VERMONT
GREEN MOUNTAIN CARE BOARD

Green Mountain Care Board 2020 Annual Report

Susan Barrett, Executive Director, GMCB

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WHAT IS THE GMCB?

About Us

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- Established in 2011
- 5 Board Members + Executive Director
- 6-Year Staggered Terms

BOARD & LEADERSHIP

Kevin Mullin
GMCB Chair

Jessica Holmes, Ph.D.
GMCB Member

Maureen Usifer
GMCB Member

Robin Lunge, J.D., MHCDS
GMCB Member

Tom Pelham
GMCB Member

Susan Barrett, J.D.
GMCB Executive Director

What is the Green Mountain Care Board?

Mission: Improve the health of Vermonters through a high-quality, accessible, affordable, and sustainable health care system.

What makes the Board unique?

Transparency

- Regulatory decisions are made in public, with data, evidence, and staff recommendations presented at fully noticed public meetings open to all.
- Meetings are videotaped by ORCA Media, with recordings available online.
- Engages stakeholders, including the Office of the Health Care Advocate, other State agencies, regulated entities, and the public to inform our work.

Independence

- Members are appointed to six-year terms, which may span gubernatorial administrations.

System-wide view

- Unique role in Vermont's health care system, regulating key industry players, driving reform efforts though regulation, and evaluating our health care system.
- Integrated regulatory approach enables GMCB to understand how regulatory decisions impact one another & to account for this cross-system impact.

The Role of GMCB

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The **Green Mountain Care Board** is charged with reducing the rate of health care cost growth in Vermont while ensuring that the State of Vermont maintains a high quality, accessible health care system.

Health insurer rate review (including the Exchange)
Hospital Budgets
ACO Budgets
VITL Budget
Major capital expenditures (Certificate of Need)
Health Resource Allocation Plan (HRAP)
Hospital Sustainability Planning
Implementation of APM
ACO Oversight, Certification, Rule 5.0 (Act 113)
Review/modify/approve plan designs for VT Health Connect
Data and Analytics (VHCURES, VUHDDS and APM Analytics)
Rural Health Services Task Force (Act 26)
Rx & Primary Care Advisory Groups
General Advisory Group
Data Governance Council
Annual Expenditure Analysis
Annual Cost Shift Report
Approve State HIT and Health Care Workforce Plans
Prescription Drug Transparency

Our System-Wide Focus

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Oversee innovative reforms that seek to improve quality of and access to care

Contain Vermont's health care cost growth

Improve Vermont's ability to collect and evaluate health care data

Promote transparency and understanding

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Progress in 2020

Themes from 2020

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- GMCB Budget
- Regulatory & Internal Response to COVID-19
- Reporting and Monitoring on Vermont's All-Payer Model
- Regulation, Oversight, and Data
- Legislative Reports Submitted in 2020
- 2021 Priorities

GMCB Budget

	FY2020 Budget	FY2020 Expenditures	FY2021 Budget
Total Budget	**$9,325,076**	**$7,004,998**	**$9,129,267**
General Fund	$4,050,536	$2,825,011	$4,015,799
GMCB Regulatory & Administration Fund	$5,274,540	$4,150,682	$5,113,468
Coronavirus Relief Fund	-	$29,305	-

The Green Mountain Care Board's actual FY2020 spending came in under budget due to the Board's and contractors deferred work while pivoting to work on issues related to the COVID-19 pandemic. It was also due to lower than budgeted need for Data Set Files contract, Certificate of Need contracts and personnel costs.

Regulatory Response to COVID-19

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- Act 91 of 2020 offered the GMCB and GMCB-regulated entities temporary flexibility, including:
  - New guidance for CON applications related to COVID-19 and waiving the need for review of certain projects;
  - Continuing to monitor hospital solvency and issuing new hospital budget process guidance intended to reduce regulatory burden, including delaying hospital budget submission due dates;
  - Amending OneCare Vermont's 2020 Budget Order to allow the redirection of resources toward front-line providers, and to extend the reporting timeline to allow for revisions and accounting for delays in the availability of information;
  - Delaying GMCB's insurance rate review decisions by one week;
  - Data analysis to support the State's response.
- Worked with federal partners at CMMI to request flexibility and additional funding for providers participating in the All-Payer Model.
- Despite the challenges, the Board completed all regulatory duties.

