



# VERMONT HEALTH CARE COMMUNITY MEETING (VIRTUAL)

## ACT 167 (2022) COMMUNITY ENGAGEMENT TO SUPPORT HOSPITAL TRANSFORMATION

Aug 5<sup>th</sup>, 2024

A business of Marsh McLennan

Please navigate to the community meeting landing page on the GRCB website for closed captioning for this meeting



# WHO IS HERE TODAY



## Vermonters with whom we have worked:

- Community members
- Hospitals
- Provider networks
- State agencies
- Legislators
- Community-based organizations
- Community-based advocates

# ACT 167 : A UNIQUE APPROACH TO ADDRESS HEALTH SYSTEM INEQUITY, COST AND ACCESS

## SYSTEM VIEW RE-DESIGN

VS.

Point solutions / hospital-  
centric

## PRE-PLANNED TRANSFORMATION

VS.

Post-crisis remedy

## COMMUNITY-DRIVEN BY DESIGN

VS.

Stakeholder-driven

# PROJECT CONTEXT

## Act 167 objectives

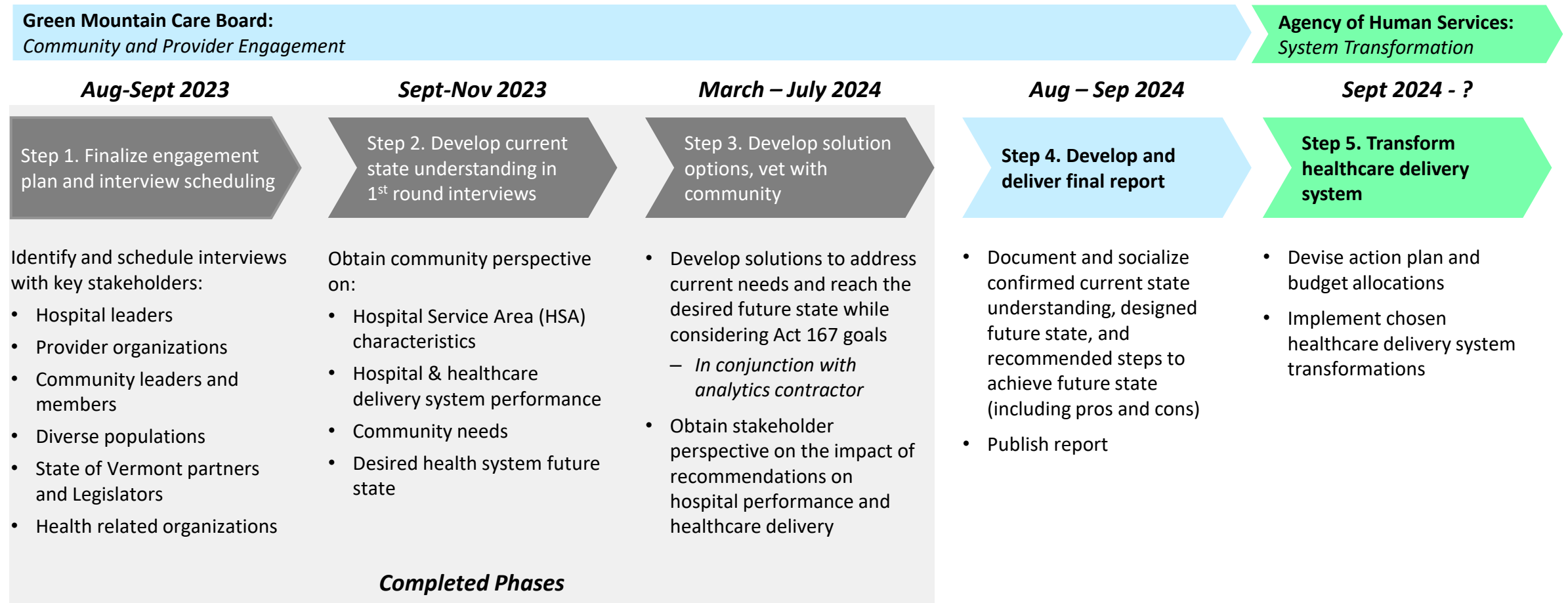
Section 2 of [Act 167](#) (2022) requires that the Green Mountain Care Board (GMCB), in collaboration with the Director of Health Care Reform in the Agency of Human Services, develop and conduct a data-informed, patient-focused, community-inclusive engagement process for Vermont's hospitals to:

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

All while maintaining sufficient capacity for emergency management

# SCOPE 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**



# WE WORKED WITH STATE AGENCIES, HOSPITALS, COMMUNITY PROVIDERS AND PATIENTS TO BETTER UNDERSTAND CURRENT AND FUTURE NEEDS OF VT'S HEALTHCARE SYSTEM

<b>2800+</b> PARTICIPANTS	Across all stakeholder types and meetings <sup>1</sup>	<b>Meeting Type</b>	<b># of Meetings</b>	<b>Estimated # of Attendees<sup>1</sup></b>
<b>~62</b> PARTICIPANTS	On average per Ph2 community meeting, including state-wide meetings	Stakeholder meetings on engagement plan	16	91 <sup>2</sup>
<b>100+</b> ORGANIZATIONS	Contacted	Hospital Leadership and Boards	74	235
<b>120+</b> PUBLIC COMMENTS	Received	Diverse Populations	13	96
<b>14</b> HOSPITALS	Visited in person	State Partners	38	72
		Community Leaders	12	77
		Community Meetings ( <i>public HSA level</i> )	31	1739
		Provider Meetings ( <i>public HSA level</i> )	14	460
		Provider interviews and sessions	21	136

1. The number of attendees provided is an estimate based on all available attendance reports; Figure totals all meetings attendees per meeting excluding meetings vetting the engagement plan and excludes GMCB and core team members.

2. The 91 participants are excluded from the total as they are accounted for in the other meeting types

# WHY ARE WE HERE TODAY?

1. To explain the problems facing the healthcare community
2. To share options and potential transformation efforts to maintain and enhance appropriate health services in the community
3. To encourage your community and hospital to participate in efforts to transform healthcare in Vermont

# ALL VERMONT COMMUNITIES ARE FACING SIGNIFICANT CHALLENGES TO HEALTHCARE ACCESS, EQUITY, AND AFFORDABILITY

## Access and equity challenges



Difficulty in getting primary care appointments



Long waits in the ER



Long ambulance waits



Long/difficult travel/transportation to care sites



Long waits to get elective procedures



Inequity in access and treatment experience (e.g. rural, language, gender identity etc.)

