

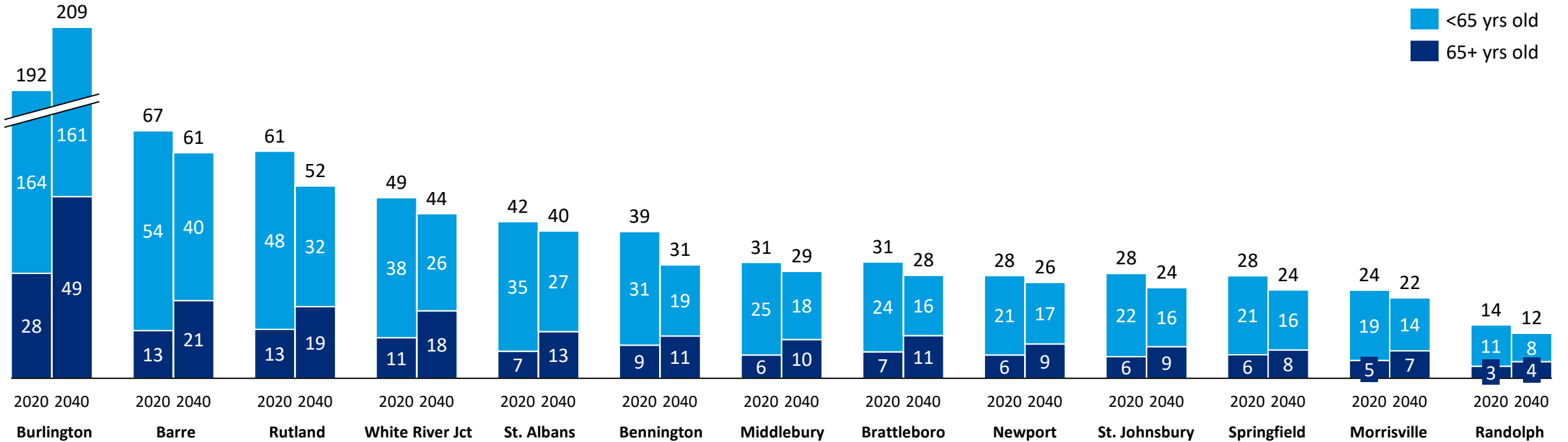
# VT Healthcare and Population-based payment

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Presentation to the Green Mountain Care Board 22 May 2024

