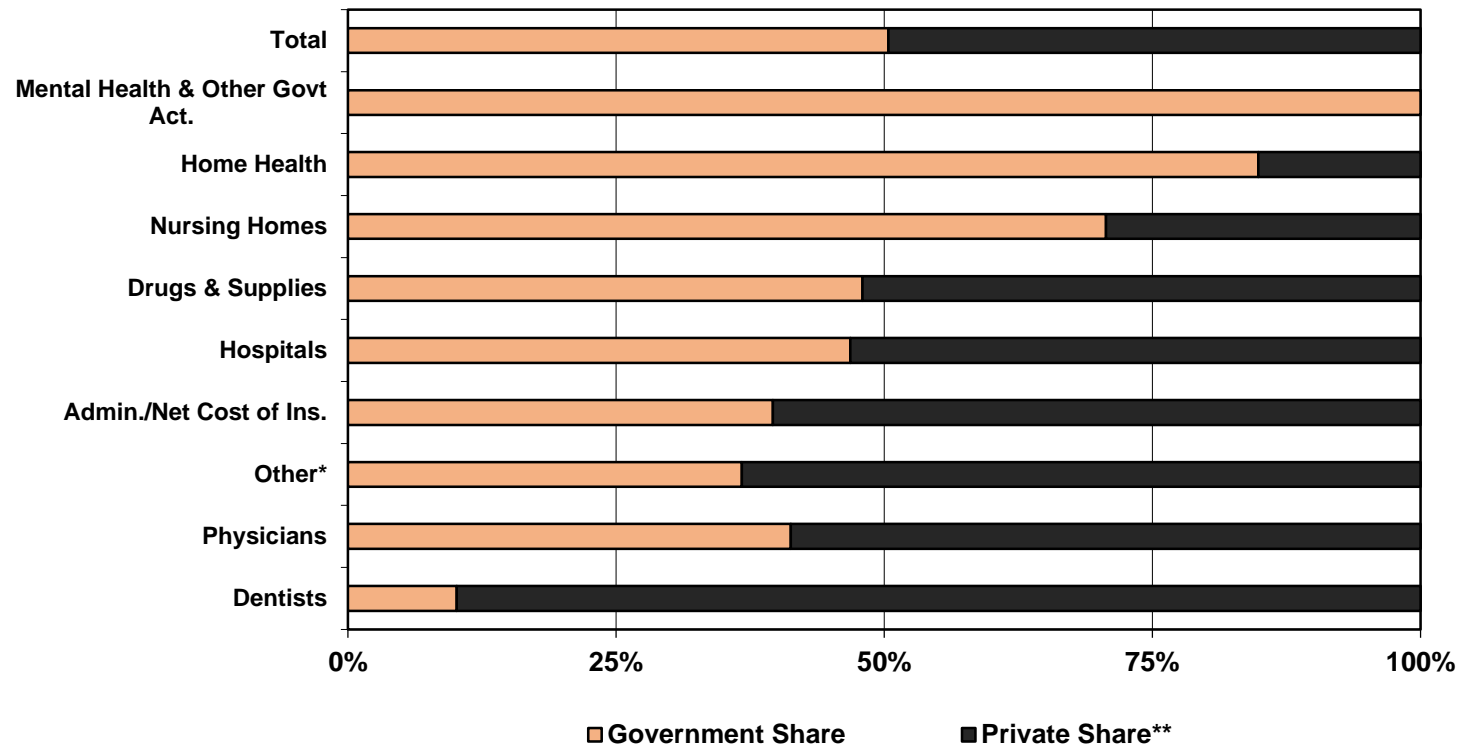
MCO investments includes unique programs such as School Health Services, Disease Services, Residential Care for Youth, etc.

Mental Health & Other Government Activities



2014 Vt. Resident Analysis

Government vs. Private Funding



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

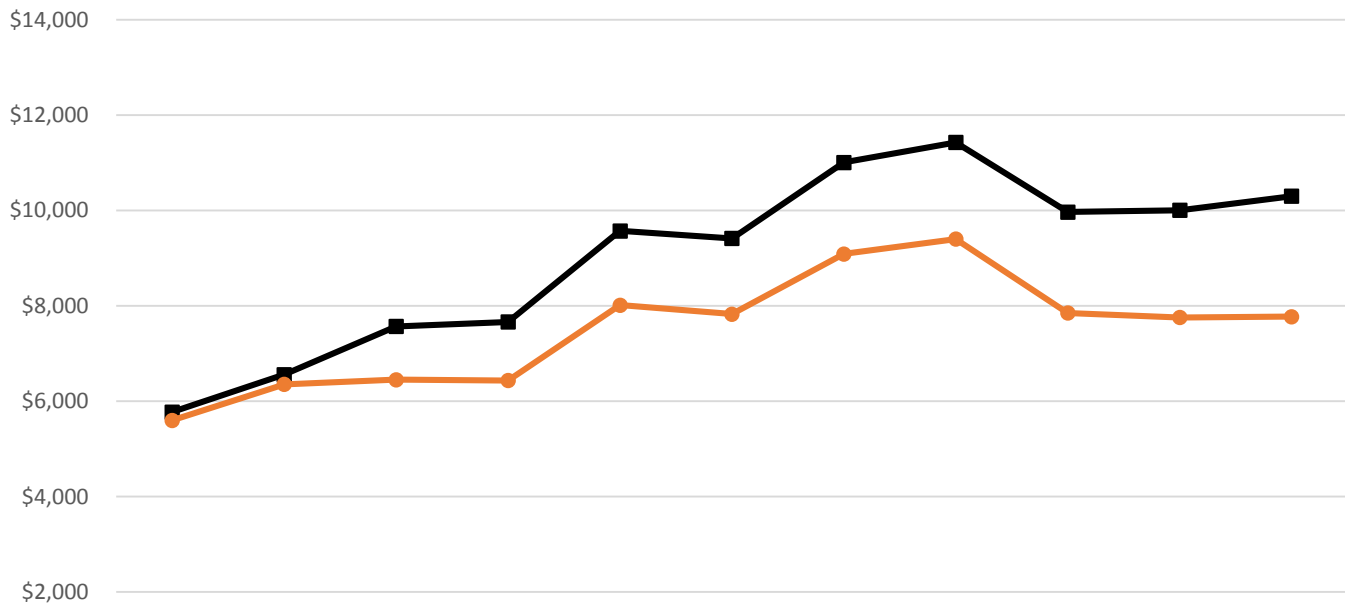
** Out of pocket expenditures are included as Private payers



2014 Vt. Resident Analysis

Total Medicare per capita average annual % change is 6.0%.
The per capita change is 3.4% if we don't include Part D drugs
and Administration.

