

Green Mountain Care Board

FY2022 BILLBACK

Submitted to House Committee on Appropriations, Senate Committee on
Appropriations, and the Joint Fiscal Committee

September 15, 2022

In accordance with 18 V.S.A. § 9374(h)



Contents

FY2022 BILLBACK	1
Fiscal Year 2022 Billback	3
Background	3
Current Allocation of Billback Expenses	3
Summary of FY2022	3
Appendices.....	6
Appendix 1: Timeline of Billback Legislation.....	7
Appendix 2: FY14 – FY22 GMCB and HCA Billback.....	8

Fiscal Year 2022 Billback

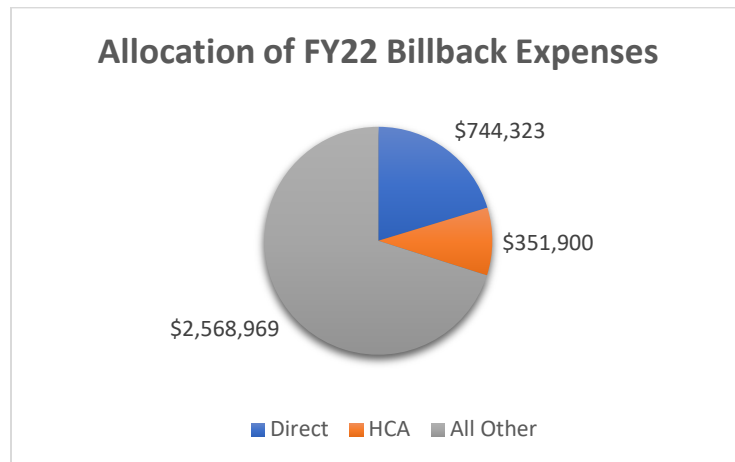
Background

In 2012, the Legislature authorized the newly formed Green Mountain Care Board (GMCB) to bill back to hospitals and insurance carriers the costs of certain activities related to health care system oversight. The law provided that “[e]xpenses incurred to obtain information, analyze expenditures, review hospital budgets, and for any other contracts” that are authorized by the Board would be borne according to statute.

In summary, for each dollar that the State billed back pursuant to this statutory authority, the regulated entities, as a group, would pay 60 cents, with the State remaining responsible for the other 40 cents. The Legislature later expanded the scope of the billback to include funding for the Office of the Health Care Advocate (HCA). For additional background, please see Exhibits 1 & 2.

Current Allocation of Billback Expenses

Effective July 2018, the Legislature amended section 9374(h) of Title 18. The allocation for direct and other expenses for FY2022 is as follows:



Summary of FY2022

- **Total Billback:** The Board billed back approximately \$3,707,693, as shown in Tables 4 and 5 of this report. This represented the billback of FY21 actuals, \$4,244,877, less a credit of \$579,685 for prior year budget vs actual, plus a \$42,501 one-time adjustment due to an insurer incorrectly submitting ASSR data for the FY21 billback. Tables 1, 2 and 3 show the breakdown among the hospitals, insurance companies, and the accountable care organization that can be billed.
- **Changes in Billback:** Given the complexity of prior year budget to actual reconciliations, the Board worked with Finance and Management to bill back based on actuals instead of budget beginning in FY22. This is the last year you will see a prior year budget to actual adjustment.

Project Area: Billback

Relevant Statute/Authority: 18 V.S.A. § 9374(h) and 18 V.S.A. § 9607

Overview: The GMCB must prepare a report showing “the total amount of all expenses eligible for allocation pursuant to subsection 18 V.S.A. § 9374(h) during the preceding State fiscal year and the total amount actually billed back to the regulated entities during the same period.”

The Board must submit this report annually on or before September 15 to the House and Senate Committees on Appropriations and the Joint Fiscal Committee at its September meeting. The report is listed on the non-action portion of the Fiscal Committee’s September meeting agenda.

Table 1: Hospital Assessment FY22

HOSPITAL	Amount Billed
Brattleboro Memorial Hospital	\$ 52,653.56
Grace Cottage Hospital (Carlos Otis)	13,353.56
Central Vermont Medical Center	133,239.59
Copley Hospital	47,510.30
Gifford Medical Center	32,469.37
Mt Ascutney Hospital	34,289.96
Northeastern Vermont Regional Hospital	58,965.55
North Country Hospital	52,803.03
Northwestern Medical Center	67,750.93
Porter Medical Center	53,257.73
Rutland Regional Medical Center	164,473.31
Southwestern Vermont Medical Center	105,912.44
Springfield Hospital	27,353.25
University of Vermont Medical Center	824,739.29
Total	\$ 1,668,771.87

