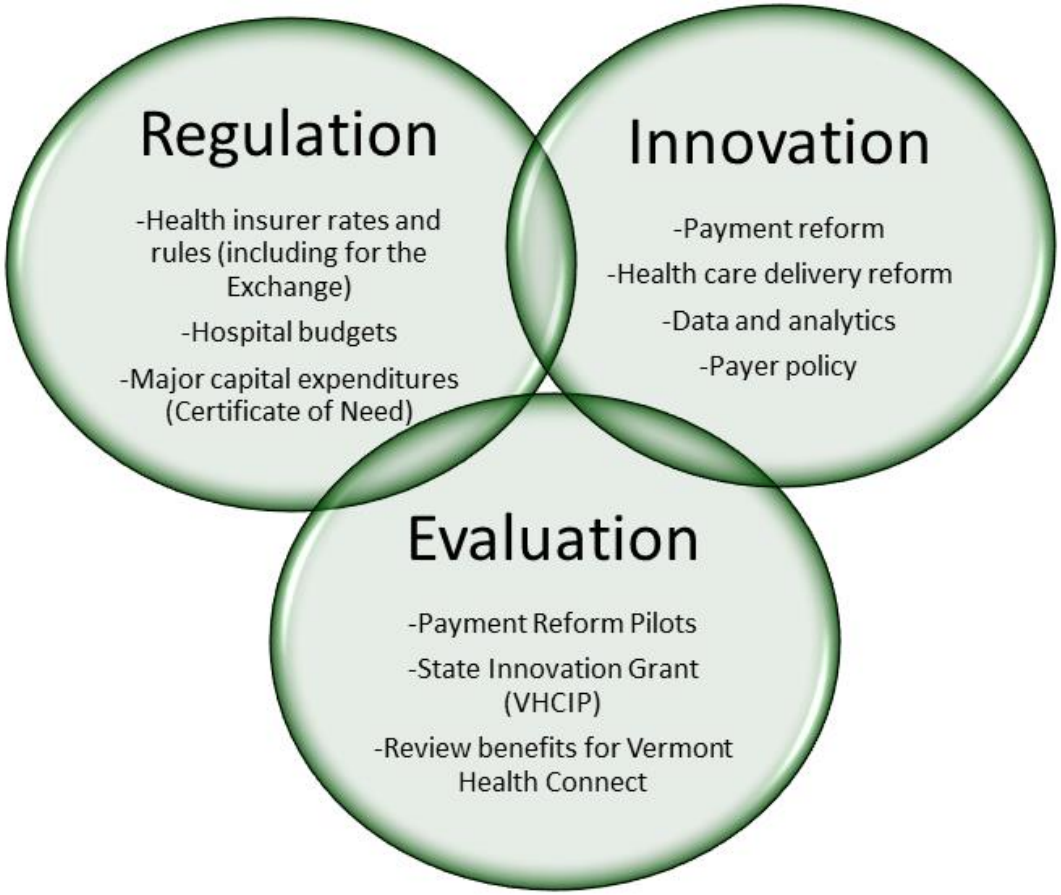
Role of Green Mountain Care Board Created by Act 48 of 2011



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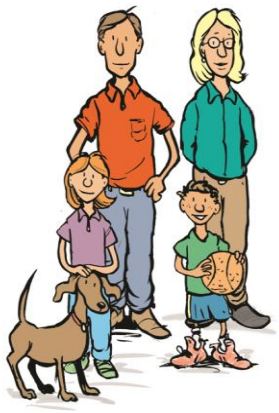
Income vs. Health Care Costs

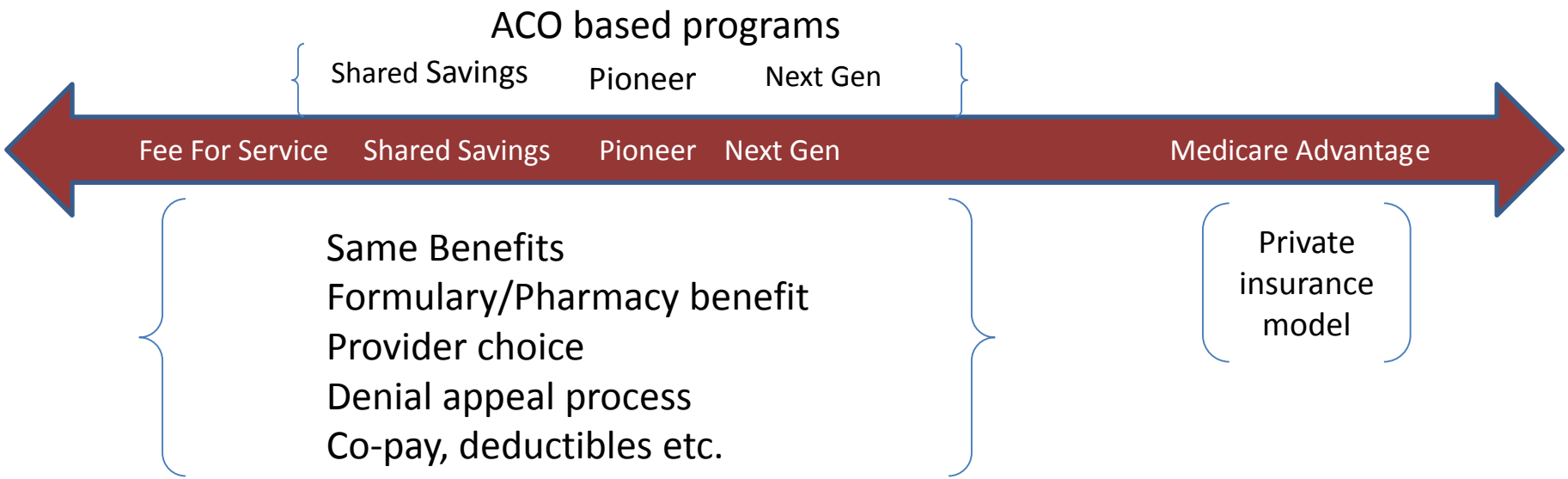


	2015	2025
Income	$60,000.00	$73,140.00
Hourly Pay	$30.00	$36.57
Plan Cost/Hour	$11.52	$19.83
Plan Cost/Hour with Subsidy	$5.92	$8.81
Plan Cost per Year	$23,957.00	$41,253.00
Cost/Income	38%	56%

How Did We Get Here?

