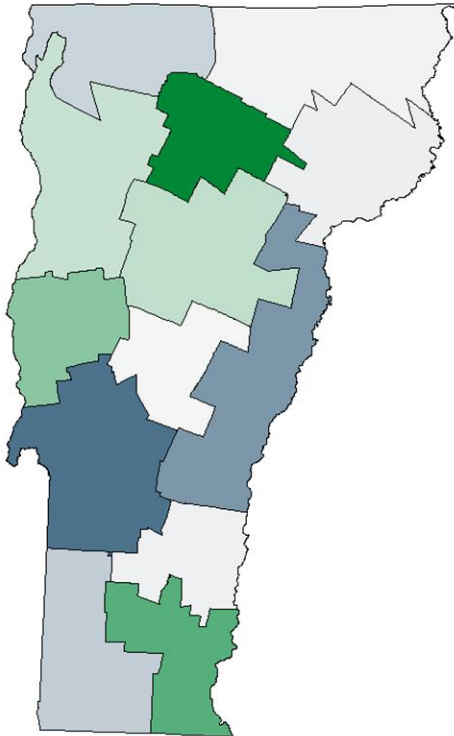


Vermont Hospital Budgets: Fiscal Year 2019 Guidance

Green Mountain Care Board Meeting
March 28, 2018

GMCB Hospital Budget Team



Agenda: 2019 Hospital Budget Guidance

- ❖ Describe activity to date

- ❖ Decide on NPR target for FY2019 Guidance
 - Rate
 - Revenue subject to NPR target
 - Allowance for health care reform investments

- ❖ Decide on whether to rebase FY2018 Budgets for hospitals with >2% variance between FY2017 Approved Budgets and Actuals, to use as a base for FY2019 calculations

Activity to Date

- ❖ Draft budget guidance released.
- ❖ Analysis of variance between Actuals and Budget led to discussion of potential rebasing.
- ❖ Considered idea of applying different NPR targets to fixed prospective payment revenue from ACO and fee-for-service revenue.
- ❖ NPR target discussed, including allowance for health care reform investments.

Regional Results for All-Payer Model Quality Measures: Appendix IV of Draft Guidance

1. Vermont All-Payer Model Quality Measures by Hospital Service Area

Table 1a: Blueprint Profiles – Blueprint-Attributed Vermont Residents (2016)

Measure	Statewide Rate (All-Payer Model Target)	Barre	Bennington	Brattleboro	Burlington	Middlebury	Morrisville	Newport	Randolph	Rutland	Springfield	St. Albans	St. Johnsbury	White River
Percentage of Medicaid adolescents with well-care visits	50%	49%	51%	41%	53%	52%	45%	56%	48%	44%	49%	47%	60%	49%
Initiation of alcohol and other drug dependence treatment	36%	40%	45%	43%	33%	39%	30%	25%	49%	37%	31%	36%	33%	41%
Engagement of alcohol and other drug dependence treatment	17%	15%	22%	20%	17%	17%	16%	11%	18%	19%	13%	20%	20%	20%
30-day follow-up after discharge for mental health	68% (60%)	73%	78%	75%	58%	58%	75%	68%	69%	74%	68%	67%	58%	70%
30-day follow-up after discharge for alcohol or other drug dependence	27% (40%)	38%			26%		26%			28%		38%		
Diabetes HbA1c poor control (part of Medicare composite measure)	10%	8%	9%	10%	9%		11%	10%			9%	11%	12%	
Controlling high blood pressure (part of Medicare composite measure)	67%	73%	64%	69%	64%	72%	63%	64%	70%	67%	67%	67%	75%	71%
Appropriate asthma medication management (75% compliance)	52%	50%	56%	49%	49%	48%	52%	50%	60%	58%	57%	51%	56%	48%

Regional Results for APM Quality Measures (cont'd)

1. Vermont All-Payer Model Quality Measures by Hospital Service Area (continued)

Table 1b: Behavioral Risk Factor Surveillance System Survey – Respondents to Survey of Random Sample of Vermont Residents (2016)

