

# 2015 Vermont Health Care Expenditure Analysis

Both Resident and Provider spending perspectives

Published May 2017

# Introduction of The Expenditure Analysis

The *Vermont Health Care Expenditure Analysis* is required under 18 V.S.A. § 9375a.

The analysis is an annual report to inform policy makers and the public about health care spending in Vermont. The report serves as a guideline within which health care costs are controlled, resources directed, and quality and access assured.

The report is a consistent model that:

- establishes a base of health care spending and funding,
- examines spending and sources of funds over time,
- allows comparisons of Vermont spending to national health care spending, and,
- provides spending information from two different perspectives; 1) spending on behalf of Vermont residents regardless where they receive care and 2) spending by Vermont providers for both residents and non-residents cared for in Vermont.

*Note: This symbol is used when a slide is prepared from Vermont resident analysis data.*

*The Vermont provider analysis data will use this symbol.*



# Executive Summary

As required under Act 160 of 1991 (Adj. Sess.), the Vermont Health Care Expenditure Analysis was first published in May of 1993. The report was intended to inform the development of a spending forecast and ultimately, a Unified Health Care Budget. The report was designed to allow comparisons with federal data reflected in the National Health Accounts published by the Health Care Financing Administration (renamed the Centers for Medicare & Medicaid Services [CMS] in 2001). The report has evolved to inform health care reform efforts as data sources and technology provide improved information.

## Vermont resident health care spending

Health care spending for Vermont residents receiving services both in and out-of-state **increased 2.9% in 2015**. This was lower than the 4.7% increase in 2014 and below the average annual increase of 4.1% for the period 2006 through 2015.

## Vermont compared to United States

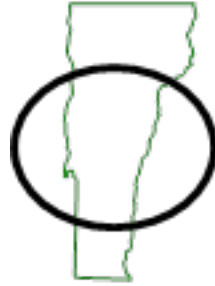
The per person spend in Vermont was \$9,112, an increase of 3.0% over 2014. This is lower than the U.S. per person amount of \$9,504.

## Vermont provider health care spending

Health care spending by Vermont providers' services to patients increased 5.5% in 2015. This was higher than the 1.9% increase in 2014 and higher than the average annual increase of 4.7% for the period 2006 through 2015.



# Vermont Resident Analysis



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# Vermont Resident Health Care Expenditures

## Summary of Spending Growth

All dollar amounts are reported in millions

Payers	2010	2011	2012	2013	2014	2015	2014-2015 Annual Change	2010-2015 Average Annual Change
Out of Pocket	\$701	\$716	\$716	\$722	\$722	\$740	2.4%	1.1%
Commercial	\$1,876	\$1,850	\$1,857	\$1,892	\$1,920	\$1,846	-3.9%	-0.3%
Medicare	\$954	\$992	\$1,081	\$1,120	\$1,195	\$1,265	5.8%	5.8%
Medicaid	\$1,187	\$1,211	\$1,304	\$1,379	\$1,490	\$1,631	9.5%	6.6%
Other Government	\$208	\$215	\$181	\$183	\$216	\$223	3.3%	1.5%
Total Resident Expenditures	\$4,925	\$4,983	\$5,138	\$5,297	\$5,543	\$5,704	2.9%	3.0%
Annual Percent Change	4.7%	1.2%	3.1%	3.1%	4.7%	2.9%		

