

GMCB General Advisory Committee

September 26, 2022



Agenda

1. Rate Review

- 2023 individual & small group filings
- Health insurance premium tax credits

2. Hospital Sustainability

3. Hospital Budgets

- FY 2023 review
- FY 2024 budgets and beyond

Individual & Small Group Filings



- On August 4, 2022, the Board issued decisions requiring BCBSVT and MVP to lower the premiums they wanted to charge individuals and small businesses for health insurance plans in 2023.

Small Group – Avg. Annual Increase Over 2022 Rates		
Insurer	Rate Request (PMPM)**	Board Approved (PMPM)**
BCBSVT	15.4% (\$94 PMPM)	11.7%* (\$71 PMPM)
MVP	23.4% (\$135 PMPM)	18.3%* (\$106 PMPM)

Individual & Family – Avg. Annual Increase Over 2022 Rates		
Insurer	Rate Request (PMPM)**	Board Approved (PMPM)**
BCBSVT	14.9% (\$104 PMPM)	11.4%* (\$79 PMPM)
MVP	24.4% (\$164 PMPM)	19.3%* (\$130 PMPM)

**These rate increases represent averages across different benefit plans with varying levels of cost sharing. For small group, the plan-level increases approved range from 9.1% to 15.3% for BCBSVT and 10.5% to 21.5% for MVP. For individual and family plans, the plan-level increases approved range from 8.8% to 15.3% for BCBSVT and 11.3% to 26.3% for MVP.*

***Per member per month (PMPM) is the dollar amount a member pays each month for a health care plan.*

Health Insurance Premium Tax Credits



- In 2021, Congress passed the American Rescue Plan Act (ARPA) in response to the COVID-19 pandemic, which significantly expanded premium subsidies for individual and family qualified health plans through 2022.
- In August of 2022, Congress passed the Inflation Reduction Act (IRA), which will continue ARPA's enhanced subsidies through 2025. These subsidies come in the form of premium tax credits for eligible consumers.
- More information on the health insurance premium tax credits may be found [here](#) on the GMCB's website.

Hospital Sustainability



- Payment Model Development for Hospitals
 - Starting with global budgets for hospitals
- Data Analysis, Community & Provider Engagement
 - RFP development

FY23 Hospital Budgets

- Hospitals are facing financial difficulties with 9 of Vermont's 14 hospitals projecting negative operating margins for the current FY driven by:
 - Workforce and labor cost growth and
 - Inflationary cost growth and supply chain disruptions
- The GMCB approved the Net Patient Revenue/Fixed Prospective payments as submitted for all 14 hospitals, a 10% increase over FY22.
- However, the Board factored in enhanced funding from Medicaid and Medicare to reduce the amount financed through commercial insurance by \$31.7 million.

FY24 Budgets and Beyond



- The GMCB has pivoted to work on enhancing its regulatory process to:
 - Account for changes to payment mechanisms
 - Assess opportunities for administrative simplification
 - Develop permanent guidance

Question for Advisory Group Members:

As the GMCB considers its regulatory oversights, what recommendations does the group have?