

Act 167 (2022): Community Engagement to Support Hospital Transformation

Community Engagement – Provider meetings

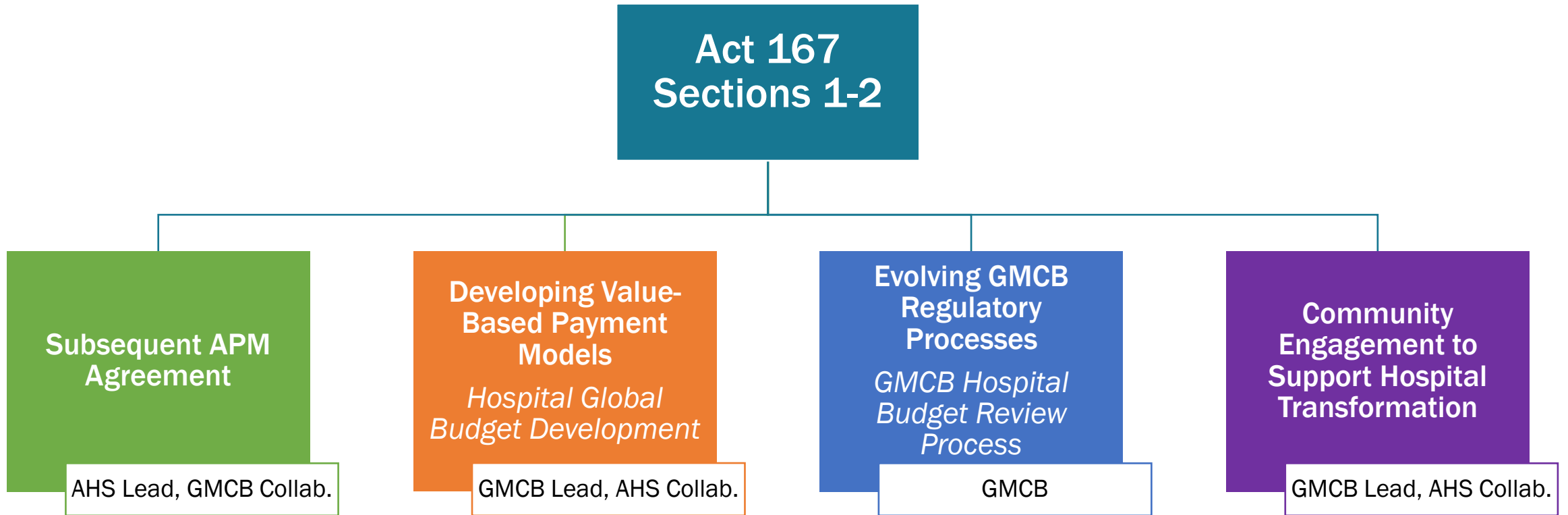
Presented by GMCB & OW (Bruce H. Hamory, MD FACP; Elizabeth Southerlan; Chidera Chukwueke, PhD)

Background on Hospital Sustainability Planning



- | | |
|-------------|--|
| 2019 | <ul style="list-style-type: none">• Per Act 26 of 2019, the Rural Health Services Task Force was created “to evaluate the current state of rural health care in Vermont and identify ways to sustain the system and to ensure it provides access to affordable, high-quality health care services”; Green Mountain Care Board (GMCB) convened the Task Force and produced a report in early 2020: Rural Health Services Task Force Report, Act 26 of 2019• GMCB requires hospitals to develop sustainability plans due to persistently low and declining margins, Springfield bankruptcy, and rural hospital closures nationally; initially, 6 of 14 hospitals are required to provide sustainability plans |
| 2020 | <ul style="list-style-type: none">• Requirement for Sustainability Plans expanded to all 14 hospitals following COVID-19 Public Health Emergency• Legislature passes Act 159 of 2020 requiring GMCB to provide recommendations for improving hospital sustainability |
| 2021 | <ul style="list-style-type: none">• GMCB Hospital Sustainability Report, Act 159 Section 4 |
| 2022 | <ul style="list-style-type: none">• In response to findings of Hospital Sustainability Report, Legislature passes Act 167 of 2022 (formerly S.285), which in Sections 1-3 provides GMCB and AHS with funding for:<ul style="list-style-type: none">• Section 1(a): Development of a proposal for a subsequent All-Payer Model Agreement (led by AHS in collaboration with GMCB)• Section 1(b)(1): Development of value-based payments for hospitals, accountable care organizations, or both (led by GMCB in collaboration with AHS)• Section 1(b)(2)-(3): Alignment of GMCB regulatory processes with value-based payment models; recommend a methodology for determining the allowable rate of growth in Vermont hospital budgets (GMCB)• Section 2: Lead a community engagement process to drive hospital system transformation, including data/analyses and engagement with Vermont communities and hospitals (led by GMCB in collaboration with AHS) |