VT Medicare Per Capita

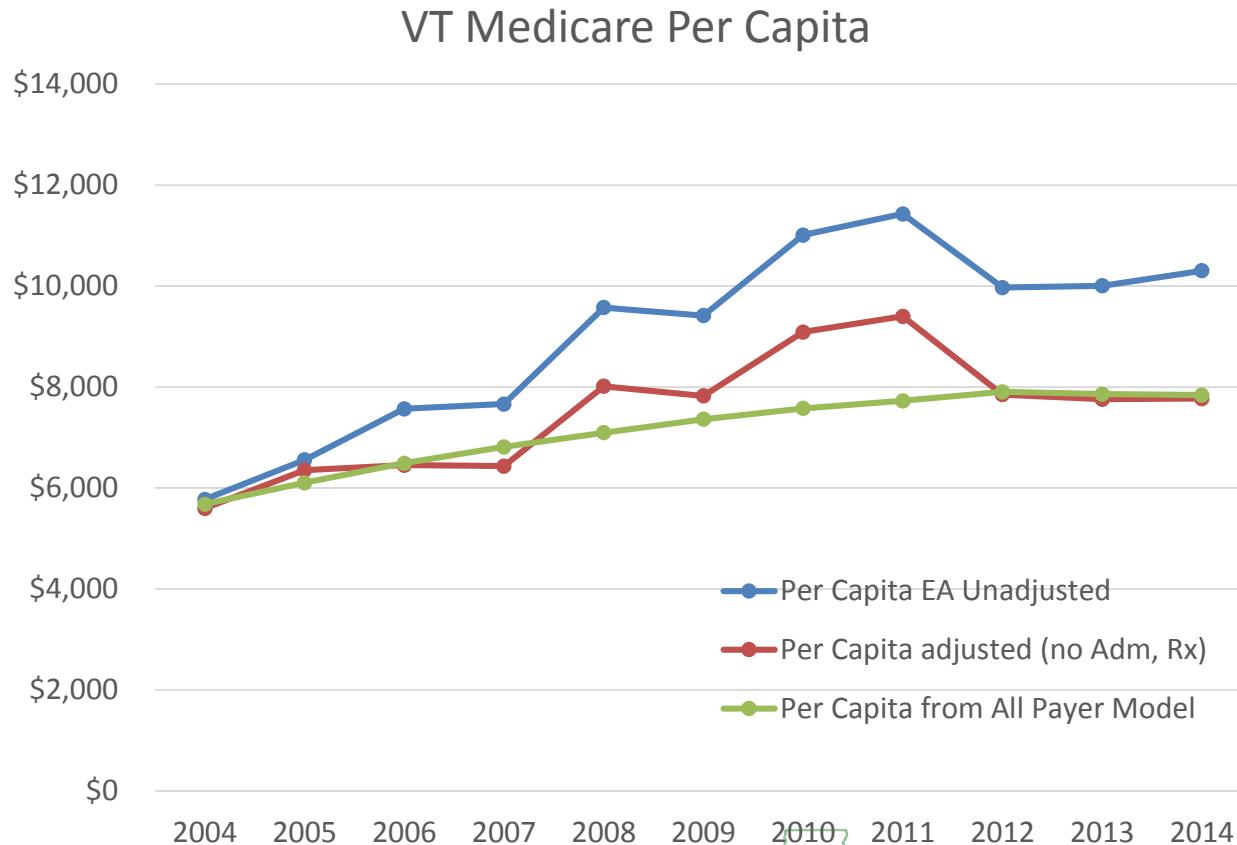


	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Per Capita	\$5,774	\$6,558	\$7,568	\$7,665	\$9,574	\$9,416	\$11,010	\$11,430	\$9,970	\$10,006	\$10,303
Per Capita adjusted	\$5,599	\$6,354	\$6,452	\$6,435	\$8,016	\$7,826	\$9,089	\$9,401	\$7,850	\$7,759	\$7,773



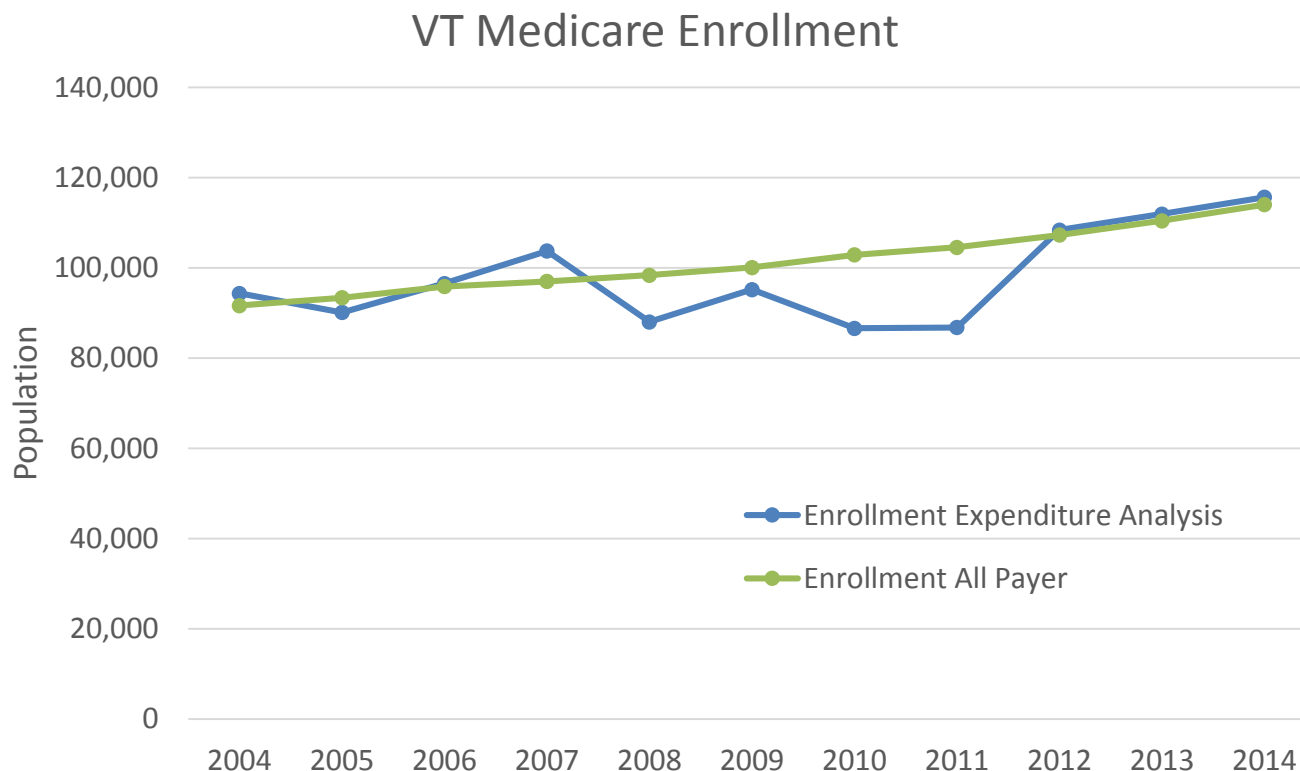
2014 Vt. Resident Analysis

This slide compares Medicare per capita from the Expenditure Analysis (EA) to the Medicare data received from CMS for the all payer model. The EA per capita was calculated net of administration and Part D drugs in order to directly compare to the all payer model that is looking at Part A and B only.



2014 Vt. Resident Analysis

This slide shows the differences in enrollment from the Expenditure Analysis (EA) data source and the all payer model data source. Enrollment for the EA reflects a marked decrease from 2008-11, and explains why per capita costs look higher in the EA. We believe the count of enrollment changed during this period.



National Health Expenditures

The National Health Expenditure Accounts (NHEA) are the official estimates of total health care spending in the United States. The NHEA is prepared by CMS, the Office of the Actuary, and National Health Statistics Group.

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. Sponsors provide information needed to identify spending by employers (private or government), households, and federal, state and local governments. For example, Employee share of Employer-sponsored private health insurance would be reported as a household spending sponsor.

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.

National Health Expenditures is recorded at three different levels

	Personal Health Care (PHC) <ul style="list-style-type: none">-Hospital-Professional Services<ul style="list-style-type: none">-Physician and clinics-Other professionals-Dental-Other health, residential, and person care-Home Health-Nursing care facilities and continuing care retirement communities-Retail outlet sales of medical products<ul style="list-style-type: none">-Prescription drugs-Other medical products<ul style="list-style-type: none">-Durable medical equipment-Non-durable medical equipment
	Health Consumption Expenditures (HCE) <p>Personal Health Care plus:</p> <ul style="list-style-type: none">-Administration and the net cost of private insurance-Public health activity
	National Health Expenditures (NHE) <p>Health Consumption Expenditures plus:</p> <ul style="list-style-type: none">-Investment<ul style="list-style-type: none">-Research-Structures-Equipment

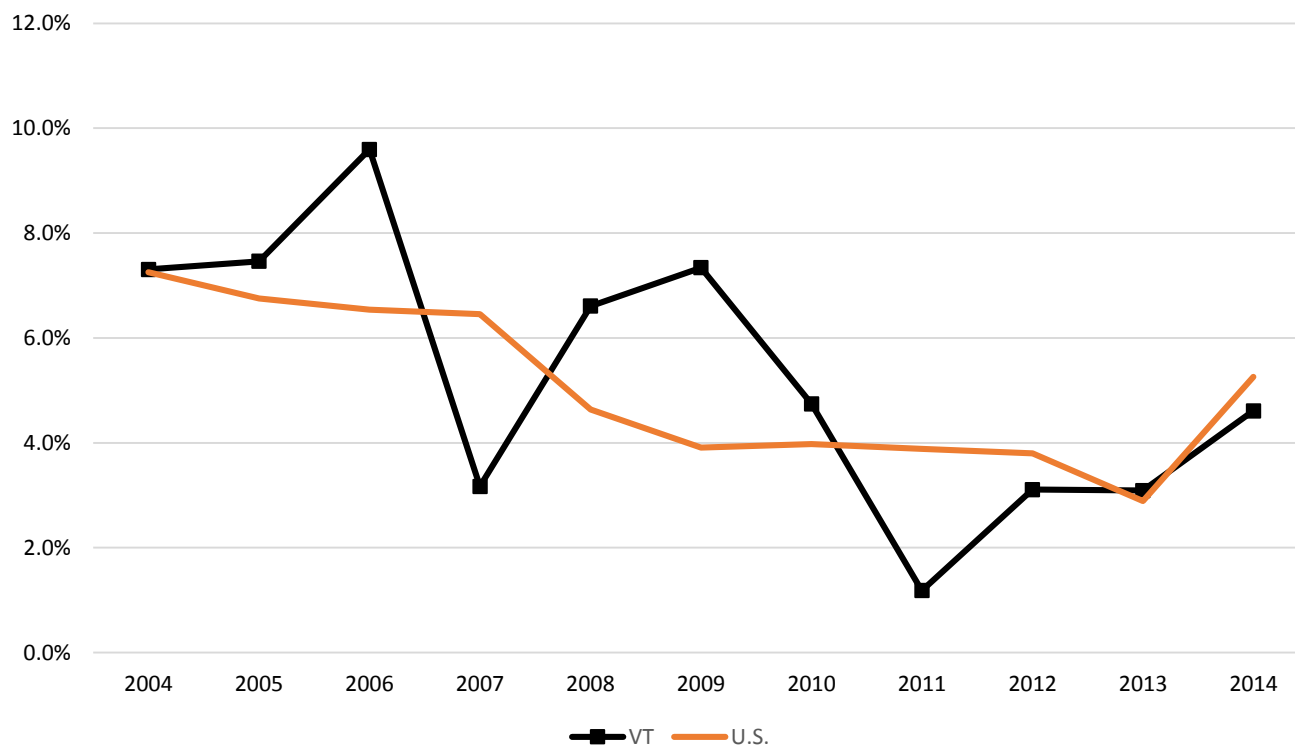
Source: National Health Statistics Group, Office of the Actuary, Centers for Medicare & Medicaid Services