- Fee-For-Service (FFS) reimbursement encourages the health care system to deliver more services and more expensive services
- Separate fees for each individual service lead to fragmented care delivery
- Fees are typically the same, no matter the quality of the care provided

Medicare Is Moving Away from Fee-For-Service



What Is The Difference Between An ACO And An HMO?

ACO

- Patients can go anywhere for their care
- Quality measurement and improved patient outcomes are linked to payment
- Incentivizes care coordination
- Jury still out on potential

HMO

- Narrow networks limit Patient choice
- Primary care providers as “gatekeepers”
- Private insurance platform

Act 54 Of 2015

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

CMMI Term Sheet Elements

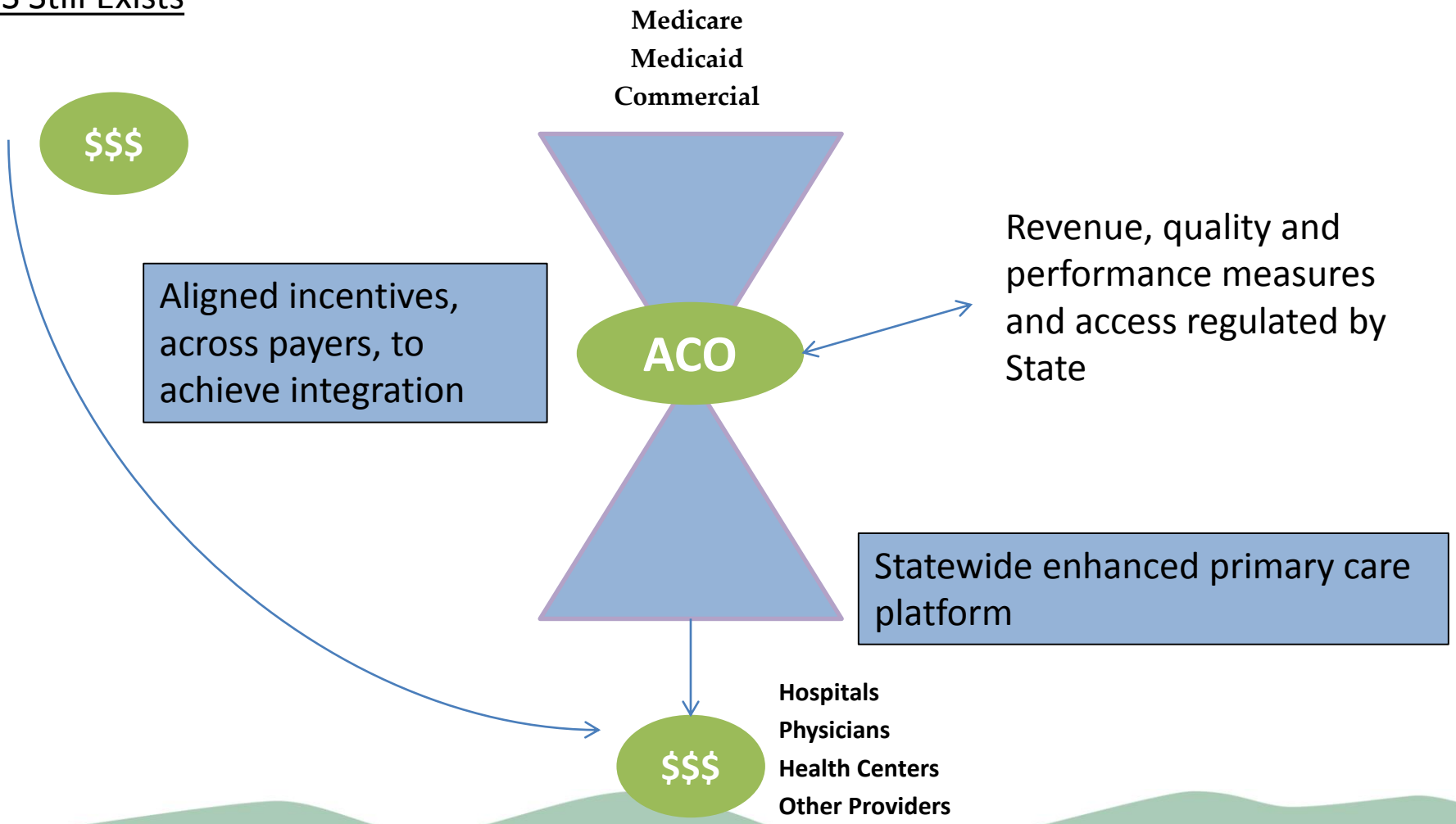
- *Performance Period*
- *Regulated Revenue*
- *Financial Targets*
- *Quality Framework*
- *Payment Waivers*
- *Fraud and Abuse Waivers*

Goals Of A Transformative All-Payer Model

- Improve experience of care for patients
- Improve access to primary, preventive services
- Incent value rather than volume
- Construct a highly integrated system
- Control the rate of growth in total health care expenditures
- Align measures of health care quality and efficiency across health care system

