

2016 Vermont Health Care Expenditure Analysis

Resident and Provider Spending Perspectives

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Published May 2018

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Introduction

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

Since Act 160 of 1991, the analysis has served as an annual report of health care spending and revenues in Vermont to aid in the development of a forecast and ultimately, a Unified Health Care Budget.

The report is a consistent analysis that:

- ▮ establishes a base of health care spending and funding,
- ▮ examines trends in spending and sources of funds,
- ▮ compares Vermont data to national data reflected in the National Health Accounts published by the Centers for Medicare & Medicaid Services (CMS), and
- ▮ provides information from two different perspectives; 1) spending on behalf of Vermont residents regardless of where they receive care and 2) revenues received by Vermont providers for both residents and non-residents receiving care in Vermont.

Note: This symbol is used when a slide is prepared from Vermont resident analysis data.

Payers reported spend on provider services.

The Vermont provider analysis data will use this symbol.

Providers reported revenues from payers.



Relationship with the Total Cost of Care

The VHCEA measures expenditures at a broader and more comprehensive level than the All-Payer Total Cost of Care (TCOC) defined in Vermont's All-Payer Model agreement.

The All-Payer TCOC can be thought of as a subset of the VHCEA resident analysis in two ways:

- † The VHCEA estimates include all Vermont residents
 - The All-Payer TCOC excludes certain populations, such as Vermont residents without insurance or those covered by the Federal Employee Health Benefits Plan.

- † The VHCEA estimates *total* expenditures
 - The All-Payer TCOC is limited to claims payments for the types of services covered by traditional Medicare or non-claims payments related to direct medical care (e.g. care management, capitation).
 - The All-Payer TCOC does not include retail pharmacy.

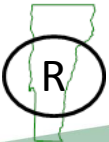
Summary

Vermont residents health care spending:

- † Total spending for Vermont residents receiving health care services both in- and out-of-state **increased 4.2% in 2016**. This was higher than the 3.1% increase in 2015 but the same percentage as the average annual increase of 4.2% for the period 2007 through 2016.
- † Commercial insurance spending increased 6.8%, mainly due to Administration and Net Cost of Insurance, home health care and dentists.
- † Medicaid spending increased 1.9%, mainly for spending in mental health and other government activities; there were decreases in drugs and supplies due to higher rebate percentages for specialty drugs.
- † Medicare spending increased 4.5% as a result of increases in hospital utilization and drugs and supplies.

Vermont has seen a payer shift over time for health care services:

- † For the period 2008 through 2016, the percentage of total resident costs paid by commercial insurers decreased from 39% to 33%, and out-of-pocket spending decreased from 14% to 13%. In contrast, Medicaid grew from 24% to 28%, and Medicare increased from 19% to 22%.



Summary (continued)

Vermont compared to United States:

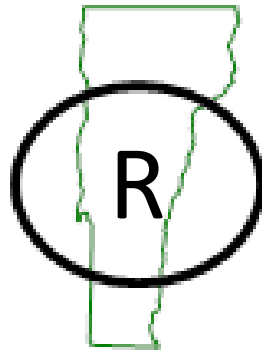
- ✔ Vermont expenditures are comparable to U.S. health consumption spending. For 2016, U.S. health consumption spending increased 4.4%. This was lower than the 5.9% increase in 2015.
- ✔ The per person spending in Vermont was \$9,539, an increase of 4.5% over 2015. This is lower than the U.S. per person amount of \$9,875.

Vermont providers health care revenues received:

- ✔ Health care service revenues received by Vermont providers for in- and out-of-state patients increased 3.2% in 2016. This was lower than the 5.5% increase in 2015 and lower than the average annual increase of 4.3% for the period 2007 through 2016.
- ✔ Growth reported in hospitals increased 4.5%, which includes revenues for hospital employed physicians.
- ✔ Revenues for home health increased 4.6%, dentists 4.8%, other professionals 4.3%, vision & DME 4.2%, nursing homes 4.0%, and drugs and supplies 1.9%. These increases were offset by a decline in physician revenues of 2.7% due to continued improvement in our estimates and private practice physician offices moving towards hospital employment.

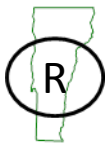
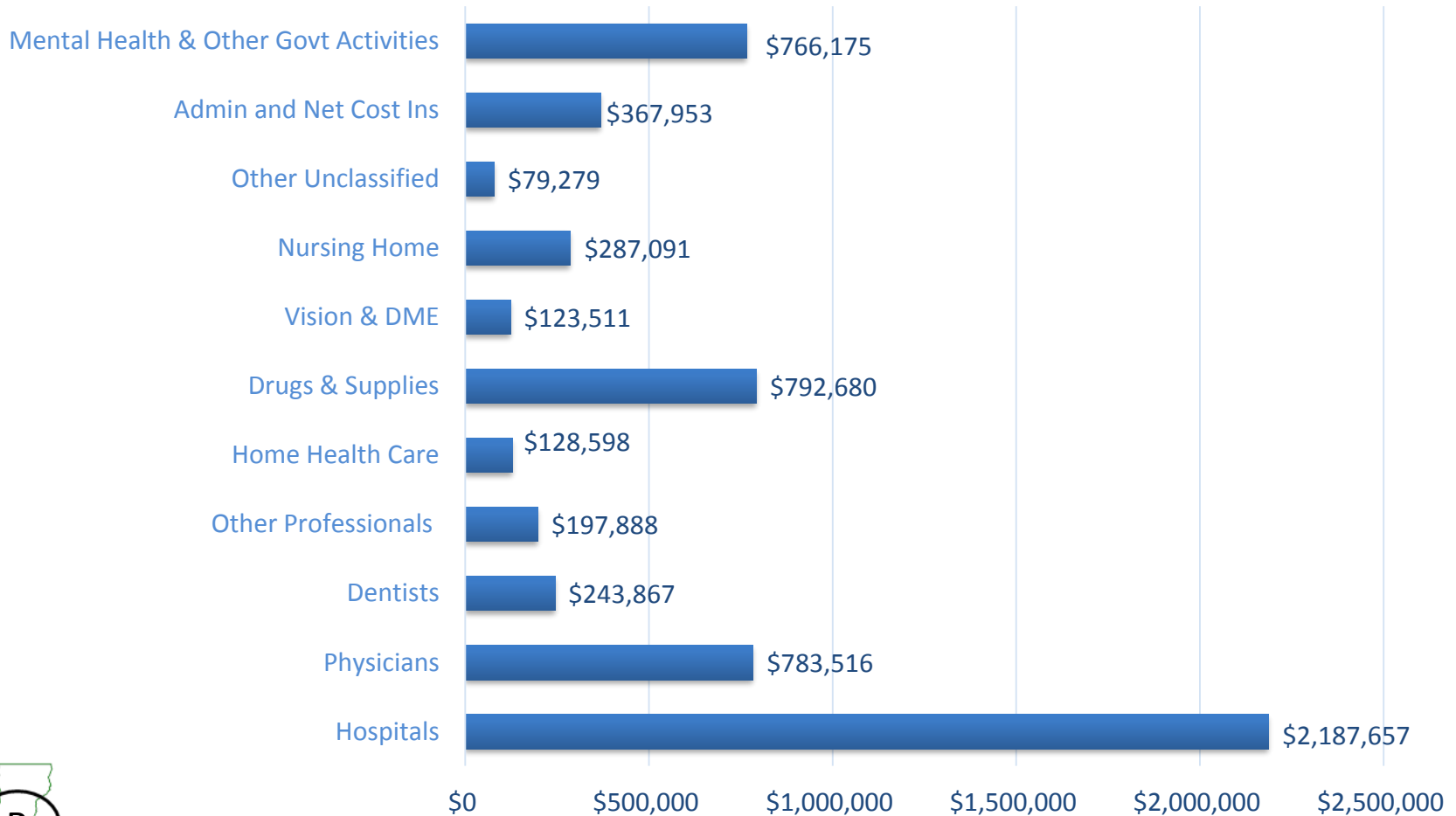


2016 Vermont Resident Analysis



2016 Vermont Resident Analysis

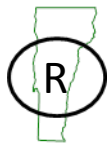
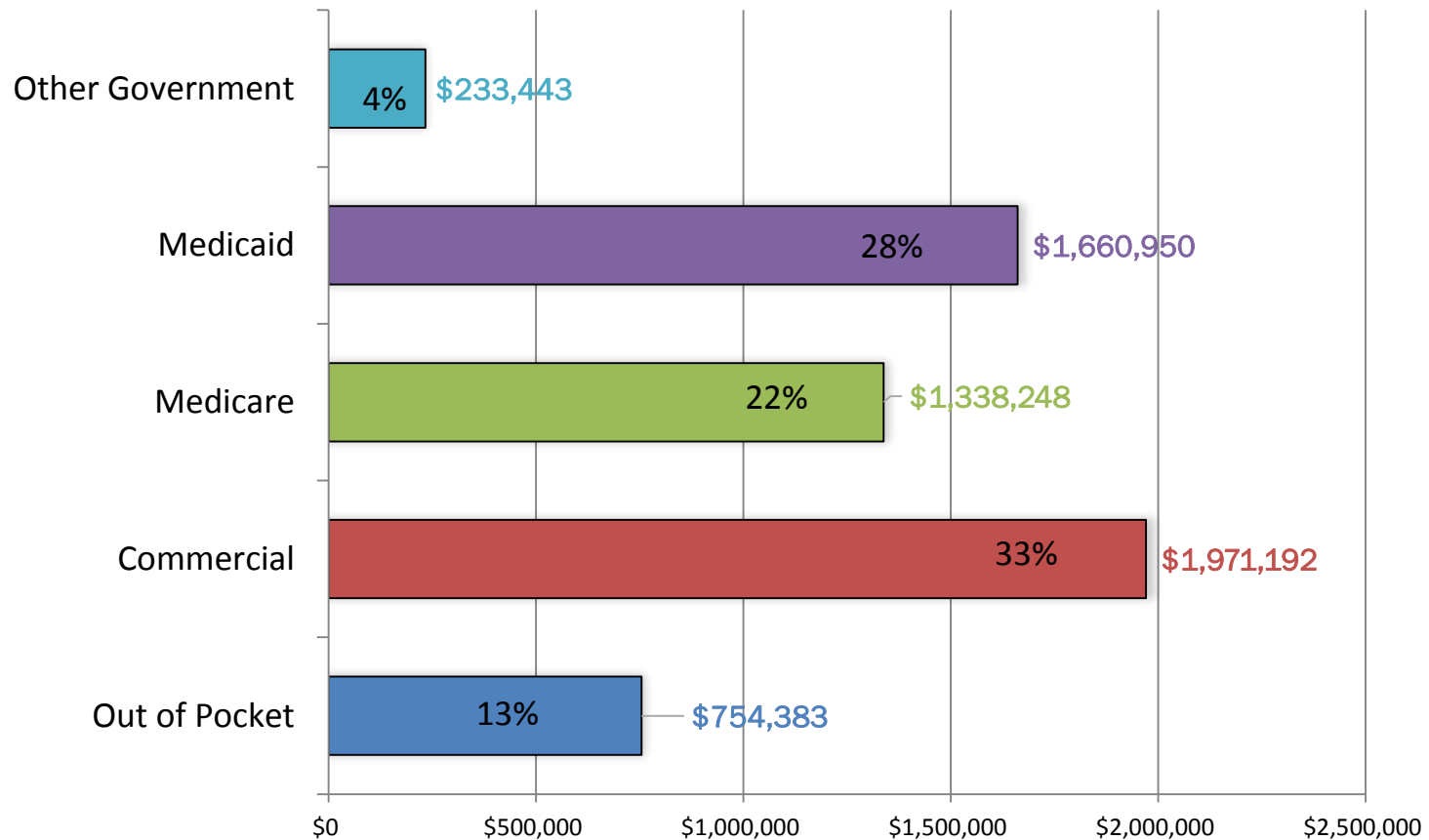
Provider Services Purchased: In- and Out-of-State - \$6.0 billion



Payers reported spend of provider services.

2016 Vermont Resident Analysis

Payer Spending for Services: In- and Out-of-State - \$6.0 billion



Payers reported spend of provider services.

2016 Vermont Resident Analysis

Total Spending Increase from 2015

Total Spending increased \$242.7 million, 4.2% from 2015.