Act 167 Sections 1 and 2



GMCB and AHS are working together to support coordination across current payment reform and health systems improvement efforts

Community and Provider Engagement

Progress Update



- As directed by the Legislature, GMCB has retained an expert to support a “data-informed, patient-focused, community-inclusive engagement process for Vermont’s hospitals”
- Oliver Wyman will review data and solicit local input to develop options that ensure Vermonters have sustained access to affordable care. They will be working directly with community members, businesses, hospitals, and health care organizations to ensure a wide range of voices are represented in these discussions
- A current contractor will provide data analytics support

For more information: [GMCB Community Engagement to Support Hospital Transformation](#)



AGENDA

1

Introduction and context setting

30 mins

- Introduce the project team
- Share the context and goals of Act 167 (of 2022)
- Highlight current healthcare landscape (affordability, patient access)

2

Gain perspective on healthcare system as experienced by the provider community

90 mins

- Healthcare delivery availability and efficiency
- Care coordination
- Equitable access

3

Conclusion & next steps

5 mins

- Provide closing remarks and overview of how insights will be used

MEET THE PROJECT TEAM



Bruce H. Hamory, MD FACP

*Partner & Chief Medical Officer,
Healthcare & Life Sciences*

- Helps providers, health systems and countries to redesign their delivery systems to improve value by improving quality and reducing costs
- Has worked with many groups to improve their operations, design appropriate physician compensation and institute new systems of care and management to improve performance
- Prior to joining Oliver Wyman, he was Executive Vice President, System Chief Medical Officer at Geisinger, and was previously Executive Director of Penn States' Hershey Medical Center and COO for the campus
- Has over 50 years of experience in health care practice, teaching, leadership, and redesign of systems for improvement



Elizabeth Southerlan

*Managing Director,
Healthcare & Life Sciences*

- Has more than 15 years of experience partnering with healthcare provider systems to identify and deliver value from expansion opportunities
- Provides strategic guidance to healthcare leaders in a range of areas: corporate and operational strategy, organizational strategic design, health equity strategy and operationalization, product and service line design and launch, M&A strategy and execution, strategic transformation, contracting and renegotiation strategy, and operational performance improvement
- Earned a bachelor's degree in industrial engineering from The Pennsylvania State University and a master's degree in systems engineering and management from the Massachusetts Institute of Technology



Sam Winter

*Engagement Manager,
Healthcare & Life Sciences*

- Has more than 10 years of experience designing and managing large provider and payer transformation programs
- Provides strategic guidance and delivery support in areas spanning value-based care, cost and operations transformation, M&A, and digital/analytics
- Holds an MBA from the Kellogg School of Management at Northwestern University (healthcare track) and a degree in engineering from the University of Maryland



Chidera Chukwueke, PhD

*Senior Consultant,
Healthcare & Life Sciences*

- Supported several healthcare projects primarily in the payer space with a focus on government markets (e.g., Medicare/Medicaid). Sample projects include:
 - Optimized the product design strategy for a F500 national Medicaid player expanding their Medicare capabilities
 - Designed a cost of care performance management process for a national Medicare, Medicaid, and ACA player
- Earned a PhD in Neuropharmacology, where neuroimaging techniques were used to investigate the role of dopamine in addictions

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 AHS, 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**



GMCB tasked Oliver Wyman with engaging diverse healthcare stakeholders to ascertain **their 1) interactions with the health system and 2) perceived needs** to improve equitable healthcare access and outcomes



Community and provider engagement process *(see detailed Gantt in Deep Dive)*

Aug-Sept 2023

Step 1. Finalize engagement plan and interview scheduling

- Identify and schedule interviews with key stakeholders in the following groups:
- Hospital leaders
 - Provider organizations
 - Community leaders and members
 - Diverse populations
 - State of Vermont partners and Legislators
 - Health related organizations