Transformative Model: Statewide Structure

Unregulated
FFS Still Exists



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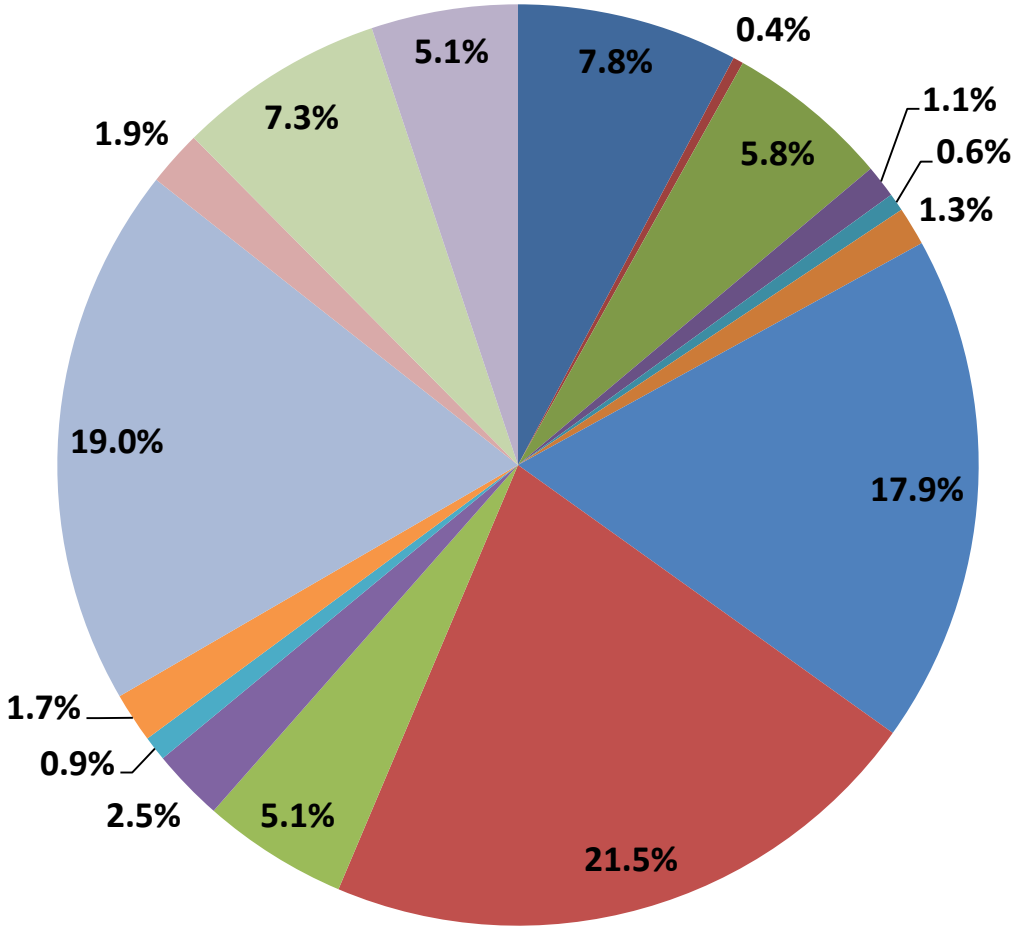
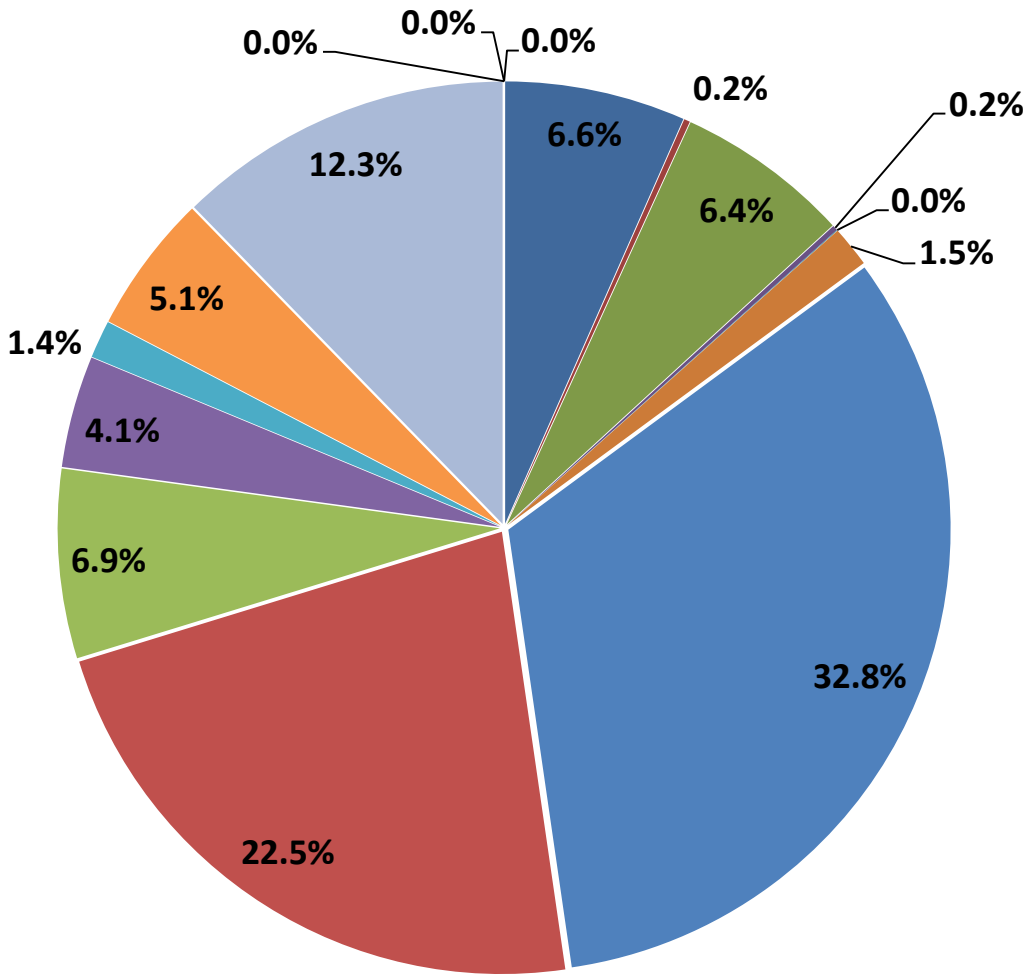
All Payer Baseline



