

# **ACT 167 (2022) COMMUNITY ENGAGEMENT TO SUPPORT HOSPITAL TRANSFORMATION: SUMMARY OF STATE-LEVEL RECOMMENDATIONS**

19 June 2024

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# OLIVER WYMAN EXPERTISE



## **BRUCE H. HAMORY, MD FACP**

*Partner & Chief Medical Officer,  
Healthcare & Life Sciences*

- Helps providers, health systems and countries to redesign their delivery systems to improve value by improving quality and reducing costs
- Has worked with many groups to improve their operations, design appropriate physician compensation and institute new systems of care and management to improve performance
- Prior to joining Oliver Wyman, he was Executive Vice President, System Chief Medical Officer at Geisinger, and was previously Executive Director of Penn States' Hershey Medical Center and COO for the campus
- Has over 50 years of experience in health care practice, teaching, leadership, and redesign of systems for improvement



## **ELIZABETH SOUTHERLAN**

*Managing Director,  
Healthcare & Life Sciences*

- Has more than 15 years of experience partnering with healthcare provider systems to identify and deliver value from expansion opportunities
- Provides strategic guidance to healthcare leaders in a range of areas: corporate and operational strategy, organizational strategic design, health equity strategy and operationalization, product and service line design and launch, M&A strategy and execution, strategic transformation, contracting and renegotiation strategy, and operational performance improvement
- Earned a bachelor's degree in industrial engineering from The Pennsylvania State University and a master's degree in systems engineering and management from the Massachusetts Institute of Technology



## **DAN SHELLENBARGER**

*Partner,  
Healthcare & Life Sciences*



## **IRENE WEI**

*Engagement Manager,  
Healthcare & Life Sciences*



## **DANIELLE ETZEL**

*Senior Consultant,  
Healthcare & Life Sciences*

# PROJECT CONTEXT

## Act 167 objectives

Section 2 of [Act 167](#) (2022) requires that the GMCB, in collaboration with the Director of Health Care Reform in the Agency of Human Services, “develop and conduct a data-informed, patient-focused, community-inclusive engagement process for Vermont’s hospitals to:

- **Reduce inefficiencies**
- **Lower costs**
- **Improve population health outcomes**
- **Reduce health inequities**
- **Increase access to essential services**

All while maintaining sufficient capacity for emergency management

## Oliver Wyman’s work

**Broad community and provider engagement in and across all Hospital Service Areas (HSAs) in Vermont.**

- a data-informed, patient-focused, community-inclusive engagement relative to the second stream of work for Act 167

**Goals:** engage diverse stakeholders and ascertain their interactions with the health system and perceived needs to overcome any barriers to equitable access and outcomes

**Current plan:** conduct interviews and working sessions in 2 phases and codify qualitative and quantitative inputs to inform a recommendation.

- Phase 1 - August through mid-November 2023
- Phase 2 - March through Sep 2024
- Timing of the phases are subject to change by mutual agreement

# SCOPE, GOALS, AND APPROACH: IMPROVING THE VERMONT HEALTHCARE DELIVERY SYSTEM REQUIRES INPUT FROM ACROSS THE COMMUNITY IT SERVES

Act 167 (of 2022) requires GMCB, in collaboration with the Agency of Human Services, to develop and conduct a data-informed, patient-focused, community-inclusive engagement process for Vermont's hospitals to **reduce inefficiencies, lower costs, improve population health outcomes, reduce health inequities, and increase access to essential services**

GMCB tasked Oliver Wyman with engaging diverse healthcare stakeholders to ascertain **their 1) interactions with the health system and 2) perceived needs** to improve equitable healthcare access and outcomes

## Community and provider engagement process

**Aug-Sept 2023**

**Step 1. Finalize engagement plan and interview scheduling**

- Identify and schedule interviews with key stakeholders in the following groups:
- Hospital leaders
  - Provider organizations
  - Community leaders and members
  - Diverse populations
  - State of Vermont partners and Legislators
  - Health related organizations

**Sept-Nov 2023**

**Step 2. Develop current state understanding through 1<sup>st</sup> round of interviews**

- Obtain community perspective on:
- Hospital Service Area (HSA) characteristics
  - Hospital & healthcare delivery system performance
  - Community needs
  - Desired health system future state