Continued Transparency During COVID-19

- The GMCB quickly transitioned to remote work for our staff, and all-remote Board meetings and hearings.
- GMCB staff provided one-on-one trainings and support to members of the public, stakeholders, and parties to ensure that all-remote Board meetings and hearings were truly accessible.
- The Board has been able to welcome Vermonters who might not otherwise be able to travel to Montpelier and is exploring how it could continue to provide the expanded access once the state of emergency ends.

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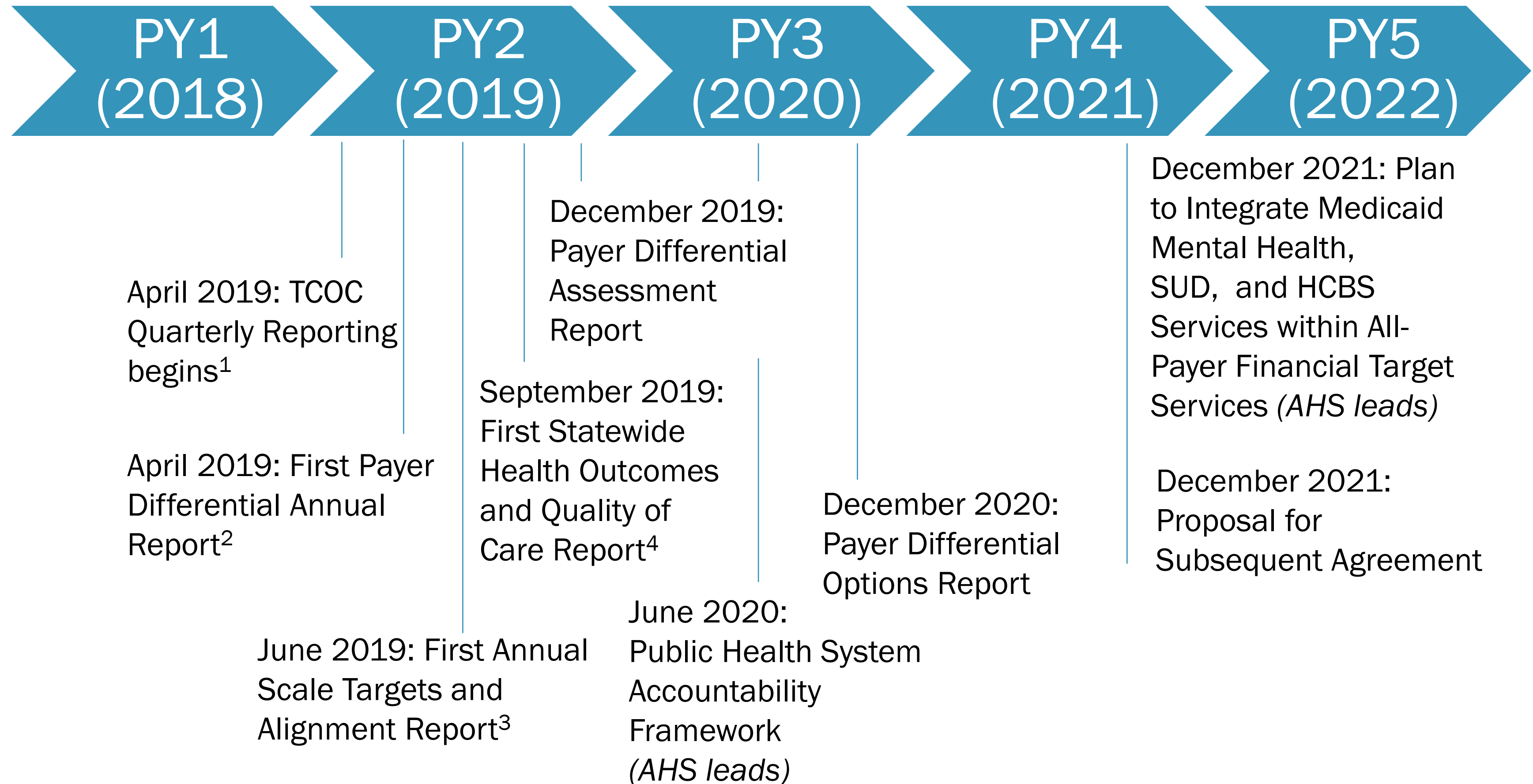
Monitoring and Reporting on Vermont’s progress in the All-Payer Model