- Primary Care Physician: 7.8%
- Laboratory and Radiology: 0.4%
- Specialty Physician: 5.8%
- Behavioral Health: 1.1%
- Dental: 0.6%
- Other Professionals: 1.3%
- Inpatient Services: 17.9%
- Outpatient Services: 21.5%
- Skilled Nursing Facility: 5.1%
- Other, Residential, and Personal Care: 2.5%
- Durable Medical Equipment: 0.9%
- Home Health: 1.7%
- Pharmacy: 19.0%
- Government Health Care Activities - AHS: 1.9%
- Government Health Care Activities - HCBS: 7.3%
- Government Health Care Activities - Mental Health: 5.1%

Medicare Baseline 2012

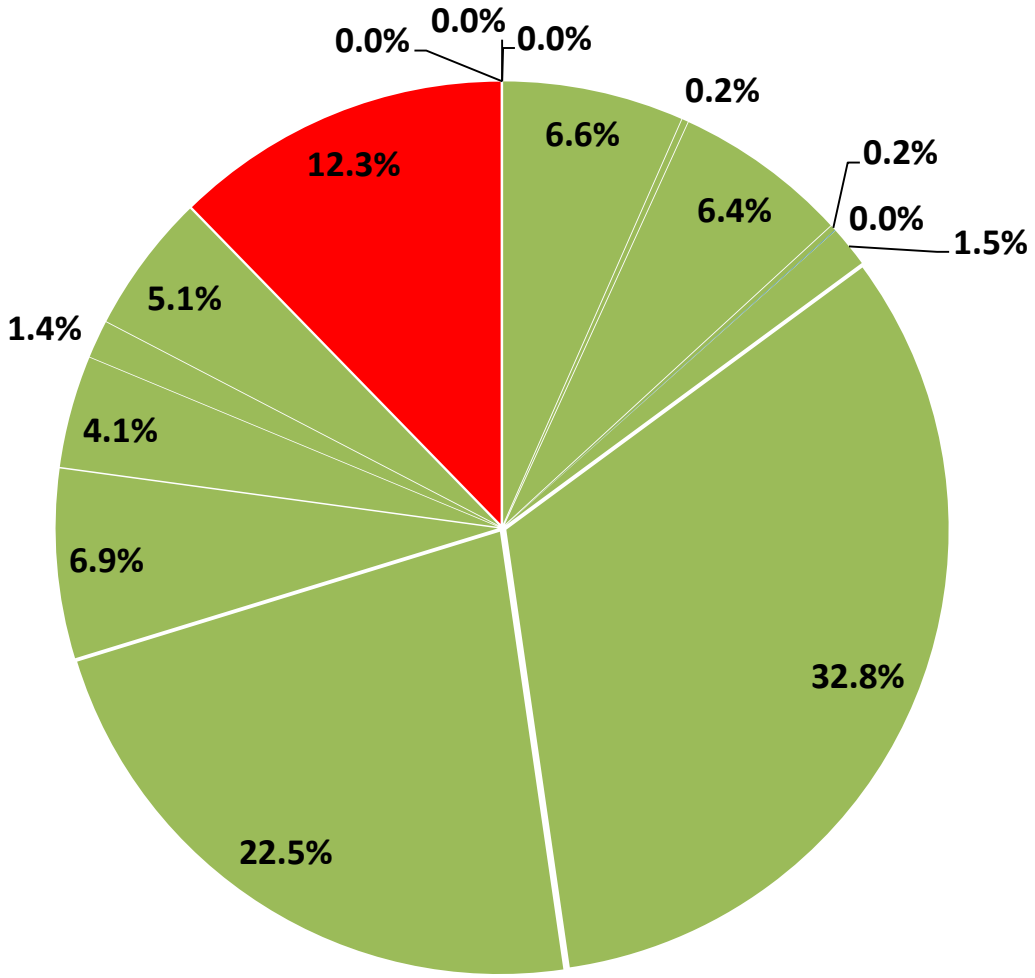


- Primary Care Physician: 6.6%
- Laboratory and Radiology: 0.2%
- Specialty Physician: 6.4%
- Behavioral Health: 0.2%
- Dental: 0.0%
- Other Professionals: 1.5%
- Inpatient Services: 32.8%
- Outpatient Services: 22.5%
- Skilled Nursing Facility: 6.9%
- Other, Residential, and Personal Care: 4.1%
- Durable Medical Equipment: 1.4%
- Home Health: 5.1%
- Pharmacy: 12.3%