**March – July 2024** ★ *We are here*

**Step 3. Develop solution options and vet with community through 2<sup>nd</sup> round of interviews**

- Develop solutions to address current needs and reach the desired future state while considering Act 167 goals
  - *In conjunction with analytics contractor*
- Obtain stakeholder perspective on the impact of recommendations on hospital performance and healthcare delivery

**Aug – Sep 2024**







**Step 4. Develop and deliver final report to GMCB**

- Document and socialize confirmed current state understanding, designed future state, and recommended steps to achieve future state (including pros and cons)
- Obtain stakeholder alignment on recommendations



# THE SIMPLE CONCLUSION IS TO ALLEVIATE SYMPTOMS BY INCREASING FUNDING AND HEALTHCARE PROVISION, BUT IT WOULD NOT BE AFFORDABLE NOR EFFICIENT TO DO SO

Solving for symptoms of healthcare pain points:

 Difficult to get PCP appointments	 Long wait in the ER	 Long ambulance wait
 Long wait to get elective procedures	 Difficult to travel to care site	 Diverse populations and health equity

...



**Easy solution**  
More funding to get more providers to meet access needs



**But this requires:**

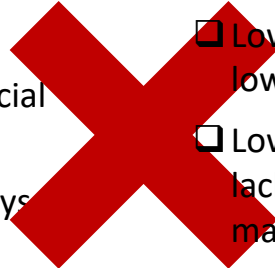
- Higher taxation
- Higher commercial insurance
- Increased co-pays deductible

...

**And implies:**

- Lower efficiency due to lower population density
- Lower care quality due to lack of sufficient volume to main physician expertise

...



Because...



Vermont OOP max, deductibles, and Commercial premiums are already high and Vermonter cannot afford to see annual double digit growth in insurance payments. Higher taxation is also not a viable solution as they will likely drive residents and businesses out of state



Shrinking population (and proportionally fewer younger people entering the medical profession). System-wide supply of medical professionals is unlikely to increase, so increasing demand will just increase price



Rural nature of Vermont and shrinking population means that, in many parts of the state, the population size and density do not support a hospital with full-time full-spectrum of specialties being sustained

# STRATEGIC IMPERATIVES IN REDESIGNING VERMONT'S HEALTH CARE SYSTEM

## Strategic imperatives

in redesigning Vermont's healthcare system

1

Accept the new reality and adapt

2

Change what we can

3

Improve access and equity

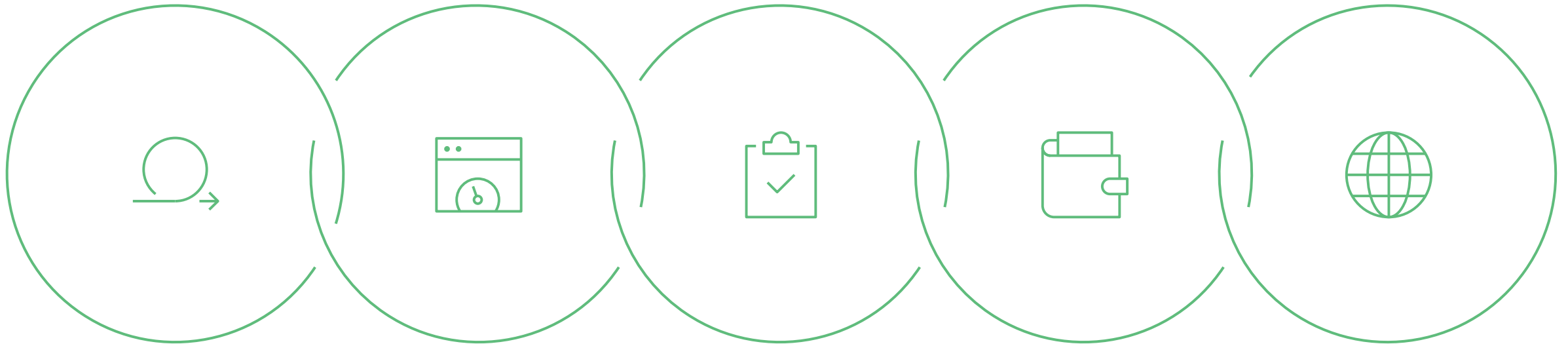
4

Ensure financial sustainability to Vermonters, the state and providers

5

Act fast before it's too late and sustain consistent efforts over time

# WE NEED A DIFFERENT SOLUTION THAT FULFILLS HEALTHCARE NEEDS, BUT SLIGHTLY DIFFERENTLY FROM HOW HEALTHCARE PROVISION LOOKS TODAY