Vermont expenditures do not include investments in research, structures and equipment as defined in the NHE

2014 Vt. Resident Analysis

Vermont compared to CMS National Expenditures (NHE)

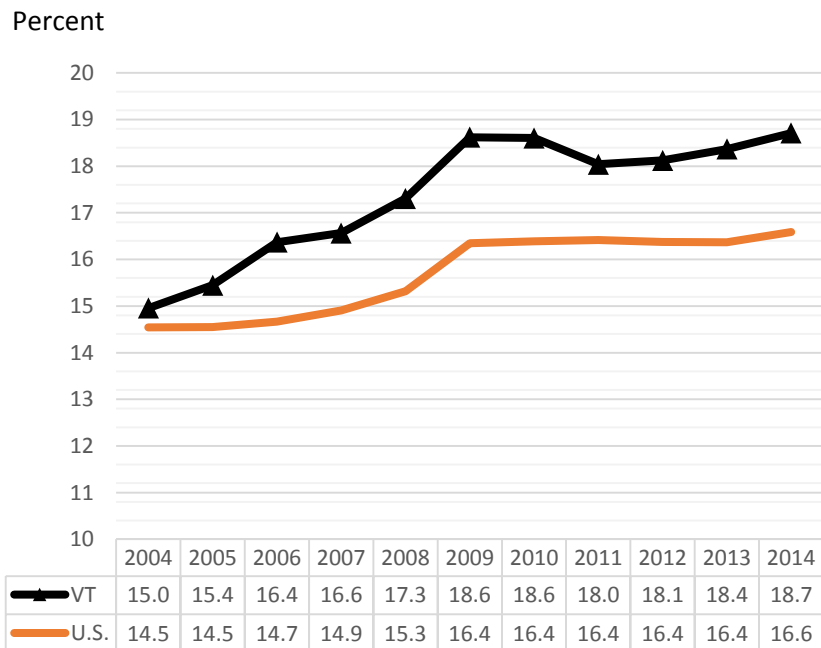
Average annual growth for Vermont has been 5.1% over this period.
The NHE average annual increase is 4.9%



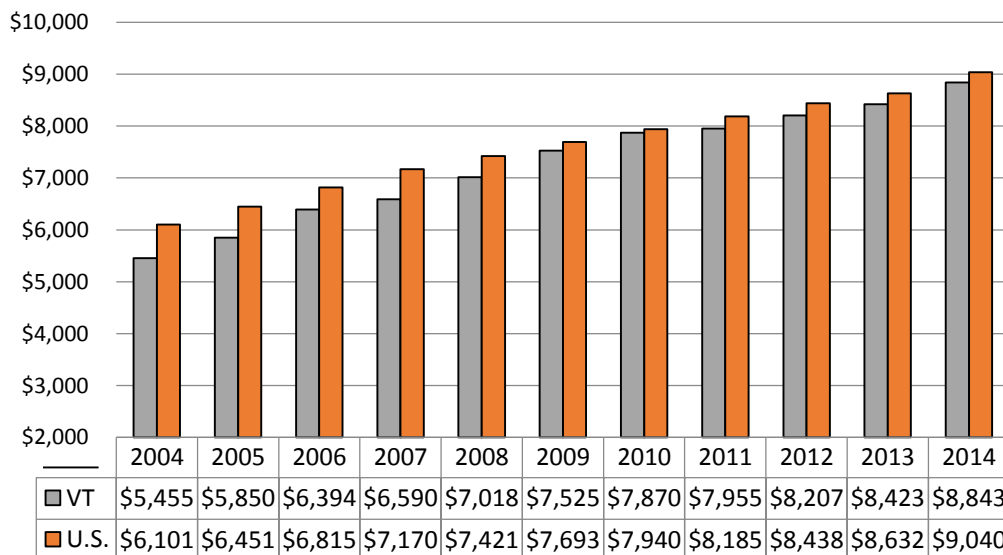
2014 Vt. Resident Analysis

Vermont compared to CMS National Expenditures (NHE)

Health Care Share of GSP -Annual Growth



VT Resident Per Capita Health Spending



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).

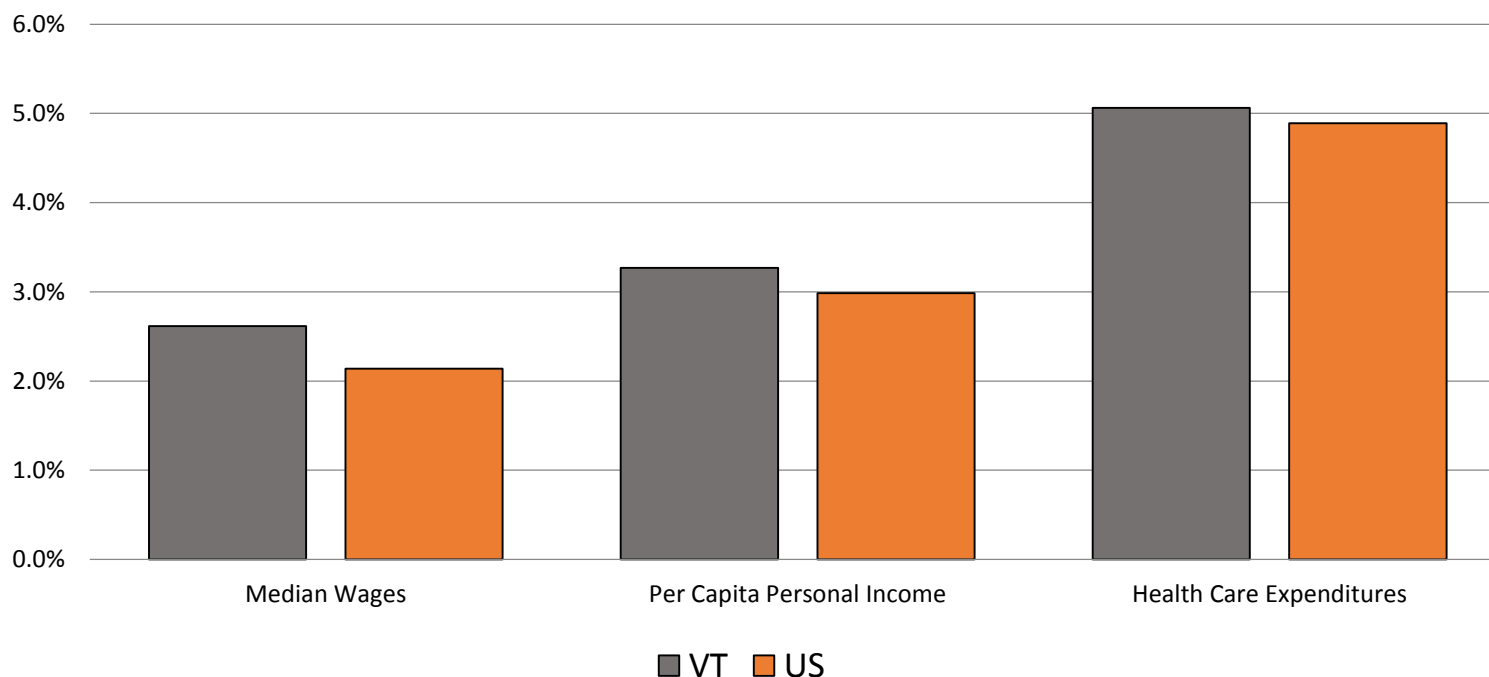
Source: US data from CMS: NHE Health Consumption Expenditures



2014 Vt. Resident Analysis

Vermont compared to National Statistics

Average Annual Growth Between 2004-2014



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 Information



2014 Vt. Resident Analysis

Vermont compared to CMS National Expenditures (NHE)

	NHE	HCE	PHC
Total Spend CMS	\$ 3,031,292	\$ 2,877,430	\$ 2,563,607
Total Spend Vermont Exp Analysis		\$ 5,541	\$ 4,480
Per Capita Spend CMS	\$ 9,523	\$ 9,040	\$ 8,054
Per Capita Spend Vermont Exp Analysis		\$ 8,843	\$ 7,150
Per Capita Spend Ann % Chg '13 - '14 (CMS)	4.5%	4.7%	4.2%
Per Capita Spend Ann % Chg '13 - '14 (VT)		4.6%	4.2%
Per Capita Spend Ann % Chg '09 - '14 (CMS)	3.2%	3.3%	3.1%
Per Capita Spend Ann % Chg '09 - '14 (VT)		3.3%	3.3%
Share of Gross State/Domestic Product (CMS)	17.5%	16.6%	14.8%
Share of Gross State/Domestic Product (VT)		18.7%	15.1%

NHE includes categories of spending that Vermont does not record. These include Research, Structures and Equipment.