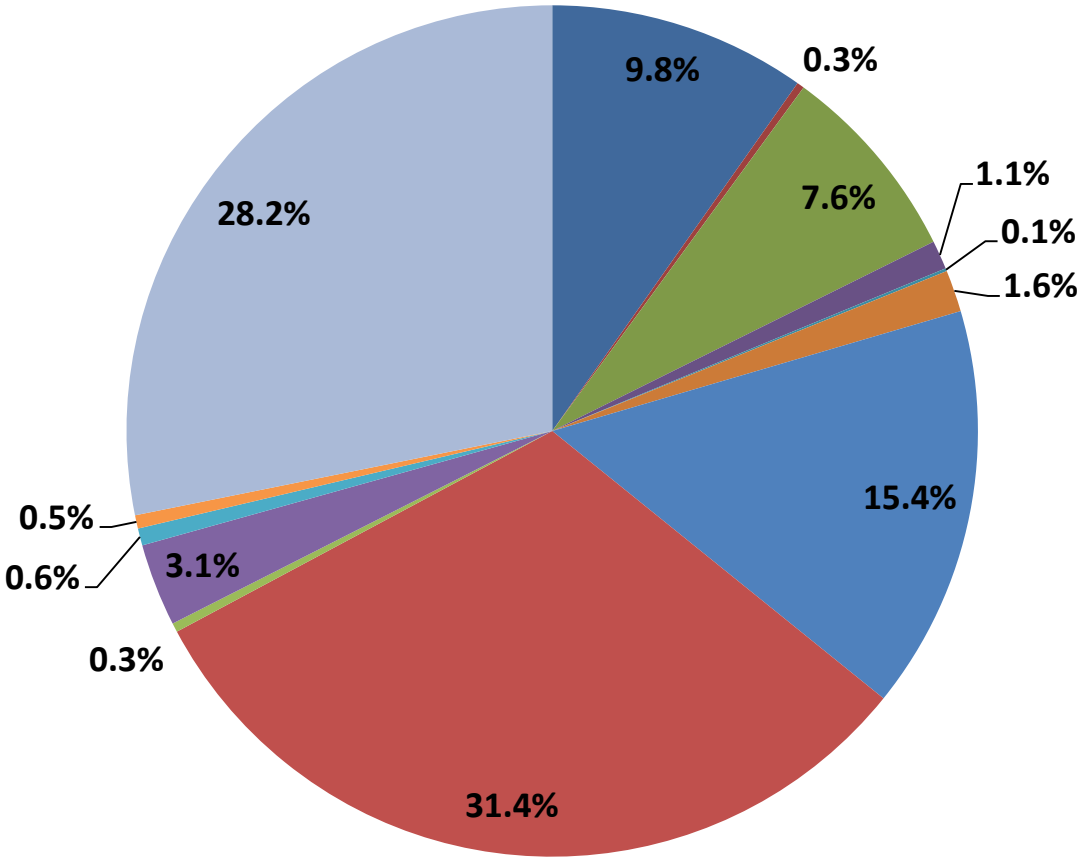
Medicare SSP Coverage

Parts A-B = 87.7%

Part D = 12.3%



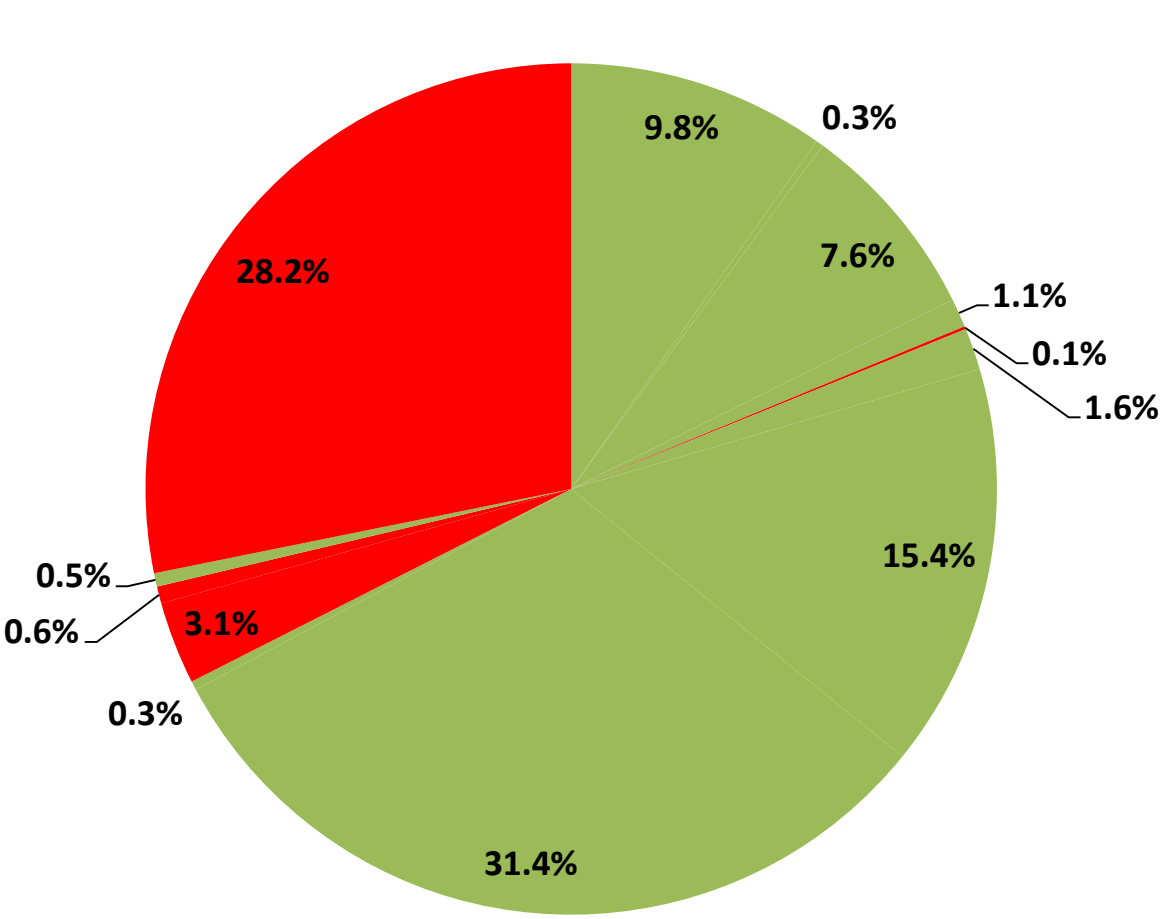
Commercial Baseline 2014



- Primary Care Physician: 9.8%
- Laboratory and Radiology: 0.3%
- Specialty Physician: 7.6%
- Behavioral Health: 1.1%
- Dental: 0.1%
- Other Professionals: 1.6%
- Inpatient Services: 15.4%
- Outpatient Services: 31.4%