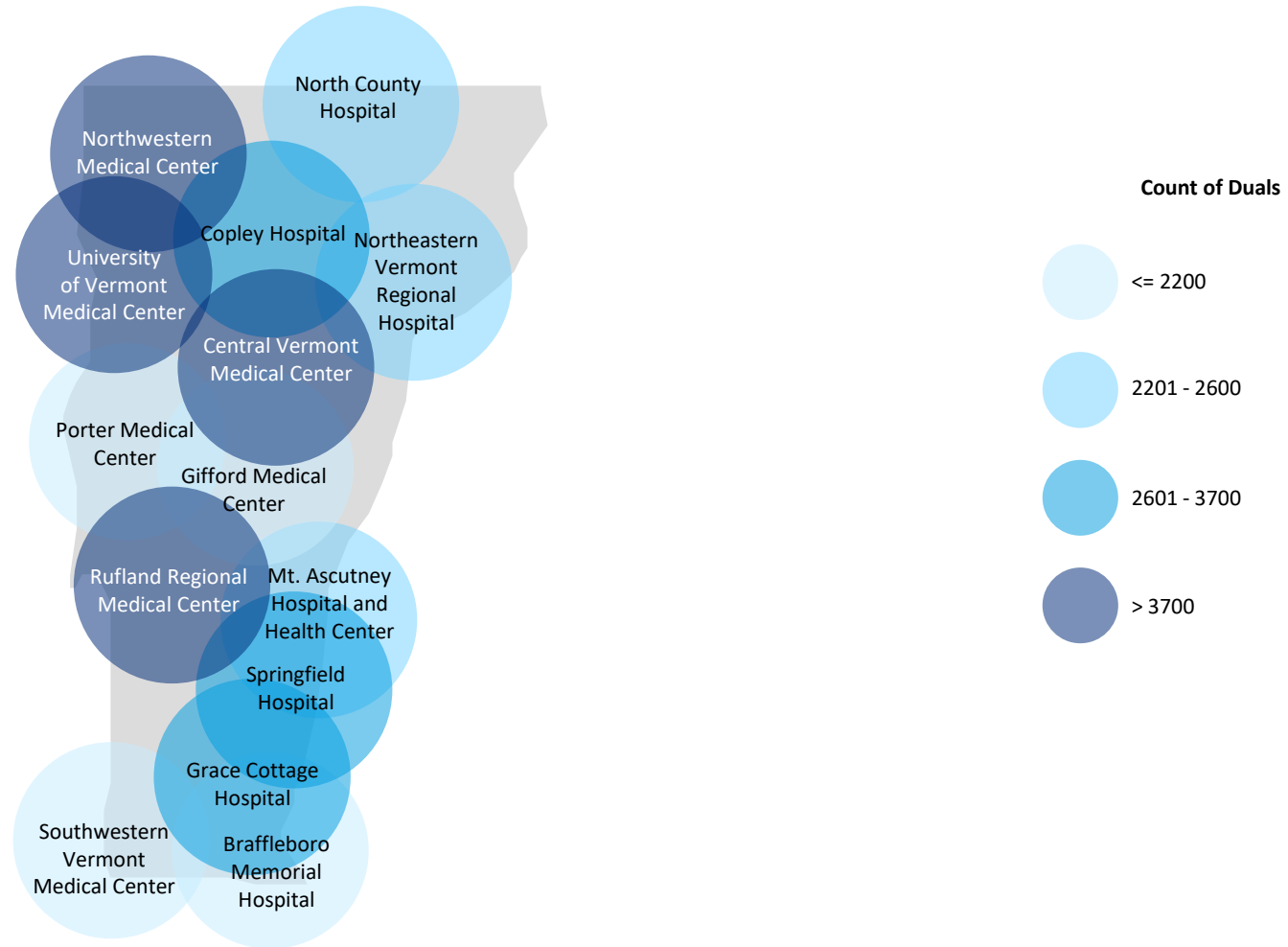
# VERMONT WILL FACE INCREASINGLY AGING POPULATION WITH A SHRINKING POOL IN ALL REGIONS EXCEPT FOR BURLINGTON

Projected Vermont population by HSA<sup>1</sup>  
In thousands, 2020-2040F



Source: 1. MPR VT Population by HSA, Mathematica projections, Oliver Wyman analysis