HCE is a subset of the NHE and has the array of categories of service most comparable to Vermont Expenditure Analysis.

PHC is a subset of the HCE spending as it does not include Government Administration, Net Cost of Health Insurance and Government Public Health Activities.



2014 Vermont Provider Analysis

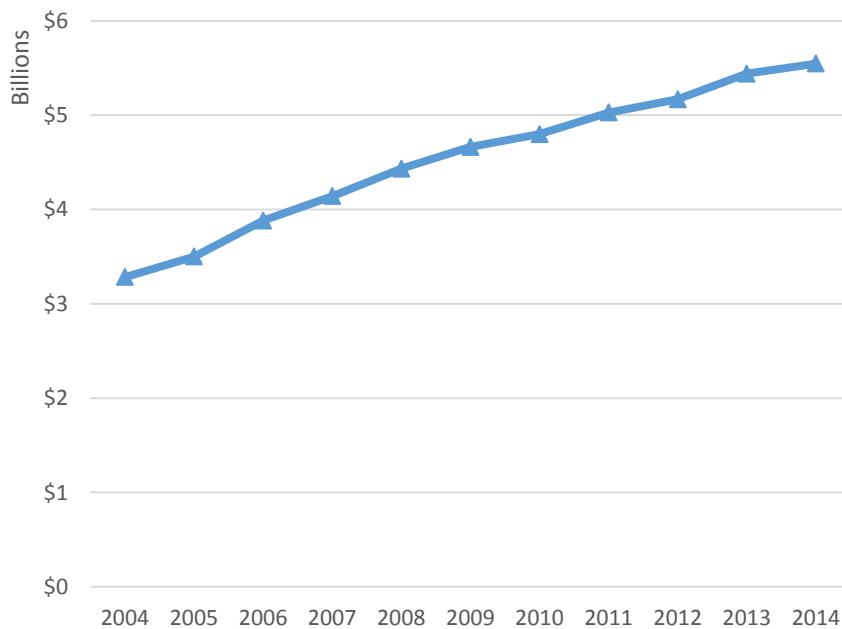
The **Provider analysis**, reports net revenues received by Vermont Providers for services rendered.



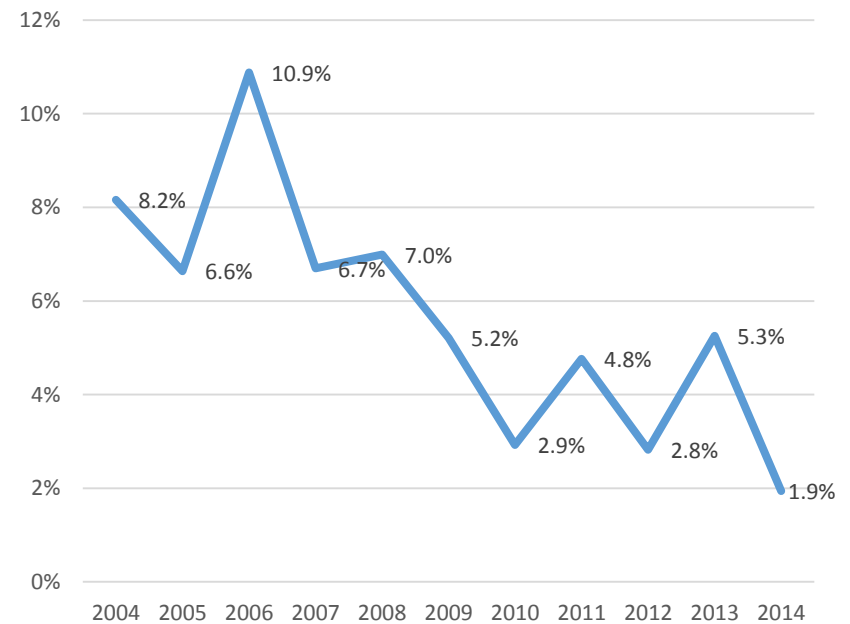
2014 Vt. Provider Analysis

Revenues have increased from \$3.3 billion in 2004 to \$5.5 billion in 2014. This is an average annual increase of 5.4%.