- Skilled Nursing Facility: 0.3%
- Other, Residential, and Personal Care: 3.1%
- Durable Medical Equipment: 0.6%
- Home Health: 0.5%
- Pharmacy: 28.2%

Commercial Coverage

Covered = 68.2% Non-covered = 31.8%



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- Home Health: 0.5%
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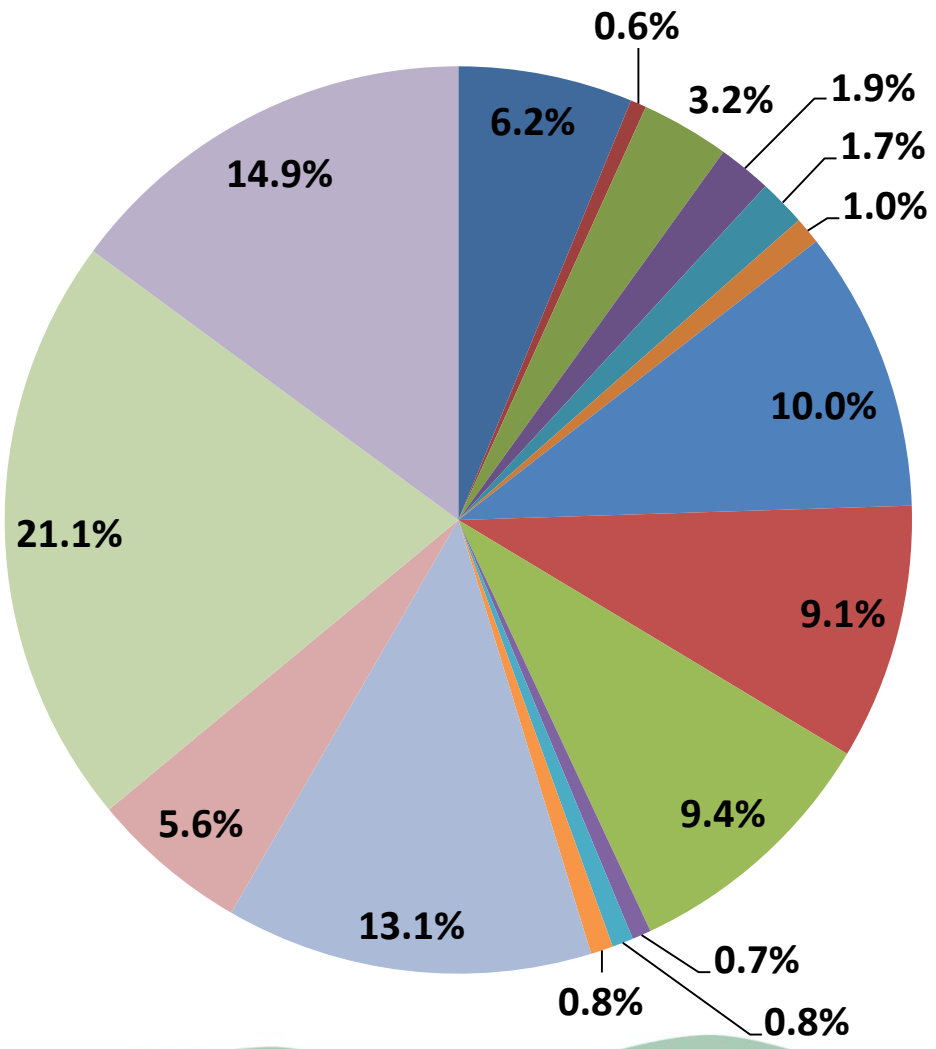
Medicaid Baseline 2014