## Affordability challenges



~60-80% increase in individual, small group plan premiums in the past 6 years<sup>1,3</sup>



>100% increase in out of pocket max in the past 5 years<sup>2</sup>



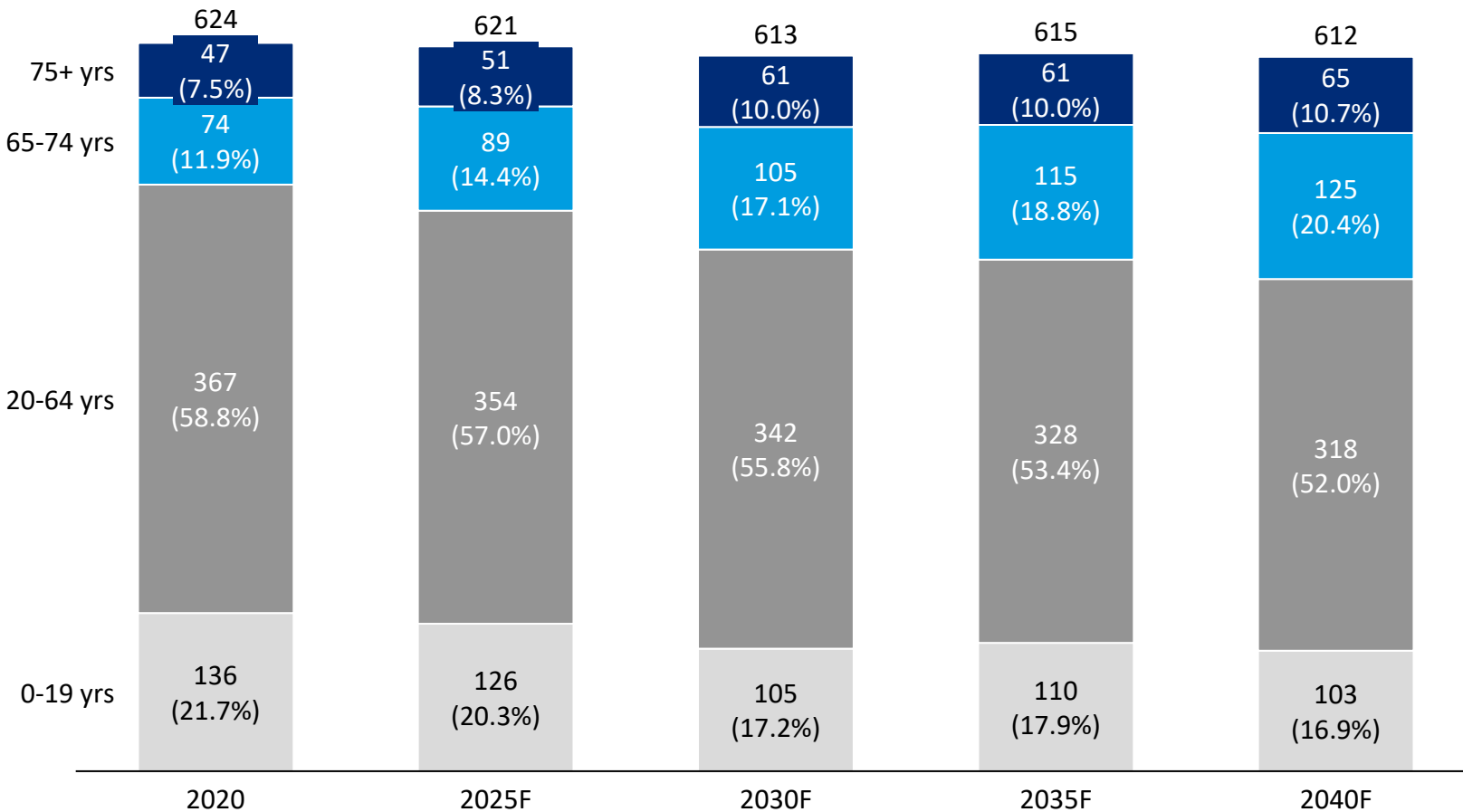
High costs of healthcare and housing without income increases

Source: 1. GVCB Vermont Hospital Budget Deliberations ([link](#), [link](#), [link](#)) 2. KFF analysis of data from Healthcare.gov, state rate review websites, state plan finder tools and CMS analysis of rate changes in the benchmark silver plan, October 2023 ([link](#)),3. GVCB analysis Note: 4. Premiums are monthly. Premiums were analyzed using the lowest-cost premium for each metal tier (bronze, silver, and gold) and the second-lowest-cost silver (benchmark) premium for a 40-year-old in each county and weighted by county plan selections. In some state-based marketplaces, the premium data for some years are at the rating area level and are mapped to counties before weighting by county plan selections.



# AS VERMONT AGES, COMMUNITY HEALTH NEEDS BECOME COMPLEX AND DIFFERENT SERVICES WILL BE NEEDED

Projected Vermont population break-down<sup>1</sup>  
2020-2040F, in thousands



Population is aging and shrinking with **65+ year olds increasing by 57%**, reducing working force and increasing Medicare eligible patients



**Working age population will decline by 13%**, making it impossible to sustain healthcare payments with commercial premiums



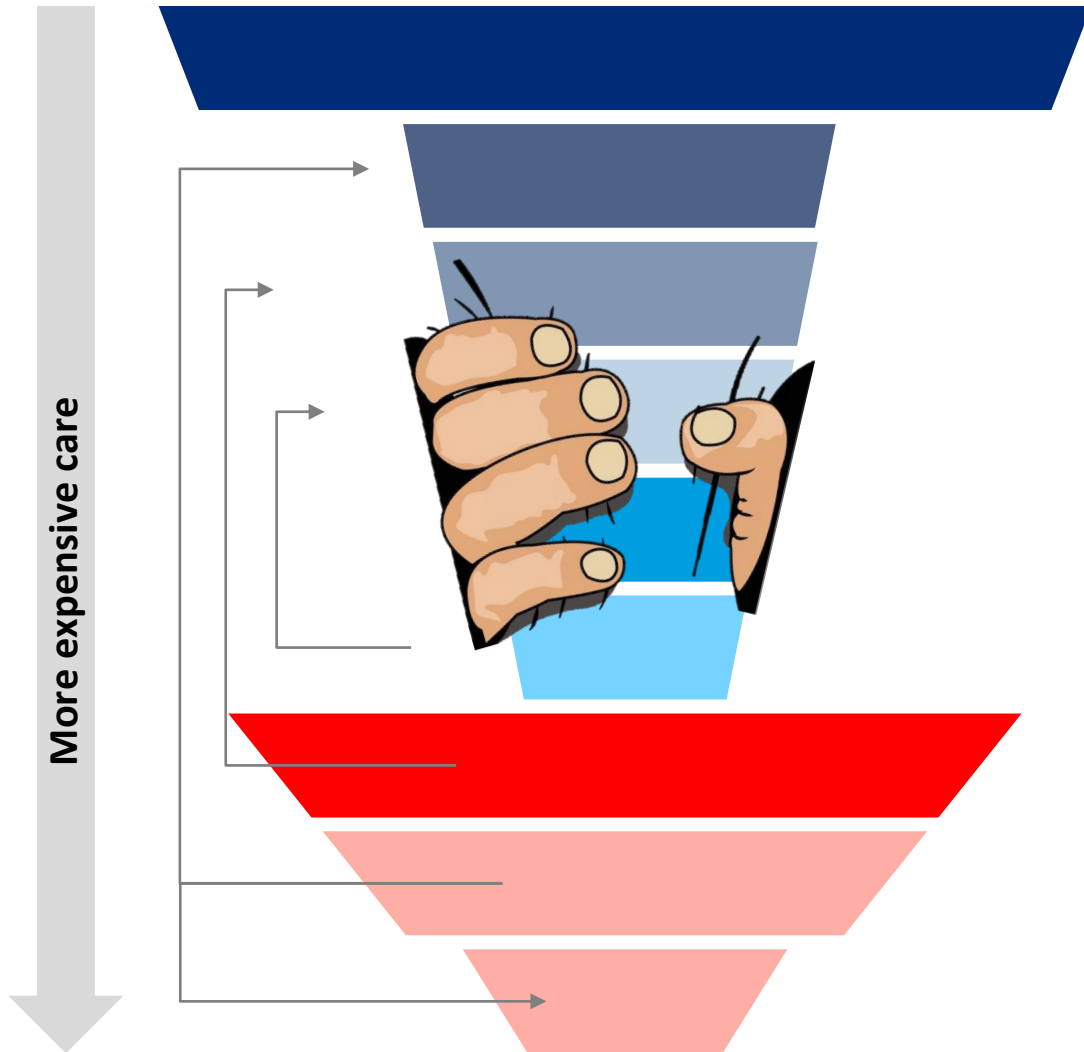
Cancer, heart disease, and stroke-related hospitalizations will increase as population ages