VT Total Provider Annual Revenues



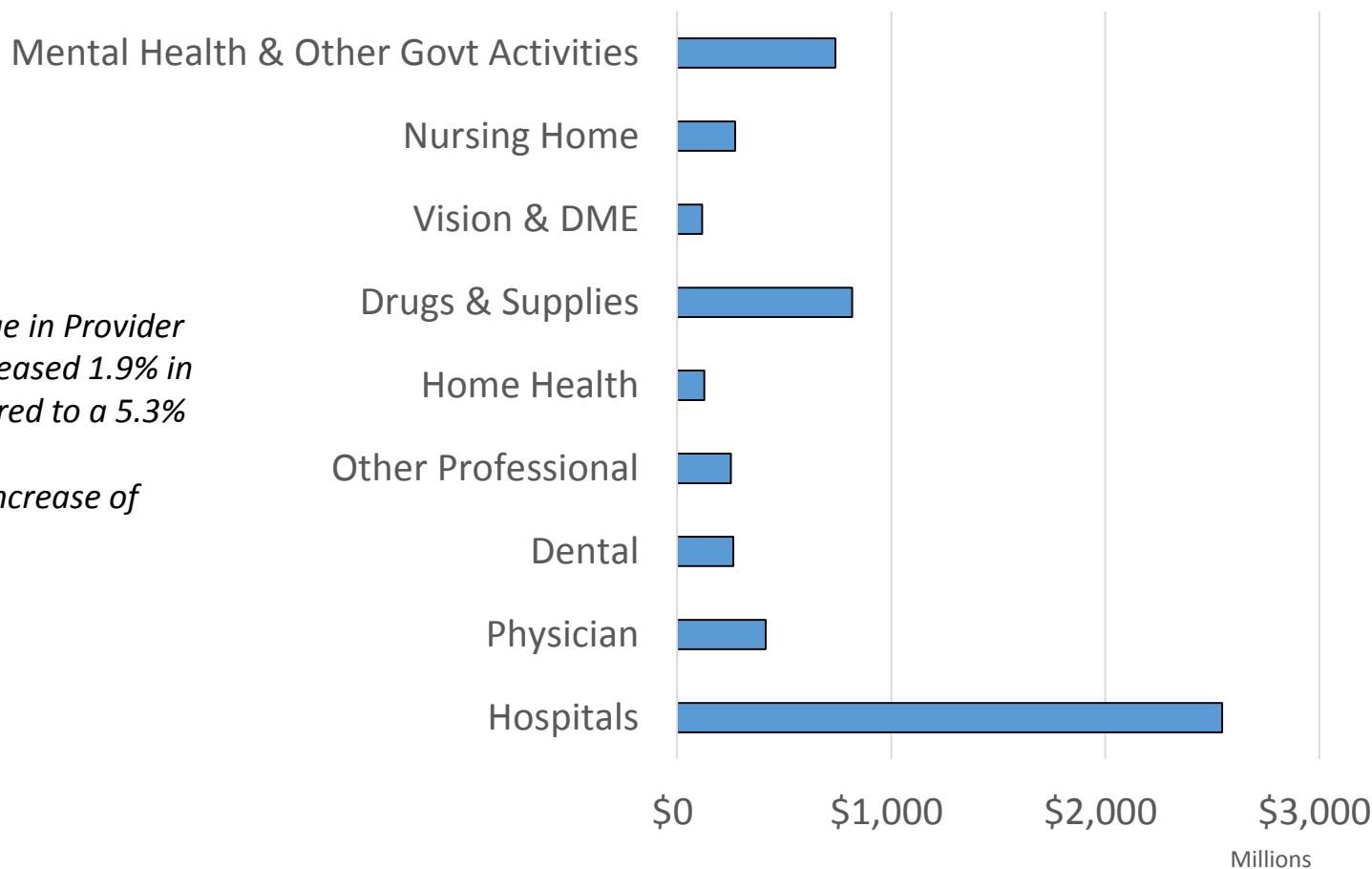
VT Total Annual Provider Revenue Growth



2014 Vt. Provider Analysis

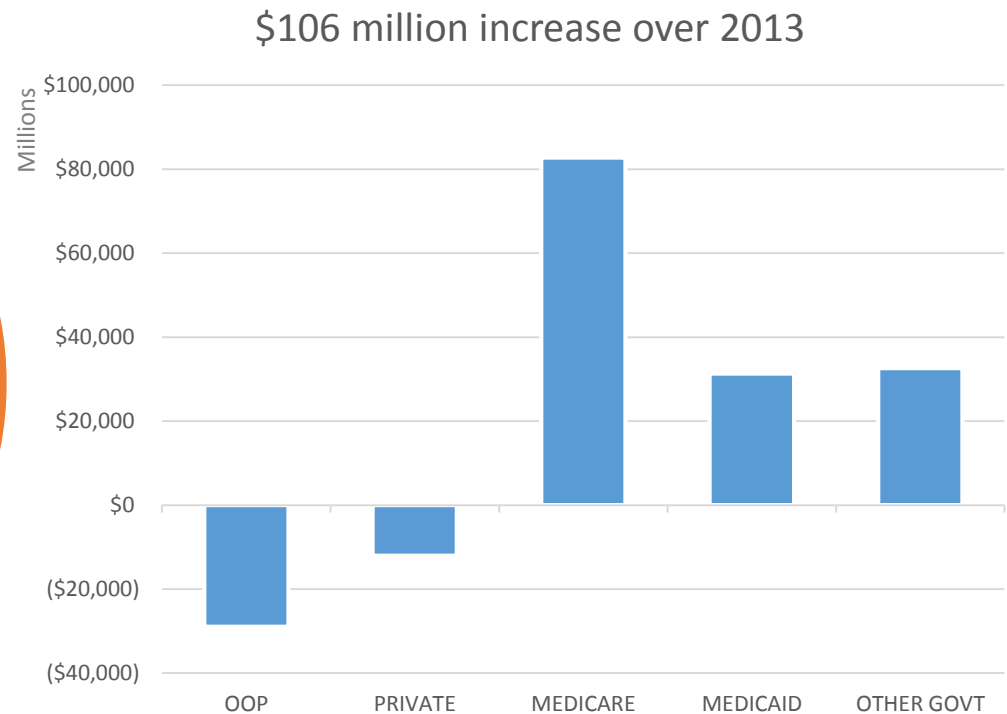
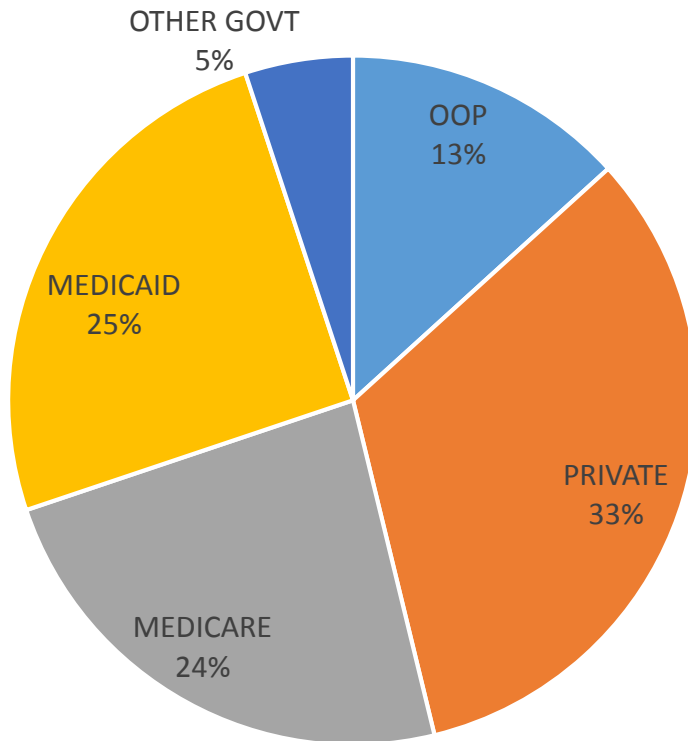
Provider Revenues by category - \$5.5 Billion

Annual change in Provider revenues increased 1.9% in 2014. Compared to a 5.3% in 2013. This was an increase of \$106 million.

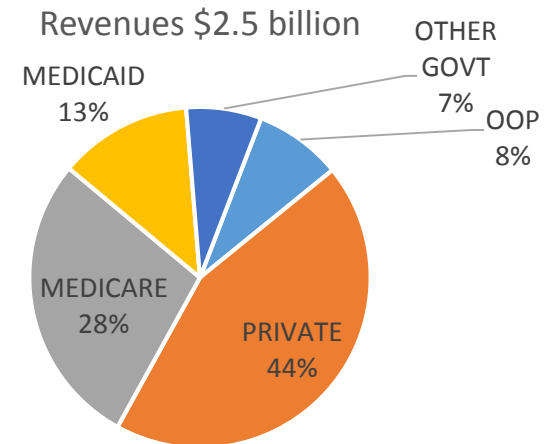
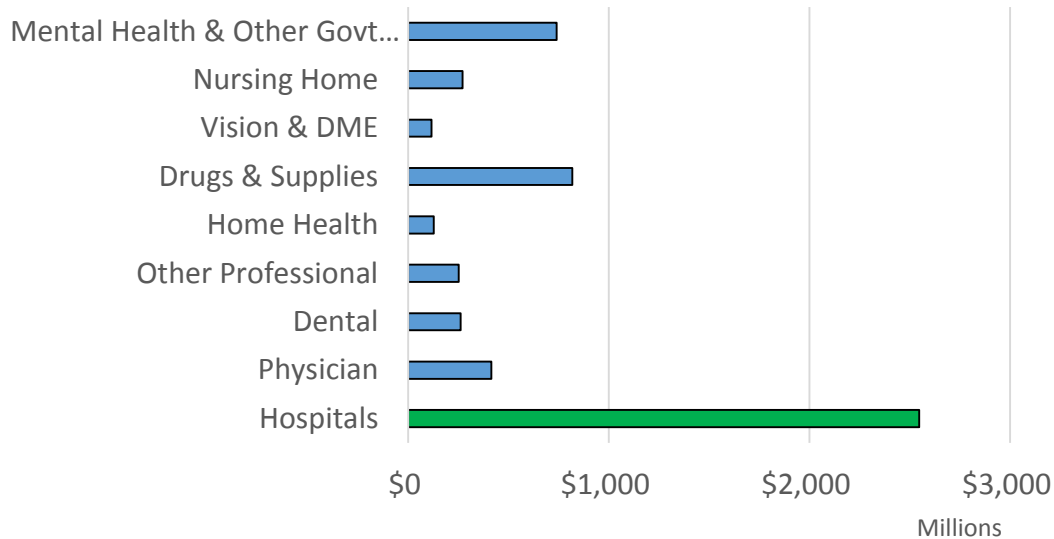


2014 Vt. Provider Analysis

Funding Sources - \$5.5 Billion

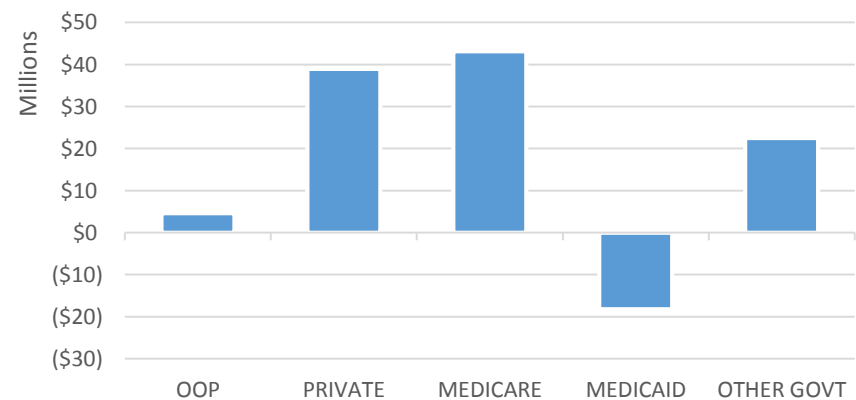


2014 Vt. Provider, Hospitals

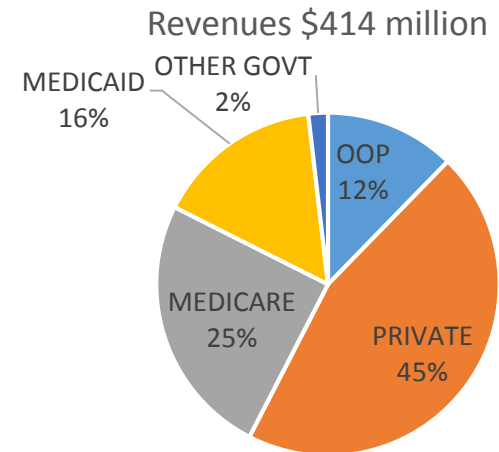
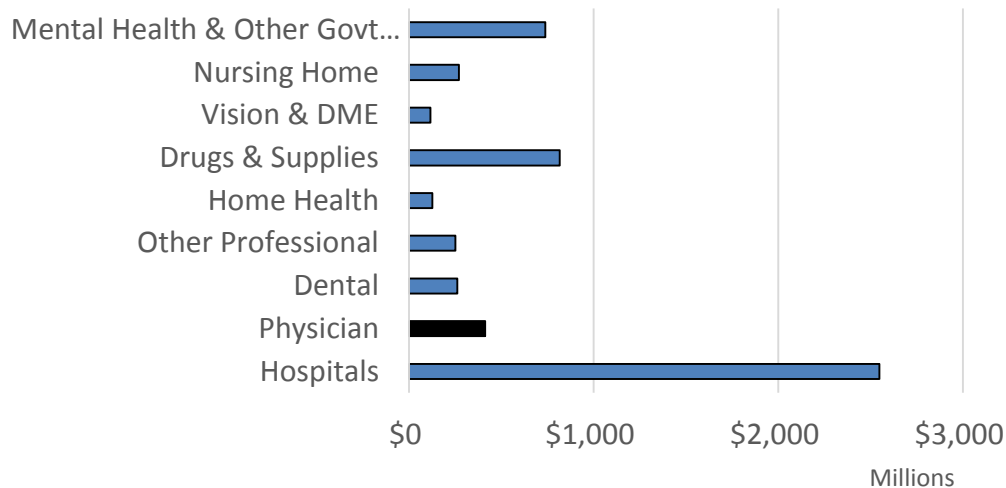


Hospitals grew to \$2.5 billion, an increase of \$91 million or 3.7% from 2013. The revenue increases were mainly from Medicare and Private Insurance with decreases from Medicaid.