Table 2: Insurance Carrier Assessment FY22

CARRIER	Amount Billed
Aetna Life Insurance Company	\$ 15,639.07
AXA Equitable Life Insurance Company	207.85
Blue Cross and Blue Shield of Vermont	1,081,167.11
Cigna Health and Life Ins Co/Connecticut Gen Life Ins Co	148,529.42
Metropolitan Life Insurance Co	423.49
MVP Health Insurance Company	1,911.60
MVP Health Plan Inc	285,465.66
New York Life Insurance Company	152.46
QCC Insurance Company	2,400.73
State Farm Mutual Automobile Insurance Company	1,622.68
The Prudential Insurance Company of America	150.14
The Vermont Health Plan, LLC	27,171.51
Trustmark Insurance Company	163.21
Unified Life Insurance Company	152.02
United Healthcare Insurance Company	32,651.24
United States Life Insurance Company in the City of New York	241.17
Total	\$ 1,598,049.36

Table 3: Accountable Care Organization Assessment FY22

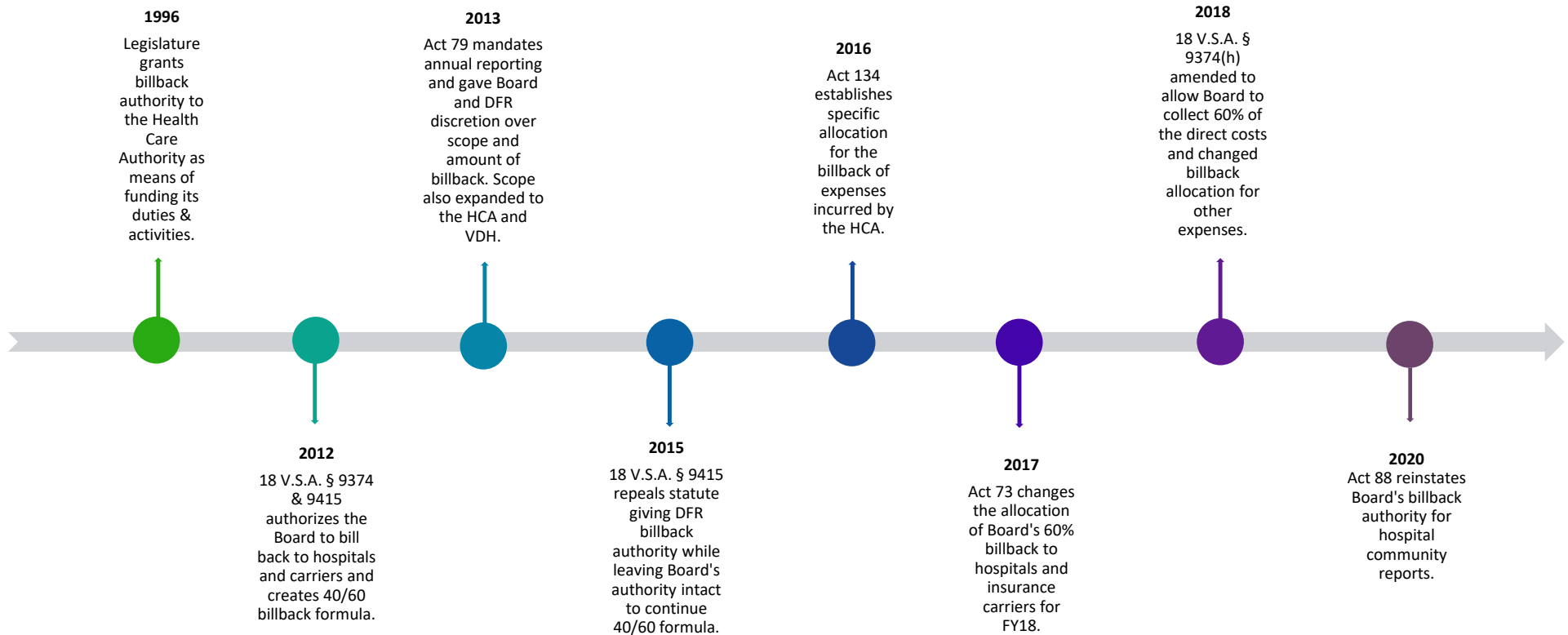
ACO	Amount Billed
One Care Vermont	\$ 440,871.70

Table 4: FY22 Billback Detail

CALCULATION OF ASSESSMENTS - FY2022 GMCB Billback			
Direct Expenses (Salaries, Benefits & Contracts)			
ACO	\$ 183,975		
HMO, HMS & Insurer	293,361		
Hospitals	266,988		
	\$ 744,323		
<i>Note: remaining 40% = state funds (general fund)</i>			
Other Expenses Assessment (does not include HCA)			
ACO	\$ 256,897	10.0%	Share assigned by statute
HMO, HMS & INSURER	1,027,587	40.0%	Share assigned by statute
Hospitals	1,284,484	50.0%	Share assigned by statute
	\$ 2,568,969		
<i>Note: remaining 40% = state funds (general fund)</i>			
Health Care Advocate Assessment			
HMO	\$ -	0.0%	Share assigned by statute
HMS (BCBS)	117,300	33.3%	Share assigned by statute
Insurer	117,300	33.3%	Share assigned by statute
Hospitals	117,300	33.3%	Share assigned by statute
	\$ 351,900		
<i>Note: remaining 27.5% = state funds (general fund)</i>			
One Time Adjustment			
The State Fiscal Year 2022 billback includes a one-time adjustment due to an insurer error in submitting ASSR data for the Fiscal Year 2021 bill back.	\$ 42,501		
Grand Total	\$ 3,707,693		