**Fully embedded use of updated and modern information technology**

**Increased use of community-based, mobile and alternative sites of care**

**Modernized and reformed EMS**

**More regional referral to specialized centers**

**Complete development of population health with linked payment**

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**The future healthcare in Vermont will focus on early identification and treatment of illness and patient being able to obtain care at the most appropriate level**

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# SUMMARY OF HIGH-LEVEL STATE-WIDE RECOMMENDATIONS

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## Improve transportation

- For community members to and from acute and urgent appointments and from the ED
  - For patients with appropriate means of transport between facilities (EMS and other types of transportation)
- 



## Build housing

- For the unhoused and under-housed
  - For special group needs
  - For people recruited to work in Vermont
- 



## Enlarge workforce and improve utilization



## Administrative simplification

- Align AHS agencies with HSA boundaries and meet regularly with hospitals and providers
  - Fully computerize and integrate AHS services
- 



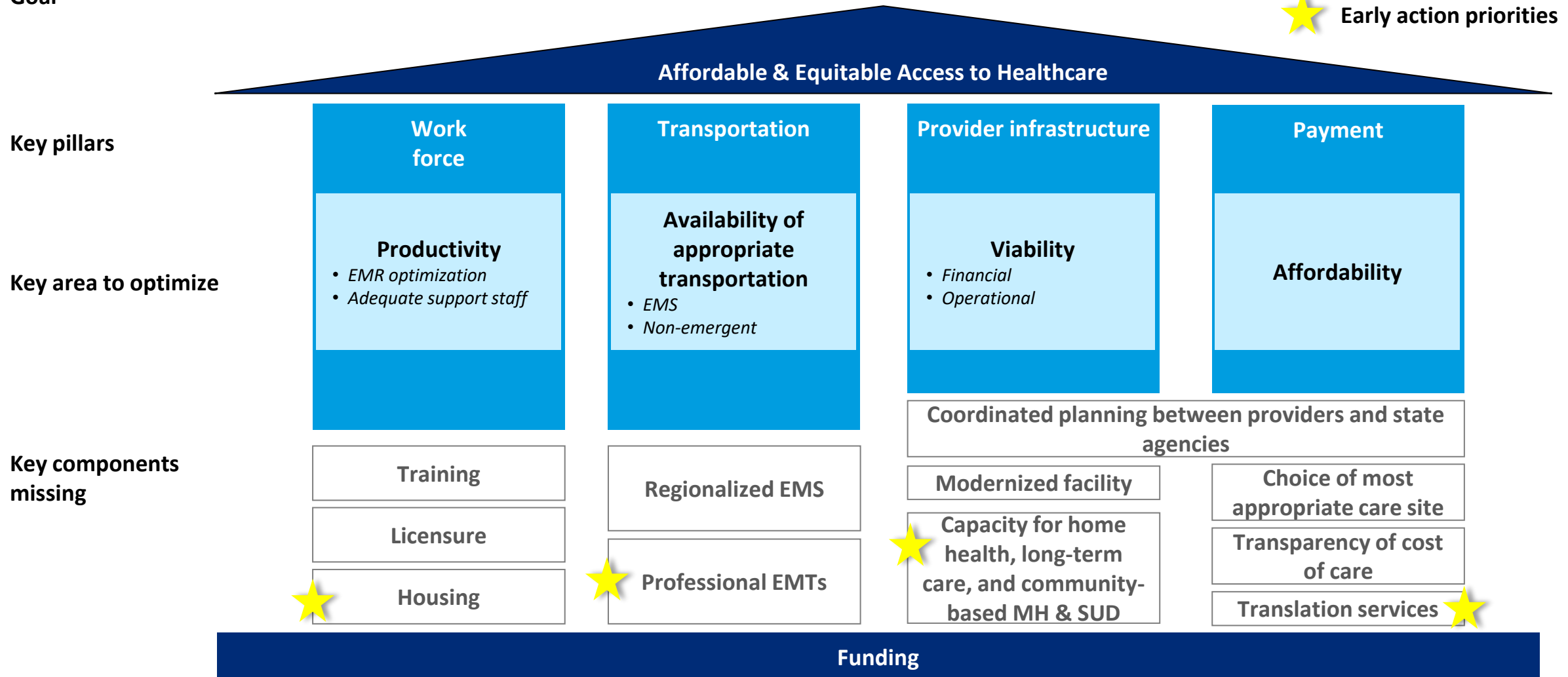
## Improve access to appropriate levels of care in each community