Hospitals Increased \$91 million over 2013



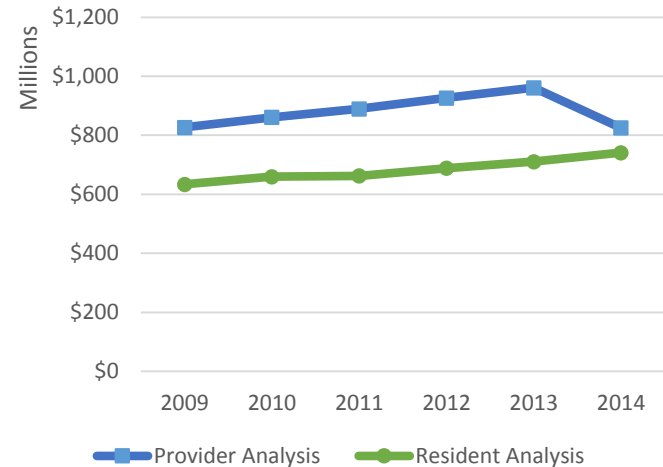
2014 Vt. Provider, Physicians



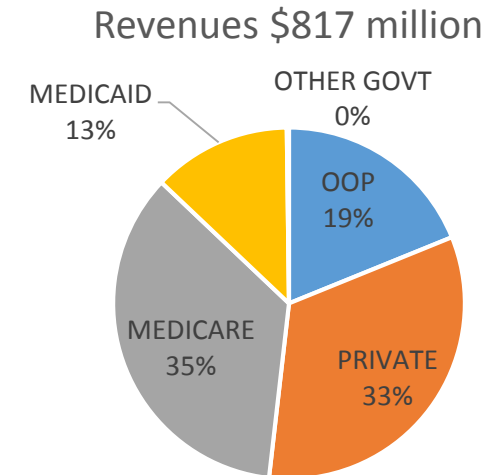
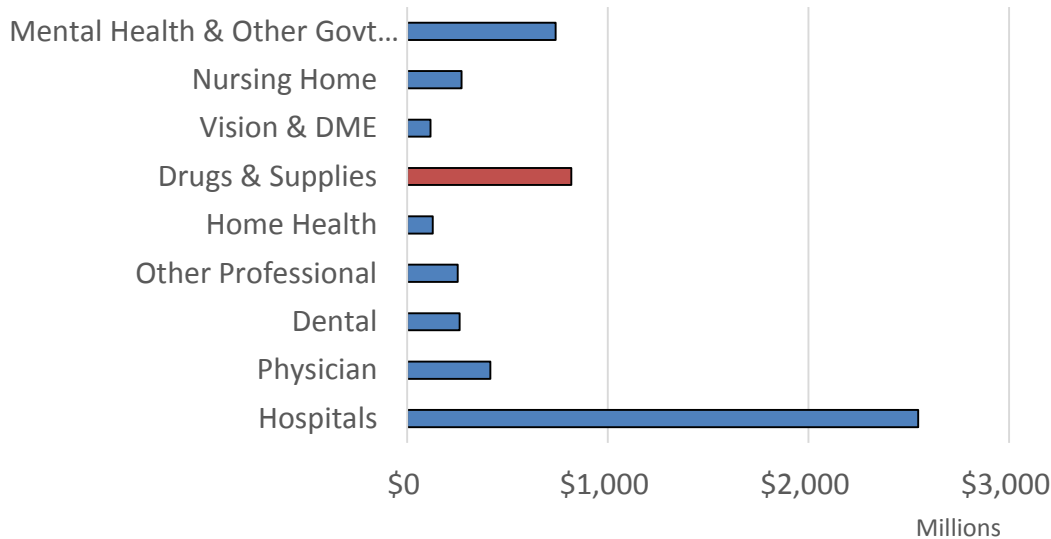
Finding reliable sources to estimate the recording of spending for physician providers in Vermont has been limited over the +25 years of the Expenditure Analysis. Early data sources used annual U.S. census data since there was no direct reporting of these data in Vermont. Thereafter, the census data was not available on a yearly basis so a base year was selected and the estimate for spending was calculated by adding an inflation factor. In the mid 2000's, the U.S. Census actually changed their methodology for estimating Vermont physician revenues in a manner that the data became even more unreliable. Other means were considered such as counting physicians and applying median salaries, but these data have also been found wanting.

To improve the reporting, we are now using the VHCURES claims data to isolate physician spending in Vermont. While that data is more reliable, it does raise questions of how "physician" is best defined and also requires us to estimate for the in-migration of patients acquiring care and to adjust for less than 100% claims data. The 2014 report is our first effort at improving this reporting using these data and work is underway to improve both the definition of this information and to ensure that it is consistently updated.

Physician Revenue Trends

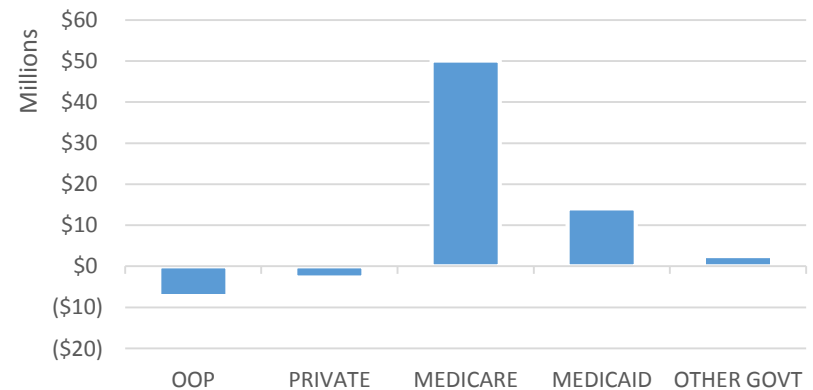


2014 Vt. Provider, Drugs & Supplies

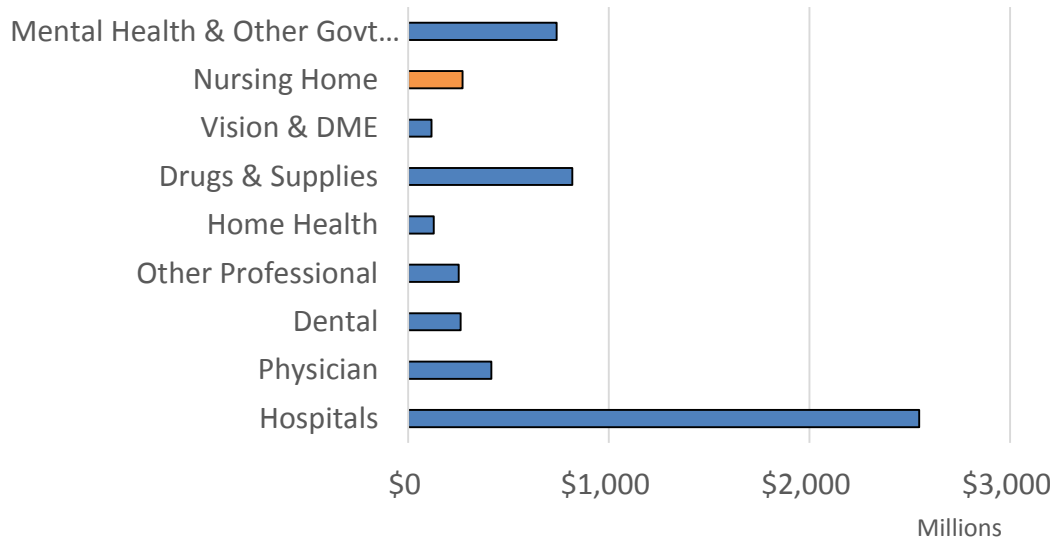


For 2014, our estimates still rely on national estimates and proprietary data bases. Going forward, the VHCURES database is expected to provide better estimates for Drugs and Supply revenue. This change will also provide additional detail such as age, geography, gender, etc. Work is ongoing and when complete will provide more consistent and timely information in the future.