# COUNT OF DUAL ELIGIBLES BY 20 MILE RADIUS OF A HOSPITAL, VERMONT



Source: MPR analysis

# HEALTHCARE OVERVIEW: WHO IS DRIVING THE HIGH COST OF CARE?

POLY CHRONIC INDIVIDUALS COMPRISE ONLY 5% OF THE POPULATION BUT MAKE UP NEARLY 50% OF HEALTHCARE COSTS

**5%**

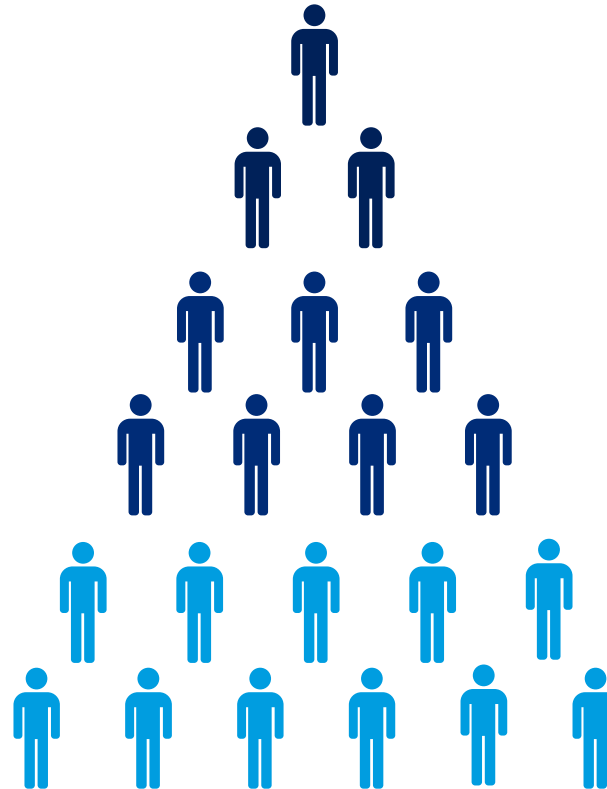
Poly chronic

**20%**

Chronic and at-risk

**75%**

Healthy, minor issues



**45%**

ER visits, over-utilization,  
high care variation,  
non-compliance



**35%**

Infections, complications,  
and rehospitalizations



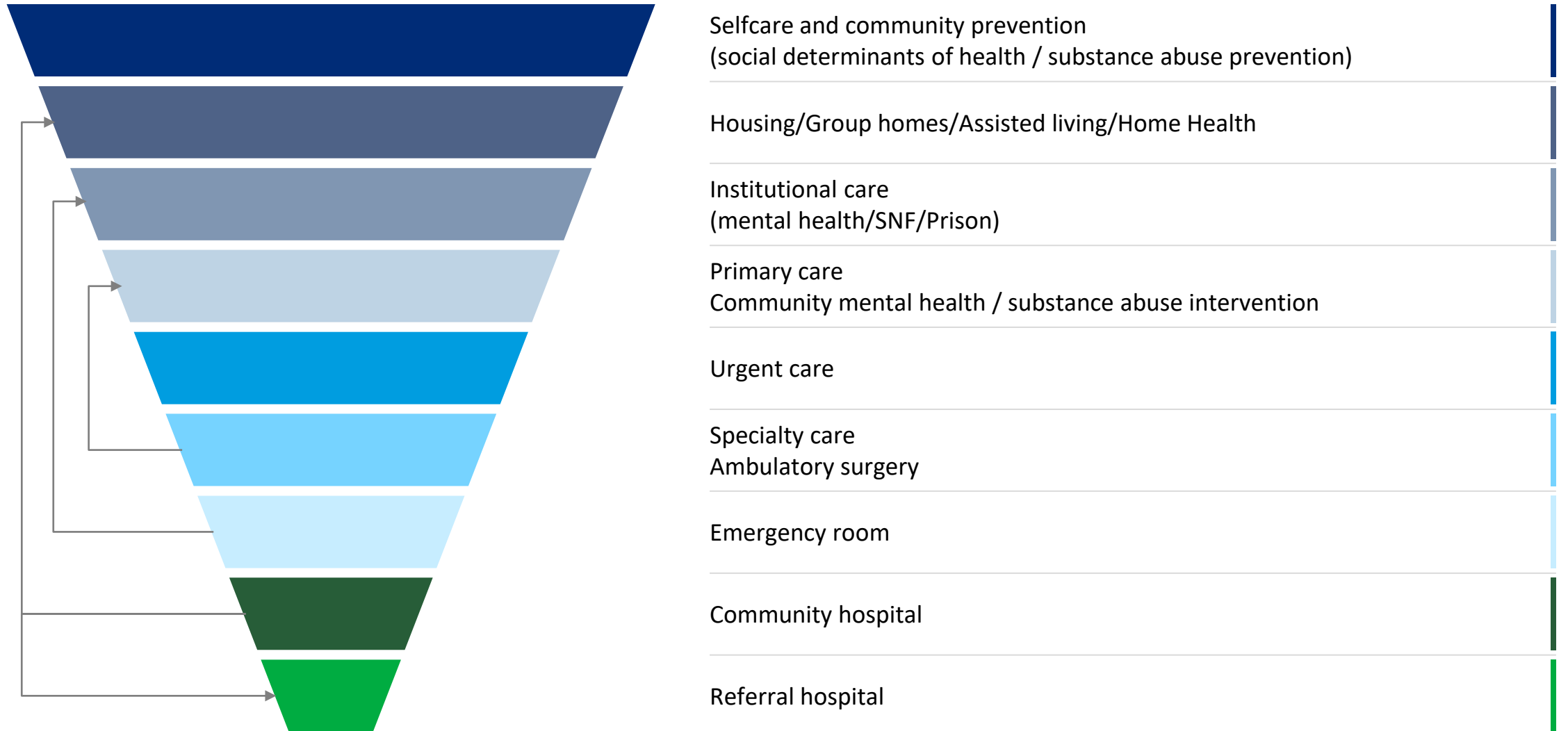