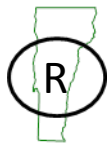
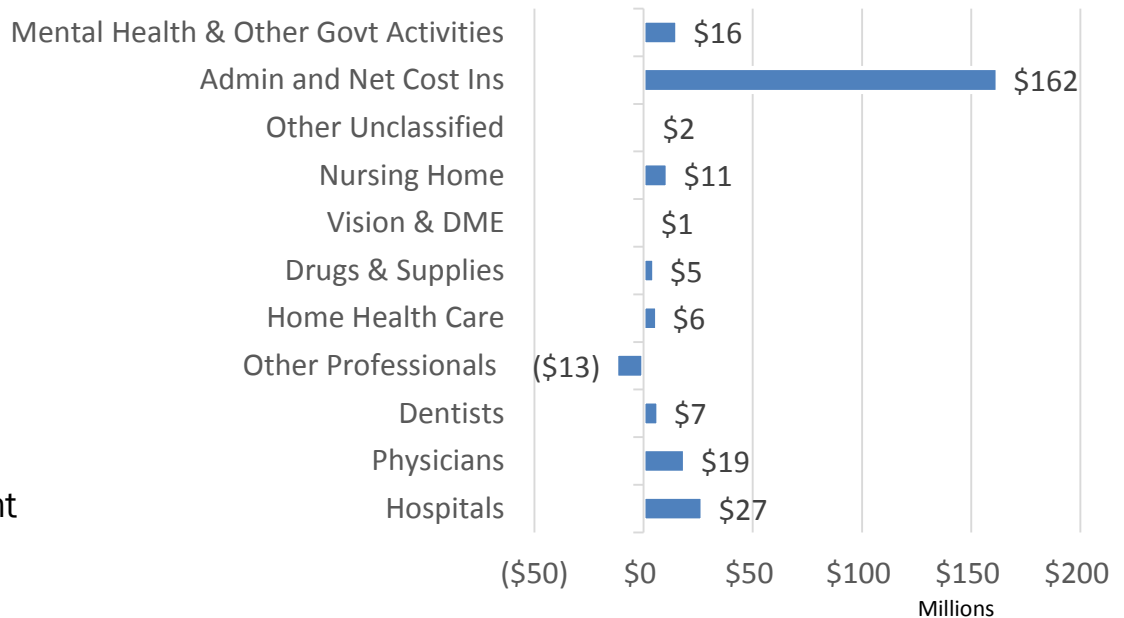
The increase in Administration and Net Cost of Insurance was mostly driven by Commercial Insurance.

Hospital spending increased from Medicare and Out-of-Pocket payers.

Physicians increased from Medicaid and Medicare.

Mental Health and Other Government Activities such as Mental Health Clinics, Home & Community Based Services were accounted for by Medicaid.

Spending Increase, 4.2%



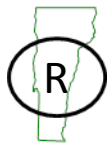
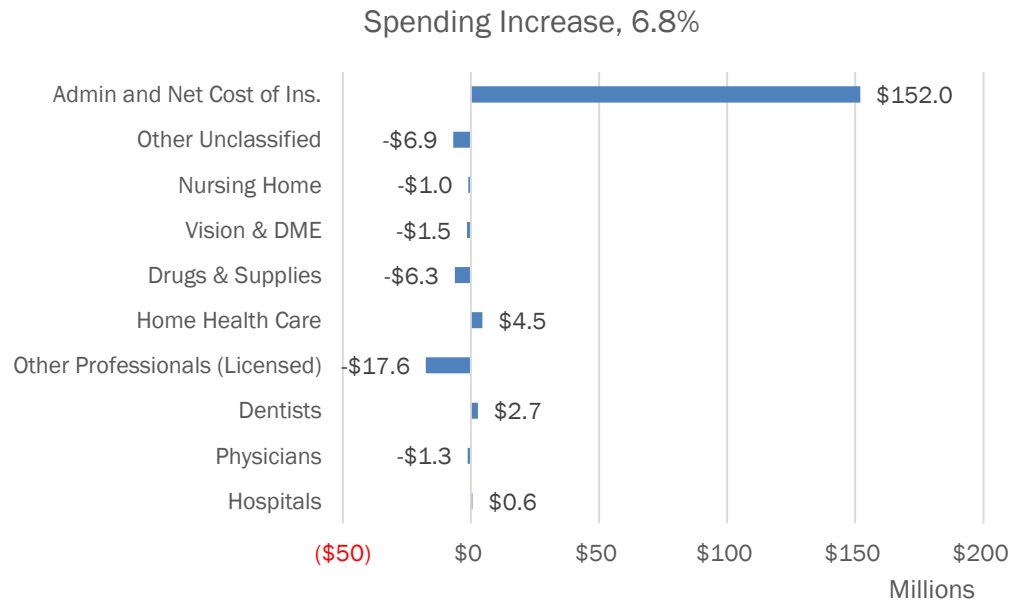
Payers reported spend of provider services.

2016 Vermont Resident Analysis

Commercial Insurance

Spending Increase from 2015

Commercial Insurance increased \$125.3 million to \$2.0 billion mainly caused by Admin. and Net Cost of Insurance, home health care and dentists; decreases were reported in other provider service categories. Enrollment decreased to 315,508 or 3.1% from 2015.



Payers reported spend of provider services.

2016 Vermont Resident Analysis

Medicaid

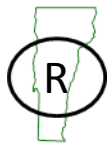
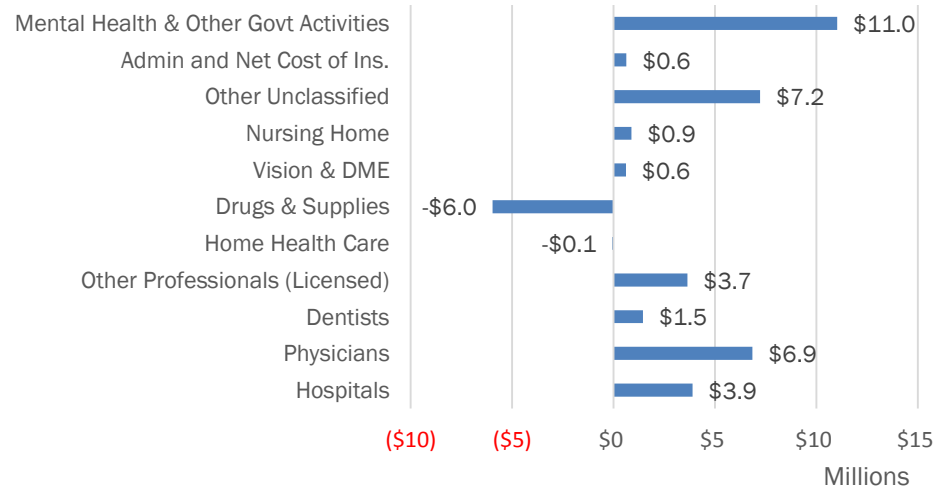
Spending Increase from 2015

Medicaid increased \$30.2 million to \$1.7 billion mainly resulting from spending for Mental Health Clinics, Home & Community Based Services, Alcohol & Drug Abuse Treatment and other programs.

The decrease in Drugs and Supplies was due to the higher rebate percentage for specialty drugs.

Medicaid enrollment decreased to 157,112 or 2.5% from 2015.

Spending Increased, 1.9%



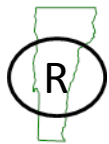
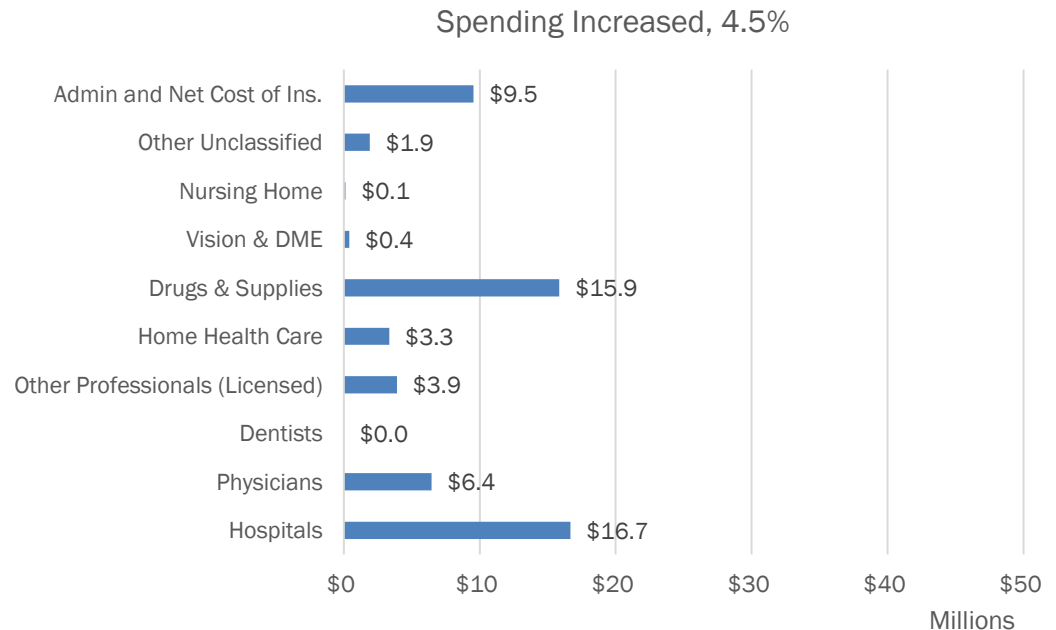
Payers reported spend on provider services.

2016 Vermont Resident Analysis

Medicare

Spending Increase from 2015

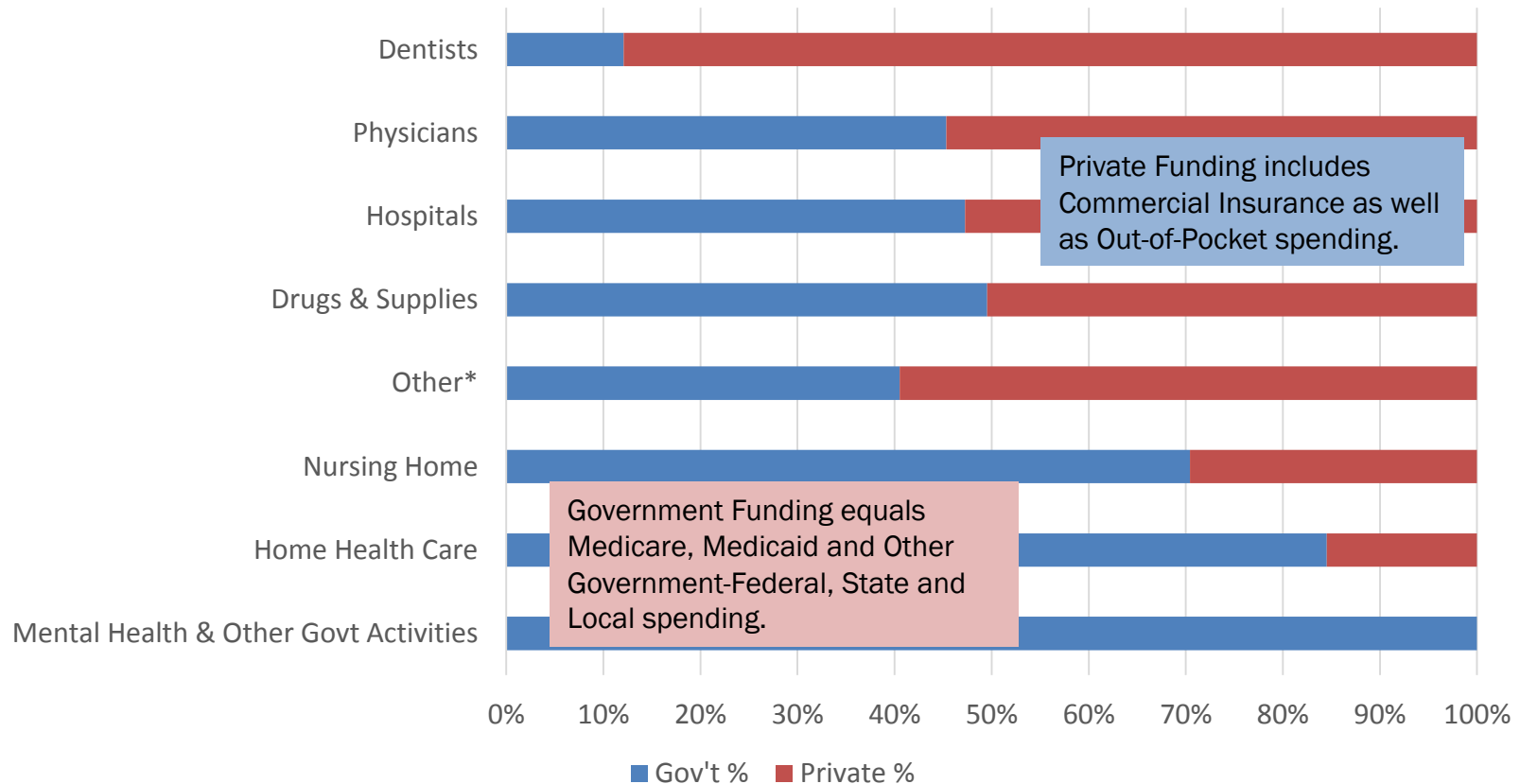
Medicare increased \$58.2 million to \$1.3 billion mainly resulting from increased hospital utilization, Medicare Part D (Rx program) spending and Admin. and Net Cost of Insurance. Medicare enrollment has expanded to 123,433 or 3.3% from 2015.



