

# GMCB Updates

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# Agenda

## 1. Update on Board's Recent Work

- Role in the All-Payer Model (APM)
- Accountable Care Organization (ACO) Regulation
- Hospital Budgets
- Rate Review

## 2. 2021 Legislative Session

- Overview of GMCB-Related Items

# GMCB's Role in APM



GMCB is one of three signatories to the APM agreement, along with the office of the Governor and the Vermont Agency of Human Services. The GMCB's role is specifically to:

1. Establish health care spending targets, the mechanism for constraining fee for service health care cost growth under the APM
2. Monitors and reports on statewide health care spending and quality
3. Ensures alignment across Board's regulatory processes
4. Along with co-signatories, recommends program design modifications to the Medicare ACO initiative to better align with other Vermont health care reform efforts

**Status:** Administration and Director of Health Care Reform taking lead in the negotiations of next model; GMCB opened public comment; thank you Rick Dooley, Sharon Gutwin, Allison Ebrahimi-Gold, and David Sichel for your comments; Please continue to provide any additional comments [here](#), which we will share with the administration.

# ACO Regulation

The GMCB's oversight of Accountable Care Organizations (ACOs) consists of:

- (1) **Certification:** ensures that ACOs seeking to receive payments from Vermont Medicaid and commercial payers have the systems in place to do the work required of an ACO; and
- (2) **Budget Review:** an annual assessment of the ACO's programs, which are expected to facilitate Vermont's shift toward value-based care, as well as the cost of administering these programs.

**Status:** developing 2022 budget guidance, monitoring 2021 actuals versus budget order, closing out 2020 budget year

# Hospital Budgets

- On March 24<sup>th</sup> the GMCB approved the Fiscal Year (FY) 2022 Hospital Budget Guidance. The Guidance was delivered to Vermont's Hospitals on March 30<sup>th</sup>.
  - GMCB approved a streamlined version of the guidance for the second consecutive year to reduce administrative burden on Vermont's hospitals as they continue to combat the COVID-19 pandemic.
    - The FY22 guidance removed several reporting requirements.
    - For hospitals that meet certain criteria when submitting their FY22 budget, the FY22 guidance affords hospitals the opportunity to receive pre-approved budgets without a budget hearing.

# Hospital Budgets

- FY22 Hospital Budgets are due July 1<sup>st</sup>.
- Through July, GMCB staff will review and vet the 14 hospital budgets.
- On July 28<sup>th</sup>, GMCB staff is scheduled to publicly present pre-liminary budgets to the GMCB.
  - At the July 28th meeting the GMCB will make decisions on those hospitals who have met the preapproved budget criteria.
    - Those hospitals who meet the criteria will not have a public budget hearing unless they request one.
    - Remote Hospital Budget hearings are scheduled for the last two weeks in August.
    - Budget decisions will be made by September 15<sup>th</sup>, following two weeks of deliberation.

# Rate Review

- The Board is tasked with reviewing major medical health insurance premium rates in the large group and individual and small group markets.
- The American Rescue Plan Act (ARPA) signed into law March 2021 expands eligibility for federal premium tax credits in 2022.
  - To take advantage of the enhanced subsidies available to individuals under ARPA, the Vermont Legislature unmerged the individual and small group markets for 2022.
  - Unmerging the markets expected to lower small group premiums and increase individual premiums, with the enhanced subsidies offsetting the increased premiums in the individual market.

# Rate Review

- On May 7, 2021, the Board received and began its review of the proposed rates offered to individuals, families and small businesses in 2022.
  - Small group: Over 2021 rates, BCBSVT is requesting an average annual decrease of 7.8%, while MVP is requesting an average annual increase of 5.0%.
  - Individual and family plans: Over 2021 rates, BCBSVT is requesting an average annual increase of 7.9%, while MVP is requesting an average annual increase of 17.0%.
- Hearings will be held July 19<sup>th</sup> (MVP) and 21<sup>st</sup> (BCBSVT), and a public comment forum will be held July 22<sup>nd</sup> from 4 – 6 p.m.
- The Board is accepting public comment May 10<sup>th</sup> until July 22<sup>nd</sup> at 11:59 p.m.