- Reconfigure provider resources to better meet community need and achieve financial stability
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# HOUSING, PROFESSIONAL EMT, CAPACITY FOR SOCIAL CARE, AND TRANSLATION SERVICES NEED KEY EARLY ACTION FOCUS TO ENSURE A SOLID FOUNDATION FOR OTHER INITIATIVES

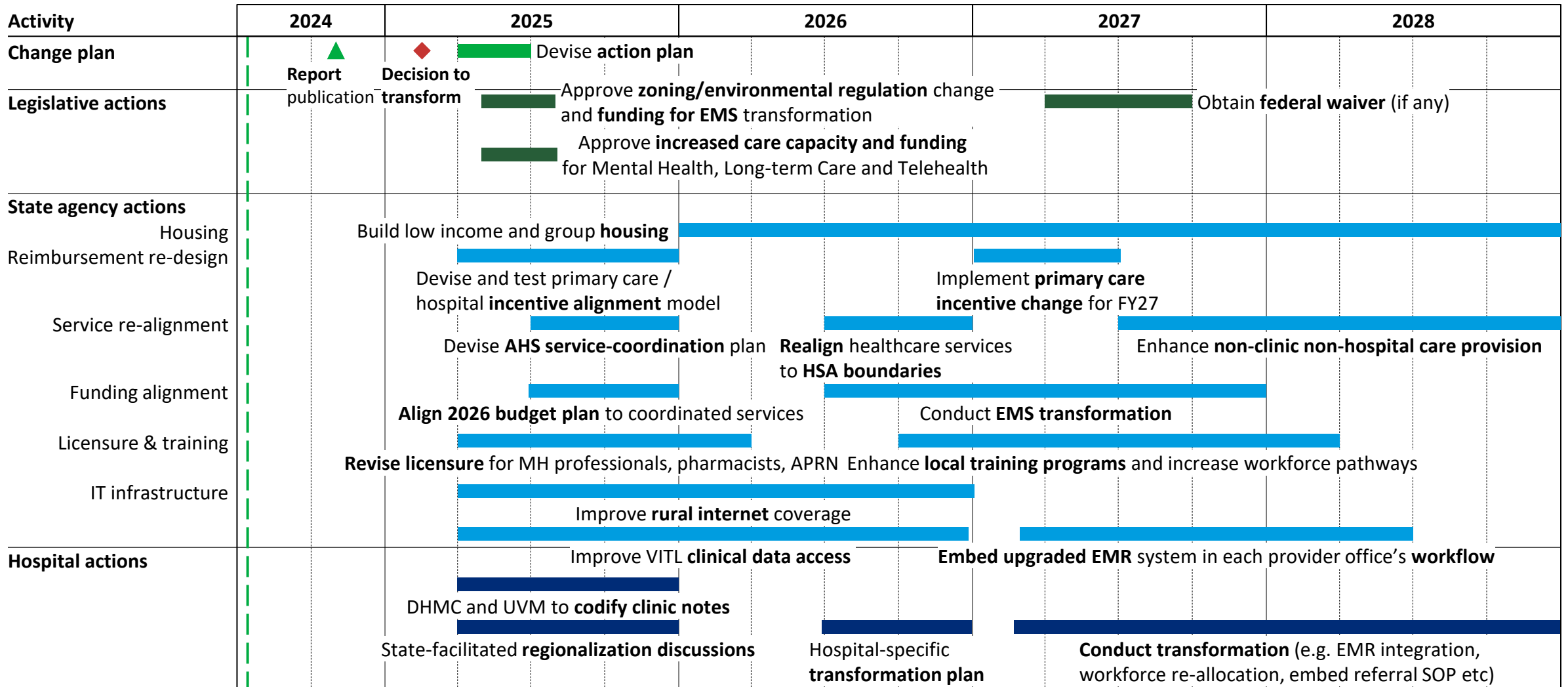
Goal

 Early action priorities



# THE RUNWAY TO CHANGE WILL TAKE AT LEAST 4-5 YEARS TO COMPLETE

Illustrative action timeline, assuming positive decision to change according to current recommendation