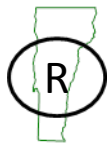
Payers reported spend on provider services.

2016 Vermont Resident Analysis

Government vs. Private Funding



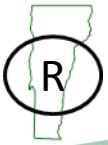
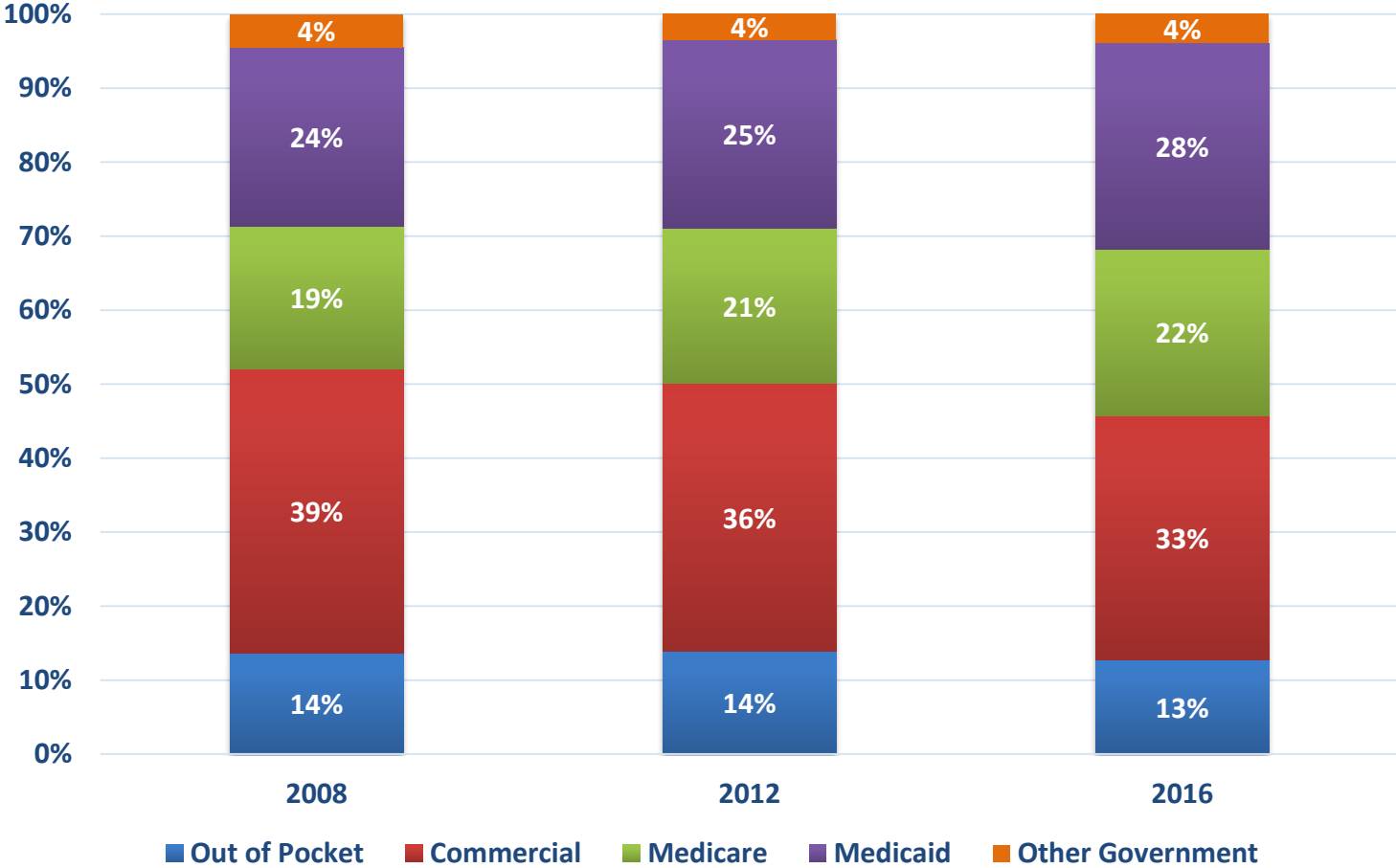
*Other includes services rendered by other professionals, durable medical equip. suppliers, vision providers, and other misc. providers.



Payers reported spend on provider services.

Vermont Resident Analysis

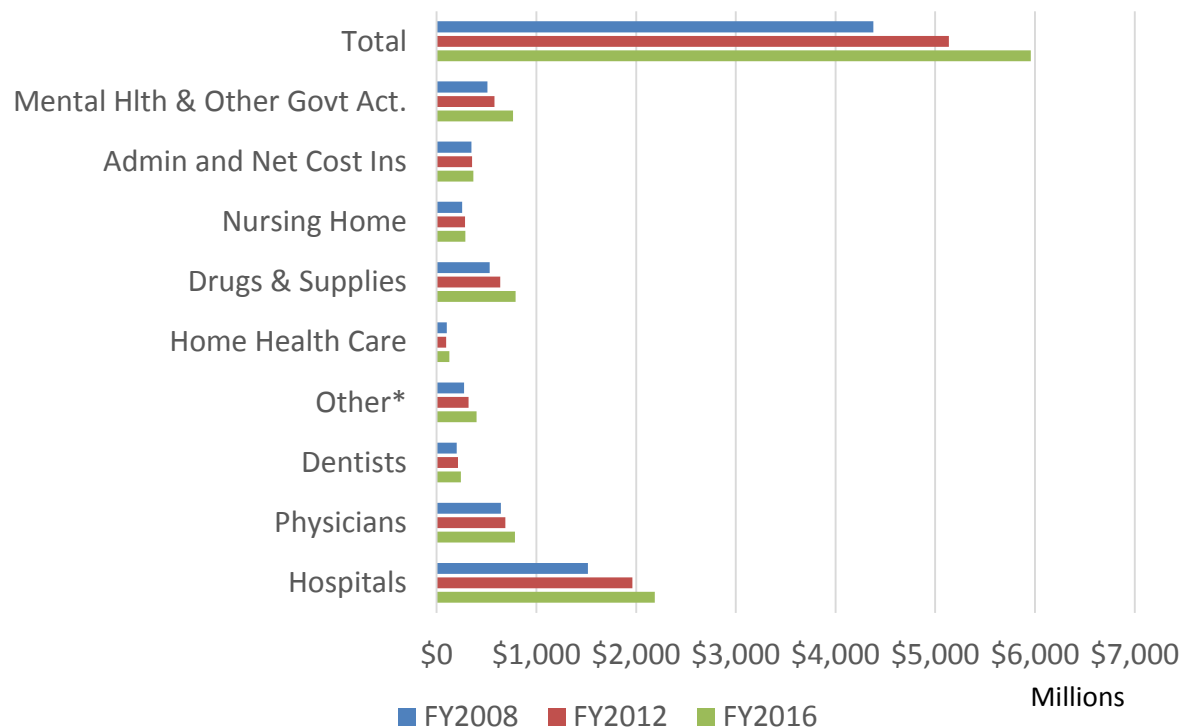
Payer Spending Comparison



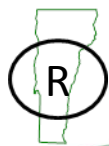
Payers reported spend on provider services.

Vermont Resident Analysis

Provider Service Spending Comparison



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



Payers reported spend on provider services.

Vermont Resident Health Care Expenditures

Summary of Spending Growth

All dollar amounts are reported in millions

Payers	2011	2012	2013	2014	2015	2016	2015-2016 Annual Change	2011-2016 Average Annual Change
Out of Pocket	\$716	\$716	\$722	\$722	\$735	\$754	2.6%	1.1%
Commercial	\$1,850	\$1,857	\$1,892	\$1,920	\$1,846	\$1,971	6.8%	1.3%
Medicare	\$992	\$1,081	\$1,120	\$1,195	\$1,280	\$1,338	4.5%	6.2%
Medicaid	\$1,211	\$1,304	\$1,379	\$1,490	\$1,631	\$1,661	1.9%	6.5%
Other Government	\$215	\$181	\$183	\$216	\$223	\$233	4.5%	1.6%
Total Resident Expenditures	\$4,983	\$5,138	\$5,297	\$5,543	\$5,716	\$5,958	4.2%	3.6%
Annual Percent Change	1.2%	3.1%	3.1%	4.7%	3.1%	4.2%		

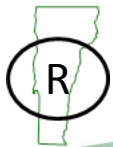
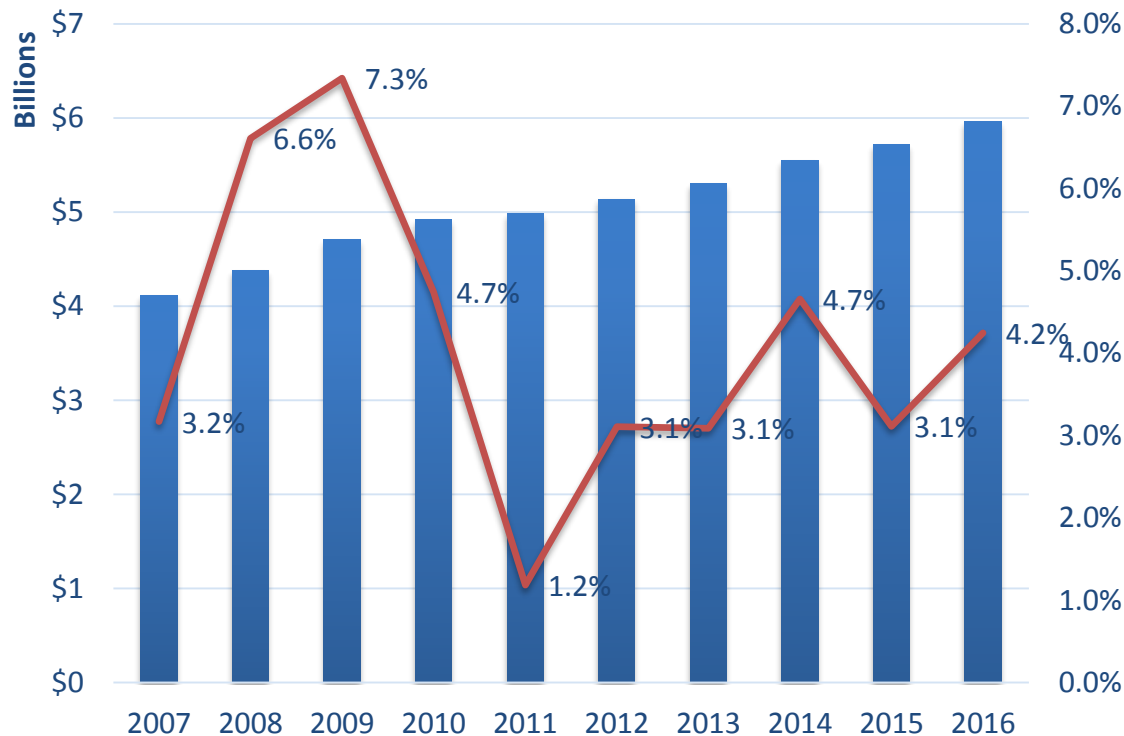
Providers	2011	2012	2013	2014	2015	2016	2015-2016 Annual Change	2011-2016 Average Annual Change
Hospitals	\$1,900	\$1,963	\$2,005	\$2,050	\$2,161	\$2,188	1.3%	2.9%
Physicians	\$662	\$689	\$711	\$739	\$765	\$784	2.5%	3.4%
Dentists	\$213	\$213	\$222	\$233	\$237	\$244	2.9%	2.8%
Other Professionals	\$176	\$165	\$168	\$195	\$210	\$198	-5.9%	2.4%
Home Health Care	\$93	\$96	\$104	\$111	\$122	\$129	5.1%	6.6%
Drugs & Supplies	\$607	\$637	\$638	\$683	\$788	\$793	0.6%	5.5%
Vision & DME	\$107	\$111	\$119	\$121	\$123	\$124	0.6%	3.0%
Nursing Home	\$280	\$285	\$285	\$283	\$276	\$287	4.0%	0.5%
Other Unclassified	\$43	\$44	\$50	\$67	\$78	\$79	2.1%	13.3%
Admin and Net Cost Ins	\$361	\$354	\$354	\$356	\$206	\$368	78.8%	0.4%
Mental Health & Other Govt Activities	\$542	\$581	\$641	\$705	\$751	\$766	2.1%	7.2%
Total Resident Expenditures	\$4,983	\$5,138	\$5,297	\$5,543	\$5,716	\$5,958	4.2%	3.6%
Annual Percent Change	1.2%	3.1%	3.1%	4.7%	3.1%	4.2%		



Payers reported spend on provider services.