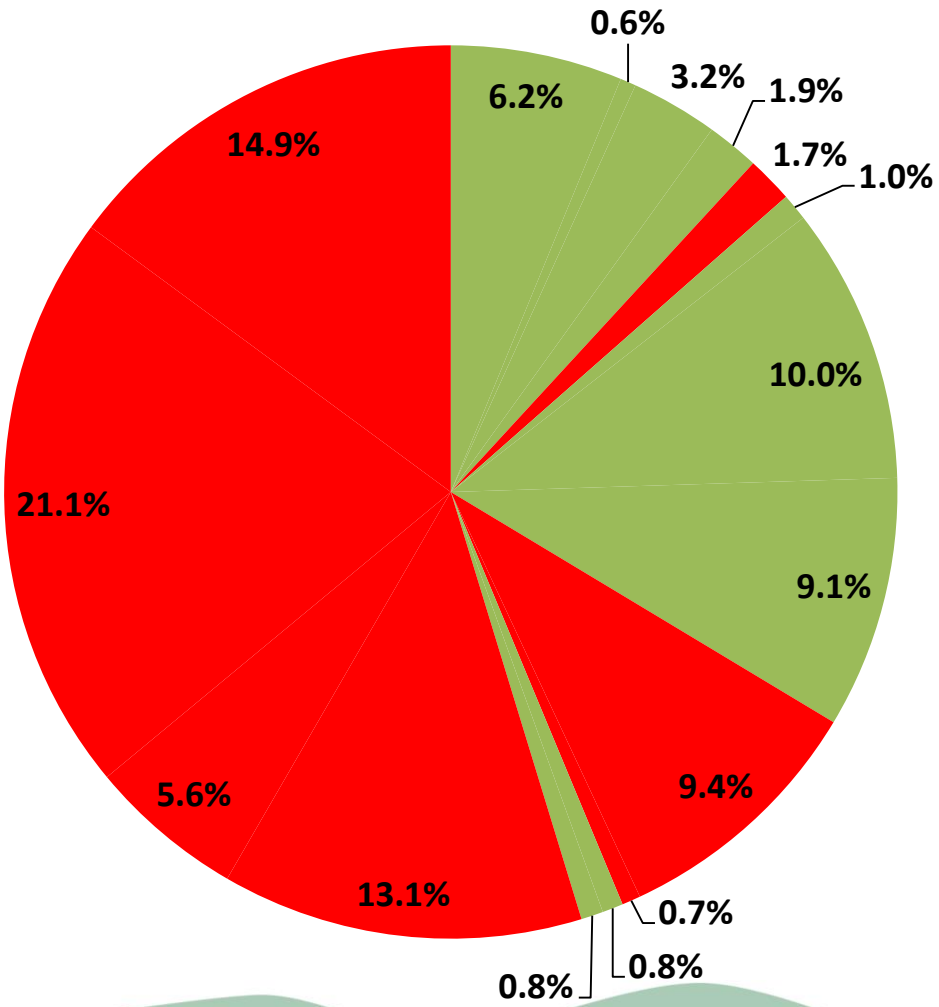


- Primary Care Physician: 6.2%
- Laboratory and Radiology: 0.6%
- Specialty Physician: 3.2%
- Behavioral Health: 1.9%
- Dental: 1.7%
- Other Professionals: 1.0%
- Inpatient Services: 10.0%
- Outpatient Services: 9.1%
- Skilled Nursing Facility: 9.4%
- Other, Residential, and Personal Care: 0.7%
- Durable Medical Equipment: 0.8%
- Home Health: 0.8%
- Pharmacy: 13.1%
- Government Health Care Activities - AHS: 5.6%
- Government Health Care Activities - HCBS: 21.1%
- Government Health Care Activities - Mental Health: 14.9%

Medicaid SSP Coverage

Covered = 33.5%

Non-covered = 66.5%



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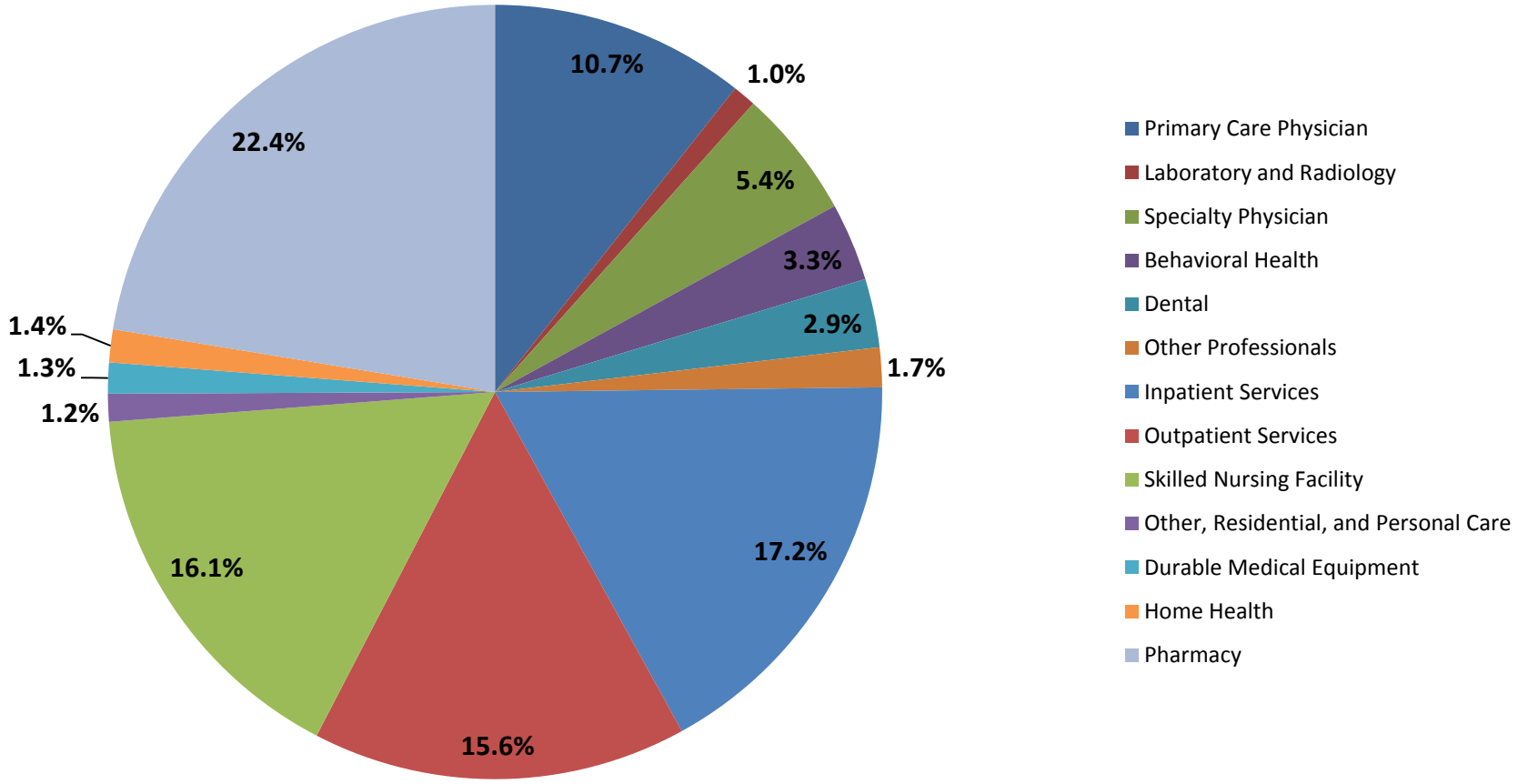
Medicaid Comparison Pie