There will be increased demand for long term care, memory care, and assisted living facilities as well as physician visits

Sources: MPR VT Population by HSA, Oliver Wyman analysis  
© Oliver Wyman

# IF CARE IN THE LESS EXPENSIVE PRIMARY CARE SETTING IS UNAVAILABLE, PATIENTS ARE FORCED TO GET CARE IN MORE EXPENSIVE EMERGENCY DEPARTMENTS OR HOSPITALS



Selfcare and community prevention  
(social determinants of health / substance abuse prevention)

Housing/Group home/Assisted living/Home health

Institutional care  
(mental health/skilled nursing facility/prison)

Primary care  
Community mental health / substance abuse intervention

Urgent care

Specialty care  
Ambulatory surgery

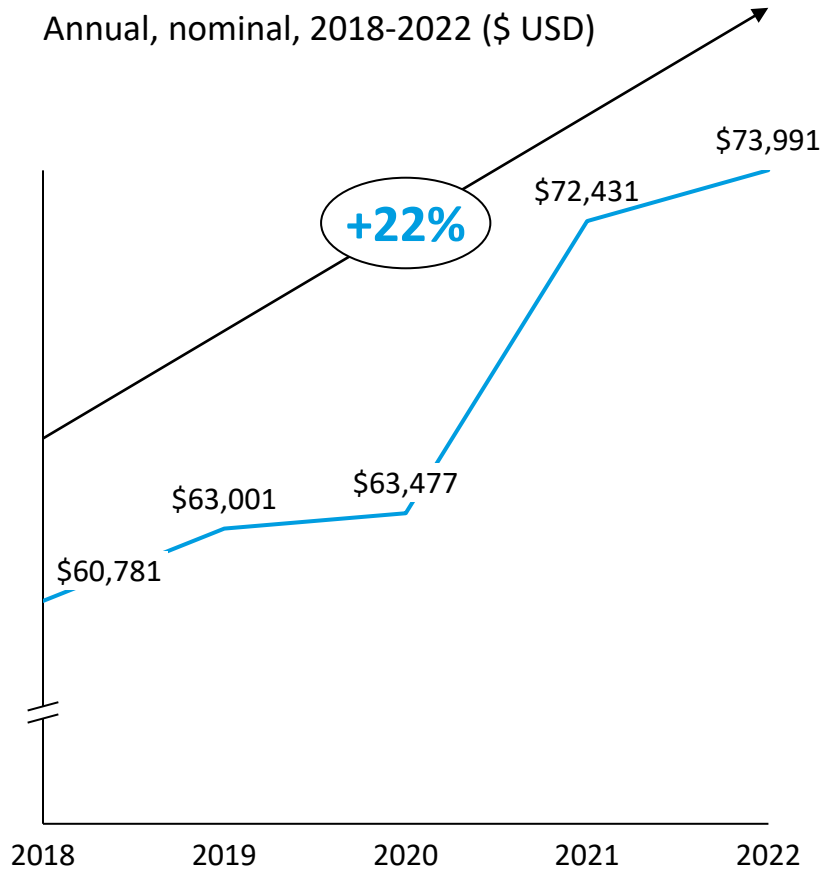
Emergency room \$

Community hospital \$ \$

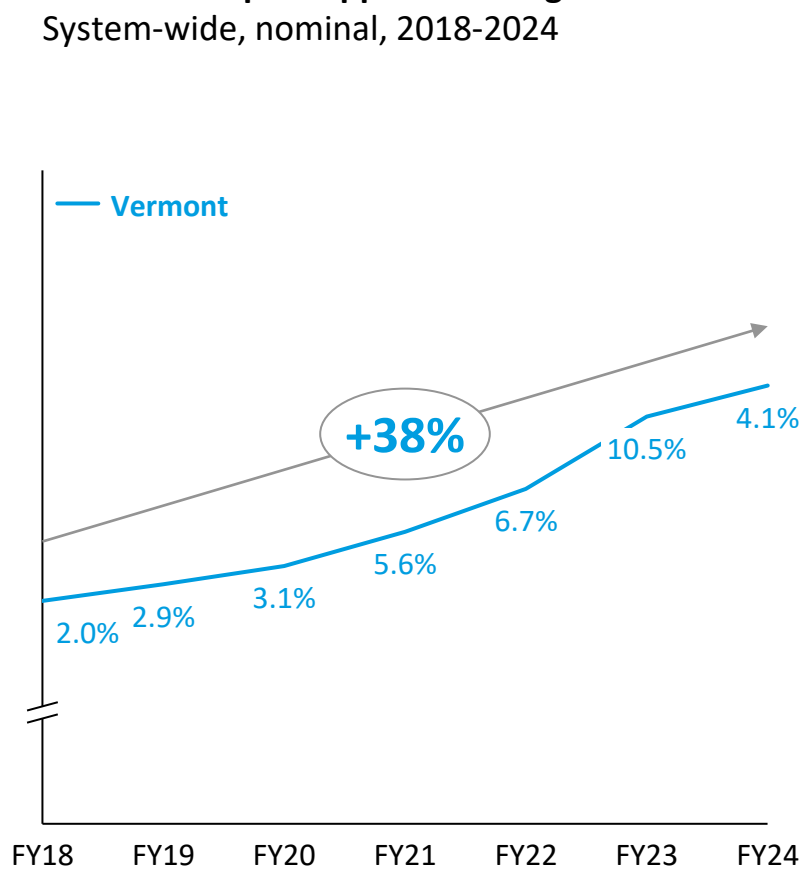
Academic medical center (e.g. UVM, Dartmouth) \$ \$ \$

# EVERY VERMONTER'S COST FOR HEALTHCARE HAS MARKEDLY INCREASED OVER THE PAST 6 YEARS

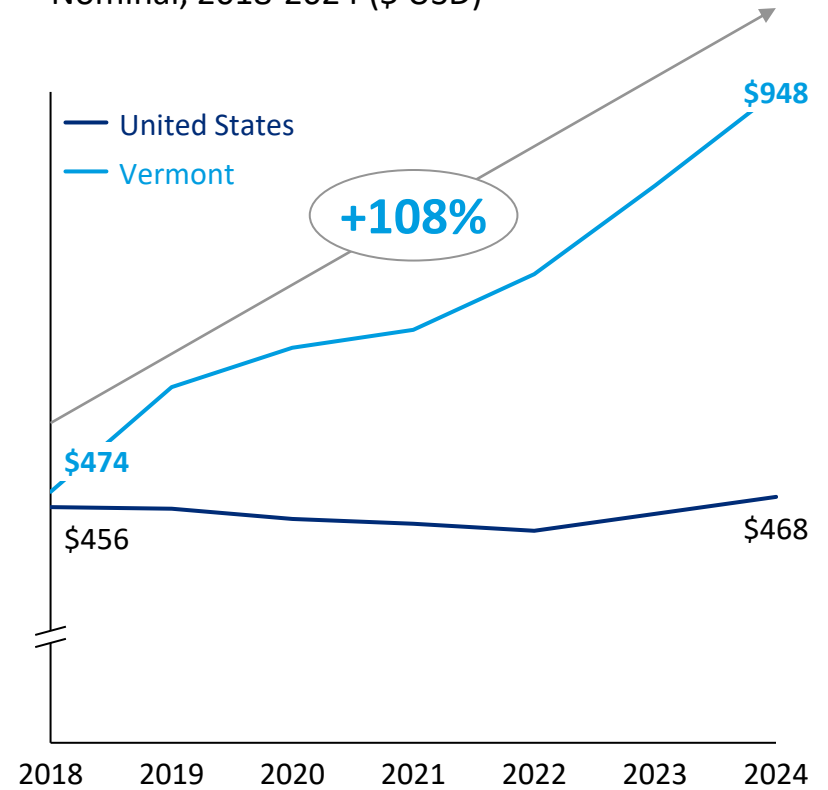
**Median household income in Vermont<sup>1</sup>**  
Annual, nominal, 2018-2022 (\$ USD)