2016 Vermont Resident Analysis

Spending increased from \$4.1 billion in 2007 to \$6.0 billion in 2016, an average annual increase of 4.2%. The increase from 2015 to 2016 was also 4.2%.



Payers reported spend on provider services.

2016 Vermont Resident Analysis

National Health Expenditures

The CMS has prepared the National Health Expenditure (NHE) accounts since 1960. The accounts report:

- Measures for annual expenditures of health care goods and services, public health activities, government administrations, net cost of health insurance, and health care investments.
- Data is presented by type of expenditure, by source of funding, and by type of sponsor (private businesses, governments and households which include contributions to health insurance premiums and out-of-pocket costs).
- The NHE also prepares quinquennial provider and resident “State Health Expenditures”, the primary source of data is the Economic Census. In 2017, NHE updated the State provider and resident data reports to include 2014.



2016 Vermont Resident Analysis

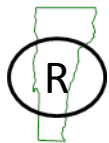
Vermont compared to CMS Health Consumption Expenditures (HCE)

	NHE	HCE	PHC
Total Spend CMS (millions)	\$3,337,248	\$3,179,830	\$2,833,990
Total Spend Annual % Change 2015-2016 (CMS)	4.3%	4.4%	4.4%
Total Spend Vermont Exp. Analysis (millions)		\$5,958	
Total Spend Annual % Change 2015-2016 (VT)		4.2%	
Per Capita Spend CMS	\$10,364	\$9,875	\$8,801
Per Capita Spend Annual % Chg 2015 - 2016 (CMS)	3.6%	3.7%	3.7%
Per Capita Spend Vermont Exp. Analysis		\$9,539	
Per Capita Spend Annual % Chg 2015 - 2016 (VT)		4.5%	
Share of Gross State/Domestic Product (CMS)	17.9%	17.1%	15.2%
Share of Gross State/Domestic Product (VT)		19.2%	

National Health Expenditures (**NHE**) includes categories of spending that Vermont does not record. These include Research, Structures and Equipment.

Health Consumption Expenditures (**HCE**) is a subset of the NHE and has the array of categories of service most comparable to Vermont Expenditure Analysis.

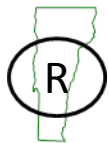
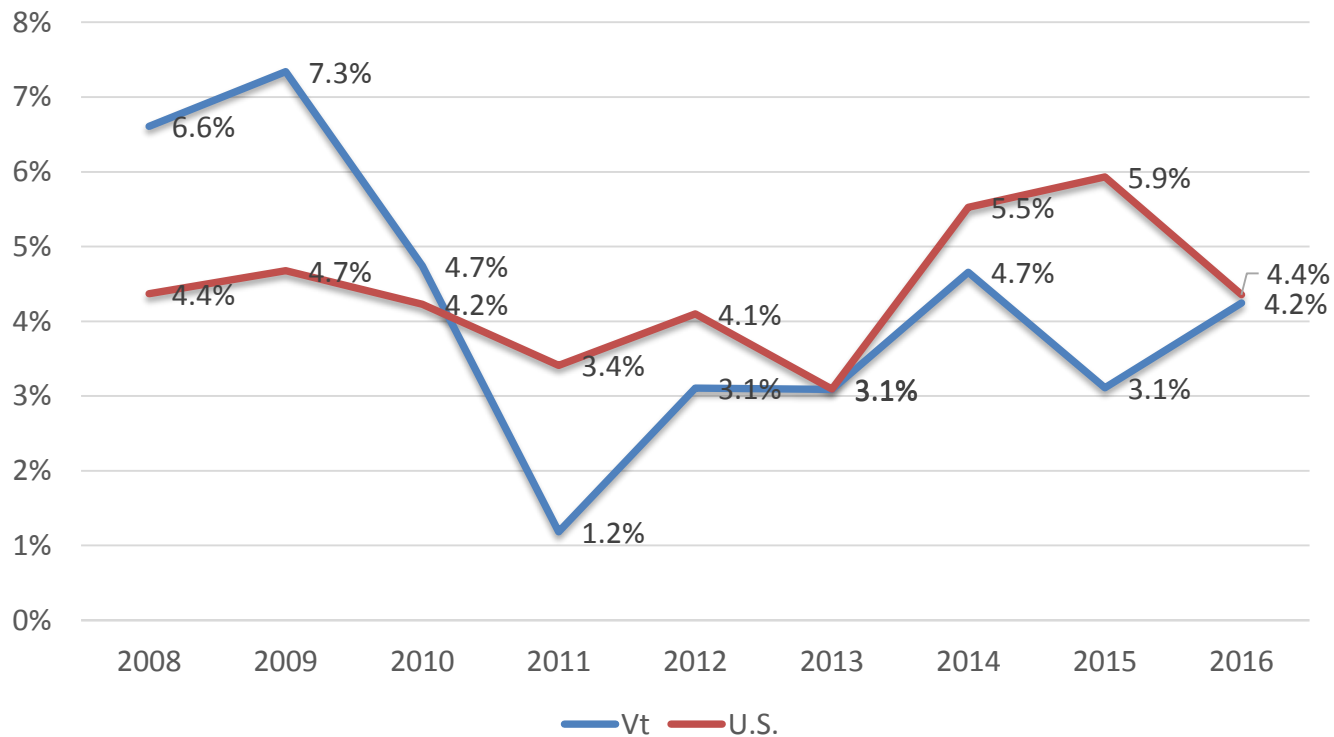
Personal Health Care (**PHC**) is a subset of the HCE spending as it does not include Government Administration, Net Cost of Health Insurance and Government Public Health Activities.



2016 Vermont Resident Analysis

Vermont Compared to CMS Health Consumption Expenditures (HCE)

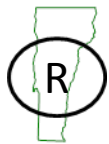
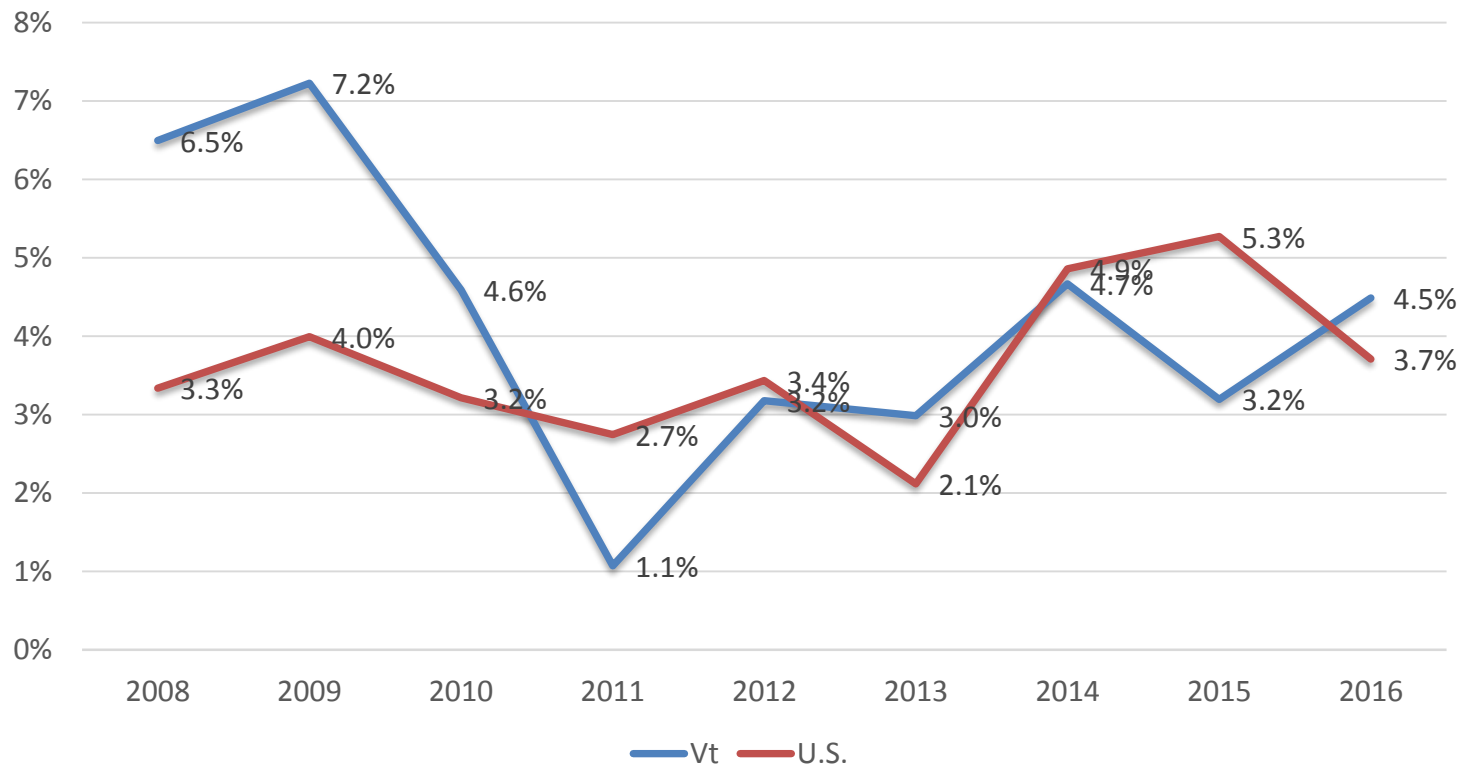
Total Spending Growth
Health Consumption Expenditures



2016 Vermont Resident Analysis

Vermont Compared to CMS Health Consumption Expenditures (HCE)

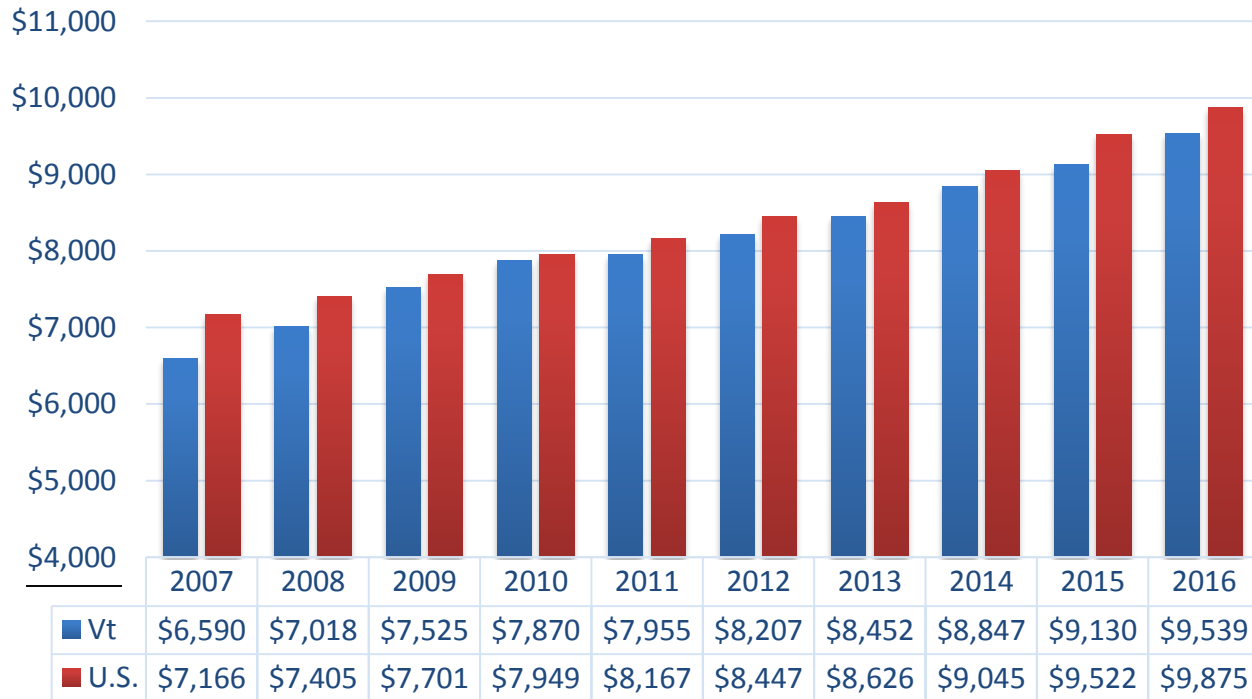
Per Capita Growth (per person)
Health Consumption Expenditures