- Excludes Gov't Health Programs -



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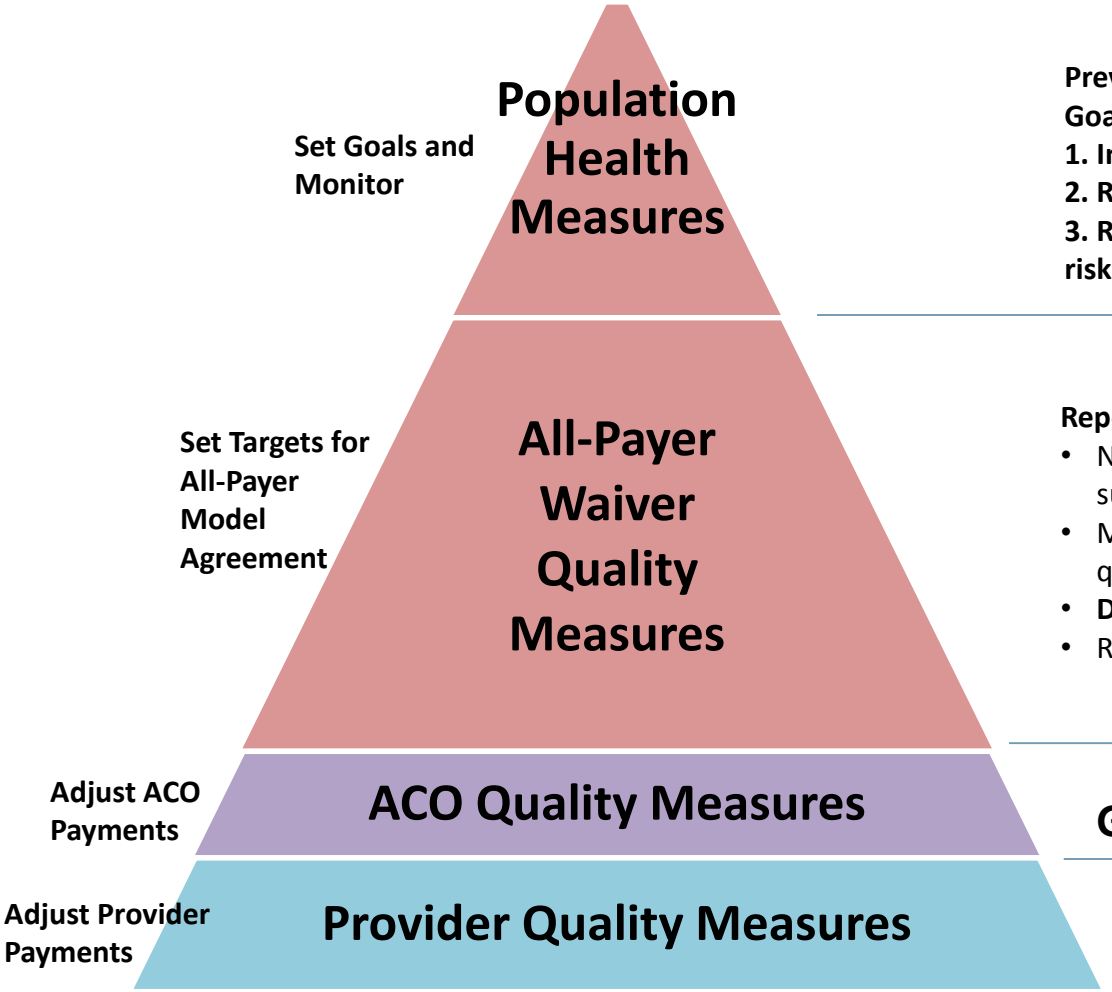
Potential All-Payer Model Quality Framework



Prevalence and Access Measures for State Priority Goals

1. **Improve access to primary care**
2. **Reduce the prevalence of chronic disease**
3. **Reduce the prevalence of individuals with or at risk of Substance Abuse and Mental Illness**

Reporting and Monitoring Measures

- Necessary overall priority measures for reporting success of the model
- May overlap with ACO and provider-specific quality measures
- **Derived from State Priority Goals**
- Reporting categories: **ACO, non-ACO**

GMCB ⟷ **ACO**

ACO ⟷ **Providers**

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GMCB Readiness for All-Payer Model

Evaluation

- Public discussion and assessment of terms and conditions for an all-payer model and Medicare Waiver

Standards

- Develop standards for commercial and Medicaid value-based payment models to align with Next Generation Medicare framework

Regulation

- Insurance premium rate review process revised to incorporate commercial value-based payment model
- Hospital budget process revised to reflect statewide health care growth rate target and amount of hospital business in alternative payment model
- ACO Capitation Rate Case reviewed based on standards above

Operations

- Data and reporting infrastructure improvements

QUESTIONS?