Vermont's All-Payer Model

- COVID-19 presented challenges in the third year of the All-Payer Model (APM) but also confirmed the need to move away from fee-for-service to predictable and fixed payments.
- In response to COVID-19, the GMCB proposed revisiting methodology used to develop the 2020 Medicare benchmark to more accurately reflect utilization.
  - In December, the GMCB also voted to propose the use of this new methodology in developing the 2021 Medicare benchmark, and to include approximately $8.7 million to the benchmark to continue investments in Blueprint for Health and SASH program.

Reporting to CMS



[1] Submitted quarterly (reports produced approximately 9 months following final date of service); annual reports completed as data allow. [2] Submitted annually on 4/1. [3] Submitted annually on 6/30. [4] Submitted annually on 12/30, or as data allow.

APM Implementation Improvement Plan (IIP)

The Agency of Human Services issued a plan in November 2020 for improving performance in the All-Payer Agreement. The plan has four key categories of recommendations:

1. State/Federal work to maximize Agreement framework
2. Reorganization and prioritization of health reform activities within the Agency of Human Services
3. Evolving the regulatory framework for value-based payments
4. Strengthening ACO Leadership Strategy

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GMCB Regulation, Oversight, and Data

2020 Regulatory Summary

Hospital Budget Review FY 2021	• System-wide increase in NPR of 2.7% (vs. requested 3.3%) • Est. weighted avg increase in hospital charges of 5.6%. • Expanded sustainability planning to all hospitals, which is also required by Act 159 of 2020.
Health Insurance Premium Rate Review	• Reduced rates requested by the insurers by ~ $20 million, including $18.8 million for plans sold through Vermont Health Connect.
Certificate of Need (CON)	• Reviewed 5 CON applications (another 5 proposed projects fell outside of statutory jurisdictional parameters).
ACO Oversight	• Approved OneCare's FY2021 budget with 17 conditions. • Board expressed intent to incorporate a new requirement in ACO oversight rule (Rule 5.000) that executive compensation be tied to ACO quality and financial performance.
Data	• Increased access to VHCURES and VUHDDS through improved application processes, standard reports, and analysis-ready files, and published the first phase of HRAP. • Explored ways to improve race/ethnicity data in claims.

Regulatory Alignment

- This whitepaper series aims to improve the Board's ability to make decisions consistently across regulatory processes and ensure appropriate assessment of regulated entities in a reformed payment and delivery system environment.
- In summer 2020, the GMCB released discussion drafts of the first two whitepapers, focused on exploring the Board's regulatory processes and the connections between them in their current state, and on potential changes to the annual regulatory timeline to improve alignment.
- The whitepapers were presented to the Board and public on September 30, 2020, and a special comment period was open through October 30, 2020.
- Final versions of both whitepapers are expected to be released in early 2021, incorporating public comment.

Legislative Reports Submitted in 2020

Legislative Reports Submitted by GMCB in 2020		
Report	Due Date	Corresponding Statute or Legislation
Impact of Prescription Drug Costs on Health Insurance Premiums	January 1, 2020*	18 V.S.A. § 4636 (b) Act 193 of 2018, An act relating to prescription drug price transparency and cost containment, Sec. 8 (S.92)
Rural Health Services Task Force Report	January 15, 2020	Act 26 of 2019, An act relating to the Rural Health Services Task Force, Sec. 1 (H.528)
Primary Care Spend Report	January 15, 2020	Act 17 of 2019 (Sec. 2), An act relating to determining the proportion of health care spending allocated to primary care
Cost Shift Impact (See GMCB 2019 Annual Report, Appendix A)	January 15, 2020* *(See Appendix A)*	18 V.S.A. § 9375 (d) Act 63 of 2019, An act relating to health insurance and the individual mandate, Sec. 10 (H.524)
GMCB 2019 Annual Report	January 15, 2020*	18 V.S.A. § 9375 (d)
2018 Vermont Health Care Expenditure Analysis	January 15, 2020* *NOTE: The VHCEA is delayed yearly due to data availability and staff resources. Published annually in summer.*	18 V.S.A. § 9375a (b) (repealed) 18 V.S.A. § 9383 (a) (added in Act 167 of 2018, H. 912) Act 167 of 2018, An act relating to the health care regulatory duties of the GMCB (H.912)
Billback Report	September 15, 2020*	Act 79 of 2013, An act relating to health insurance, Medicaid, the Vermont Health Benefit Exchange, and the Green Mountain Care Board, Sec. 37c (H.107)