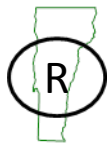
2016 Vermont Resident Analysis

Vermont Compared to CMS Health Consumption Expenditures (HCE)

Per Capita Health Consumption Expenditures



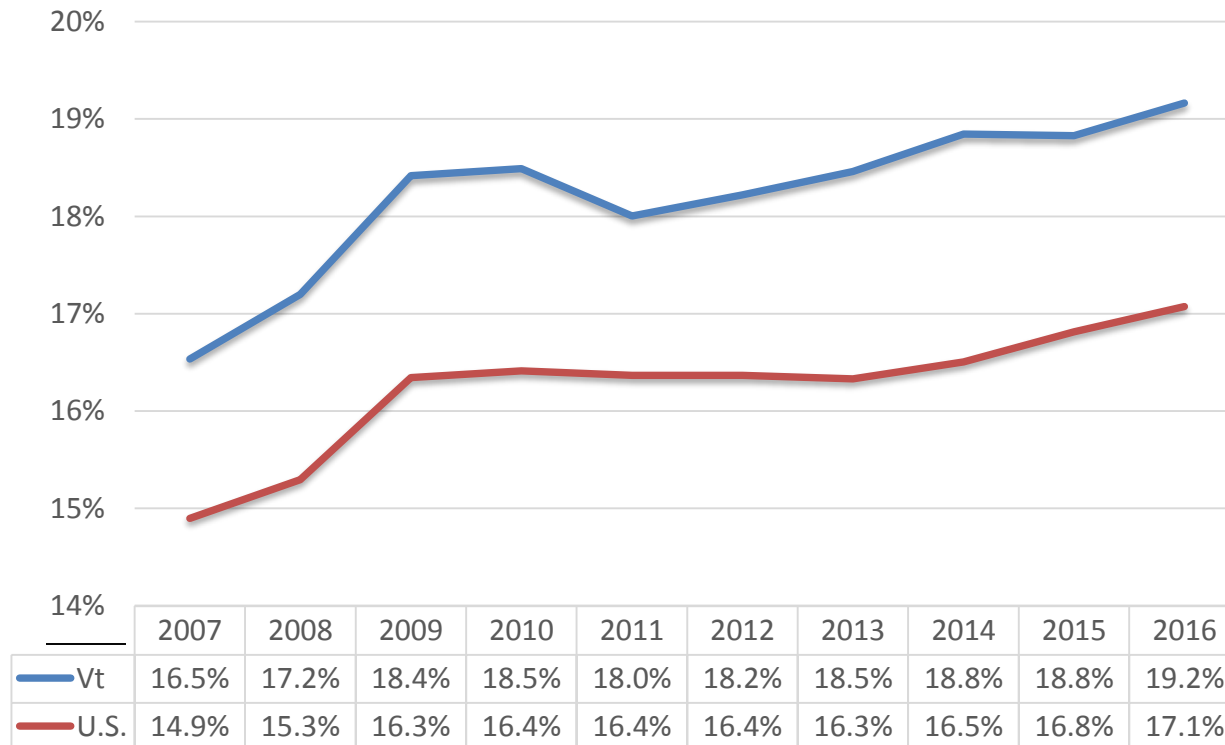
Source: US data from CMS: Health Consumption Expenditures



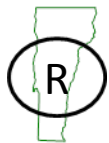
2016 Vermont Resident Analysis

Vermont Compared to CMS Health Consumption Expenditures (HCE)

Health Care Share of GSP-Annual Growth



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).

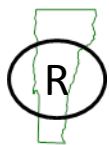


Health Insurance Coverage Profile Vermont Residents 2014-2016

Category	2014	2015	Under Review	
			2016	% change
Commercial Insured Market				
Insured Plans				
Non-group	32,041	29,547	32,721	
Large Employer group	47,400	40,190	19,472	
Small Employer group	37,231	36,656	42,938	
Association	39,758	39,410	0	
Insured Market Subtotal	156,430	145,803	95,131	
Self-insured Employer Plans				
Self-insured Employer Plans	137,327	126,568	168,838	
Federal Employee Plan	14,535	14,666	14,685	
Military	18,578	18,578	18,578	
Self Insured Market Subtotal	170,440	159,812	202,101	
Other				
VT residents covered by insurers outside VT	25,143	20,077	18,276	
Other	25,143	20,077	18,276	
Commercial Insured Market	352,013	325,692	315,508	-3.1%
Government Coverage				
Medicaid	146,273	161,097	157,112	-2.5%
Medicare	115,649	119,477	123,433	3.3%
Government Coverage	261,922	280,574	280,545	0.0%
Uninsured				
Uninsured	26,071	26,071	28,541	9.5%
Total of Assigned Lives	640,006	632,337	624,594	
Duplicated Count	-13,444	-6,295		
Total Vermont Population	626,562	626,042	624,594	-0.2%

The enrollees shift across payer types may cause a “duplicated count” adjustment to be recognized.

The Vermont’s all-payer claims database (VHCURES) has aided in the validation of the enrollment counts.



Vermont Provider Analysis



Vermont Provider Health Care Revenues

Summary of Revenue Growth

All dollar amounts are reported in millions

Payers	2011	2012	2013	2014	2015	2016	2015-2016 Annual Change	2011-2016 Average Annual Change
Out of Pocket	\$744	\$738	\$765	\$734	\$731	\$761	4.0%	0.4%
Commercial	\$1,815	\$1,803	\$1,838	\$1,819	\$1,979	\$1,991	0.6%	1.9%
Medicare	\$1,073	\$1,201	\$1,229	\$1,324	\$1,384	\$1,471	6.3%	6.5%
Medicaid	\$1,120	\$1,181	\$1,361	\$1,389	\$1,462	\$1,509	3.3%	6.2%
Other Government	\$276	\$246	\$248	\$281	\$297	\$310	4.3%	2.3%
Total Provider Revenues	\$5,028	\$5,169	\$5,441	\$5,546	\$5,853	\$6,041	3.2%	3.7%
Annual Percent Change	4.8%	2.8%	5.3%	1.9%	5.5%	3.2%		

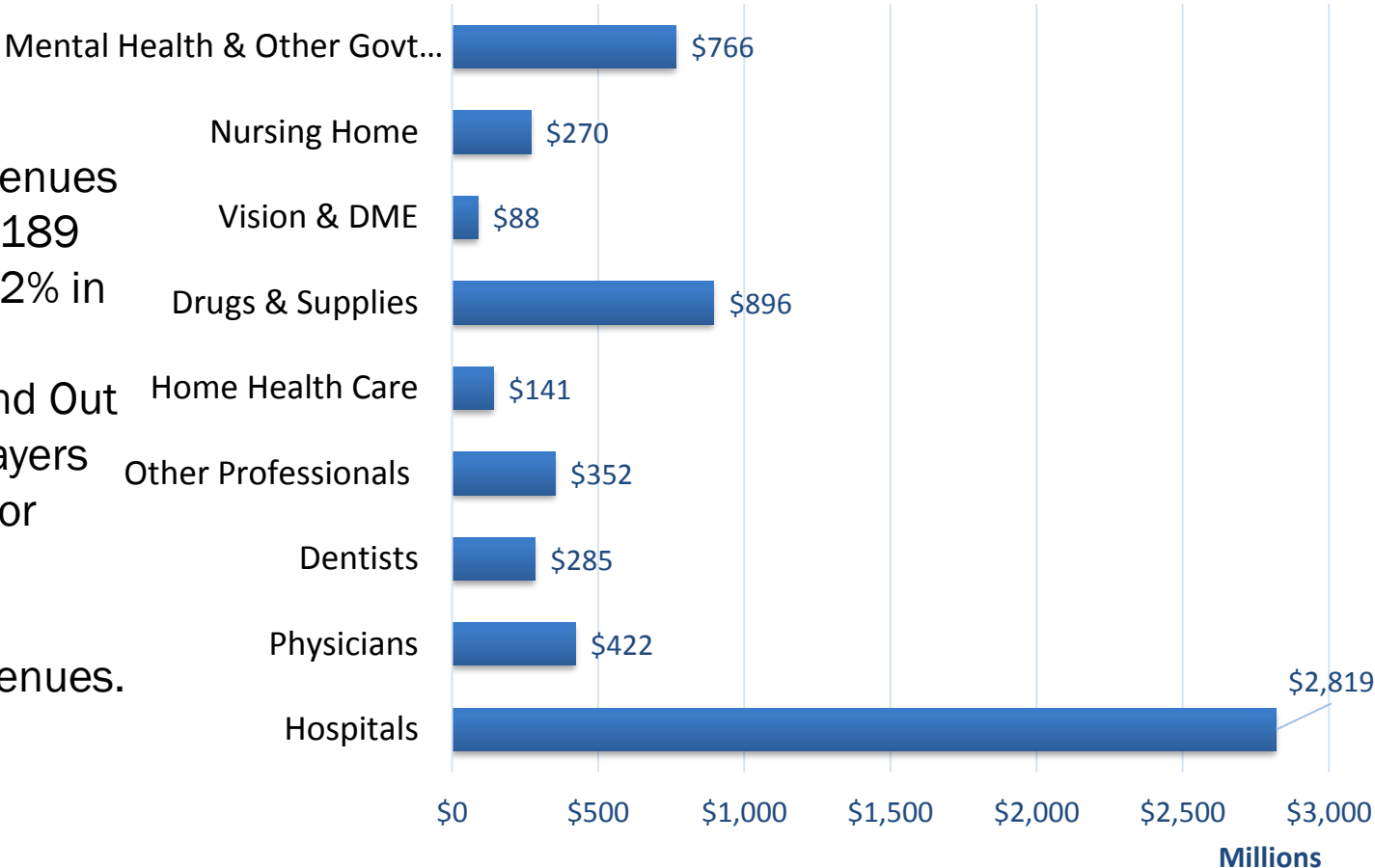
Providers	2011	2012	2013	2014	2015	2016	2015-2016 Annual Change	2011-2016 Average Annual Change
Hospitals	\$2,237	\$2,289	\$2,456	\$2,547	\$2,698	\$2,819	4.5%	4.7%
Physicians	\$569	\$573	\$527	\$414	\$434	\$422	-2.7%	-5.8%
Dentists	\$253	\$261	\$261	\$262	\$272	\$285	4.8%	2.4%
Other Professionals	\$221	\$229	\$244	\$251	\$305	\$319	4.3%	7.6%
Home Health Care	\$110	\$113	\$119	\$128	\$135	\$141	4.6%	5.2%
Drugs & Supplies	\$697	\$714	\$761	\$817	\$880	\$896	1.9%	5.2%
Vision & DME	\$102	\$110	\$135	\$117	\$85	\$88	4.2%	-2.8%
Nursing Home	\$264	\$265	\$264	\$271	\$259	\$270	4.0%	0.4%
Other Unclassified	\$33	\$34	\$34	\$34	\$34	\$34	0.3%	0.3%
Mental Health & Other Govt Activities	\$542	\$581	\$641	\$705	\$751	\$766	2.1%	7.2%
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Providers reported revenues from payers.