Sept-Nov 2023

Step 2. Develop current state understanding through 1st round of interviews

- Obtain community perspective on:
- HSA characteristics
 - Hospital & healthcare delivery system performance
 - Community needs
 - Desired health system future state

Today's discussion

March – May 2024

Step 3. Develop solution options and vet with community through 2nd round of interviews

- Develop solutions to address current needs and reach the desired future state while considering Act 167 goals
 - *In conjunction with analytics contractor*
- Obtain stakeholder perspective on the impact of recommendations on hospital performance and healthcare delivery

May – June 2024

Step 4. Develop and deliver final report to GMCB

- Document and socialize confirmed current state understanding, designed future state, and recommended steps to achieve future state (including pros and cons)
- Obtain stakeholder alignment on recommendations

Current landscape:

CURRENT HOSPITAL TRANSFORMATION WORK IS CRITICAL AND TIMELY

National and State Trends in Healthcare are Adverse

- Rising costs driven by hospital costs and drugs
- Shortages of Physicians, Nurses and Other Professionals
- Hospitals with unsustainable margins
- Families unable to afford care



Threatens sustainability of current hospital system

- Considerable underinsured population in Vermont
- Hospital operating margins are declining
- Hospital Days cash on hand is declining
- Patient access and service wait times are poor



New federal payment models

- Global Hospital Budgets
- Primary care payment model
- Rural Emergency Hospital Designation
- Movement of FFS Medicare to Medicare Advantage