** Indicates reports submitted annually*

GMCB Priorities in 2021

- **ACO Oversight, All-Payer Model (APM) Implementation and APM 2.0 Planning & Engagement with AHS and Director of Health Care Reform:** Moving health care to value and away from volume by focusing on meeting the goals of the APM Agreement while exercising robust ACO Oversight. Transparent, in-house benchmarking. Ensuring the ACO adds more value to the system than its cost.

- **Regulatory Integration:** Linking health insurance rate review, hospital budget review, Certificate of Need, and ACO certification and budget review to support the APM and overall goals.

- **Transparency, Data & VHCURES 3.0:** Expand access to and the usability of health care data resources.

- **HRAP:** Act 167 of 2018 amended the requirements for the Health Resource Allocation Plan (HRAP). GMCB continues to assemble the HRAP as a series of dynamic reports to support and improve regulatory decision-making process.

- **Health Care Workforce:** Work with educators, health care providers, and state and community organizations to discuss opportunities to address Vermont's health care workforce challenges.

- **Hospital Sustainability:** Working with Vermont's 14 hospitals on future sustainability plans.

Additional Information

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- Health Insurance Regulation
- Hospital Budget Review
- Hospital Sustainability Planning
- Certificate of Need (CON)
- Expenditure Analysis
- Prescription Drug Monitoring
- Health Information Technology (HIT)
- ACO Oversight
- Data & Analytics
- Health Resource Allocation Plan (HRAP)

Health Insurance Regulation

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- Reviewed 7 filings representing roughly $634M in health insurance premiums for about 87,272 Vermonters, with over 75,401 on the Exchange.
- The Board reduced the approximately $40M requested premium increases by approximately $20M. Of that, $18.8M was for plans sold on the Exchange.
- Rate drivers: Cost of pharmaceuticals, mainly specialty drugs, and increase in the utilization and cost of medical services.
- COVID-19: Generally, the carriers did not ask to increase their rates specifically due to COVID-19, or the Board disallowed requested increases given the uncertainty of Vermont's and the nation's response in 2021.

Insurance Rate Filings for 2020 Review Year

Company Name	Filing Name	Proposed Rate Change	Approved Rate Change	Difference	Estimated Premium Reduction *
Cigna Health and Life Insurance Company	Large Group	15.00%	9.00%	-6.00%	$380,693
Blue Cross Blue Shield of Vermont and TVHP (2 Filings)	Large Group	1.90%	0.70%	-1.20%	$882,059
Blue Cross Blue Shield of Vermont	Association Health Plan	**N/A	**N/A	**N/A	**N/A
MVP Health Plan Inc.	Qualified Health Plan/Exchange	7.30%	2.70%	-4.60%	$11,450,995
Blue Cross Blue Shield of Vermont	Qualified Health Plan/Exchange	6.70%	4.20%	-2.50%	$7,318,164
MVP Health Plan Inc.	Large Group	-1.20%	-4.60%	-3.40%	$426,065
				Total	$20,457,976

* Estimated Premium Reduction - Insureds may not stay with the same plan or insurer from year to year. Large Group filings are based on the manual rate and may not be reflective of the actual rate increase. Groups with better experience will see lower rates, and groups with worse experience will see higher rates.

** N/A – First year, no rate change

Hospital Budget Review

- Vermont's 14 regulated hospitals filed their proposed budgets for FY21 on July 31, 2021.
  - 3.3% system-wide requested NPR increase over FY20.
  - Common themes: Impact of COVID-19, federal and state stabilization grants and loans, pandemic-related expense increases and cost reduction efforts, health care reform investments, APM participation, and workforce recruitment challenges.
- Hospital budget orders resulted in a system-wide FY21 NPR of $2.79B, a 2.67% NPR increase over FY20 approved budgets. This represents a reduction of $17.1M from hospitals' FY21 budgets as submitted.
- FY21 budgeted system-wide NPR was approved at 2.67% over FY20 budgets, below the FY21 targeted growth set forth in the budget guidance of 3.5%. The average annual system-wide growth since 2013 is 4.0%, well below the annual growth of 7.3% seen during decade prior to the GMCB.