**20%**

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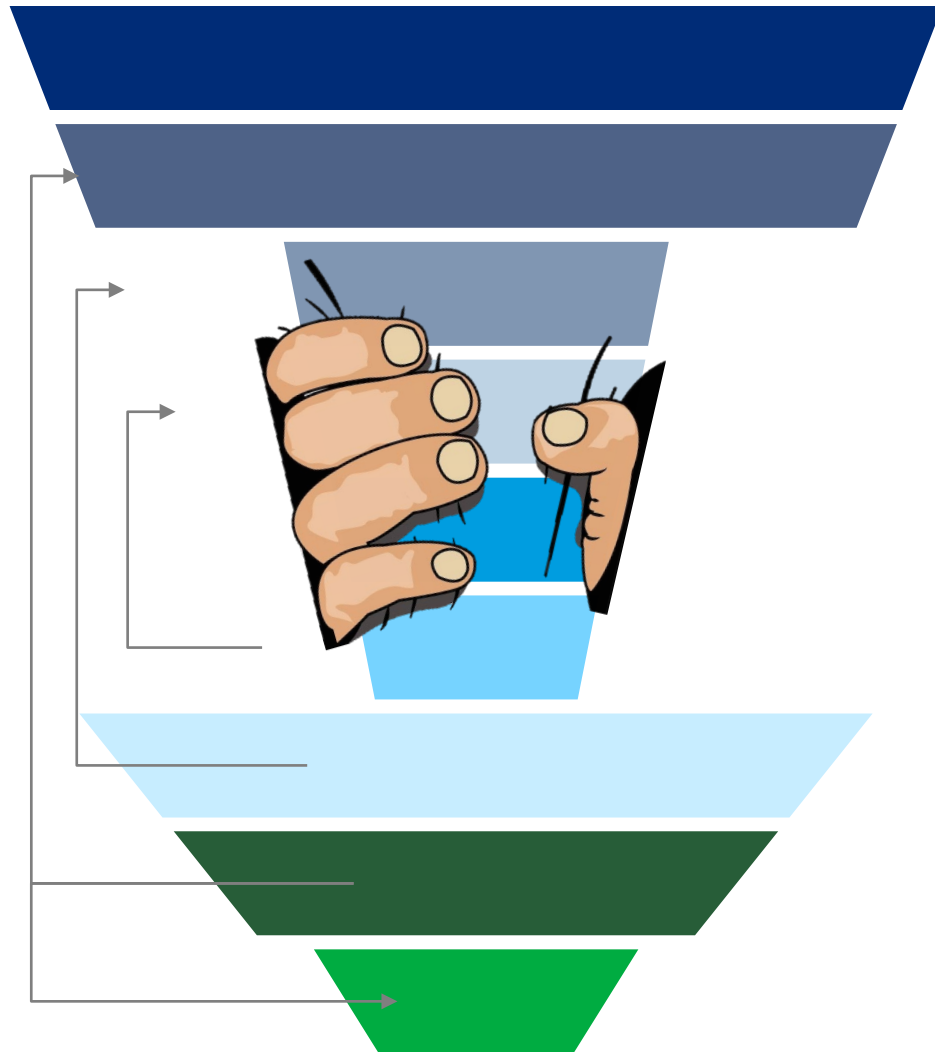
To make matters worse, as the US population continues to age, the percent of those individuals who fall into the category of “healthy, minor issues” will diminish

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# HEALTHCARE SYSTEMS MANAGE PATIENTS THROUGH DATA ANALYTICS



# WHEN CARE CAPACITY IN THE PRIMARY CARE SETTING AND COMMUNITY ARE CONSTRAINED, PRESSURE TO PROVIDE CARE IN HOSPITALS



Selfcare and community prevention  
(social determinants of health / substance abuse prevention)