2016 Vermont Provider Analysis

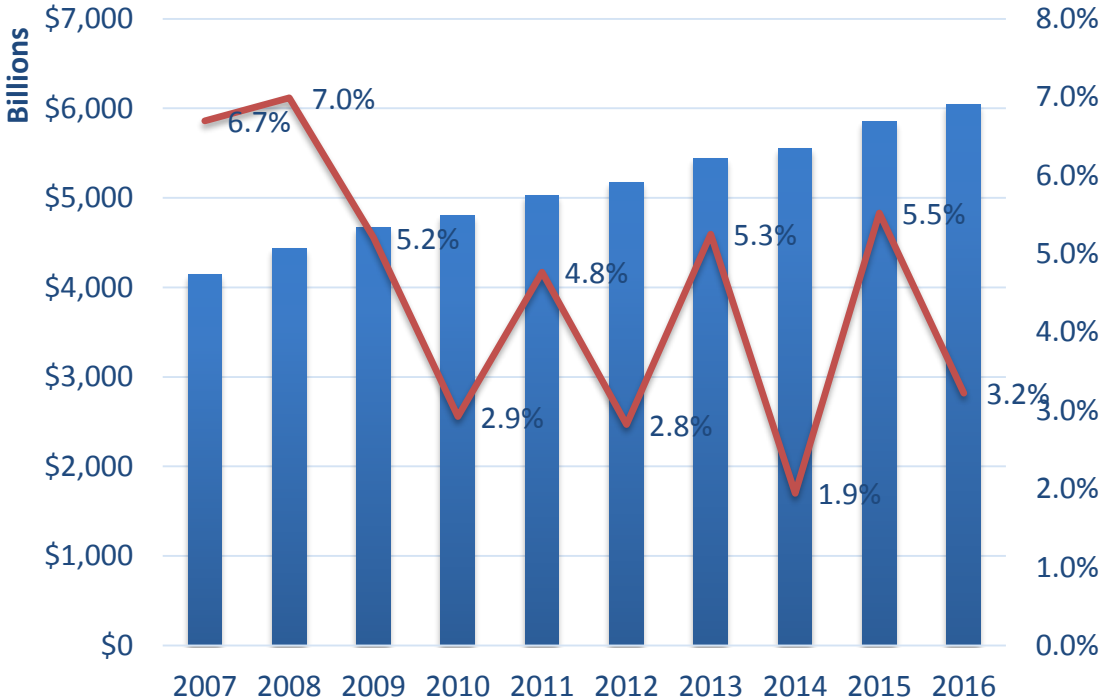
Provider Revenues by Category - \$6.0 Billion

Provider revenues increased \$189 million or 3.2% in 2016. Medicare and Out of Pocket payers accounted for most of the increase in hospital revenues.



2016 Vermont Provider Analysis

Revenues increased from \$4.1 billion in 2007 to \$6.0 billion in 2016, an average annual increase of 4.3% for the period.

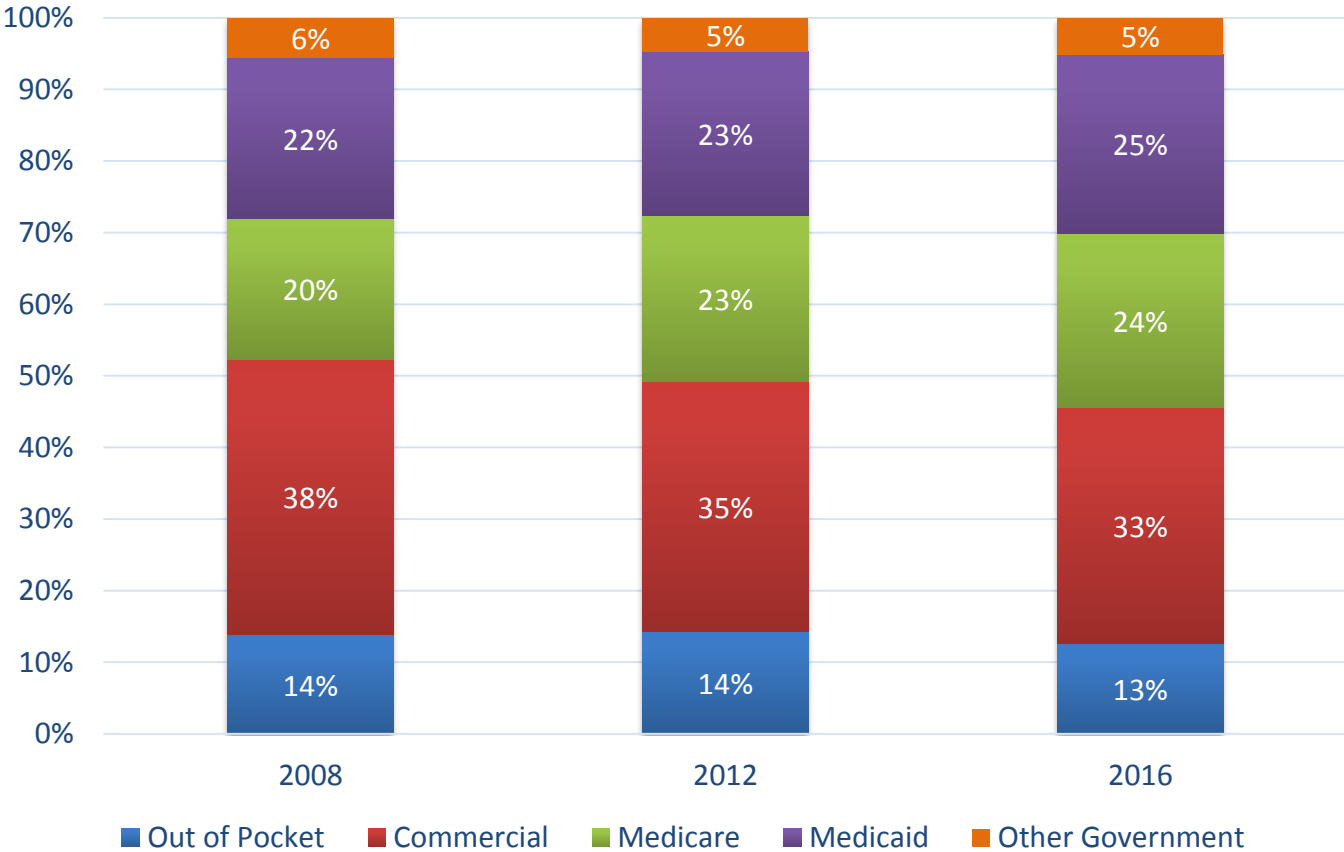


Providers reported revenues from payers.



Vermont Provider Analysis

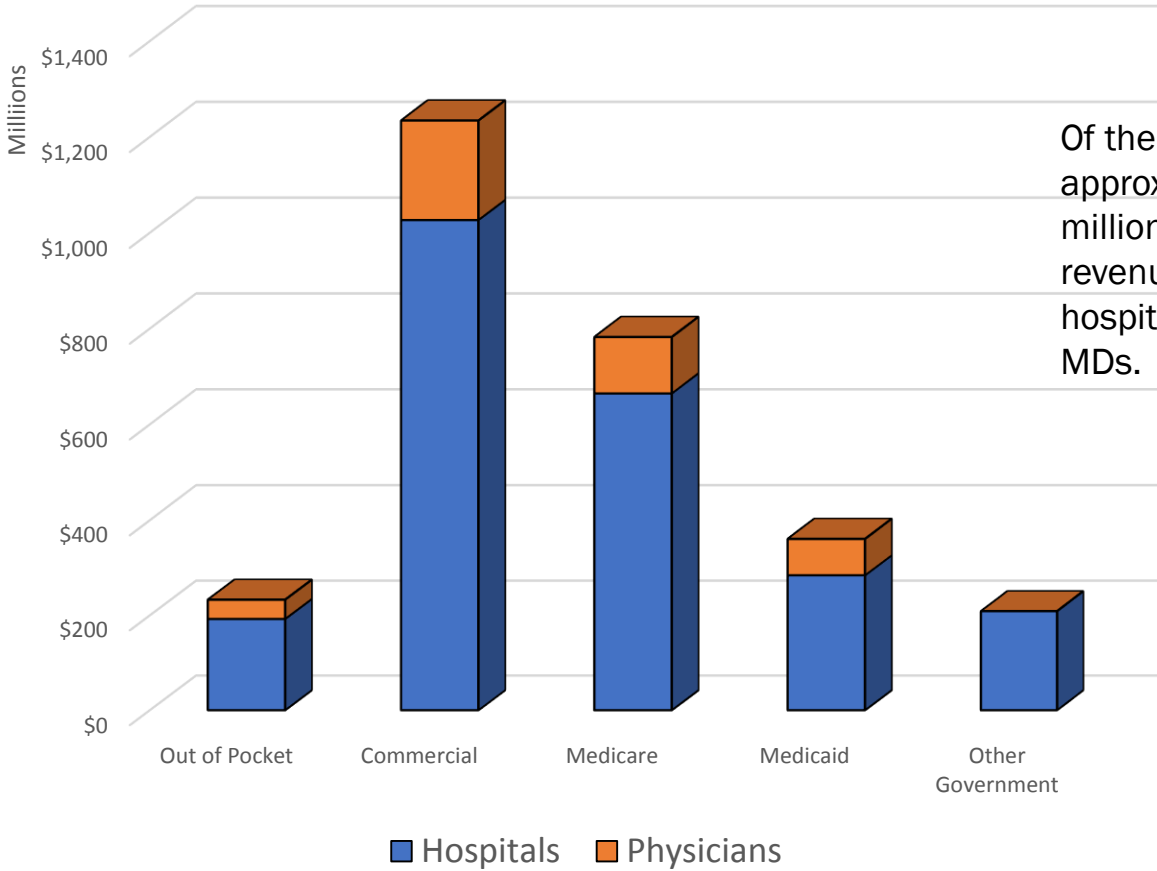
Payer Revenue Comparison



Providers reported revenues from payers.

2016 Vermont Provider Analysis

Hospital Revenues \$2.8 billion

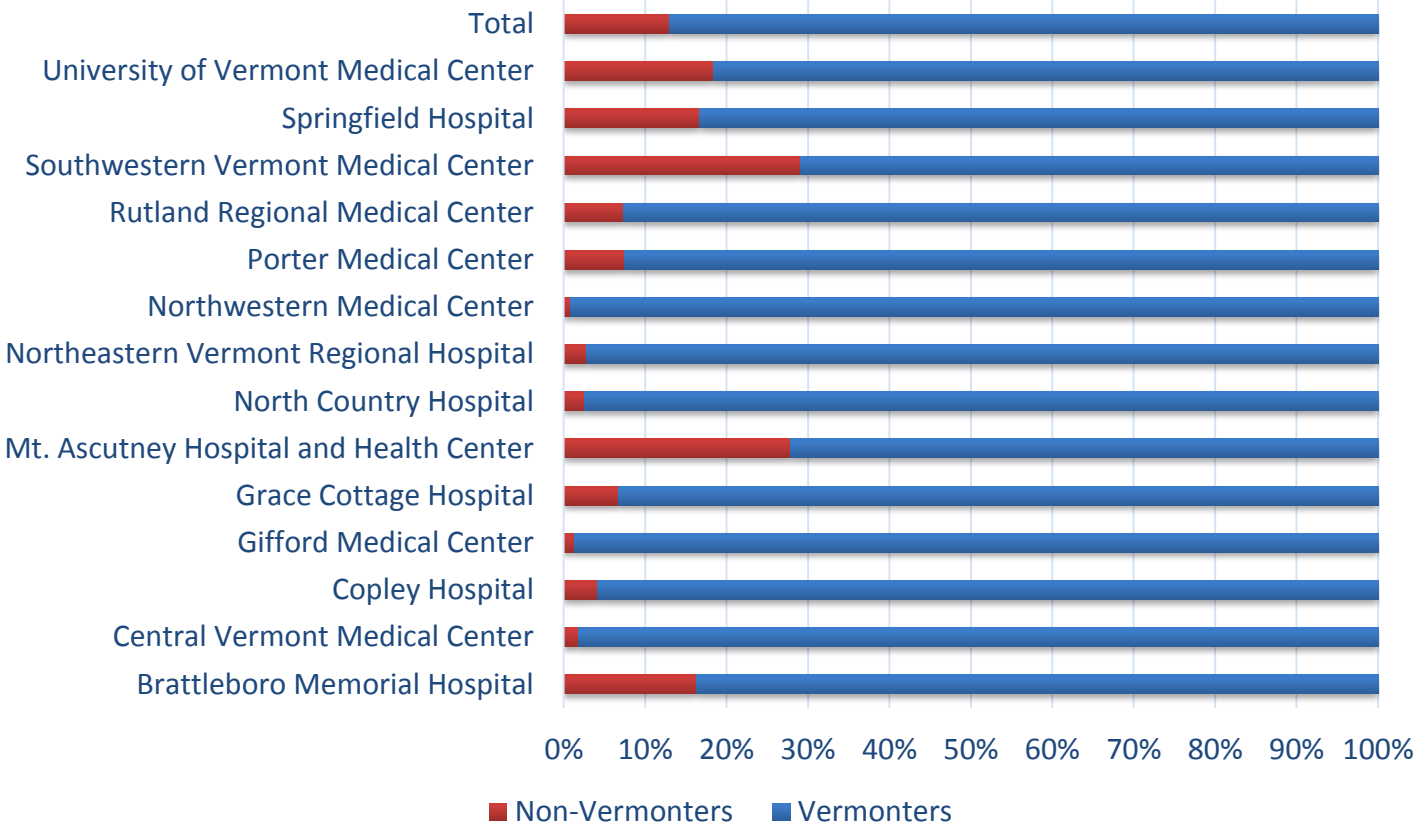


Of the total hospital revenues approximately 17% or \$442 million is reported as physician revenue. The community hospitals employed 1,036 FTE MDs.