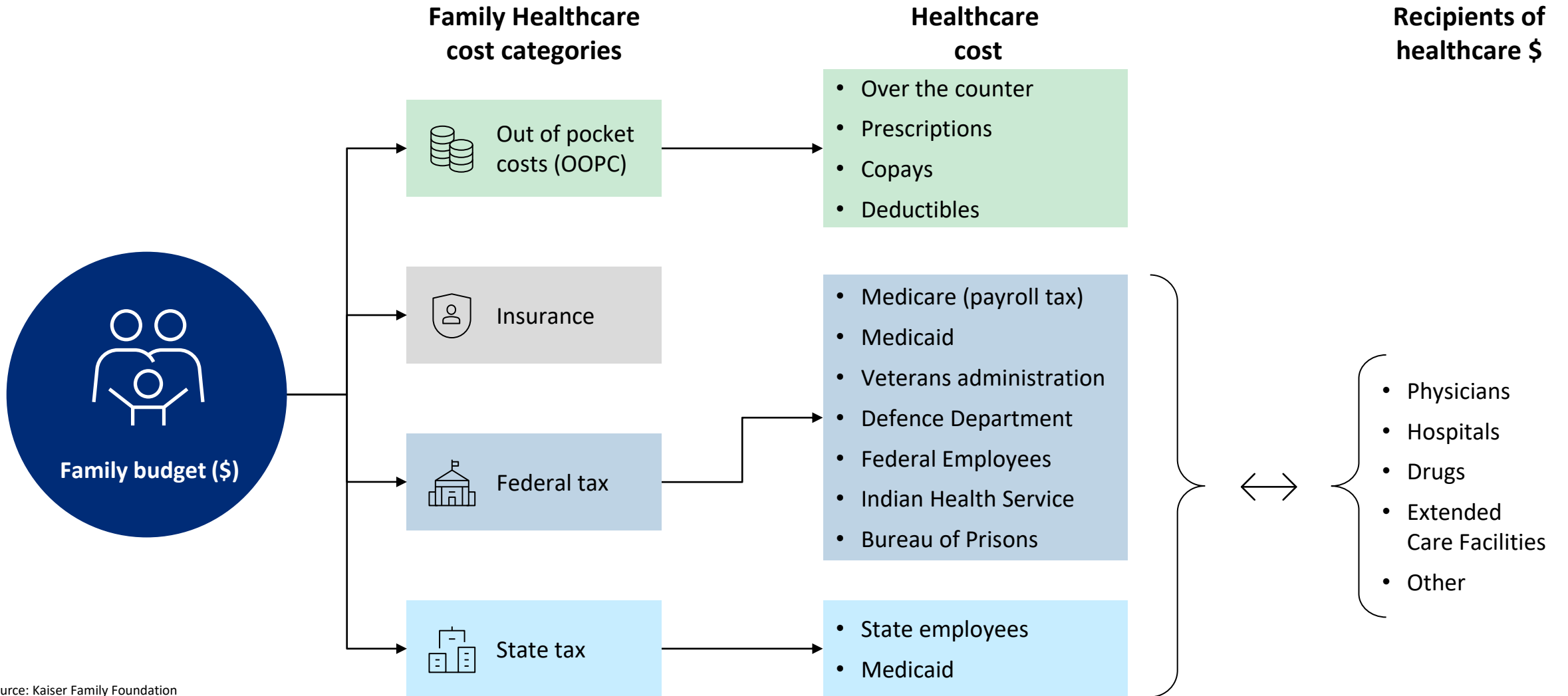


Global Hospital Budgets (one component of the AHEAD model)

- Accountability for total cost of care
- Offers opportunity to transform hospital operations and healthcare delivery which will improve sustainability but will require preparation
- Primary care directed payments are part of the total improvement effort

Affordability:

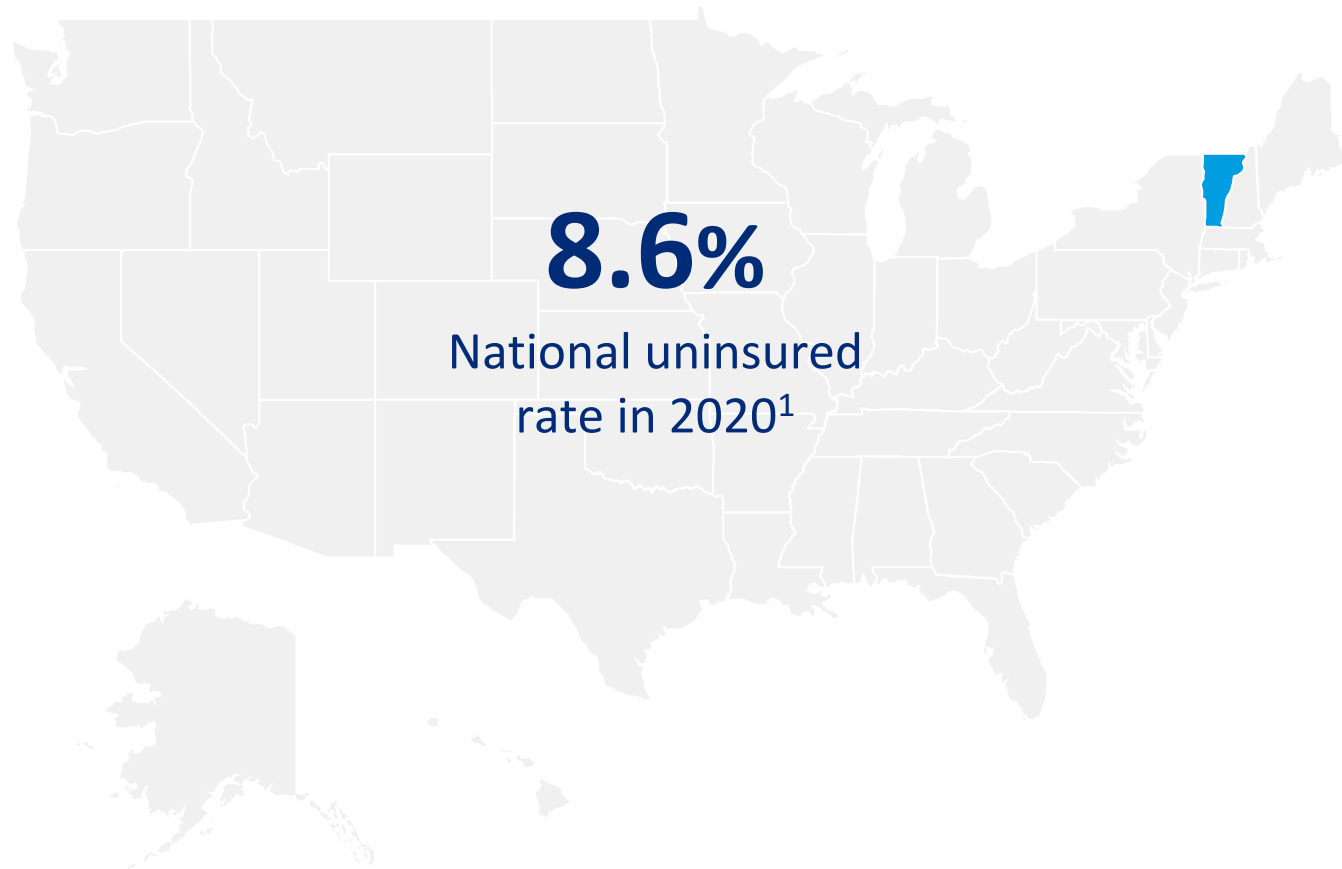
A FAMILY PAYS FOR HEALTHCARE IN MULTIPLE WAYS