Appendices

Appendix 1: Timeline of Billback Legislation



Appendix 2: FY14 – FY22 GMCB and HCA Billback

GMCB Industry and HCA Billback (in thousands)									
(excludes CON, Community Hospital Reports & Quality/VPQHC)									
Organization Name	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Brattleboro	8	13	13	14	24	38	63	70	53
Grace Cottage (Carlos Otis)	1	2	1	1	2	4	14	16	13
CVMC	15	28	32	38	59	100	156	173	133
Copley	8	12	14	15	26	46	52	56	48
Gifford	6	10	11	12	19	28	38	42	32
Mt Ascutney	2	3	3	3	5	10	39	42	34
Northeastern	6	10	11	12	19	34	63	71	59
North Country	7	11	12	13	20	33	60	67	53
Northwestern	11	19	20	24	37	61	84	89	68
Porter	8	13	14	14	22	36	63	71	53
Rutland	28	46	49	57	89	167	192	214	164
Southwestern	19	32	30	30	48	84	124	137	106
Springfield	10	17	18	18	28	49	35	39	27
UVMMC	94	150	158	169	275	470	966	1,071	825
Total for Hospitals	\$ 223	\$ 369	\$ 387	\$ 421	\$ 673	\$ 1,158	\$ 1,948	\$ 2,158	\$ 1,669
Blue Cross and Blue Shield of Vermont	\$ 223	\$ 369	\$ 387	\$ 421	\$ 1,471	\$ 809	1,250	1,326	1,081
MVP Health Plan Inc	53	9	107	122	111	60	206	338	285
MVP Health Insurance Company	82	244	237	223	122	84	83	-	-
The Vermont Health Plan, LLC	141	360	280	176	61	23	29	30	27
Cigna Health and Life Ins Co	5	63	106	129	-	-	-	-	-
Connecticut General Life Insurance Co	115	23	5	0	-	-	-	-	-
Cigna Health and Life Ins Co/Connecticut	-	-	-	-	81	49	78	129	149
UnitedHealthcare Insurance Company	16	11	20	35	23	23	15	26	33
Aetna Life Insurance Company	17	14	12	24	18	16	30	12	16
MVP Health Services Corp	-	-	-	-	6	-	-	2	2
4 Ever Life Insurance Company	0	0	3	4	3	1	-	-	-
State Farm Mutual Automobile Insurance Company	1	1	1	2	2	2	1	1	2
QCC Insurance Company	3	3	3	4	2	-	2	2	2
Metropolitan Life Insurance Company								43	0
New York Insurance Company								-	-
MVP Health Insurance Company of New York	11	9	-	-	-	-	-	-	-
All Other	2	1	0	-	-	2	3	1	2
Total for Insurers	\$ 668	\$ 1,106	\$ 1,160	\$ 1,139	\$ 1,900	\$ 1,069	\$ 1,696	\$ 1,910	\$ 1,598
Total ACO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 208	\$ 366	\$ 398	\$ 441
Grand TOTAL	\$ 891	\$ 1,474	\$ 1,546	\$ 1,560	\$ 2,573	\$ 2,435	\$ 4,010	\$ 4,466	\$ 3,708

Billback Notes:

Direct salary, benefits and contract billback portion of expenses (60%) for insurer rate review, hospitals, and ACO for prior year deducted first per 18 V.S.A. § 9374 (h)(1)

Other billback expenses of the Board (except for Health Care Advocate) based on FY21 actuals less credit for underspending the prior year and allocated per 18 V.S.A. § 9374 (h)(2)

The Board's portion of Health Care Advocate allocated per 18 V.S.A. § 9607 (b)

Hospitals are assessed per 18 V.S.A. § 9374 (h)

- Through FY19 hospital calculation based on budgeted acute admissions
- For FY20 hospital calculation based on budgeted Net Patient Revenue (NPR)
- From FY21 forward hospital calculation based on actual NPR (FY22 based on 2019 Actual NPR)

Insurance companies assessed per 18 V.S.A. § 9374 (h)

- Assessment for those insurers licensed to do business in Vermont
- Insurance Company calculations based on Earned Premium (FY22 based on 2019 ASSR)

ACO assessed per 18 V.S.A. § 9374 (h) with billback portion of ACO direct expenses deducted first for FY22 per 18 V.S.A. § 9374 (h)(1) and the balance of assessment calculated per 18 V.S.A. § 9374 (h)(2)