2016 Vermont Provider Analysis

Hospital Inpatient Discharges In-Migration



Source-Vermont Uniform Hospital Discharge Data Set. Does not include newborns.
 Notes: All figures exclude discharges from the VA hospital and records with missing charges.
 VT residents use hospitals in other states, but reporting is currently unavailable.



Comparative Summary of 2016 Expenditure Analyses

All dollar amounts are reported in thousands

	Resident*	Provider**
Payers	(Reported by Payers)	(Reported by Providers)
Out of Pocket	\$754,383	\$760,623
Commercial	\$1,971,192	\$1,990,505
Medicare	\$1,338,248	\$1,471,091
Medicaid	\$1,660,950	\$1,509,207
Other Government - Federal	\$233,443	\$309,596
Total	\$5,958,217	\$6,041,021

Provider Services	(Reported by Payers)	(Reported by Providers)
Hospitals	\$2,187,657	\$2,819,259
Hospitals-Only	\$2,187,657	\$2,377,179
Hospital-Physicians	\$0	\$442,079
Physicians	\$783,516	\$422,335
Dentists	\$243,867	\$284,987
Other Professionals	\$197,888	\$318,660
Home Health Care	\$128,598	\$141,457
Drugs & Supplies	\$792,680	\$896,390
Vision & DME	\$123,511	\$88,348
Nursing Home	\$287,091	\$269,750
Other Unclassified	\$79,279	\$33,659
Admin and Net Cost Ins	\$367,953	n.a
Mental Health & Other Govt Activities	\$766,175	\$766,175
Total	\$5,958,217	\$6,041,021

Annual percent change 2015-2016 4.2% 3.2%

Note: n.a. means Not available
 Note: *In/Out migration-Resident includes out of state care by residents. **Provider includes out of state patients treated.



Appendix

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2016 EXPENDITURE ANALYSIS-RESIDENT

All dollar amounts are reported in thousands

PROVIDERS & FACILITIES	Percent of Total	Total	Out of Pocket	Commercial	Medicare	Medicaid	Other Government - Federal	Other Government - State & Local
Hospitals	36.7%	\$2,187,657	\$187,877	\$965,846	\$589,166	\$315,262	\$129,292	\$214
Community Hospital	34.2%	\$2,038,365	\$186,798	\$949,982	\$586,284	\$315,262	\$30	\$8
Inpatient	15.2%	\$907,766	\$79,586	\$321,551	\$332,999	\$173,630	(\$0)	\$0
Inpatient-Physician	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Outpatient-Physician	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Outpatient & ER	19.0%	\$1,130,599	\$107,212	\$628,431	\$253,285	\$141,632	\$31	\$8
Veterans Hosp	2.3%	\$136,422	\$0	\$7,010	\$0	\$0	\$129,262	\$149
Psych Hosp - State	0.0%	\$1,735	\$0	\$1,678	\$0	\$0	\$0	\$56
Psych Hosp - Private	0.2%	\$11,136	\$1,078	\$7,175	\$2,883	\$0	\$0	\$0
Physicians	13.2%	\$783,516	\$97,380	\$330,908	\$145,518	\$187,202	\$22,250	\$257
Office of Physicians	9.4%	\$561,309	\$67,605	\$205,596	\$117,073	\$148,528	\$22,250	\$257
Ambulatory Clinics	3.5%	\$207,185	\$29,226	\$123,648	\$25,574	\$28,737	\$0	\$0
CMHCs	0.0%	\$302	\$49	\$252	\$0	\$0	\$0	\$0
Other Ambulatory Clinics	3.5%	\$206,884	\$29,177	\$123,396	\$25,574	\$28,737	\$0	\$0
Labs	0.3%	\$15,022	\$550	\$1,664	\$2,872	\$9,936	\$0	\$0
Dentists	4.1%	\$243,867	\$137,456	\$76,960	\$0	\$29,278	\$0	\$173
Other Professionals (Licensed)	3.3%	\$197,888	\$32,823	\$90,191	\$33,695	\$41,078	\$102	\$0
Chiropractic	0.3%	\$17,192	\$4,495	\$8,984	\$2,366	\$1,347	\$0	\$0
Physical Therapy	0.7%	\$39,010	\$6,718	\$14,651	\$11,667	\$5,975	\$0	\$0
Podiatrist	0.1%	\$4,286	\$925	\$1,728	\$1,406	\$227	\$0	\$0
Psychological	1.2%	\$73,189	\$9,136	\$29,647	\$6,439	\$27,865	\$102	\$0
Optometrists	0.1%	\$6,537	\$1,031	\$3,198	\$0	\$2,309	\$0	\$0
Other (Professional)	1.0%	\$57,673	\$10,517	\$31,984	\$11,817	\$3,356	\$0	\$0
Home Health Care	2.2%	\$128,598	\$14,098	\$5,797	\$72,071	\$31,761	\$2,555	\$2,317
Drugs & Supplies	13.3%	\$792,680	\$130,628	\$269,339	\$305,367	\$90,821	(\$3,426)	(\$48)
Rx	13.2%	\$786,591	\$130,478	\$269,244	\$304,703	\$85,640	(\$3,426)	(\$48)
Other Supplies	0.1%	\$6,090	\$150	\$95	\$664	\$5,181	\$0	\$0
Vision & DME	2.1%	\$123,511	\$68,315	\$19,259	\$25,853	\$10,084	\$0	\$0
Nursing Home	4.8%	\$287,091	\$76,232	\$8,684	\$70,546	\$122,545	\$0	\$9,084
Other Unclassified	1.3%	\$79,279	\$9,575	\$18,129	\$23,753	\$11,875	\$0	\$15,948
Mental Health & Other Govt Activities	12.9%	\$766,175	\$0	\$0	\$0	\$711,450	\$22,003	\$32,722
Admin and Net Cost of Health Insurance	6.2%	\$367,953	\$0	\$186,079	\$72,279	\$109,595	\$0	\$0
Administration	7.5%	\$446,918	\$0	\$265,044	\$72,279	\$109,595	\$0	\$0
Change in Surplus	-1.3%	(\$78,965)	\$0	(\$78,965)	\$0	\$0	\$0	\$0
TOTAL VERMONT EXPENDITURES	100.0%	\$5,958,217	\$754,383	\$1,971,192	\$1,338,248	\$1,660,950	\$172,777	\$60,666
Percent of total expenditures		100.0%	12.7%	33.1%	22.5%	27.9%	2.9%	1.0%

Note: All physician spending including hospital physicians in the Resident Analysis are shown in the physician service category

Payer reported data

Allocations estimated from VT specific data

Amounts imputed from National Health Expenditures or other indirect sources



2016 EXPENDITURE ANALYSIS-RESIDENT

Commercial Insurance Detail

All dollar amounts are reported in thousands

PROVIDERS & FACILITIES	Percent of Total	Total	Self-Insured	BCBSVT	TVHP	MVP	Workers Comp	Other Private
Hospitals	49.0%	\$965,846	\$541,438	\$233,914	\$14,674	\$28,881	\$12,612	\$134,328
Community Hospital	48.2%	\$949,982	\$530,397	\$231,543	\$14,574	\$28,086	\$12,612	\$132,771
Inpatient	16.3%	\$321,551	\$170,028	\$81,682	\$5,236	\$9,450	\$6,071	\$49,084
Inpatient-Physician	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Outpatient-Physician	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Outpatient & ER	31.9%	\$628,431	\$360,368	\$149,861	\$9,338	\$18,636	\$6,541	\$83,687
Veterans Hosp	0.4%	\$7,010	\$5,745	\$797	\$60	\$0	\$0	\$409
Psych Hosp - State	0.1%	\$1,678	\$1,541	\$11	\$1	\$0	\$0	\$125
Psych Hosp - Private	0.4%	\$7,175	\$3,755	\$1,563	\$39	\$795	\$0	\$1,023
Physicians	16.8%	\$330,908	\$161,588	\$66,471	\$3,964	\$10,626	\$50,136	\$38,123
Office of Physicians	10.4%	\$205,596	\$94,531	\$31,751	\$1,618	\$10,626	\$46,789	\$20,281
Ambulatory Clinics	6.3%	\$123,648	\$66,340	\$34,632	\$2,338	\$0	\$2,542	\$17,796
CMHCs	0.0%	\$252	\$249	\$2	\$0	\$0	\$0	\$1
Other Ambulatory Clinics	6.3%	\$123,396	\$66,091	\$34,630	\$2,338	\$0	\$2,542	\$17,795
Labs	0.1%	\$1,664	\$717	\$88	\$8	\$0	\$805	\$46
Dentists	3.9%	\$76,960	\$43,919	\$271	\$18	\$51	\$333	\$32,368
Other Professionals (Licensed)	4.6%	\$90,191	\$48,454	\$22,078	\$1,486	\$983	\$5,170	\$12,019
Chiropractic	0.5%	\$8,984	\$5,231	\$1,773	\$98	\$38	\$852	\$992
Physical Therapy	0.7%	\$14,651	\$9,084	\$3,207	\$247	\$228	\$0	\$1,884
Podiatrist	0.1%	\$1,728	\$1,109	\$348	\$34	\$43	\$0	\$194
Psychological	1.5%	\$29,647	\$17,142	\$7,879	\$342	\$94	\$0	\$4,190
Optometrists	0.2%	\$3,198	\$2,146	\$621	\$115	\$0	\$0	\$317
Other (Professional)	1.6%	\$31,984	\$13,743	\$8,250	\$651	\$581	\$4,318	\$4,442
Home Health Care	0.3%	\$5,797	\$3,323	\$1,458	\$53	\$141	\$0	\$822
Drugs & Supplies	13.7%	\$269,339	\$143,587	\$68,295	\$2,894	\$9,154	\$4,562	\$40,847
Rx	13.7%	\$269,244	\$143,579	\$68,238	\$2,880	\$9,154	\$4,562	\$40,831
Other Supplies	0.0%	\$95	\$8	\$57	\$14	\$0	\$0	\$16
Vision & DME	1.0%	\$19,259	\$12,448	\$3,182	\$301	\$213	\$1,013	\$2,102
Nursing Home	0.4%	\$8,684	\$6,328	\$1,173	\$288	\$58	\$0	\$836
Other Unclassified	0.9%	\$18,129	\$16,638	\$10	\$2	\$1	\$0	\$1,477
Mental Health & Other Govt Activities	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Admin and Net Cost of Health Insurance	9.4%	\$186,079	\$62,303	\$22,589	\$5,309	\$4,901	\$46,794	\$44,183
Administration	13.4%	\$265,044	\$109,738	\$46,663	\$5,349	\$10,988	\$46,794	\$45,512
Change in Surplus	-4.0%	(\$78,965)	(\$47,435)	(\$24,074)	(\$41)	(\$6,087)	\$0	(\$1,329)
TOTAL VERMONT EXPENDITURES	100.0%	\$1,971,192	\$1,040,027	\$419,441	\$28,989	\$55,011	\$120,620	\$307,105
Percent of total expenditures		100.0%	52.8%	21.3%	1.5%	2.8%	6.1%	15.6%

Note: All physician spending including hospital physicians in the Resident Analysis are shown in the physician service category



	Payer reported data
	Allocations estimated from VT specific data
	Amounts imputed from National Health Expenditures or other indirect sources

Payer reported data
 Allocations estimated from VT specific data
 Amounts imputed from National Health Expenditures or other indirect sources