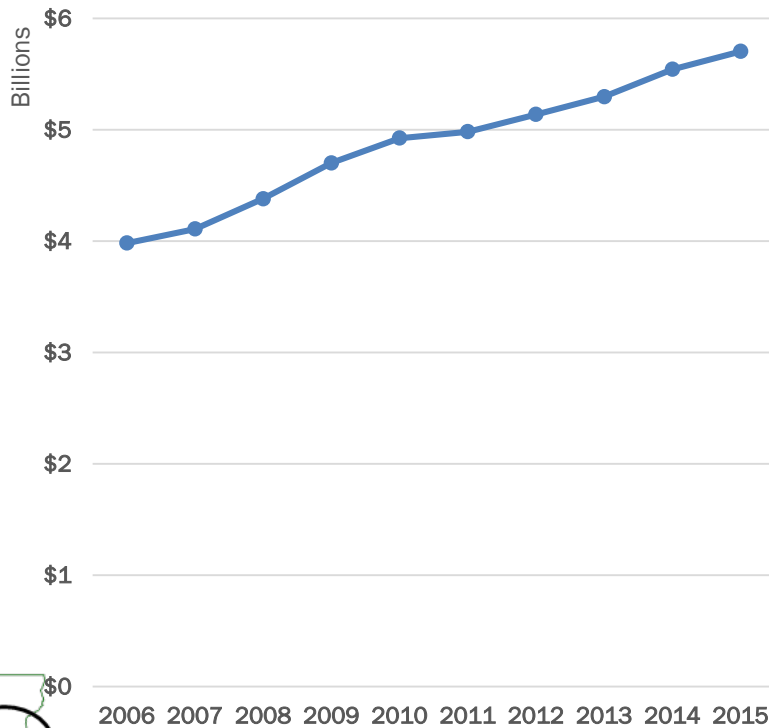
Providers	2010	2011	2012	2013	2014	2015	2014-2015 Annual Change	2010-2015 Average Annual Change
Hospitals	\$1,832	\$1,900	\$1,963	\$2,005	\$2,050	\$2,152	5.0%	3.3%
Physicians	\$660	\$662	\$689	\$711	\$739	\$766	3.6%	3.0%
Dentists	\$214	\$213	\$213	\$222	\$233	\$237	1.6%	2.1%
Other Professionals	\$163	\$176	\$165	\$168	\$195	\$211	8.5%	5.3%
Home Health Care	\$96	\$93	\$96	\$104	\$111	\$121	8.6%	4.8%
Drugs & Supplies	\$588	\$607	\$637	\$638	\$683	\$787	15.2%	6.0%
Vision & DME	\$99	\$107	\$111	\$119	\$121	\$121	-0.1%	4.2%
Nursing Home	\$271	\$280	\$285	\$285	\$283	\$279	-1.2%	0.6%
Other Unclassified	\$44	\$43	\$44	\$50	\$67	\$74	11.1%	11.0%
Admin and Net Cost Ins	\$415	\$361	\$354	\$354	\$356	\$205	-42.3%	-13.1%
Mental Health & Other Govt Activities	\$544	\$542	\$581	\$641	\$705	\$751	6.5%	6.6%
Total Resident Expenditures	\$4,925	\$4,983	\$5,138	\$5,297	\$5,543	\$5,704	2.9%	3.0%
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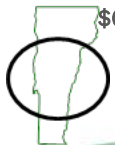
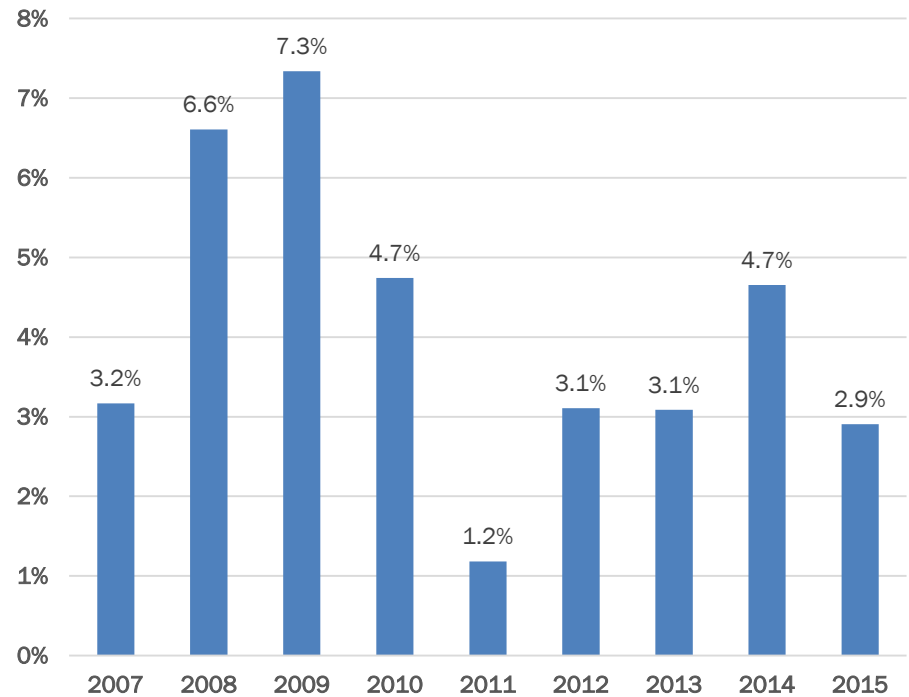
# 2015 Vermont Resident Analysis

Spending increased from \$4.0 billion in 2006 to \$5.7 billion in 2015, an average annual increase of 4.1%. The increase from 2014 to 2015 was 2.9%.