System-Wide NPR Increases Over Time

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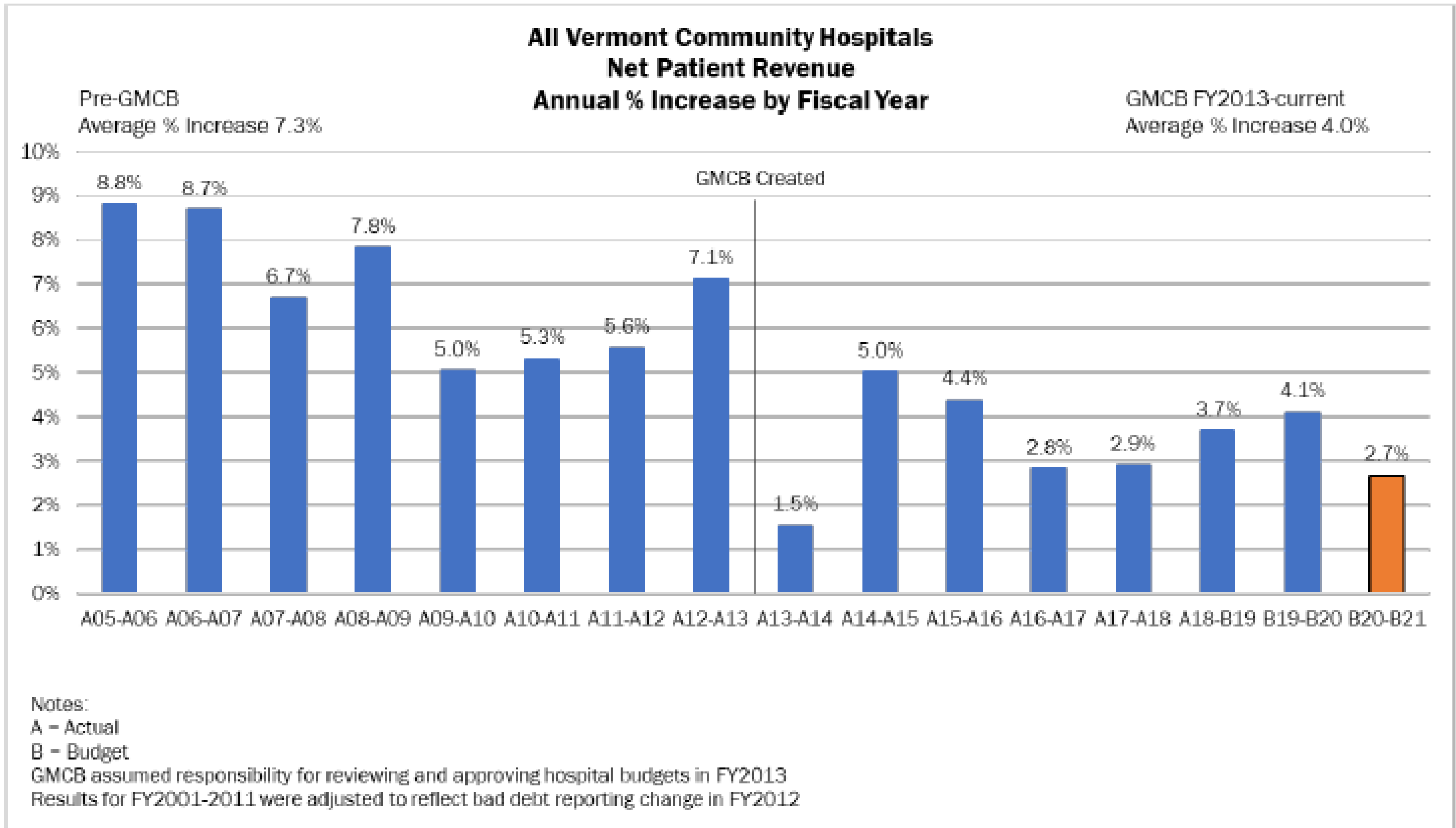