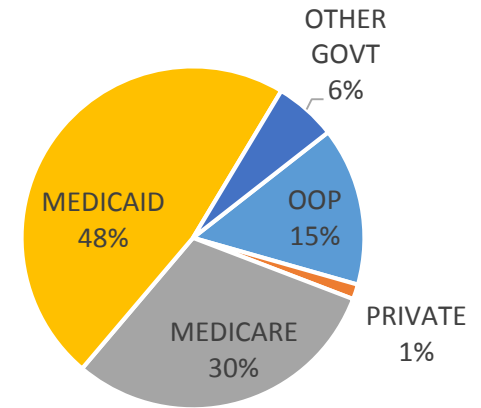
Drugs & Supplies Increased \$57 million over 2013



2014 Vt. Provider, Nursing Home

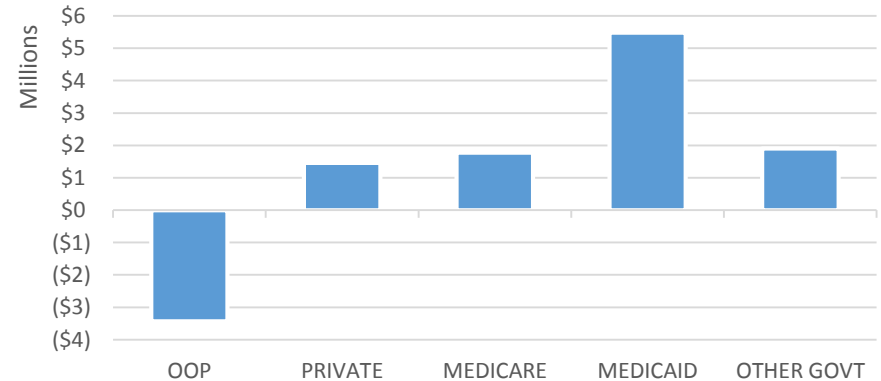


Revenues \$271 million



Nursing Home grew to \$271 million, an increase of \$7 million, or 2.7% from 2013. The revenue increases were mainly from Medicaid, Medicare and Private Insurance with decreases from Out of Pocket.

Nursing Home Increased \$7.2 million over 2013



Future Improvements

Considerations for Resident Analysis Improvements

Use VHCURES to build **Resident Analysis** spending information

- 1) Will provide a more consistent reporting foundation
- 2) Will reduce the need for payers to submit additional reports
- 3) Provides a more robust forecasting base

Re-define **Resident Analysis** categories of service

- 1) Expands the scope of reported information
- 2) Will better identify unique providers of service and unique services
- 3) Connects spending to claims information

Considerations for Provider Analysis Improvements

Determine need for **Provider Analysis** reporting

- 1) To meet regulatory requirements
- 2) To provide understanding of in-migration and out-migration of health care services
- 3) Establish common standards for provider reporting

Re-define **Provider Analysis** categories of service

- 1) Will better identify unique providers of service – Designated agencies, FQHCs
- 2) Helps distinguish provider reporting from resident reporting for in-migration and out-migration analysis

Appendix

Appendix catalog of reports

- 1) Adjustment to 2013 Expenditure Analysis
- 2) Vermont Resident Analysis - category of service and funding – 2009 – 2014
- 3) Vermont Provider Analysis - category of service and funding – 2009 – 2014
- 4) Vermont Population health coverage by payer/plan type
- 5) Selected VHCURES data analysis – Medicaid and Commercial payer data
- 6) Methodology, technical notes, and sources

2014 Vt. Resident Analysis

Adjustment to 2013 Expenditure Analysis

	Original 2013	Adjust.	Revised 2013	2014	2013- 2014 change	% change
Private	\$1,892	\$0	\$1,892	\$1,920	\$27	1.4%
Medicaid	\$1,379	\$0	\$1,379	\$1,490	\$111	8.1%
Medicare	\$1,149	(\$29)	\$1,120	\$1,192	\$71	6.4%
All Other	\$909	(\$4)	\$905	\$940	\$34	3.8%
TOTAL	\$5,330	(\$33)	\$5,297	\$5,541	\$244	4.6%

All dollar amounts are reported in millions

All Other includes Out of Pocket and Other Government.

Medicare was estimated in the 2013 EA. It has now been updated with actual data received from TDI/CMS (and the Out of Pocket was adjusted accordingly).



2009-2014 Vermont Resident Health Care Expenditures

All dollar amounts are reported in millions

PAYERS	2009	2010	2011	2012	2013	2014	2013-2014 Annual Change	2009-2014 Average Annual Change
Out-of-Pocket	\$694	\$701	\$716	\$716	\$722	\$723	0.2%	0.8%
Private Insurance	\$1,766	\$1,876	\$1,850	\$1,857	\$1,892	\$1,920	1.4%	1.7%
Medicare	\$896	\$954	\$992	\$1,081	\$1,120	\$1,192	6.4%	5.9%
Medicaid	\$1,156	\$1,187	\$1,211	\$1,304	\$1,379	\$1,490	8.1%	5.2%
Other Government	\$190	\$208	\$215	\$181	\$183	\$216	18.0%	2.6%
TOTAL RESIDENT EXPENDITURES	\$4,702	\$4,925	\$4,983	\$5,138	\$5,297	\$5,541	4.6%	3.3%
Annual Percent Change	7.3%	4.7%	1.2%	3.1%	3.1%	4.6%		

PROVIDERS & SERVICES	2009	2010	2011	2012	2013	2014	2013-2014 Annual Change	2009-2014 Average Annual Change
Hospitals	\$1,733	\$1,832	\$1,900	\$1,963	\$2,005	\$2,058	2.6%	3.5%
Hospitals-Only	\$1,733	\$1,832	\$1,900	\$1,963	\$2,005	\$2,058	2.6%	3.5%
Hospital-Physicians	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	0.0%
Physician Services	\$634	\$660	\$662	\$689	\$711	\$741	4.2%	3.2%
Dental Services	\$209	\$214	\$213	\$213	\$222	\$233	5.3%	2.2%
Other Professional Services	\$155	\$163	\$176	\$165	\$168	\$191	13.4%	4.3%
Home Health Care	\$97	\$96	\$93	\$96	\$104	\$112	7.5%	2.9%
Drugs & Supplies	\$566	\$588	\$607	\$637	\$638	\$672	5.2%	3.5%
Vision Products & DME	\$92	\$99	\$107	\$111	\$119	\$122	2.7%	6.0%
Nursing Home Care	\$269	\$271	\$280	\$285	\$285	\$284	-0.1%	1.1%
Other/Unclassified Health Services	\$44	\$44	\$43	\$44	\$50	\$67	33.9%	8.7%
Admin/Net Cost of Health Insurance	\$367	\$415	\$361	\$354	\$354	\$356	0.4%	-0.6%
Mental Health & Other Govt Activities	\$535	\$544	\$542	\$581	\$641	\$705	10.1%	5.7%
TOTAL RESIDENT EXPENDITURES	\$4,702	\$4,925	\$4,983	\$5,138	\$5,297	\$5,541	4.6%	3.3%
Annual Percent Change	7.3%	4.7%	1.2%	3.1%	3.1%	4.6%		



2009-2014 Vermont Provider Health Care Expenditures

All dollar amounts are reported in millions

PAYERS	2009	2010	2011	2012	2013	2014	2013-2014 Annual Change	2009-2014 Average Annual Change
Out-of-Pocket	\$720	\$703	\$744	\$738	\$765	\$736	-3.8%	0.5%
Private Insurance	\$1,683	\$1,737	\$1,815	\$1,803	\$1,838	\$1,826	-0.7%	1.6%
Medicare	\$942	\$1,015	\$1,073	\$1,201	\$1,229	\$1,311	6.7%	6.8%
Medicaid	\$1,074	\$1,078	\$1,120	\$1,181	\$1,361	\$1,392	2.3%	5.3%
Other Government	\$244	\$266	\$276	\$246	\$248	\$281	13.1%	2.8%
TOTAL PROVIDER EXPENDITURES	\$4,663	\$4,799	\$5,028	\$5,169	\$5,441	\$5,546	1.9%	3.5%
Annual Percent Change	5.2%	2.9%	4.8%	2.8%	5.3%	1.9%		

PROVIDERS & SERVICES	2009	2010	2011	2012	2013	2014	2013-2014 Annual Change	2009-2014 Average Annual Change
Hospitals	\$2,000	\$2,121	\$2,237	\$2,289	\$2,456	\$2,547	3.7%	5.0%
Hospitals-Only	\$1,735	\$1,815	\$1,917	\$1,936	\$2,022	\$2,136	5.6%	4.2%
Hospital-Physicians	\$265	\$305	\$321	\$354	\$434	\$411	-5.3%	9.2%
Physician Services	\$562	\$555	\$569	\$573	\$527	\$414	-21.5%	-5.9%
Dental Services	\$247	\$239	\$253	\$261	\$261	\$262	0.4%	1.2%
Other Professional Services	\$206	\$212	\$221	\$229	\$244	\$251	3.0%	4.1%
Home Health Care	\$103	\$109	\$110	\$113	\$119	\$128	7.1%	4.4%
Drugs & Supplies	\$646	\$635	\$697	\$714	\$761	\$817	7.5%	4.8%
Vision Products & DME	\$80	\$94	\$102	\$110	\$135	\$117	-13.7%	7.8%
Nursing Home Care	\$253	\$257	\$264	\$265	\$264	\$271	2.7%	1.4%
Other/Unclassified Health Services	\$32	\$33	\$33	\$34	\$34	\$34	2.0%	1.4%
Admin/Net Cost of Health Insurance	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0%	0.0%
Mental Health & Other Govt Activities	\$535	\$544	\$542	\$581	\$641	\$705	10.1%	5.7%
TOTAL PROVIDER EXPENDITURES	\$4,663	\$4,799	\$5,028	\$5,169	\$5,441	\$5,546	1.9%	3.5%
Annual Percent Change	5.2%	2.9%	4.8%	2.8%	5.3%	1.9%		