### VT Total Annual Spending

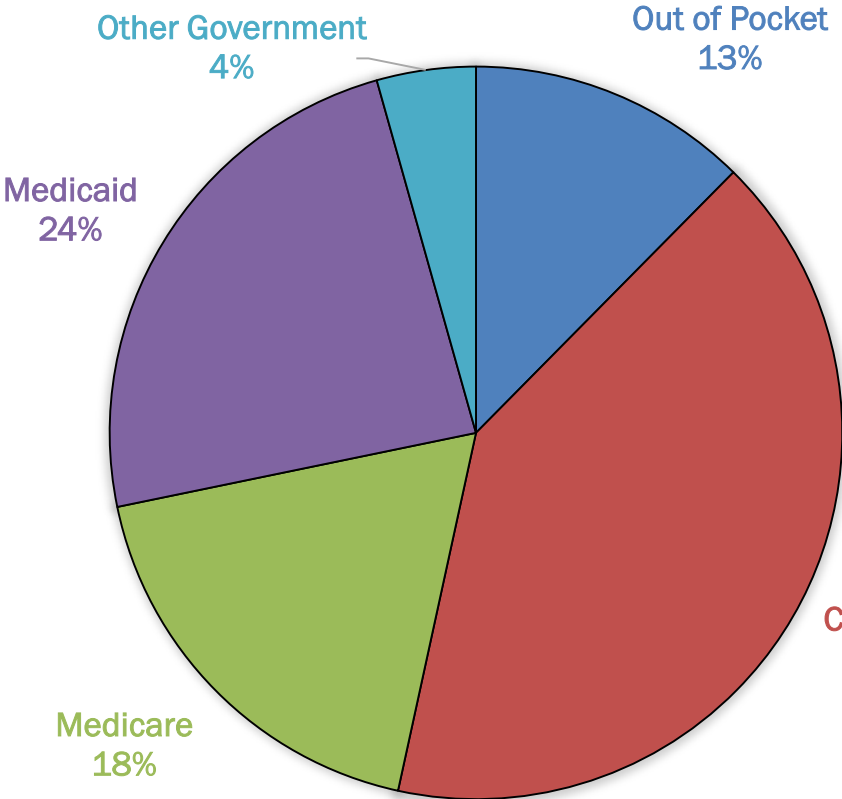


### Total Annual Spending Growth

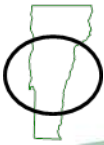
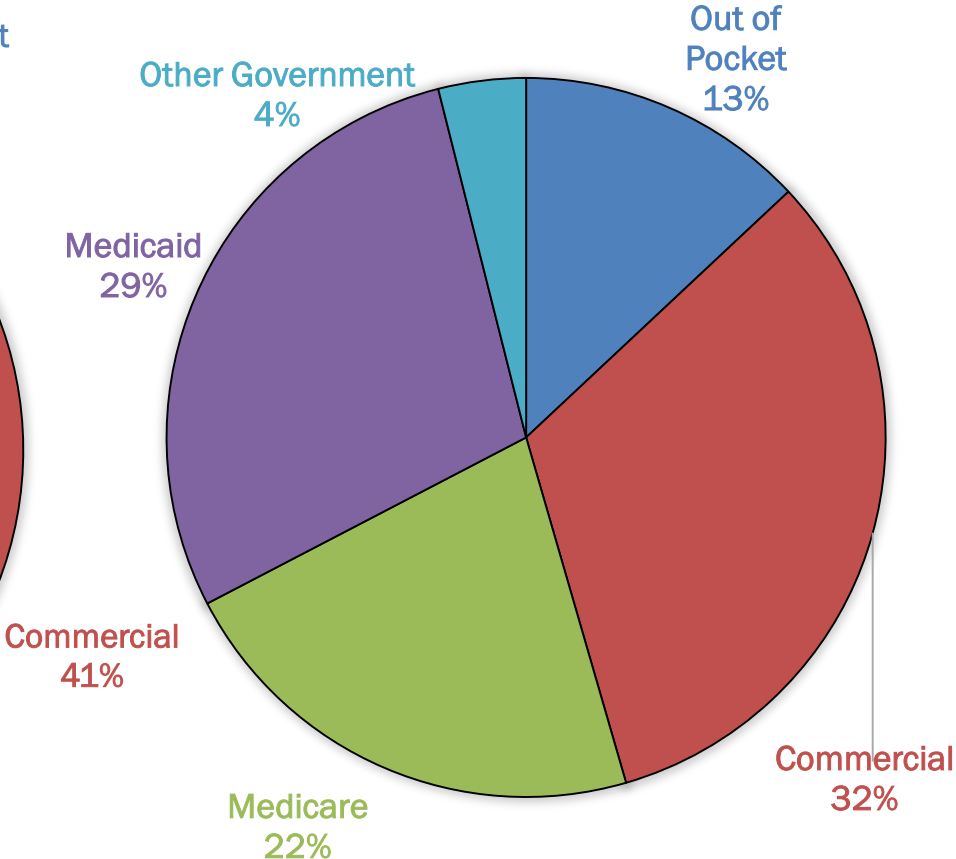