2016 EXPENDITURE ANALYSIS-PROVIDER

All dollar amounts are reported in thousands

PROVIDERS & FACILITIES	Percent of Total	Total	Out of Pocket	Commercial	Medicare	Medicaid	Other Government - Federal	Other Government - State & Local
Hospitals	46.7%	\$2,819,259	\$233,026	\$1,234,129	\$782,303	\$360,966	\$199,407	\$9,428
Community Hospital	41.7%	\$2,519,281	\$230,870	\$1,198,709	\$766,912	\$322,790	\$0	\$0
Inpatient	11.2%	\$675,380	\$52,370	\$272,688	\$265,076	\$85,246	\$0	\$0
Inpatient-Physician	2.4%	\$142,700	\$13,077	\$66,989	\$37,967	\$24,667	\$0	\$0
Outpatient-Physician	5.0%	\$299,380	\$27,436	\$140,541	\$79,653	\$51,750	\$0	\$0
Outpatient & ER	23.2%	\$1,401,821	\$137,987	\$718,492	\$384,216	\$161,126	\$0	\$0
Veterans Hosp	3.6%	\$215,453	\$4,202	\$12,237	\$0	\$0	\$198,865	\$149
Psych Hosp - State	0.3%	\$20,297	\$15	\$0	\$456	\$19,770	\$0	\$56
Psych Hosp - Private	1.1%	\$64,228	(\$2,061)	\$23,183	\$14,936	\$18,406	\$543	\$9,222
Physicians	7.0%	\$422,335	\$52,515	\$172,743	\$112,367	\$73,004	\$11,571	\$134
Office of Physicians	6.7%	\$402,711	\$50,422	\$165,421	\$107,955	\$67,271	\$11,509	\$133
Ambulatory Clinics	0.2%	\$14,206	\$1,812	\$5,857	\$3,810	\$2,727	\$0	\$0
CMHCs	0.0%	\$270	\$31	\$103	\$0	\$136	\$0	\$0
Other Ambulatory Clinics	0.2%	\$13,936	\$1,781	\$5,755	\$3,810	\$2,591	\$0	\$0
Labs	0.1%	\$5,418	\$281	\$1,465	\$602	\$3,006	\$62	\$1
Dentists	4.7%	\$284,987	\$160,634	\$89,937	\$0	\$34,215	\$0	\$202
Other Professionals (Licensed)	5.3%	\$318,660	\$56,339	\$155,867	\$54,100	\$52,282	\$72	\$0
Chiropractic	0.5%	\$31,772	\$8,308	\$16,602	\$4,373	\$2,490	\$0	\$0
Physical Therapy	0.8%	\$48,697	\$8,387	\$18,289	\$14,564	\$7,458	\$0	\$0
Podiatrist	0.1%	\$5,099	\$1,100	\$2,056	\$1,673	\$270	\$0	\$0
Psychological	0.9%	\$51,624	\$6,444	\$20,912	\$4,542	\$19,654	\$72	\$0
Optometrists	0.7%	\$40,178	\$6,335	\$19,654	\$0	\$14,189	\$0	\$0
Other (Professional)	2.3%	\$141,290	\$25,765	\$78,355	\$28,949	\$8,221	\$0	\$0
Home Health Care	2.3%	\$141,457	\$3,907	\$13,139	\$78,386	\$41,153	\$2,555	\$2,317
Drugs & Supplies	14.8%	\$896,390	\$147,719	\$304,577	\$345,320	\$102,703	(\$3,874)	(\$55)
Rx	13.1%	\$788,640	\$129,962	\$267,966	\$303,811	\$90,358	(\$3,409)	(\$48)
Other Supplies	1.8%	\$107,750	\$17,757	\$36,612	\$41,509	\$12,345	(\$466)	(\$7)
Vision & DME	1.5%	\$88,348	\$48,866	\$13,776	\$18,493	\$7,213	\$0	\$0
Nursing Home	4.5%	\$269,750	\$43,062	\$3,680	\$80,122	\$125,721	\$7,890	\$9,274
Other Unclassified	0.6%	\$33,659	\$14,555	\$2,656	\$0	\$500	\$0	\$15,948
Mental Health & Other Govt Activities	12.7%	\$766,175	\$0	\$0	\$0	\$711,450	\$22,003	\$32,722
Admin and Net Cost of Health Insurance	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Administration	N/A	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change in Surplus	N/A	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL VERMONT REVENUES	100.0%	\$6,041,021	\$760,623	\$1,990,505	\$1,471,091	\$1,509,207	\$239,625	\$69,970
Percent of total expenditures		100.0%	12.6%	32.9%	24.4%	25.0%	4.0%	1.2%

Note: All physician revenues including hospital physicians in the Resident Analysis are shown in the physician service category

	Provider reported data
	Allocations estimated from VT specific data
	Amounts imputed from National Health Expenditures or other indirect sources
	N/A Not Applicable



Methodologies, Technical Notes and Sources

National Health Expenditures (NHE) 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

Methodologies, Technical Notes and Sources

National Health Expenditures

Health Consumption Expenditures (HCE)

- represents spending for all medical care rendered during the year,
- includes the total amount spent to treat individuals with specific medical conditions,
- includes spending by governments to organize and deliver health services, and prevention and control health problems,
- and the administrative cost of running various government health care programs, and the difference between premiums earned by insurers and the claims or losses incurred for which insurers become liable.

National Health Expenditures (NHE)

- includes Health Consumption Expenditures and medical sector purchases of structures, equipment and for noncommercial medical research.

Please see the link below:

<https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/index.html>

Methodologies, Technical Notes and Sources

- † **NHE, Health Consumption Expenditures** website at <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsHistorical.html>
- † **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>
- † **US Dept. of Labor, Bureau of Labor Statistics** http://stats.bls.gov/oes/current/oes_nat.htm
- † **VT Dept. of Labor** <http://www.vtmi.info/occupation.cfm>

Methodologies, Technical Notes and Sources

- † **GSP** refers to the US Bureau of Economic Analysis-Gross State Product (GSP), or Gross Regional Product (GRP), and is a measurement of the economic output of a state. The sum of all value added by industries within the state and serves as a counterpart to the Gross Domestic Product (GDP).
<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 Household Health Insurance Survey** <http://hcr.vermont.gov/survey> aids in enrollment calculations and out-of-pocket calculations
- † **Vermont Healthcare Claims Uniform Reporting and Evaluation System (VHCURES)** payer data is used to supplement source data and is also used to test for reasonableness and trends to what the payers aggregately reported.
<http://gmcboard.vermont.gov/hit/vhcures>

Methodologies, Technical Notes and Sources

- † Commercial payers “Spend” is defined as earned premiums.
- † Medicare data are from The Dartmouth Institute for Health Policy & Clinical Practice (TDI). Because 2016 Medicare claims are not yet available, this report includes Medicare estimates based upon recent three-year annual average growth trends.
- † 2015 Expenditure Analysis was updated to include actual 2015 Medicare data and Out-of-Pocket adjusted accordingly.
- † The Out-of-Pocket (OOP) methodology is primarily Vermont data with allocations using Medicare claims expenditures from TDI reports and VHCURES. VT Household Health Insurance Survey and 2012 U.S. census data (latest available) and the NHE are still used to help estimate out-of-pocket costs for unique provider populations and services.

Methodologies, Technical Notes and Sources

- † **Enrollment** data used to provide a summary of Vermonters' health care coverage is collected from a variety of payer sources that include the Annual Statement Supplemental Report (ASSR), Vermont Health Care Uniform Reporting and Evaluation System (VHCURES), the Dartmouth Institute for Health Policy & Clinical Practice (TDI), Vermont Household Health Insurance Survey (VHHIS), the Department of Vermont Health Access (DVHA), the Vermont Department of Health (VDH).
- † **Timing differences:** this report includes data from both calendar years and from federal fiscal years (October 1, YYYY through September 30, YYYY) because organizations represented in this report base their data on different fiscal years. The data issue has been consistently recognized since the early 1990s when the report was first developed and since some data is an estimate, we have not attempted to adjust for these timing differences.
- † **Medicaid Mental Health & Other Government Activities** are reported equally on both Resident and Provider Analyses because when the Expenditure Analysis was first developed there was no method or ability to isolate resident versus provider expenditures for these services. These accounts are under review for better reporting.

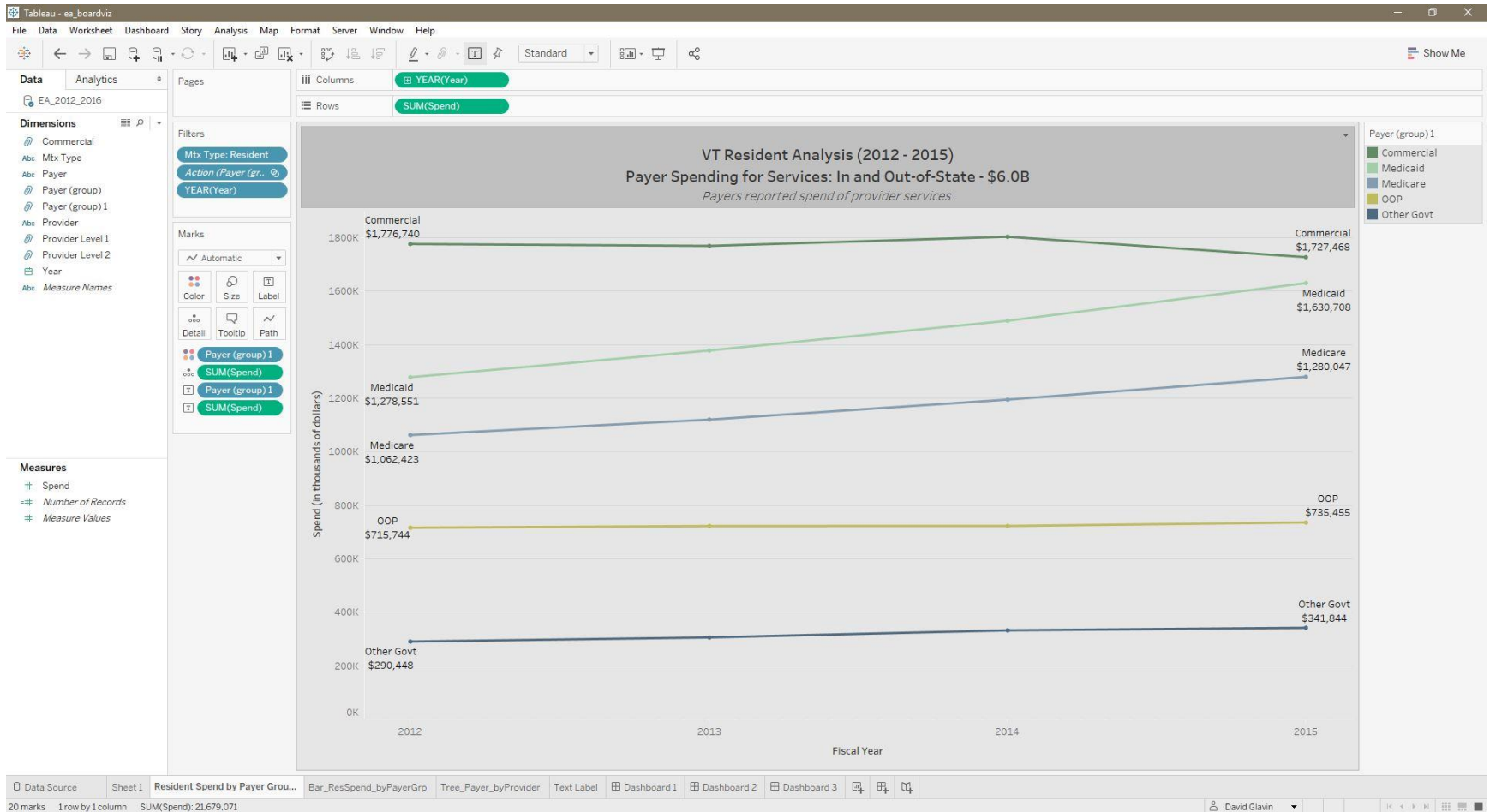
Methodologies, Technical Notes and Sources

- † **Physician** data reported in the Provider analysis has been changing methodologies to rely on Vermont specific data from VHCURES and less on the census and the NHE. While that data is less than 100% of Vermont's claims data and more reliable it will continue to be tested and adjusted for the in-migration of patients. The methodology and question of how to define "physician" data will continue to be explored and improved.
- † For a complete list of the sources and methods used in the Vermont Health Care Expenditure Analysis, please refer to the Expenditure Analysis Manual, which is available upon request.

Acknowledgements

The Green Mountain Care Board wants to thank the many individuals in government, commercial insurance, and the health care provider community for their valuable time and assistance that enabled us to produce this report. The Board also thanks its staff, the staff of the Agency of Human Services, and all others who provided their data and feedback. If you have questions about this report, please contact Lori Perry, Pat Jones, Kelly Theroux, Thomas Crompton, or Janeen Morrison at (802) 828-2177.

Tableau Workbench Environment



Static View of Interactive Dashboard