Source: Kaiser Family Foundation

Affordability:

VERMONT UNINSURED AND UNDERINSURED RATES



Vermont

3.1% Vermont uninsured rate in 2021²

- Cost is most cited reason for not having insurance

Many remain underinsured and face high OOPCs that impede access to care

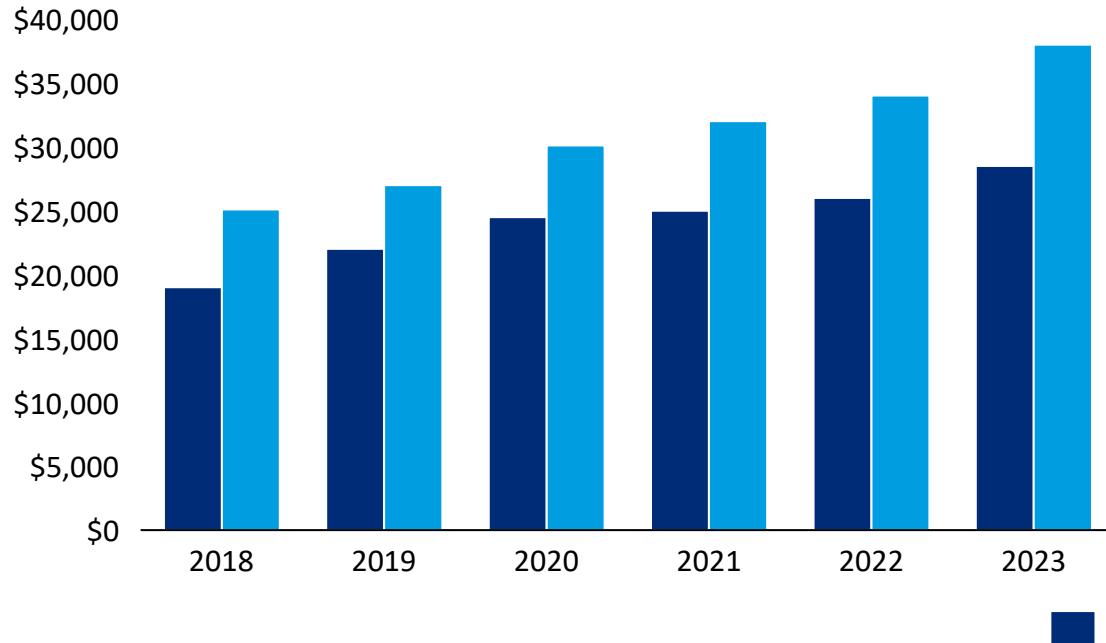
- 40% of insured Vermonters under 65 are considered underinsured (medical expenses are more than they can afford)²

1. Kaiser Family Foundation Health Insurance Coverage Data. 2020. [Found here.](#)
2. [2021 Vermont Household Health Insurance Survey.](#)