# 2015 Vermont Resident Analysis

Total 2006 Spending \$4.0 billion

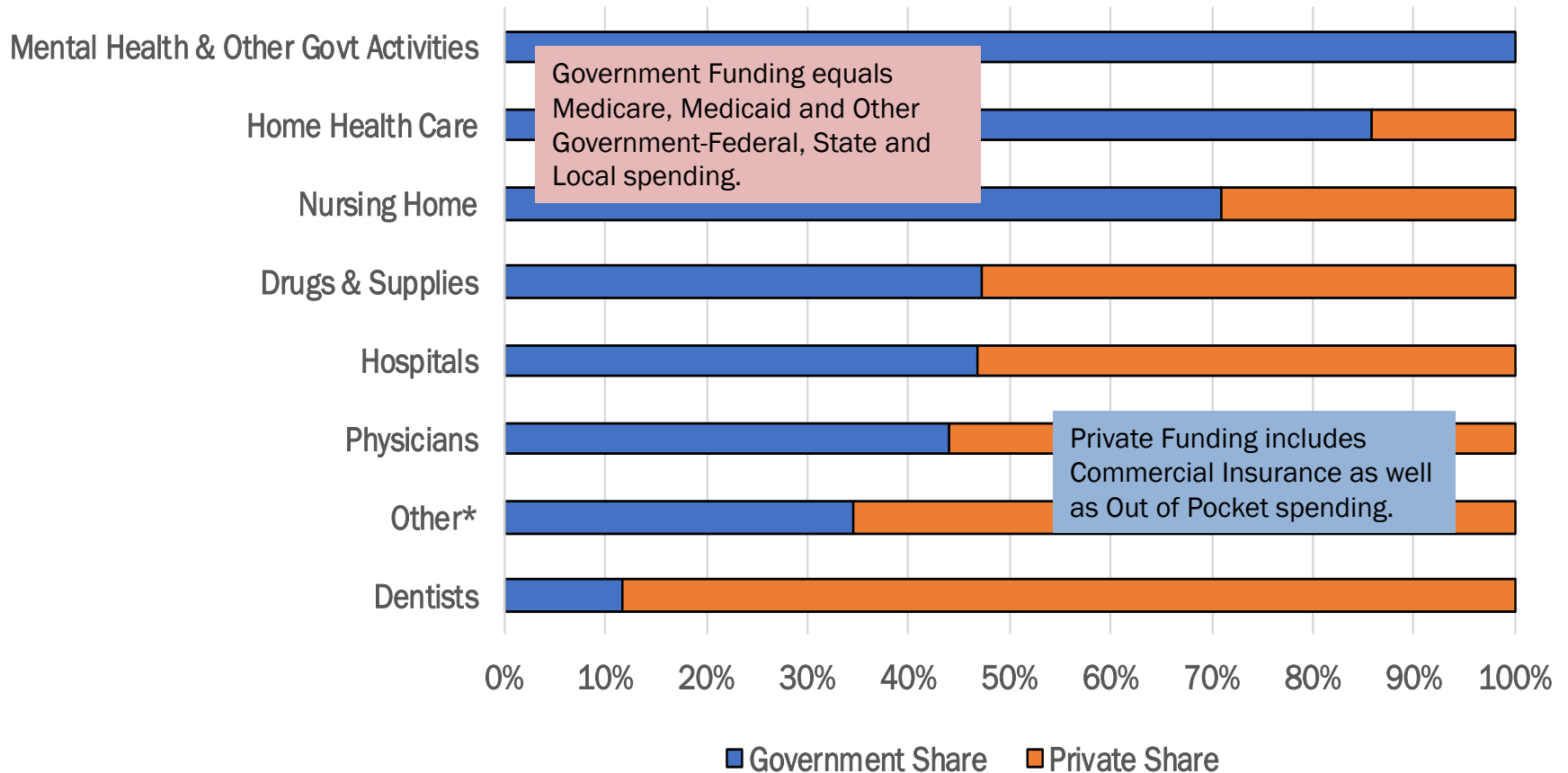


Total 2015 Spending \$5.7 billion

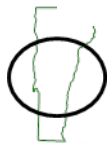


# 2015 Vermont Resident Analysis

## Government