▲ We are here

# MANY INITIATIVES ARE UNDERWAY TO TACKLE THE SYSTEM-WIDE CHALLENGES

Select initiatives only, non-exhaustive



## Medical data infrastructure improvement

- ✓ Improved master patient index
- ✓ 5-year strategic plan
- ❑ 'Unified data space' data aggregator
- ❑ Provider single sign-on
- ❑ Co-develop use case with providers
- ❑ Provider 'self-help' data analysis tool
- ❑ Collaborate with payers to obtain pharmacy data
- ❑ Modernize integrating enrolment eligibility (*legislative effort, 5-year runway*)



## Licensure streamlining

- ✓ Joined social work compact (effective upon passing)
- ✓ Joined counselling and PSYPACT (effective 1 July upon approval)
- ✓ Allowed bachelor-level mental health professionals to obtain license in VT
- ✓ In 2020, approved short-term prescription extension by pharmacist (until consultation, up to 5 days, one time only)
- ❑ Act 117 to review MH licensure in VT to streamline and further remove barriers to licensure (study due Dec'24)



## Mental health / substance use support

- ✓ Mobile crisis response (since Jan'24, [link](#))
- ✓ New psychiatric residential treatment facilities ([youth](#), [forensic](#))
- ✓ Centralized dispatch from 988
- ✓ 6 new delivery system projects, funded by \$100k by OneCare ([link](#))
- ✓ \$1 million, one-year CCBH Planning Grant (extended to March'25) ([link](#))
- ✓ DMH Vision 2030 on MH integration across the healthcare setting ([link](#))
- ❑ DMH global referral checklist
- ❑ Seek alternative to hospital-based administration of court ordered medication



## Elderly care support

- ✓ Age Strong Vermont Plan ([link](#))
- ✓ SNF bed board (from March'24)
- ✓ 3 Adult Services Division complex care nurses to help with care coordination
- ✓ Nursing facility retrospective rate adjustments
- ✓ Rate review for residential care, assisted living, home health, and adult day ([link](#))
- ✓ Root cause analysis for hospital case managers to address complex discharges
- ❑ Further expedite new application process for long-term care Medicaid eligibility process
- ❑ Reduce minimum occupancy threshold on nursing homes ([link](#))
- ❑ Seek to bring iCare to Vermont

Key: ✓ Completed   ❑ Ongoing

# HOWEVER, DEEPER STRUCTURAL CHANGES NEED TO BE ACTIONED NOW TO AVOID DEVASTATING FINANCIAL DIPS

## DEEPER STRUCTURAL REFORM

Momentum of current efforts needs to be scaled up to deliver structural reforms in addition to patch solutions

## SUPPORT LOCAL CHANGE

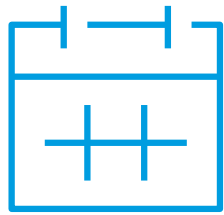
Local health organizations will need support in transitioning to new operational models

# EXPEDITED ACTION

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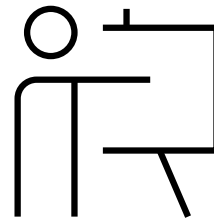
Vermont must act now with **urgency to complete structural changes in the next 5 years**. Hospital systems and the state will see deep financial deficits if no structural reform is achieved by then

# NEXT STEP: GMCB BOARD MEETING ON HEALTH SYSTEM RECOMMENDATIONS AND COMMUNITY MEETINGS IN JULY



**GMCB Board meeting on  
health system  
recommendations**

**Monday, 8 July 2024  
10:00am – 12:00pm**



**14 in-person community  
meetings**

**9 July 2024 – 1 Aug 2024  
See GMCB website for details<sup>1</sup>**



**Virtual community  
meeting (state-wide)**

**5 Aug 2024  
6:00pm - 7:30pm<sup>1</sup>**

1. <https://gmcboard.vermont.gov/Act-167-Community-Meetings>