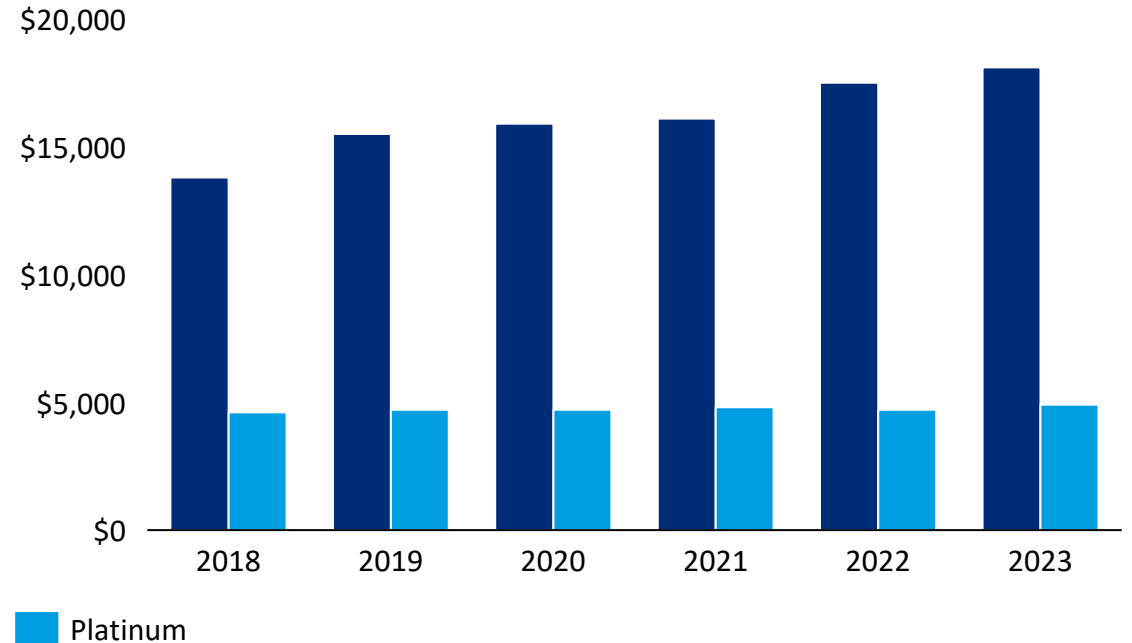
Affordability: INSURANCE PREMIUMS IN VERMONT

Vermont Median family income is \$67,674¹ and after 22%² taxes is net ~\$43,000/year.

Annual premium, family of four, BCBSVT³



Maximum Out of Pocket, family of four, BCBSVT³



Note. Most VHC users are eligible for subsidies or tax credits. Most uninsured Vermonters are for VHC plan subsidies. Enhanced subsidies from APRA will continue through 2025.

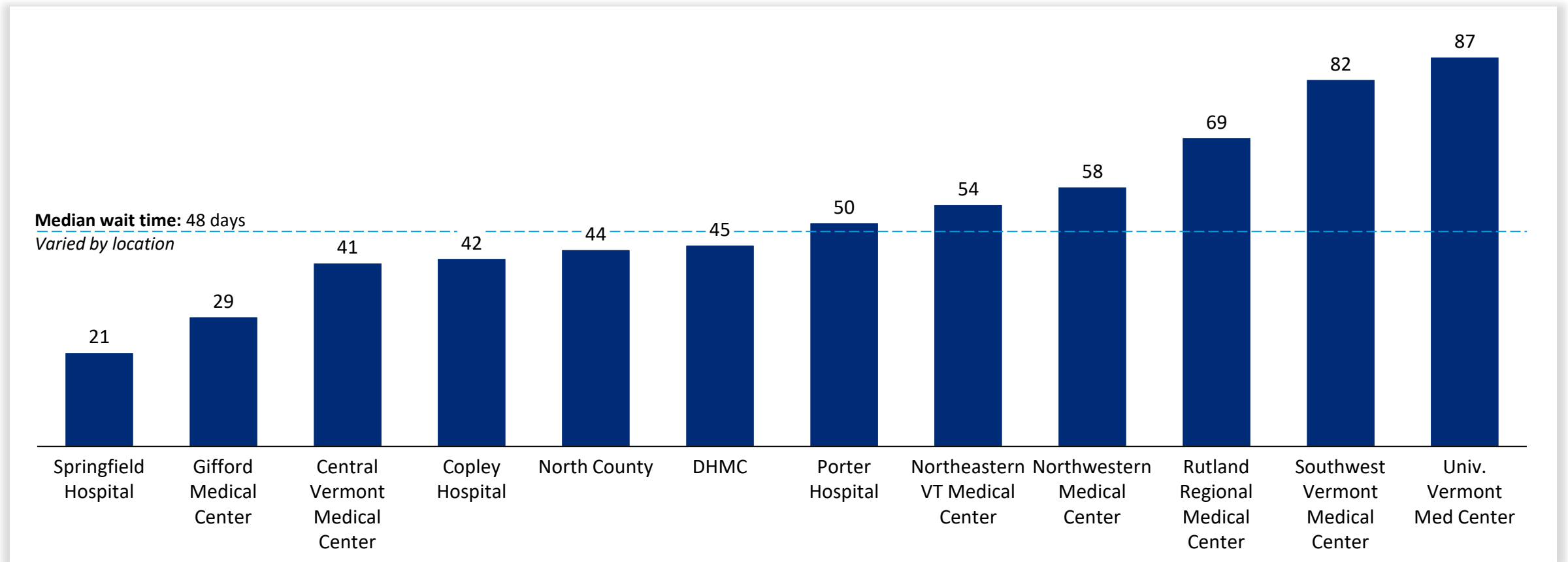
Source: 1. [US census bureau](#); 2. [Income tax calculator](#); 3; GMCB