vs. Private Funding



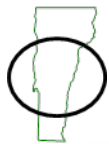
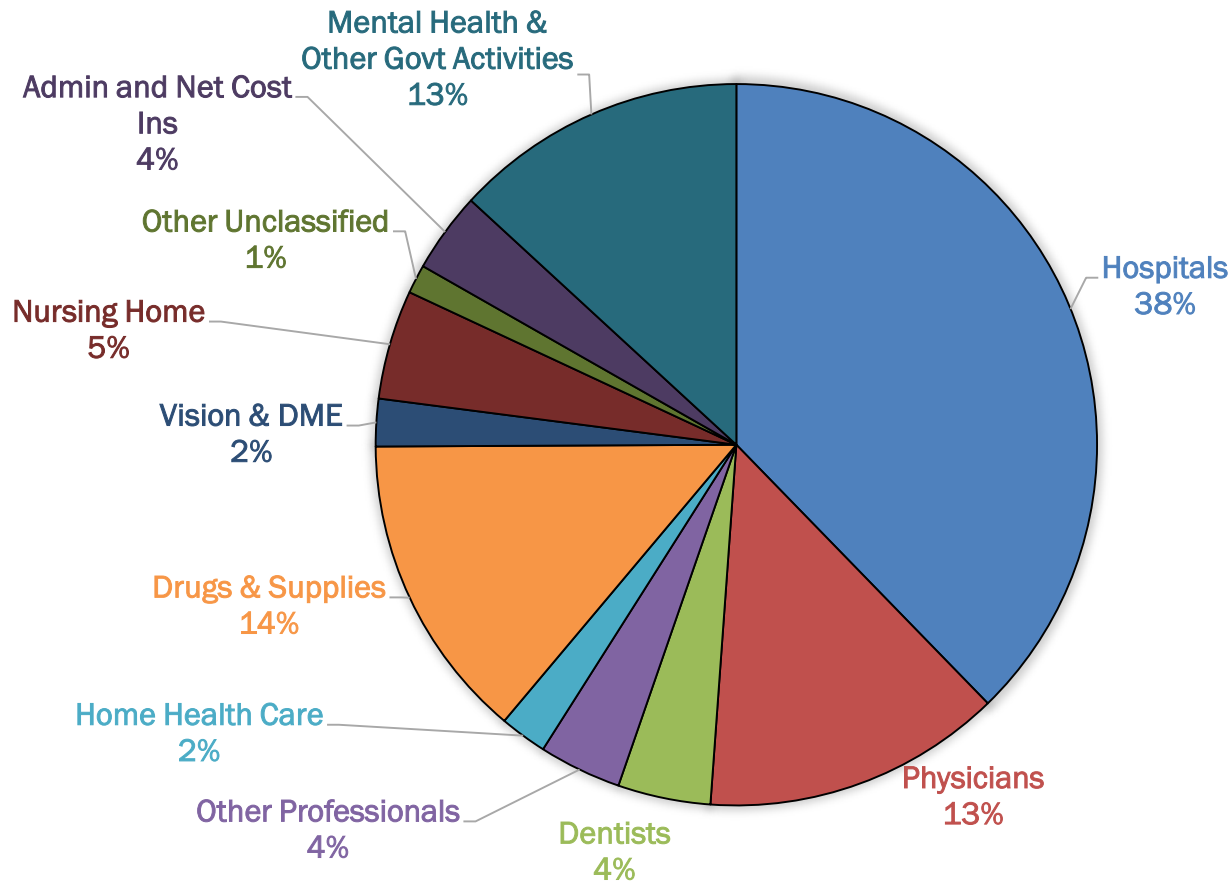
\*Other includes services rendered by other professionals, durable medical equip. suppliers, vision providers, and other misc. providers.