Hospital Sustainability Planning

- In FY21 decisions, GMCB required all VT hospitals to engage in a Board-led sustainability planning process. Draft sustainability planning framework was approved in August 2020 and goals were refined after discussions with hospital leaders.
- Framework includes:
  1. Engage in robust conversation on maintaining access to essential services while improving cost and quality, preparing for shift to value-based care, and understanding threats to sustainability of rural health care system;
  2. Encourage hospital leadership, boards, and communities to work together to address sustainability challenges and shift to value-based care;
  3. Identify hospital-led strategies for sustainability, including efforts to “right-size” hospital operations, particularly in the face of demographic challenges and making shift to value-based care;
  4. Identify external barriers to sustainability and making successful shift to value-based care that are more aptly addressed by other stakeholders, policymakers, or regulatory bodies, and generate insights to inform state’s approach to planning for and designing a proposal for APM 2.0.
- Process codified by Legislature through Act 159 of 2020 requiring the Board make recommendation on hospital sustainability by fall 2021.

Hospital Sustainability Planning: Stakeholder Engagement

- Board and staff met with leadership from 13 hospitals, the HCA, and VAHHS in October and November 2020 to gather feedback. In response, the GMCB:
    1. Refined the framework to make tighter connections between insights and their intended use; and
    2. Significantly streamlined the framework to reduce the burden on providers.
- Revised framework relies on GMCB-gathered data when possible and explores preparedness of hospitals in the shift to value-based care.
- Per Act 159 of 2020, the Board provided an update to HROC on the hospital sustainability planning progress in November. Another update is due on or before April 1, 2021 and the final report is due September 1, 2021. In the event of a COVID-19 surge, the update will be pushed to September 1, 2021 and the final report will be due November 15, 2021.

Certificate of Need (CON)

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- The Board approved five applications with a total value of $60,717,600:
  - Vermont Open MRI, to replace its outdated MRI system.
  - Northwestern Medical Center, to renovate its emergency department.
  - University of Vermont Medical Center, to expand its health information system to two network hospitals in New York.
  - Silver Pines Partners, LLC, for development of a medically supervised withdrawal treatment center for individuals with substance use disorder.
  - Southwestern Vermont Health Care, to modernize the emergency department and front entrance.
- The Board determined five proposed projects did not meet jurisdictional thresholds for CON review.

2018 Vermont Health Care Expenditure Analysis

- From 2017 to 2018, total spending for residents receiving health care services both in- and out-of-state increased 1.9%, to a total of $6.3 billion.
  - Medicare spending increased 5.1% as a result of increases in hospital utilization, and spending on nursing homes, physicians, and drugs and supplies.
  - Medicaid spending increased 1.1% primarily from growth in spending for mental health and other government activities.
  - Commercial insurance spending increased 1.7% mainly due to growth in hospital utilization, drugs and supplies, and other non-claims costs.
- From 2017 to 2018, U.S. health consumption spending increased 4.8%.
- National per-person spending was $10,640, higher than Vermont's per-person spend of $9,995.
- Total revenues received by Vermont providers for health care services provided to in- and out-of-state patients increased 3.2% in 2018, to a total of $6.4 billion.
- The Board expects to finalize the 2019 Expenditure Analysis and two-year estimates in Spring of 2021.

Prescription Drug Monitoring

- The Board receives prescription drug costs analysis from DVHA and insurers to post on its website.
  - DVHA Gross Drug Cost: Drugs for which the WAC increased by 15% or more in CY2019. Gross spending on the ten drugs identified was $327,206 and gross drug prices increases ranged from 18.65% to 666.67%.
  - DVHA Net Drug Cost: Drugs for which the net cost to DVHA increased by 15% or more in CY2019. Net drug price increases ranged from 15.5% to 744.14% over last calendar year.
  - BCBSVT & MVP Drug Lists with Largest Net price Increase: Drug prices ranged from 43.6% to 347.7% for BCBSVT and from 17.7% to 385.9% for MVP.
- GMCB works with commercial payers with more than 1,000 lives in Vermont to gather data to produce the Impact of Prescription Drug Costs on Health Insurance Premiums Report.