**Vermont hospital approved charge increases<sup>2</sup>**  
System-wide, nominal, 2018-2024



**Average monthly premium for lowest-cost Silver marketplace premium<sup>3-5</sup>**  
Nominal, 2018-2024 (\$ USD)



Source: All graphs shown are nominal values 1. [Income](#), [FRED inflation](#) 2. GVCB Vermont Hospital Budget Deliberations ([link](#), [link](#)) 3. KFF analysis of data from Healthcare.gov, state rate review websites, state plan finder tools and CMS analysis of rate changes in the benchmark silver plan, October 2023 ([link](#)), 4. GVCB analysis

Note: 5. Premiums are monthly. Premiums were analyzed using the lowest-cost premium for each metal tier (bronze, silver, and gold) and the second-lowest-cost silver (benchmark) premium for a 40-year-old in each county and weighted by county plan selections. In some state-based marketplaces, the premium data for some years are at the rating area level and are mapped to counties before weighting by county plan selections.

# EVERY VERMONT HOSPITAL IS FACING SIGNIFICANT OPERATIONAL AND FINANCIAL CHALLENGES, MANY OUT OF THEIR CONTROL

## Operational challenges



Physician shortages and difficulty in recruiting staff since COVID-19



Low volume of procedures to sustain operational excellence



Old infrastructure needing repair/replacement



Capacity consumed by caring for people with unmet social needs

## Financial challenges



Increased labor, supply, and drug costs



Depleting capital reserves unable to cover expenses and future investments



Increasing complications with reimbursement

# THESE CHALLENGES HAVE CAUSED MOST VERMONT HOSPITALS TO EXPERIENCE A SIGNIFICANT DECLINE IN FINANCIAL HEALTH

	FY19	FY20	FY21	FY22	FY23
Brattleboro Memorial Hospital	0.8%	0.6%	-1.7%	-3.8%	-1.7%
Central Vermont Medical Center	-2.1%	-0.6%	-1.0%	-6.5%	-6.5%
Copley Hospital	-3.2%	-3.9%	5.1%	-0.7%	-1.8%
Gifford Medical Center	-0.8%	2.5%	8.8%	7.0%	-8.3%
Grace Cottage Hospital	-6.7%	1.1%	8.0%	-6.8%	-8.9%
Mt. Ascutney Hospital & Health Center	0.2%	0.7%	9.1%	1.7%	2.0%
North Country Hospital	1.9%	3.7%	4.6%	-10.3%	-8.9%
Northeastern VT Regional Hospital	1.8%	1.3%	2.9%	0.2%	0.5%
Northwestern Medical Center	-8.0%	-0.9%	4.7%	-4.3%	-6.6%
Porter Medical Center	5.1%	4.0%	7.7%	3.1%	7.6%
Rutland Regional Medical Center	0.4%	0.2%	2.2%	-3.8%	2.1%
Southwestern VT Medical Center	3.3%	2.8%	4.5%	-0.2%	-3.8%
Springfield Hospital	-18.4%	-11.2%	1.2%	5.4%	-0.9%
The University of Vermont Medical Center	2.2%	-0.3%	2.3%	-1.2%	3.1%
<b>All Vermont Community Hospitals</b>	<b>0.7%</b>	<b>0.1%</b>	<b>2.8%</b>	<b>-3.3%</b>	<b>0.3%</b>

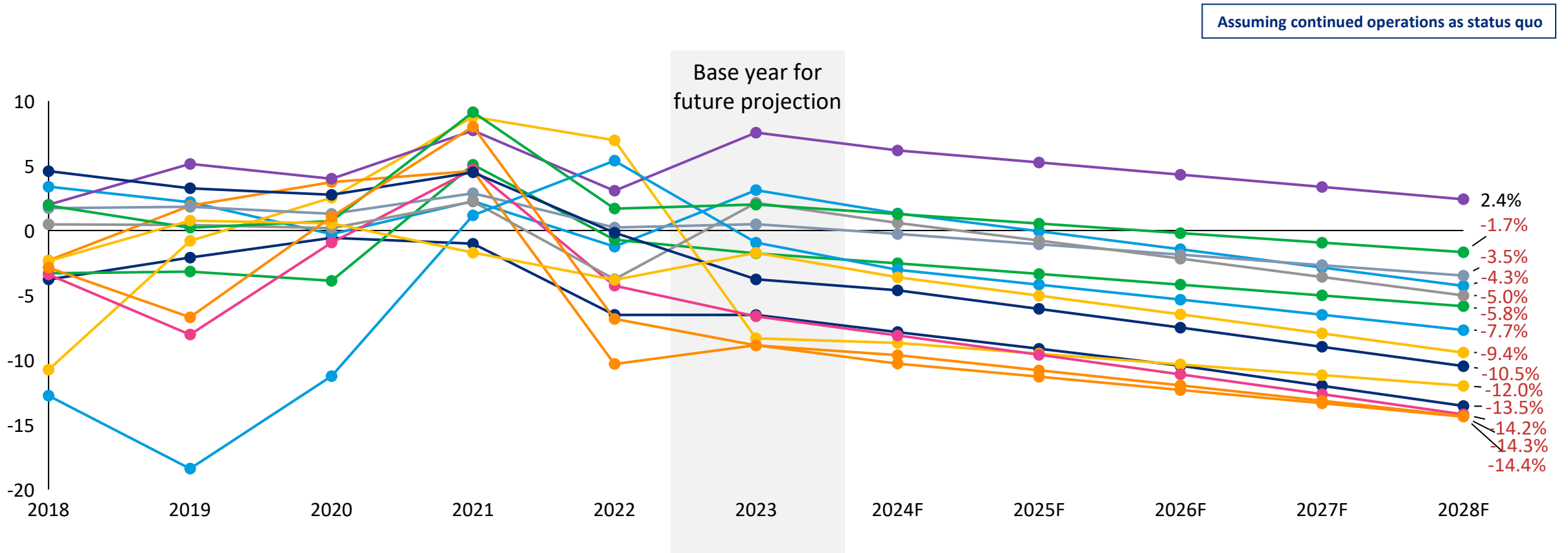
Outlier year due to federal COVID relief

**9 OUT OF 14**  
Hospitals ended with negative operating margins in FY2023

Source: <https://gmcbboard.vermont.gov/sites/gmcb/files/documents/167%20-%20brief%20history%20and%20motivation%206.19.pdf>