Housing/Group homes/Assisted living/Home Health

**Institutional care**  
(mental health/SNF/Prison)

**Primary care**  
Community mental health / substance abuse intervention

**Urgent care**

**Specialty care**  
Ambulatory surgery

**Emergency room**

**Community hospital**

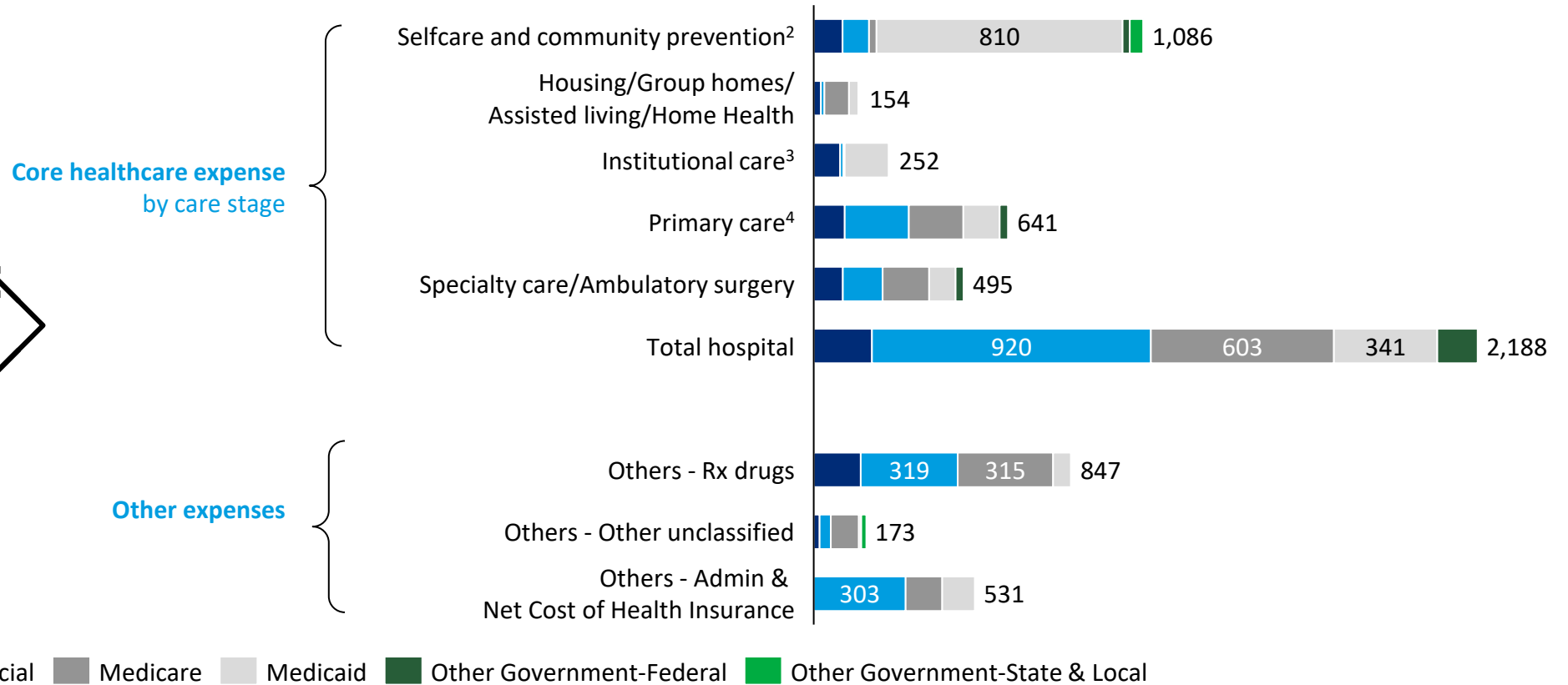
**Referral hospital**

# IN 2020, 34% OF VERMONT'S HEALTH CARE EXPENDITURES WAS SPENT ON SELF CARE AND COMMUNITY PREVENTION

2020 Vermont Health Care Expenditure by care stage and type<sup>1</sup>  
In USD thousands

2020 TOTAL:  
**\$6.4BN**

Approx. \$10,000 per person per year



1. In 2020 VT Healthcare Expenditure Resident Analysis, 'Physicians' are categorised as half primary care and half specialty care, 'Psych hospitals' (both state and private) are categorised under institutional care, 'dentists', 'vision&DME' and 'mental health & other government activities' are categorised as selfcare and community prevention, 'other professionals (licensed)' are categorised as primary care 2. Including social determinants of health and substance abuse prevention 3. including mental health, SNF, and prison, 4. Including community mental health and substance abuse intervention  
Source: 2020 VT Healthcare Expenditure Resident Analysis ([link](#)), Oliver Wyman analysis

# CONDITIONS NECESSARY FOR SUCCEEDING VALUE-BASED PAYMENT

- **Tight alignment of financial incentives** among all participants.
- **Sharing of accurate and timely clinical information and financial performance** with all participants
- **Adequate resources for primary care, mental health and preventive services** in the community
- **Availability of referrals to specialists and needed diagnostic tests**
- **Availability of appropriate levels of care other than acute inpatient beds** (inpatient and outpatient mental health services, extended care facilities)
- Ability of tertiary and other referral facilities to accept patient transfers for needed care
- Availability of appropriate transportation for patients between facilities







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