Access:

WAIT TIMES

Secret Shopper: Wait times for specialist appointment by site

Median wait times in days



Note: hospitals offer different mix of specialties and some offer more of the specialties with longer wait times

Source: State of Vermont Wait Times Report, 2022

Discussion:

CARE PROVIDERS



Areas for this group to provide input:

- What issues are you encountering that limit your ability to provide care to more people?
 - What issues should be addressed to make your care more efficient and affordable?
- What problems are your patients and their families having in getting preventive services and/or medical care?
 - When your patient/client needs care from others (specialist/hospital/ social service agency) how do you help them get it?
- What are you doing to improve health equity?
 - What are the biggest barriers to accessing healthcare for diverse/marginalized populations within Vermont?
 - How is your organization working to engage and empower diverse Vermonters in the development and implementation of health equity initiatives?
 - What are your organization's priorities for addressing social drivers of health, such as housing, food insecurity, and education, which are disproportionately impacting VT's diverse populations? Do you feel other key and influential stakeholders in the medical community share these priorities?
- In a perfect world, if you could redesign Vermont's healthcare system to ensure equitable access to a low-cost, high-quality care, what would it look like?

Next steps:

- *We will summarize the insights we have learned and use it to come up with solutions to improve Vermont's healthcare system*
-



Contact and additional information

For more information on the community engagement project see: [GMCB Community Engagement to Support Hospital Transformation](#) - Sign up for public meetings!

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appendix

OVER A 6 – 9 MONTH PERIOD, WE WILL CONDUCT AN INCLUSIVE LISTENING CAMPAIGN TO DEVELOP PARTICIPANT INFORMED SOLUTIONS

Activity	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Step 1. Finalize engagement plan and begin interview scheduling <ul style="list-style-type: none"> Establish and confirm alignment on project management Confirm stakeholder groups and contacts Schedule “Listening Tour” interviews Develop “Listening Tour” material outlines 											
Step 2. Develop current state understanding through stakeholder interviews <ul style="list-style-type: none"> Finalize schedule of HSA-level interviews following obtaining contacts from state-wide interviews Finalize materials to be used in HSA-level interviews (incl. data synthesis) Conduct all state-wide and HSA-level interviews Synthesize insights that will support recommendation development Share insights with GMCB for feedback/alignment Develop views on necessary analysis relevant for Step 3 											
Step 3. Socialize and vet proposed recommendations with stakeholders <ul style="list-style-type: none"> Develop recommendations based on interview insights and data analysis Validate pros and cons for each recommendation and assess impact to health system Obtain GMCB approval to socialize preliminary recommendations with identified stakeholders Determine meeting strategy for 2nd round of meetings Socialize preliminary recommendations and obtain feedback from relevant stakeholders Refine recommendations based on obtained stakeholder feedback Discern interest in participating in recommendation implementation 											
Step 4. Develop and deliver final report to GMCB <ul style="list-style-type: none"> Draft final report with findings and recommendations Socialize report with GMCB and publish report as requested 											

19 Nov 2023 - 29 Feb 2024

Winter break – meetings halt while data analytics continue

WE WILL BE PARALLEL PROCESSING STATE-WIDE AND HSA-LEVEL DISCUSSIONS DURING THE ENGAGEMENT PROCESS

Meeting schedule below is illustrative and final schedule will depend on stakeholder availability