Health Insurance Coverage Profile Vermont Residents 2013-2014

Category	Under Review		
	2013	2014	% change
Private Insured Market			
Non-group	4,387	32,041	
Large Employer group	52,397	47,400	
Small Employer group	31,122	37,231	
Association	63,846	39,758	
Insured Market Subtotal	151,752	156,430	
Self-insured Employer Plans			
Self-insured Employer Plans	127,048	137,327	
Federal Employee Plan	14,521	14,535	
Military	15,478	18,578	
Self Insured Market Subtotal	157,047	170,440	
Other			
VT residents covered by insurers outside VT	24,165	25,143	
Catamount Health	17,026	0	
Other	41,191	25,143	
Private Insured Market	349,990	352,013	0.6%
Government Coverage			
Medicaid	127,342	146,273	14.9%
Medicare	111,954	115,649	3.3%
Government Coverage	239,296	261,922	9.5%
Uninsured			
Uninsured	37,344	26,071	-30.2%
Total of Assigned Lives	626,630	640,006	
Duplicated Count		-13,444	
Total Vermont Population	626,630	626,562	0.0%

Updated info.

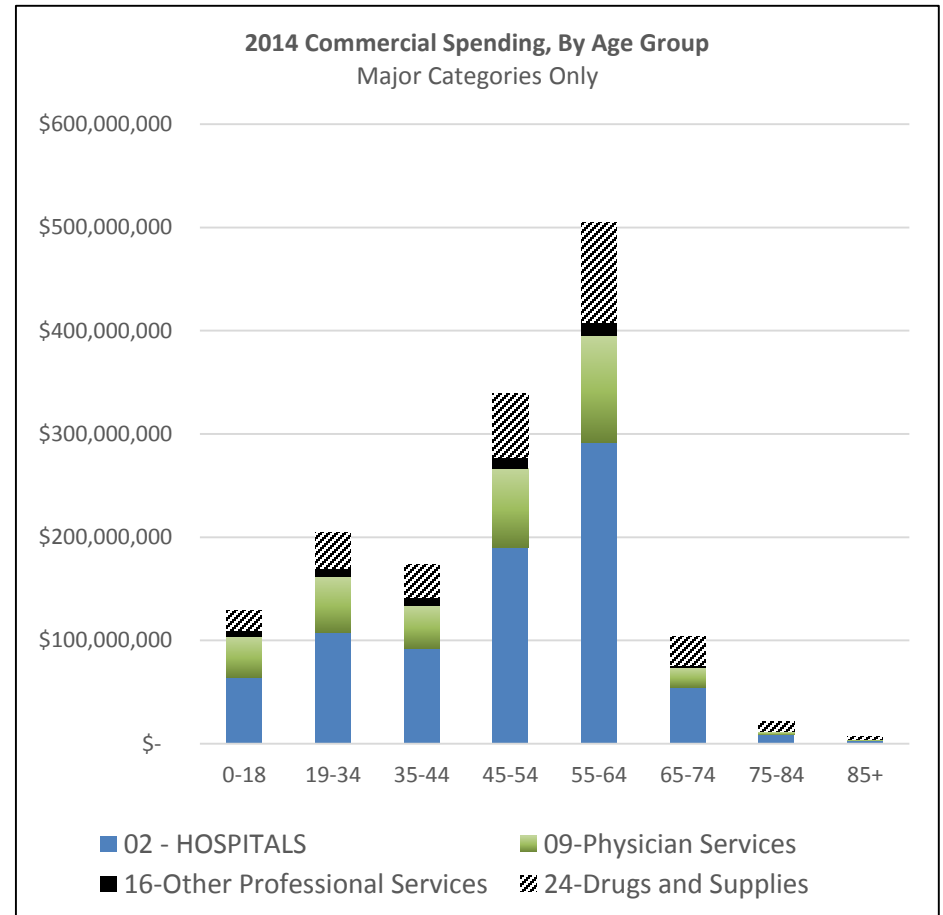
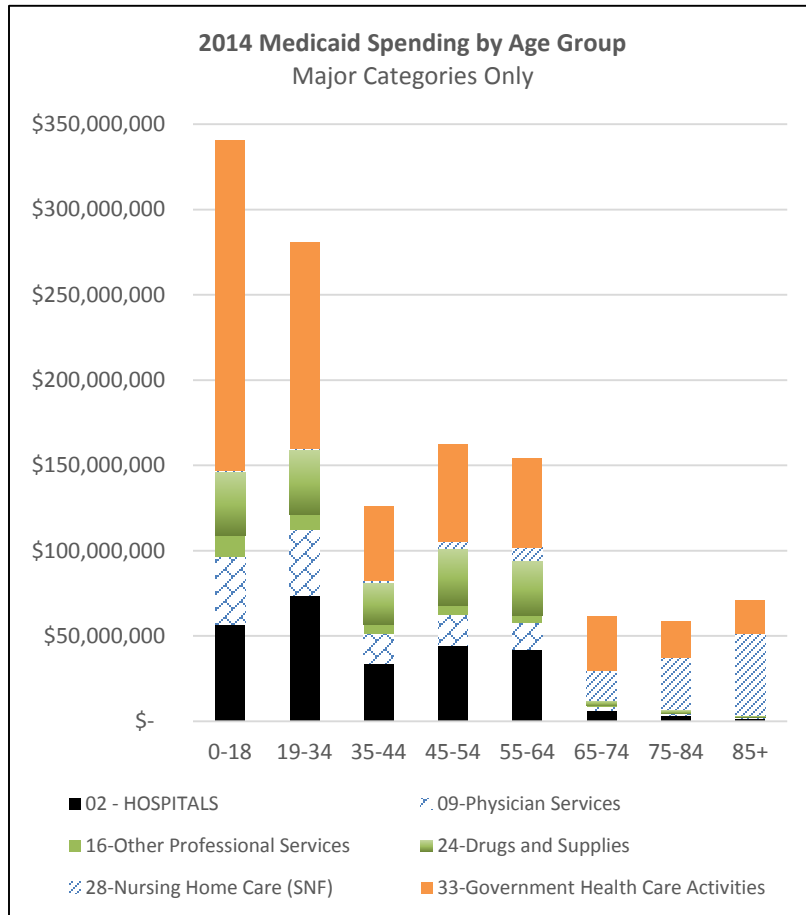
The duplicated count is a known problem that has always existed. With VHCURES, we can now begin to isolate and count enrollment to get better counts by type of coverage. This is under review.



2014 Vt. Resident Analysis

Using the VHCURES data set

These charts demonstrate the significant spending difference in the populations of the two payers. Also, note the significant spending in the 0-18 and 19-34 age groups in Medicaid government health care activities.



Methodologies, technical notes and sources

- **Resident source data:** (being updated)
- **US comparisons: National Health Expenditure Data (NHE), the Centers for Medicare and Medicaid Services'** website at <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsHistorical.html>
- **NHE, Health Consumption Expenditures** website at <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsHistorical.html>
- **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>

Methodologies, technical notes and sources

- 2013 Expenditure Analysis was updated to include actual Medicare data. In addition, the Medicare data has since been adjusted to reflect CMS redacted claims for alcohol and substance abuse. Total adjustments were made in the amount of \$33 million.
- Out of Pocket has been adjusted to reflect the changes in Medicare.
- **Medicare data** are from Dan Gottlieb of The Dartmouth Institute for Health Policy & Clinical Practice (TDI). This 2014 report includes an estimate of Medicare based upon recent 3 year annual average growth trends since 2014 Medicare claims are not yet available.
- 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 2012 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

- The **Physician** data reported in the Provider analysis has changed methodology to rely on Vermont specific data from VHCURES and less on the census and the NHE. While that data is more reliable, it does raise questions of how “physician” is best defined and also requires us to estimate for the in-migration of patients acquiring care and to adjust for less than 100% claims data. The 2014 report is our first effort at improving this reporting using these data and work is underway to improve both the definition of this information and to ensure that it is consistently updated.
- The complete Expenditure Analysis matrix for both the Resident and Provider Analysis are available upon request.
- For a complete list of the sources and methods used in the Vermont Health Care Expenditure Analysis, please refer to the **Expenditure Analysis Manual** (Draft) which is being updated. This is available upon request.
- Please call Lori Perry at (802) 828-2177 for all additional reports and schedules.

The End

Acknowledgements

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 also like to thank GMCB staff, staff of the Agency of Human Services 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) 828-2177.

Note: Organizations have different fiscal years upon which their data is reported. Therefore, this report includes data based upon both federal fiscal year 2014 (Oct.1 through Sept. 30) and calendar year. This issue has been evident since the report was first developed in the early 1990s. Recognizing that the reporting has been consistent over time and that some data is an estimate, we have not attempted to adjust for that quarterly timing difference.