# ALL HOSPITALS BUT ONE ARE FORECASTED TO HAVE NEGATIVE OPERATING MARGINS BY 2028; ASSUMING EXPENSES GROW BY 5% AND NON-340B REVENUE GROWS BY 3.5%

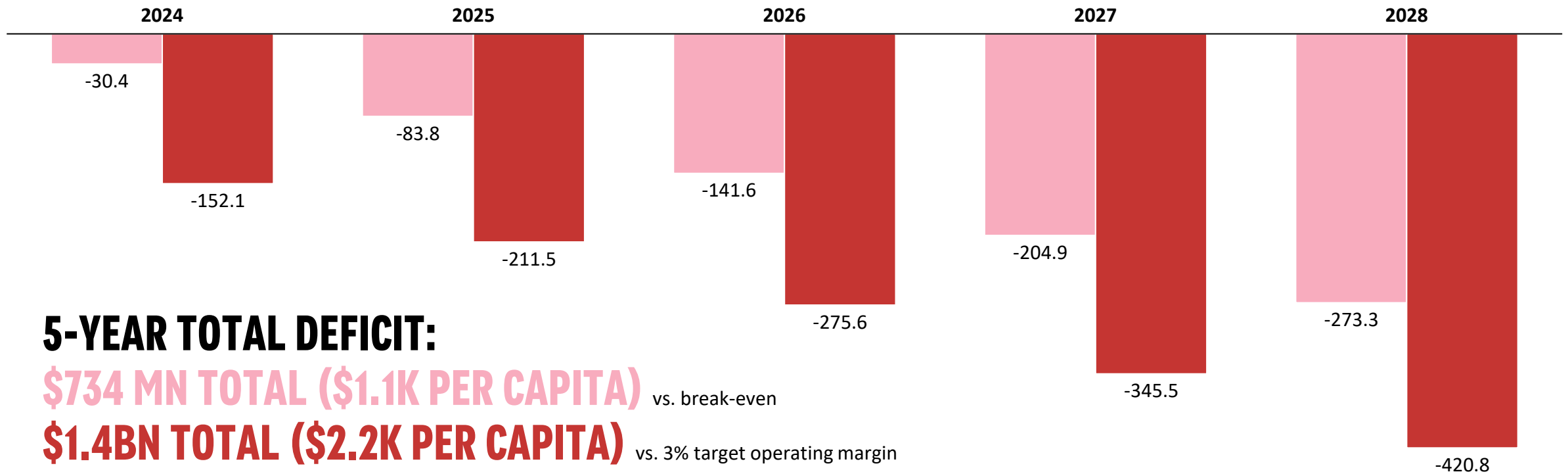
Vermont hospital operating margin forecasts, assuming 3.5% non-340B revenue growth and 5% expense growth annually  
(%, 2018-2028F)



# VERMONT HOSPITALS NEED AN ADDITIONAL ~\$730 MILLION OVER THE NEXT FIVE YEARS TO BREAK EVEN AND \$1.4BN TO ACHIEVE 3% OPERATING MARGIN

Financial deficit vs. revenue needed to achieve 0% or 3% operating margin, assuming 3.5% revenue and 5% expense growth<sup>1</sup>  
2024F-2028F, USD MN

■ 0% operating margin target  
■ 3% operating margin target

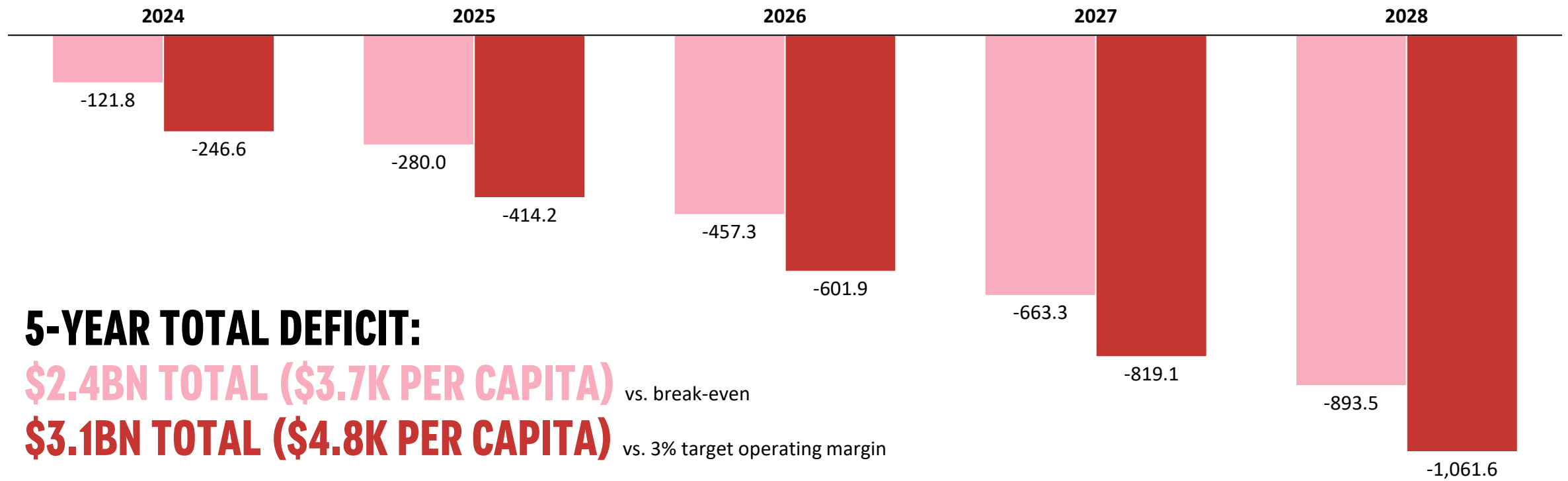


1. Assuming non-340B revenue annual growth rate at 3.5% and 5% operating expense rate growth from 2023 baseline  
Source: [GMCB hospital financial records](#), Oliver Wyman analysis

# VERMONT HOSPITALS NEED AN ADDITIONAL \$2.4 BILLION OVER THE NEXT FIVE YEARS TO BREAK EVEN AND \$3.1 BN TO ACHIEVE 3% OPERATING MARGIN

Financial deficit vs. revenue needed to achieve 0% or 3% operating margin, assuming 3.5% revenue and 7-8% expense growth<sup>1</sup>  
2024F-2028F, USD MN