# 2015 Vermont Resident Analysis

Provider services purchased: in and out-of-state - \$5.7 billion



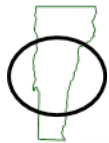
# 2015 Vermont Resident Analysis

## National Health Expenditures

The National Health Expenditure (NHE) accounts are the official estimates of total health care spending in the United States. The NHE is prepared by CMS, the Office of the Actuary, and National Health Statistics Group.

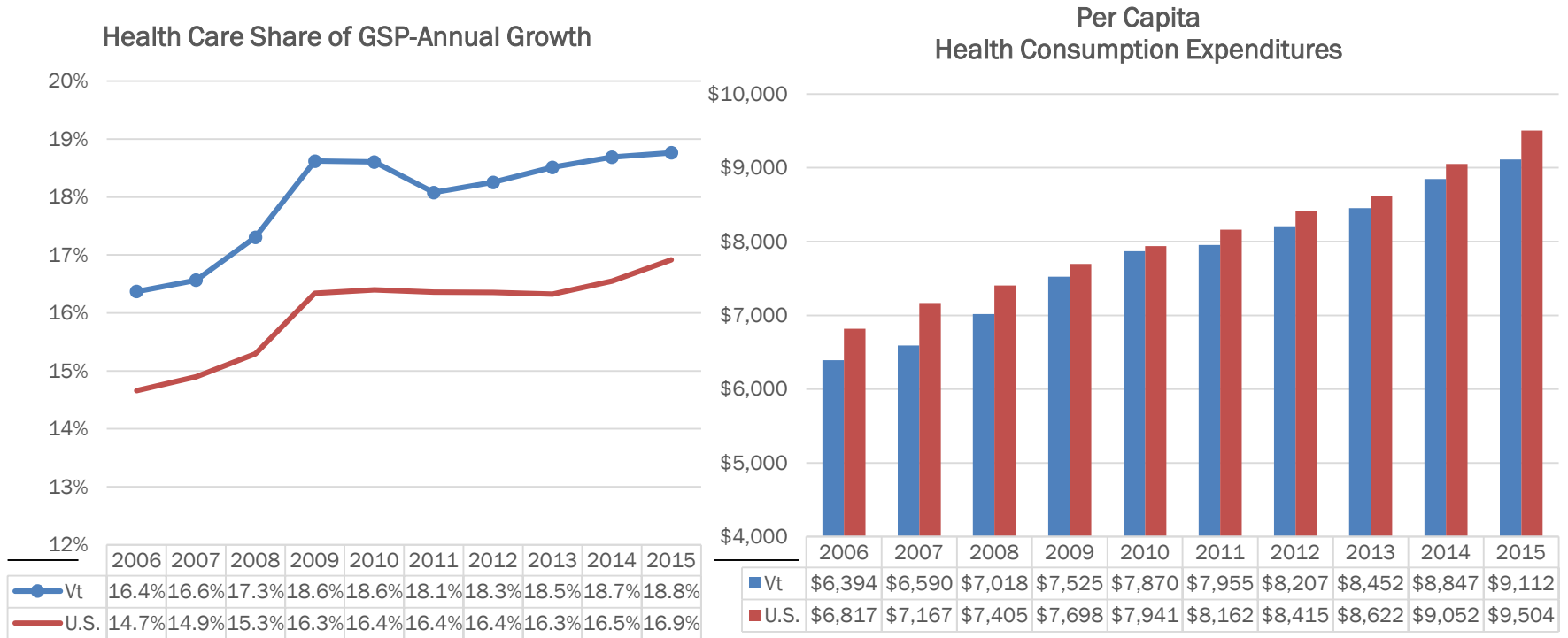
Since 1960, the NHE measures annual national expenditures for health care goods and services, public health activities, government administration, the net cost of health insurance, and investments related to health care. The data are presented by type of service, by source of funding, and by type of sponsor. Sponsors are those entities that make the final payment; private businesses, households, and governments. Household sponsor payments include contributions to health insurance premiums and out-of-pocket costs.

State provider and resident data are prepared every 5 years because they rely for their primary source of data on the quinquennial Economic Census. State provider and resident data was last reported for the year 2009.



