S.285 - Senate Health and Welfare & Senate Appropriations Amendments
Key Points and Summary

Overview of Money Provisions: While COVID-relief funds have been instrumental in keeping hospitals afloat during the pandemic, once these one-time subsidies cease, underlying inefficiencies in the system will continue to challenge hospitals' abilities to deliver quality, affordable care. The $5M in funding in this bill supports moving forward with payment and delivery reform with $1M appropriated to the Green Mountain Care Board (GMCB) and $550k to the Agency of Human Services (AHS) to begin the work in FY2023, and $3.45M to GMCB in FY2023 pending approval from the Health Reform Oversight Committee after a plan is submitted by October 1, 2022.

Summary of Key Findings from Act 159, Sec. 4 Hospital Sustainability Report

1. Absent reform, Vermont hospitals' financial health will continue to decline, and commercial prices will likely continue to outpace economic growth, making health care even less affordable, eroding quality of care over time, and threatening Vermonters' continued access to care in their communities.
2. There is significant reimbursement disparity across hospitals in the extent to which their reimbursements cover their costs of delivering a particular service, even after controlling for case-mix.
3. Accelerated delivery system transformation is the only solution to address both hospital financial sustainability and ensure Vermonters' access to high quality, affordable care.
4. The success of these efforts will also require appropriate investments in primary care, mental health and Medicaid payments that are sufficient to cover the cost of delivering essential services.

<u>Sec. 1. Hospital Value-Based Payment Design</u>

GMCB, collaborating with AHS, will work with providers, payers, and other stakeholders to design a process for establishing and distributing value-based payments, including global payments, from all payers to Vermont hospitals that will:

- help move the hospitals away from a fee-for-service model;
- provide hospitals with predictable, sustainable funding that is aligned across multiple payers and sufficient to enable the hospitals to deliver high-quality, affordable health care services to patients; and
- take into consideration the necessary costs and operating expenses, and not be based on historical charges.

  Furthers recommendation from Donna Kinzer (HROC consultant) to pursue global payments
- Progress updates to HROC, House Health Care Committee, and the Senate Committees on Health and Welfare and on Finance

Sec. 2. Health Care Delivery System Transformation

GMCB, in collaboration with AHS, will hire health systems experts and community engagement experts, preferably with rural expertise, to engage communities in a series of data-informed discussions to identify opportunities for delivery system transformation. This work includes:

- The facilitation of a patient-focused community-inclusive plan, including an understanding of the current and future states of health care and an understanding of the opportunities.
- Packaging complex data specific to each community so that it is easily understood
- Preparing for and facilitating many conversations with communities, including consumers, employers, health care providers – including primary care, and other stakeholders.
- An assessment of the capacity of Vermont's community-based health care and social service providers to effectively implement the community's delivery system plan
- Technical assistance to hospitals and communities to facilitate planning and transformation

Includes contract with a primary care provider to assist the Board with assessing and strengthening the regulatory process and inform payment/delivery reform efforts

Sec. 3. Design and Development of Potential, Subsequent Federal Agreement with CMMI

Director of Health Care Reform in AHS in collaboration with GMCB will design and develop a proposal for a subsequent agreement with CMMI for Medicare's continued participation in payment models in Vermont

Sec. 4. Health Information Exchange Steering Committee

HIE Steering Committee will include a strategy in the HIE Strategic Plan to merge claims and clinical data

Sec. 5. Health Care Database (VHCURES) - 18 V.S.A. § 9410

- Existing law limits ability to analyze clinical data and claims together, resulting in potentially duplicative data collection and limiting use for delivery system reform. This change allows GMCB to bring the data together at a patient level to better carry out the purposes of the statute. **Patient protections remain and personal information would not be disclosed consistent with current law**. This proposed change allows for the process used by many states with newer all-payer claims databases and this is how the GMCB currently collects Medicare data.

Sec. 6-8 Blueprint for Health

Section 9. GMCB Summaries

- Requires GMCB to produce simpler summaries recommended by Donna Kinzer

Sec. 10. Appropriations