■ 0% operating margin target  
■ 3% operating margin target



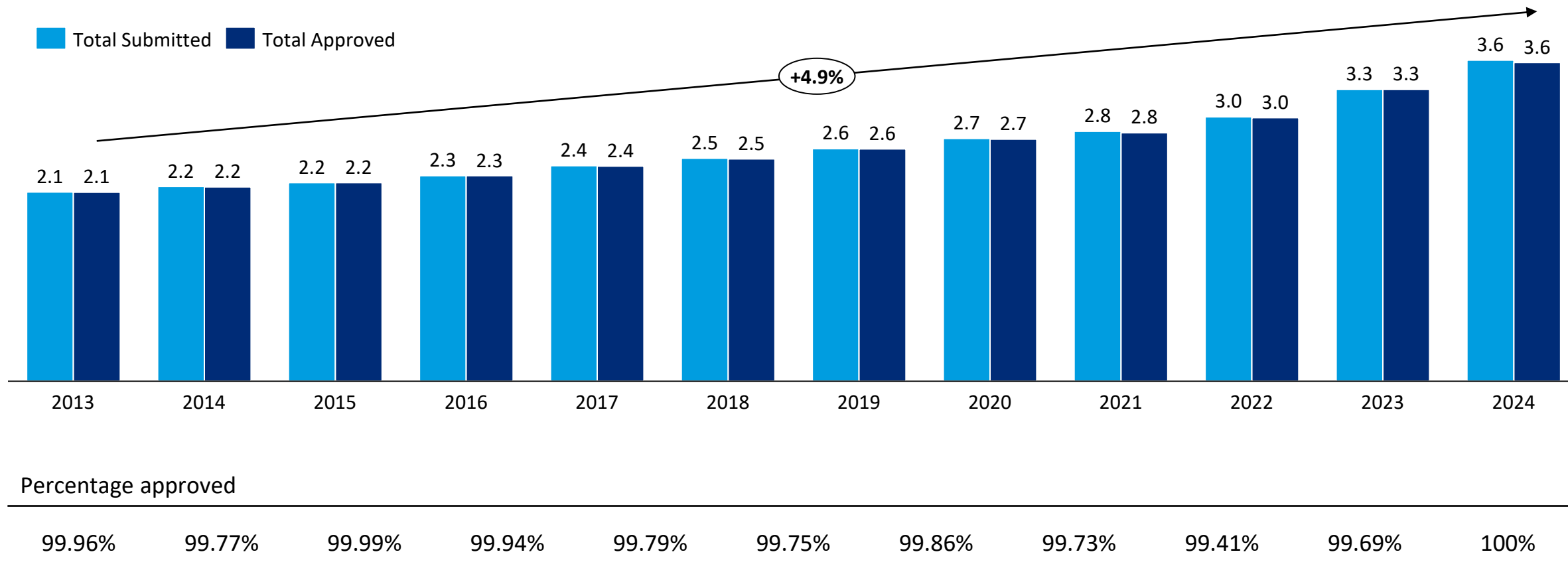
1. Assuming 340B payments remain constant, with growth due to inflation only at 3%, 3.5% annual non-340B revenue growth, 10% annual expense growth on non-MD salaries and benefits, 5% annual expense growth on physician fees, salaries, and benefits, and 7% growth in other operating expenses from 2024 onwards

Source: [GMCB hospital financial records](#), Oliver Wyman analysis



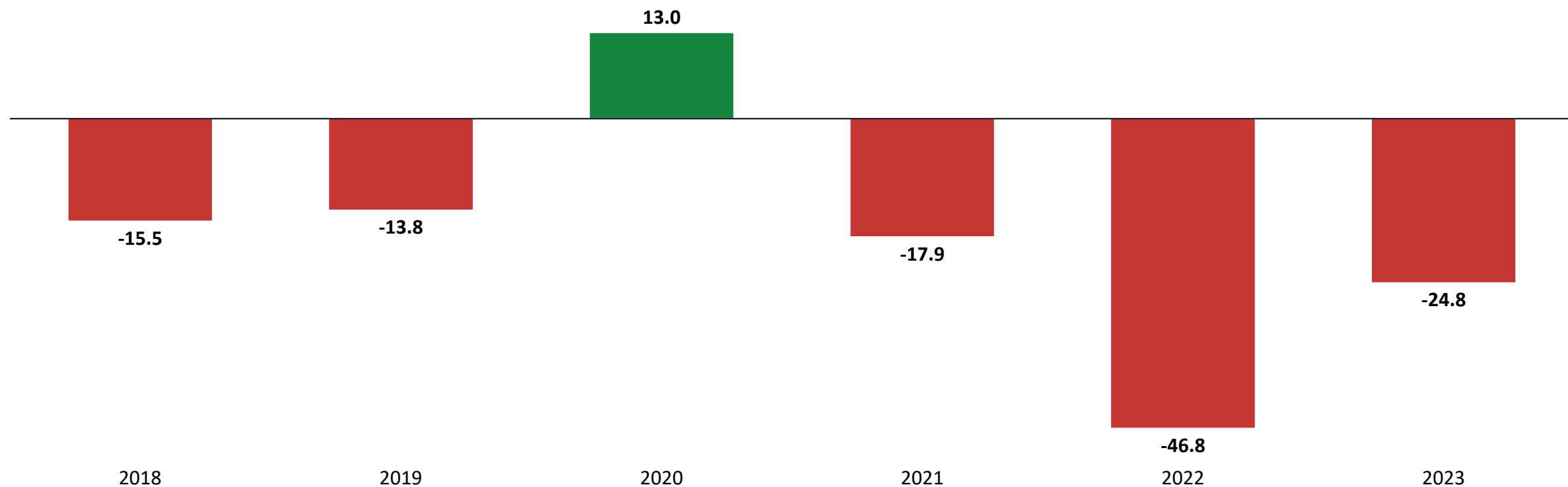
# IN THE PAST DECADE, GMCB HAS APPROVED HOSPITAL REVENUE GROWTH AT ~5% ANNUALLY, WITH >99% APPROVAL RATIO CONSISTENTLY

Total Net Patient Revenue and Fixed Prospective Payment across Vermont hospitals, Requested vs. Approved 2013-2024, USD BN



# COMMERCIAL INSURANCE HAVE BEEN TAKING LOSSES. HEALTHCARE EXPENSES HAVE EXCEEDED INSURANCE PREMIUMS

BCBS VT Net Underwriting Gain / Loss  
2018-2023, USD MN



Source: BCBS Vermont Financial Submissions to the Department of Financial Regulation

# HOSPITALS HAVE EMPLOYED TYPICAL MEASURES TO IMPROVE THEIR FINANCIAL HEALTH, BUT THESE HAVE BEEN LARGELY UNSUCCESSFUL



Increase Commercial Prices



Reduce Operational Costs

OR



Request Financial Relief  
(from State, Donors)...



Increase Volume of Services

**Hospitals cannot solve these problems alone. Different and innovative approaches are urgently needed to reduce costs and improve health services for the community.**

**Solving Vermont's challenge **requires concerted, sustained systems transformation** led by the Agency of Human Services with assistance from the Green Mountain Care Board.**



# **SO, WHERE DO WE GO FROM HERE?**

What can the future of healthcare in Vermont look like? What will it require? What is already underway?