Measure	Statewide Rate (All-Payer Model Target)	Barre	Bennington	Brattleboro	Burlington	Middlebury	Morrisville	Newport	Randolph	Rutland	Springfield	St. Albans	St. Johnsbury	White River
Percentage of adults reporting that they have a usual primary care provider	88% (89%)	89%	93%	88%	90%	86%	90%	91%	93%	88%	87%	89%	86%	86%
Prevalence of chronic disease: COPD	6% (≤7%)	7%	8%	6%	4%	5%	6%	10%	4%	9%	7%	6%	6%	7%
Prevalence of chronic disease: Hypertension	25% (≤26%)	28%	27%	25%	24%	26%	27%	27%	27%	28%	31%	28%	27%	28%
Prevalence of chronic disease: Diabetes	8% (≤9%)	8%	9%	8%	6%	10%	7%	13%	9%	10%	11%	10%	9%	11%

2. Vermont All-Payer Model Quality Measures by County

Table 2a: Blueprint for Health Hub and Spoke Profiles - All Vermont Residents Utilizing Services (2016)

Measure	Statewide (Rate/10,000) (All-Payer Model Target)	Addison	Bennington	Caledonia	Chittenden	Essex	Franklin	Grand Isle	Lamoille	Orange	Orleans	Rutland	Washington	Windham	Windsor
# per 10,000 population ages 18-64 receiving Medication Assisted Treatment for opioid dependence	6,110 (155.4) 150	183 (77.1)	362 (170.5)	291 (157.6)	1,387 (126.6)	41 (115.8)	635 (207.8)	58 (135.2)	256 (160.3)	224 (125.2)	337 (212.8)	732 (202.1)	596 (163.3)	422 (160.9)	584 (176.8)

Table 2b: Vermont Department of Health Vital Statistics Data - Vermont deaths by county of residence (2017 – released 3/16/18)

Measure	Statewide (Rate/10,000) (All-Payer Model Target)	Addison	Bennington	Caledonia	Chittenden	Essex	Franklin	Grand Isle	Lamoille	Orange	Orleans	Rutland	Washington	Windham	Windsor
Deaths related to drug overdose	122 (2.2) (115)	1 (0.3)	4 (1.2)	8 (3.0)	34 (2.4)	0 (0.0)	12 (2.9)	1 (1.7)	3 (1.4)	7 (2.8)	2 (0.8)	11 (2.1)	12 (2.3)	17 (4.4)	10 (2.0)

Updated Decision Points & Recommendations

What should NPR target be?

- Recommendation: Apply single NPR target of 2.8% to all revenue, with additional allowance of up to 0.4% for health care reform investments.

Rebase hospitals with >2% variance between FY2017 Approved Budgets & Actuals?

- Recommendation: Rebase University of Vermont Medical Center and Porter Medical Center for FY2019 Budget calculations, using FY2017 Actuals as the base and applying the systemwide FY2018 target of 3.0% plus up to 0.4% for health care reform investments.
- Recommendation: Hospitals with a variance of 2.0% or less between FY 2017 Approved Budgets and Actuals should not be rebased.
- For Discussion: The GMCB expects that, during their FY2019 budget submissions and presentations, the other four hospitals with a variance of >2.0% between FY2017 Approved Budgets and Actuals will provide justification for basing their proposed budgets on FY2018 Projected Revenues or, alternatively, propose rebased budgets.

Considerations for FY19 Budgets for Hospitals with >2% Variance Between FY17 Budgets and Actuals

- ❖ In their FY2019 budget submissions and presentations, all hospitals with a >2% variance between FY2017 Approved Budgets and FY2017 Actuals* should:
 - ❑ Indicate the degree to which FY2018 Actuals are trending to their Approved or rebased FY2018 Budgets
 - ❑ Provide justification for basing their proposed FY2019 budgets on FY2018 Approved Budgets or, alternatively, propose rebased budgets.
 - ❑ If their FY2018 Approved Budgets and Projected Actuals continue to show a variance of >2.0% as the year progresses, anticipate discussion with the GMCB on mechanisms to address the variance.

- ❖ If a hospital stands by its FY2018 Budget when the FY2019 Budget is approved, and its FY2018 Actuals vary by at least 2% from its FY2018 Approved Budget, its FY2019 Budget may be formally revised.

* Gifford Medical Center, Grace Cottage Hospital, North Country Hospital, Porter Medical Center, Springfield Hospital, and University of Vermont Medical Center.

Discussion