# 2021 Legislative Session

# House Bills

- Act 33 of 2021 (H.210) – An act relating to addressing disparities and promoting equity in the health care system
- Act 9 of 2021 (H.315) – An act relating to COVID-19 relief
- H.439 – An act relating to making appropriations for the support of government
  - Delivered to Governor June 2, 2021

# H.439 – Making appropriations for the support of government



- Task Force on Affordable, Accessible Health Care to explore opportunities to make health care more affordable for Vermonters
  - Members: 3 current House members and 3 current Senate members from different political parties
  - Starting Sept. 1, 2021, the Task Force will hold public hearings around the state
  - Report due on or before January 15, 2022
- DFR to review Vermont's benchmark plan establishing the State's essential health benefits to determine whether to recommend requesting approval from CMS to modify benchmark plan
  - Due on or before January 15, 2022

# H.439 – Making appropriations for the support of government

- VDH, in collaboration with AHEC and VSAC, shall establish a Medical Student Incentive Program at UVM College of Medicine
  - Purpose: to strengthen workforce pipeline and increase number of new physicians practicing in Vermont, with a focus on rural areas and undersupplied medical specialties
  - Scholarships awarded to up to 10 students annually who commit to practicing in medical specialty priority area (primary care; approved specialties include family medicine, internal medicine, adult primary care, pediatrics primary care, obstetrics-gynecology, and psychiatry)

# H.439 – Making appropriations for the support of government



- Transfers Global Commitment funds from VDH to VSAC in FY22 for scholarships for nurse students who commit to practice in Vermont and for medical students who commit to practicing primary care
- Funds Agency of Administration Office of Racial Equity for activities related to health disparities and health equity

# H.439 – Making appropriations for the support of government

- Health care workforce strategic plan draft due to GMCB on or before October 15, 2021. Update due to committees on or before December 1, 2021
- AHS authorized to carry forward Global Commitment funds to FY22 for purposes related to implementation of All-Payer ACO Model:
  - Health information technology projects
  - Delivery system reform projects focused on implementation of care model

# Act 33 – Addressing disparities and promoting equity in the health care system



- Creates Health Equity Advisory Commission to promote health equity and eradicate health disparities among Vermonters, including particularly those who are Black, Indigenous, and Persons of Color; individuals who are LGBTQ; and individuals with disabilities
- Commission shall provide strategic guidance on the development of the Office of Health Equity

# Act 9 – COVID-19 relief



- Appropriates funds to GMCB in FY21 to provide Vermont's share for updates to VHCURES to improve data collection related to health equity
- Appropriates funds to VDH in FY21 for collection and analysis of demographic data, including race and ethnicity data, regarding Vermont residents who experience health disparities

# Senate Bills

- S.48 – An act relating to Vermont’s adoption of the Interstate Nurse Licensure Compact
  - Delivered to Governor June 1, 2021
- Act 25 of 2021 (S.88) – An act relating to insurance, banking, and securities
- Act 6 of 2021 (S.117) – An act relating to extending health care regulatory flexibility during and after the COVID-19 pandemic and to coverage of health services delivered by audio-only telephone

## S.48 – Vermont’s adoption of the interstate Nurse Licensure Compact



- Allows nurses (RN or LPN/VN) to have a multistate license with the ability to practice in their home state and other compact states
- If passes, will take effect February 1, 2022

# Act 25 – Banking, insurance, and securities

- Bill includes language to unmerge the individual and small group markets for plan year 2022 to take advantage of the enhanced subsidies available to individuals under the American Rescue Plan Act
- Unmerging the markets is expected to lower small group premiums and increase individual premiums, with the enhanced subsidies offsetting the increased premiums in the individual market
- Does not impact how individuals, families, and small businesses purchase insurance plans

## **Act 6 - Extending health care regulatory flexibility during and after the COVID-19 pandemic and to coverage of health care services delivered by audio-only telephone**

- Extends various Act 91 and Act 140 provisions through March 2022, including:
  - Waiver of certain telehealth requirements
  - DFR emergency rulemaking authority related to expanding health insurance coverage or limiting cost-sharing related to COVID-19 services and health insurance plan deductible requirements for prescription drugs
- Includes clarifying language related to coverage of health care services delivered by audio-only telephone

## **Act 6 - Extending health care regulatory flexibility during and after the COVID-19 pandemic and to coverage of health care services delivered by audio-only telephone**



- On or before July 1, 2021, DFR, in consultation with DVHA, GMCB and others, shall determine appropriate codes or modifiers to be used by providers and insurers in the billing of and payment for services delivered via audio-only telephone
- On or before December 1, 2023, DFR, VPQHC, and to the extent VHCURES data are available, GMCB shall present information to committees regarding use of audio-only telephone services in calendar year 2022
- DFR shall determine amounts that health insurance plans shall reimburse health care providers for delivering health care services by audio-only telephone during plan years 2022, 2023, and 2024