# WHAT DOES CHARTING A PATH FORWARD LOOK LIKE?

Recognize the current situation and future headwinds

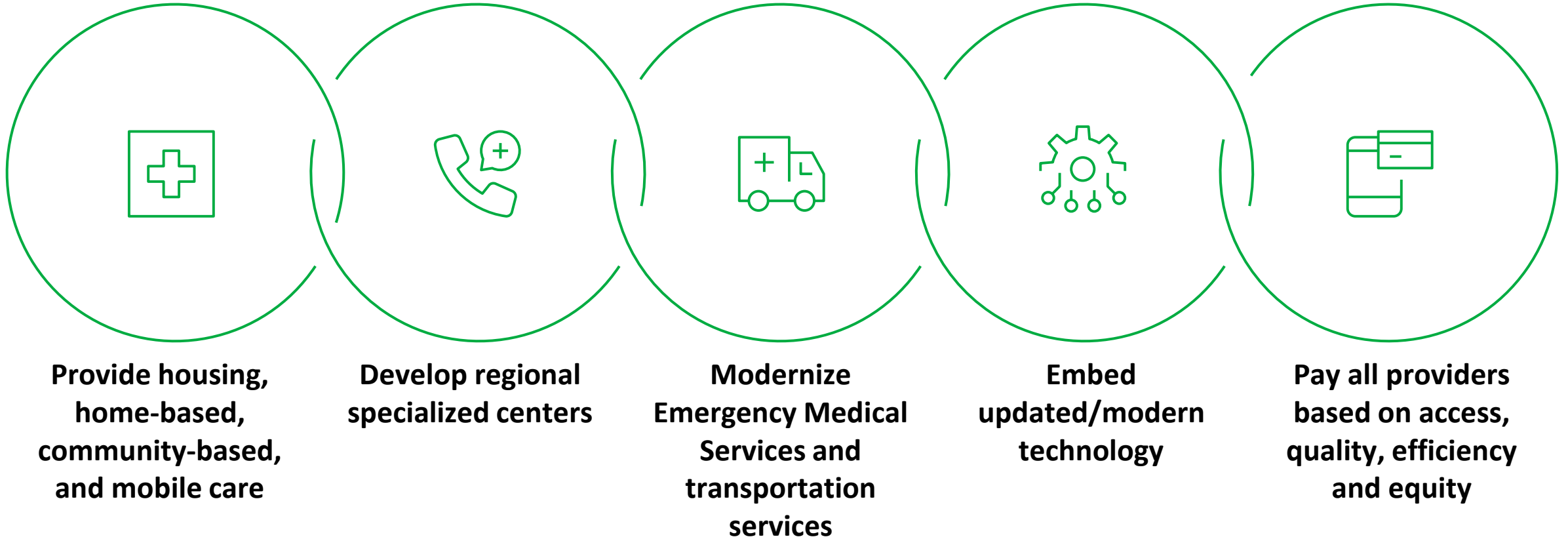
Change what you can and build on ongoing efforts to make major changes in how healthcare is delivered in your community

Improve access and equity and constrain healthcare costs for Vermont

Ensure financial stability for healthcare services for Vermont

**The time to act is NOW**

# CHANGES AT BOTH HOSPITAL AND SYSTEM LEVELS CAN HELP FULFILL **CURRENT AND FUTURE HEALTHCARE NEEDS**



We want to shift Vermont's future healthcare system to focus on an earlier identification and treatment of illnesses, and for patients to obtain care at the most appropriate level - **in their home, in their community, or close by**

# THE POTENTIAL OPTIONS AT THE HOSPITAL AND CROSS-HOSPITAL LEVEL CAN HELP ACHIEVE THE CHANGE NEEDED FOR A BRIGHTER FUTURE

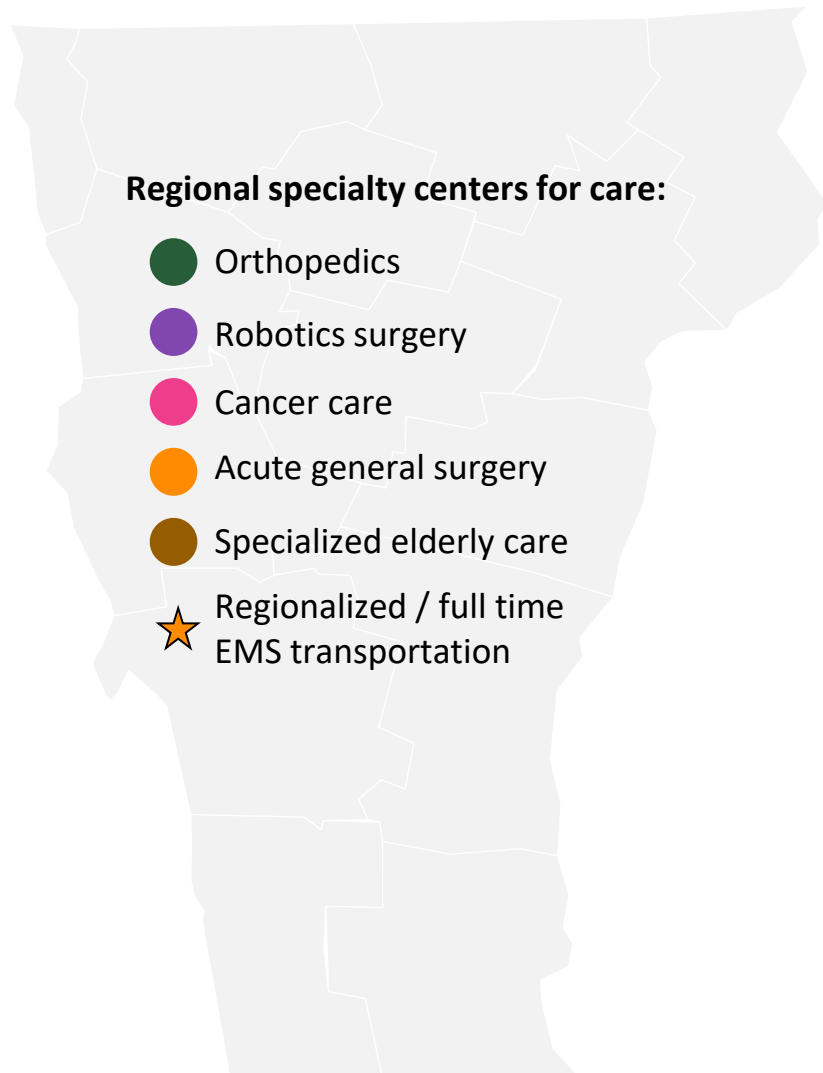
## Some local transformation options



- Expand rural outreach programs for primary care and preventative services
- Expand primary care/Urgicare hours to permit access for working people
- Develop regional service line specialization between hospitals
- Create multi-hospital support services (e.g. back office, specialty physician group, state-wide nurse pool)
- Develop regionalized, full-time, paid Emergency Medical Services organizations
- Develop state-wide bed availability monitoring
- Increase use of telehealth for Emergency Room/UrgiCare and specialists
- Develop capability for remote monitoring and patient follow-up
- Establish programs targeted at high needs groups/individuals (e.g. health at home programs/PACE)



# VERMONT'S FUTURE HEALTHCARE DELIVERY SYSTEM CAN BE MORE REGIONALIZED AND COORDINATED



## Goals

- ✓ Return as much care to the community as possible
- ✓ Provide specialized services at an appropriate level, within the reach of most Vermonters
- ✓ Create areas of sufficient population size to support needed professionals and equipment
- ✓ Assist hospitals in repurposing inpatient units

# STATEWIDE INITIATIVES CAN LAY THE GROUNDWORK FOR GREATER ACCESS AND EQUITY

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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
- 



## Expand workforce and access

- Develop active pipeline for new workers
  - Expand roles for different professions
  - Enhance support for patient care providers
- 



## Administrative simplification

- Align Agency of Human Services agencies with Health Service Areas and meet regularly with hospitals and providers
  - Fully computerize and integrate Agency of Human Services subunits
- 



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

- Reconfigure provider resources to better meet community need and achieve financial stability
-