Health Information Technology (HIT)

- Vermont Information Technology Leaders (VITL) Budget: VITL submitted its proposed budget for FY2021 with anticipated total revenue of $8.1 million.
  - Included $7.6 million in state contracts plus $1 million from other sources, and a negative revenue line of $517,000 to cover COVID-19 contingencies.
  - FY2021 budget included anticipated total expenses of $7.8 million.
  - The Board approved the budget in June 2020 and VITL provided quality updates on their operations and budget throughout 2020 as required.
  - Board reviewed updated mid-year budget forecast in February 2020; significant increase due to increased revenue from State sources.
- Health Information Exchange (HIE) Strategic Plan: DVHA and HIE Steering Committee submitted an annual update to the HIE Plan in November 2020, presenting the Plan with 2021 Connectivity Criteria.
  - DVHA resubmitted the HIE Plan with minor changes and the Board approved the Plan and Connectivity unanimously in December 2020.
  - Act 53 of 2019 required the HIE Plan to reflect an opt-out or presumed consent model to be implemented by March 1, 2020. The Board heard updates on consent policy development and implementation throughout 2019 and the new policy was implemented on March 1, 2020.

ACO Oversight for 2020

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- OneCare submitted a letter requesting additional operation relief adjustments to the FY20 order considering COVID-19.
- The revised budget is approximately $1.2 billion.
  - 96% goes to providers either through fixed payments or FFS payments.
  - 3% of revenue flowing through the ACO goes back to providers and community organizations as population health program investments.
  - 1% is ACO operating expenses, funding personnel and analytics to support providers and population health programs.

ACO Oversight: 2021 Budget Review and Certification

- Beginning September 1, GMCB staff reviewed and verified OneCare's continued eligibility for certification.
- Board receive OneCare's proposed 2021 budget on October 1 and the Board voted on December 23, 2020 to modify and approve the budget with 17 conditions, including:
  - Cap on administrative expenses;
  - Submission of a revised budget in spring once contracts and funding sources are final;
  - Applying inflationary trend to Blueprint and SASH funding;
  - Additional reporting on revised risk model; and
  - Compliance with the reporting manual developed by the Board.
- The Board also noted its intent to incorporate a new requirement in its ACO oversight rule (Rule 5.000) that executive compensation be tied to ACO quality and financial performance.
- Preliminary revenue budget is approximately $1.46 billion, with 97% of dollars flowing to providers for an estimated 238,000 Vermonters.
- FY21 budget includes an expected $30.5 million of investments around 1% of total revenues.
- Per 18 V.S.A. § 9573, the GMCB issued the Medicaid Advisory Rate Case on December 30, 2020.

Data and Analytics

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- The GMCB Data Governance Council:
    1. Supported improved access to its data assets by developing a simplified data application procedure for VHCURES;
    2. Stood up a broad use Data Use Agreement structure for state analysts using VUHDDS; and
    3. Voted to approve a dedicated policy for linking the GMCB's data assets to other data sets to help make them more useful to approved data users.
- Expanded interactive reports to include geographic reports related to patient spending and utilization patterns. This includes the Patient Migration Report and Patient Origin Report.
- Analysis-ready files will provide the GMCB with a recommendation of files most likely to inspire greater use and utility of assets.
- The GMCB Analytical Team is working with representatives from the provider community and insurers to compete a thorough validation of its assets.

Health Resource Allocation Plan (HRAP)

- The HRAP is a series of dynamic reports, visualizations, and other user-friendly tools designed to convey relevant information. These tools are available on the Board's website in addition to detailed information on health care services by geographic region.
- The HRAP project team has developed web-based interactive reports that demonstrate health care needs, resources, and utilization patterns across hospital service areas.
- The team continues to work with the Health Department to coordinate statewide data efforts to support health care priorities areas.
- GMCB Completed service and bed-level resource inventories in mental health, substance abuse disorder, hospital services, and home health and hospice.
- The stakeholder engagement process has involved work with multiple State agencies, legislative representatives as well as external organizations to help ensure data is accurate and presented effectively.
  - Staff continue to work with State agencies and public feedback is ongoing.

Resources

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- GMCB Website
- GMCB Overview
- 2020 Annual Report
- Legislative Reports
    - Billback Reports
- GMCB 2021 Meetings
- GMCB Regulatory Process Explainers:
    - Health Insurance Premium Rate Review
    - Hospital Budget Review
    - ACO Oversight
- GMCB All-Payer Model Webpage
    - APM Update (February 2021)
    - FAQs: APM and ACO Oversight