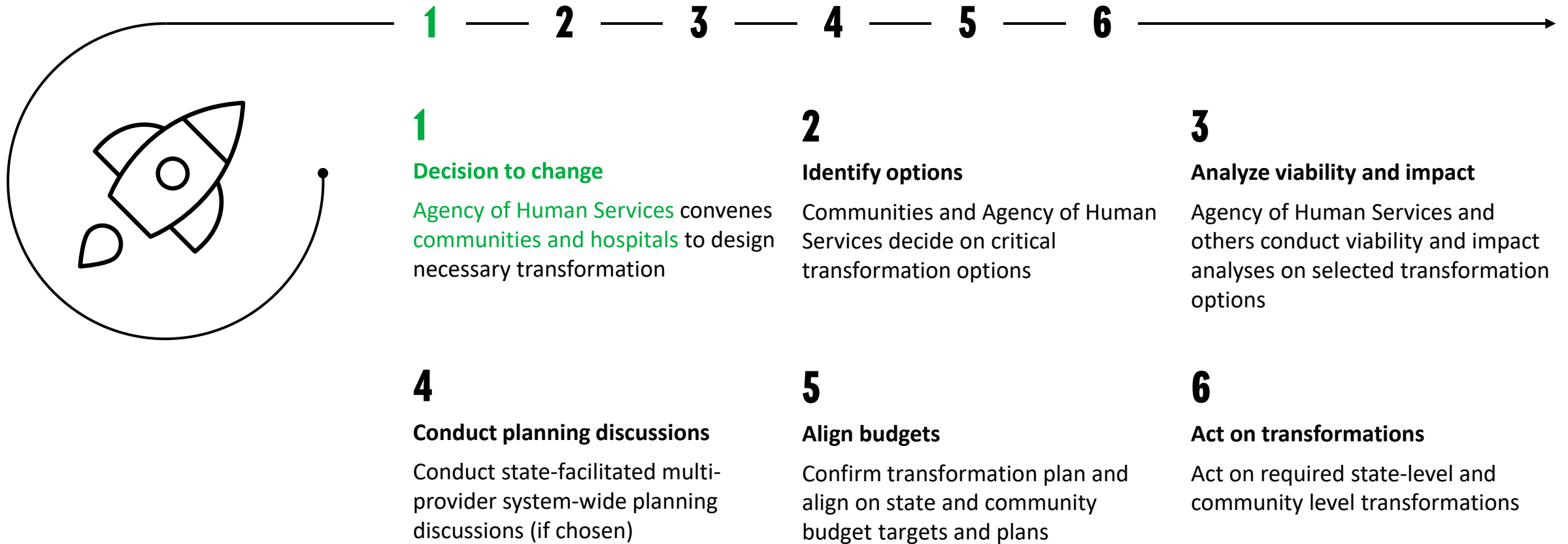
# WE HEARD THREE KEY THEMES OF CHALLENGES EXPERIENCED ACROSS ALL VERMONTERS – INCLUDING DIVERSE POPULATIONS

## 👏 Experiences shared (anonymized quotes)

## Recommended actions

	Experiences shared (anonymized quotes)		Recommended actions
<b>I</b> Gaps in culturally competent care	Due to my insurance, I have very limited access to mental health services	There is a weight bias and fatphobia which is making it difficult to get care and denial of surgeries for obesity	<ul style="list-style-type: none"> <li>• <b>Invest in Healthcare Infrastructure:</b> Invest in infrastructure such as primary care services, mental health facilities, and substance abuse provided when and where all populations can access (Develop strategies to attract more healthcare providers to the area)</li> <li>• <b>Improve Provider Diversity:</b> Increase efforts to recruit and retain healthcare providers from diverse backgrounds and who understand the local culture</li> <li>• <b>Increase and Localize Mental Health Services:</b> Develop local mental health resources and clinics to improve access</li> </ul>
Many individuals don't go to care because the premiums and OOP are too high	Quality of care is not the issue; however, it is discriminatory for people who don't speak English as a first language		
No one tells patients about financial services or campaigns available to support their healthcare	Ongoing training at ALL levels of staff and health providers is needed surrounding stigma free language & sensitivities, and LGBTQ+ care		
<b>II</b> Gaps in culturally competent and psychologically safe working environment	There is a noticeable lack of diverse perspectives at meetings	Keeping staff is a function of addressing the cost of living, inflation, and ability to find affordable housing	<ul style="list-style-type: none"> <li>• <b>Respect and Support for Healthcare Workers:</b> Implement programs to improve workplace culture, such as respect training and mental health support for staff and emphasize need to create a supportive and safe working environment for all</li> <li>• <b>Address Workforce Issues:</b> Continue investments in workforce development, offer competitive salaries, and reduce administrative burdens to retain healthcare professionals</li> <li>• <b>Coordinate Community Service Opportunities:</b> Explore opportunities with community orgs to provide community education on healthcare processes, such as choosing a Medicare plan, in highly accessible ways and better coordinate services between the hospital and organizations including housing, transportation, and appointment scheduling</li> <li>• <b>Enhance Technology:</b> Review future HIE and current EMR capabilities and document known system gaps requiring updates to ensure interoperability</li> </ul>
Violence in ED in common	Mental health numbers are increasing, and it is posing a risk to our staff		
As a nurse, I feel disrespected often	Childcare is critically important, especially for physicians and the maintenance of their positions.		
<b>III</b> Lack of coordination with care givers and community services	I have to call up to 31 EMS agencies to have a patient transferred	EMR systems don't talk to each other and it's difficult to transfer from one center to another	
	There is misinformation in the process for choosing a Medicare plan	We need a centralized EMR system with closed loop referrals within our communities	

# NEXT STEP: DECIDE TO TRANSFORM AND TRANSLATE FUTURE VISION INTO APPROPRIATE LOCAL CHANGES AND IMPLEMENT



# WHERE DO YOU GO NEXT AND HOW YOU CAN GET INVOLVED

**1**

**Attend** community meetings and planning sessions

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**2**

**Monitor** the Green Mountain Care Board<sup>1</sup> and Agency of Human Services<sup>2</sup> websites for updates and opportunities to comment

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**3**

**Support** your hospital administrators and boards in making what may be difficult or painful choices

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**4**

**Speak** with legislators to advocate for the needs to make the laws and fund your changes

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# THE RUNWAY TO CHANGE IS SHORT AND REQUIRES IMMEDIATE ACTION AND ENGAGEMENT AT ALL LEVELS WITHIN THE COMMUNITY, HOSPITAL, AND STATE

**YOU DON'T HAVE THIS...**



**YOU HAVE THIS...**



# OUR TEAM'S WORK AND THIS PRESENTATION ARE ONLY THE FIRST STEPS IN THE PROCESS NEEDED TO DESIGN THE FUTURE, IT WILL NEED YOUR SUPPORT

## INFORM ABOUT URGENCY FOR ACTION

We must act now to implement structural changes within the next 5 years

*Led by Green Mountain Care Board*

## SUPPORT LOCAL CHANGE

Engage your community to plan for the future

*Led by Agency of Human Services*

## IMPROVE HEALTHCARE ACCESS, QUALITY & AFFORDABILITY

*Deliver structural reforms rather than band aid solutions*

## KEY TAKEAWAYS

- 1 VERMONT'S HEALTH SYSTEM IS FAILING AND NEEDS URGENT FIXES.**
- 2 THERE IS NO SINGLE POLICY SOLUTION. SUCCESS REQUIRES DRAMATIC OPERATIONAL AND FUNDING CHANGES.**
- 3 THE SYSTEM NEEDS TO BE FUNDED AND SUPPORTED BY REALLOCATING EXISTING RESOURCES.**

**THIS PROCESS WILL REQUIRE FOCUSED, VIGOROUS AND SUSTAINED EFFORTS OVER TIME**



# QUESTIONS? CLOSING COMMENTS

Submit additional  
questions/comments here



<https://forms.office.com/g/PJk4XCnvns>

**THANK YOU**

**For your time and for helping to shape and plan for the future of your  
community and Vermont**