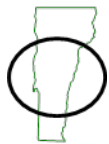
# 2015 Vermont Resident Analysis

## Vermont compared to CMS National Expenditures (NHE)



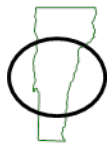
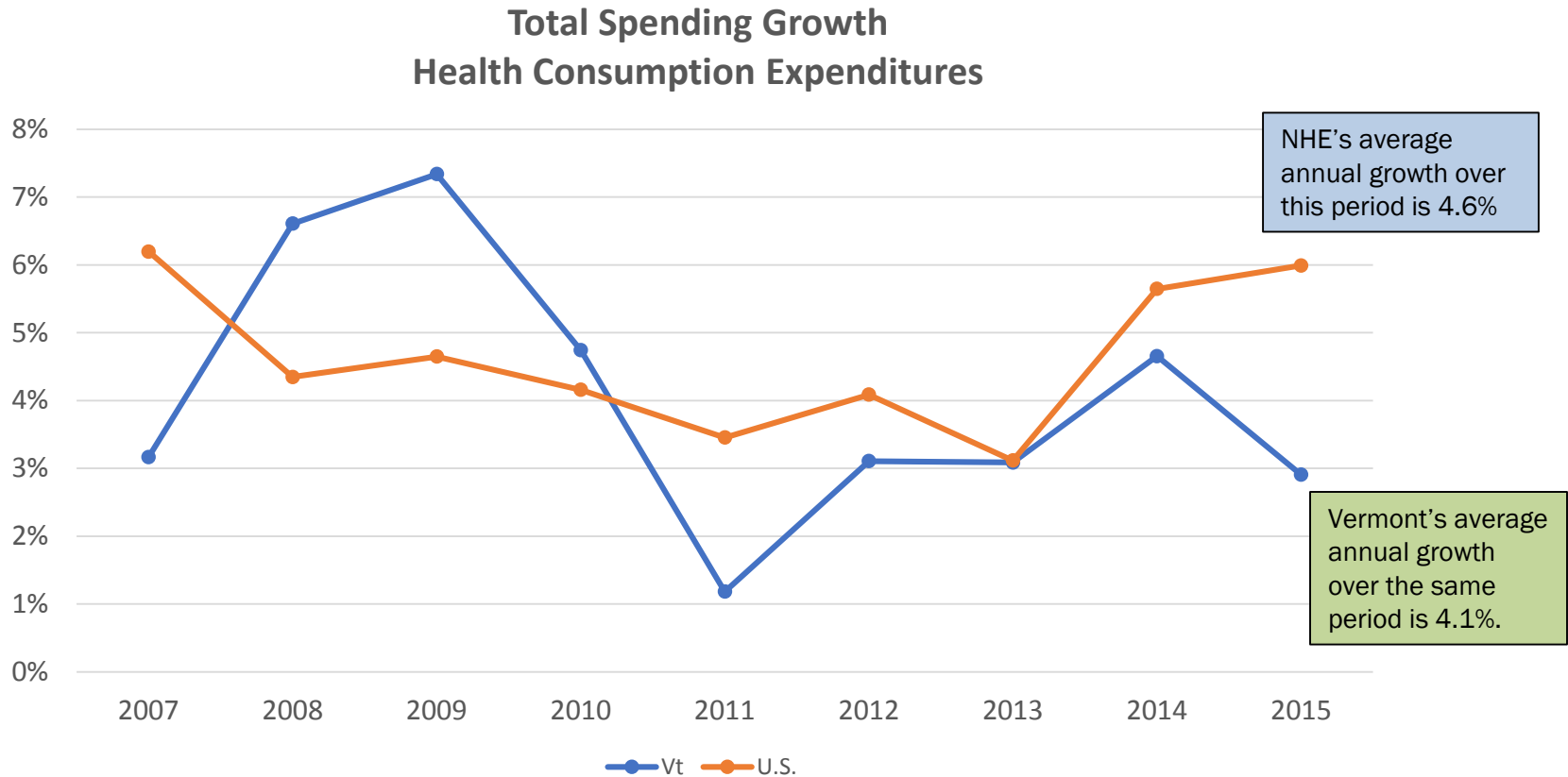
Note: Gross State Product (GSP), or Gross Regional Product (GRP), is a measurement of the economic output of a state. It is the sum of all value added by industries within the state and serves as a counterpart to the Gross Domestic Product (GDP).

Source: US data from CMS: NHE Health Consumption Expenditures



# 2015 Vermont Resident Analysis

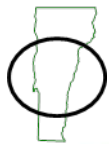
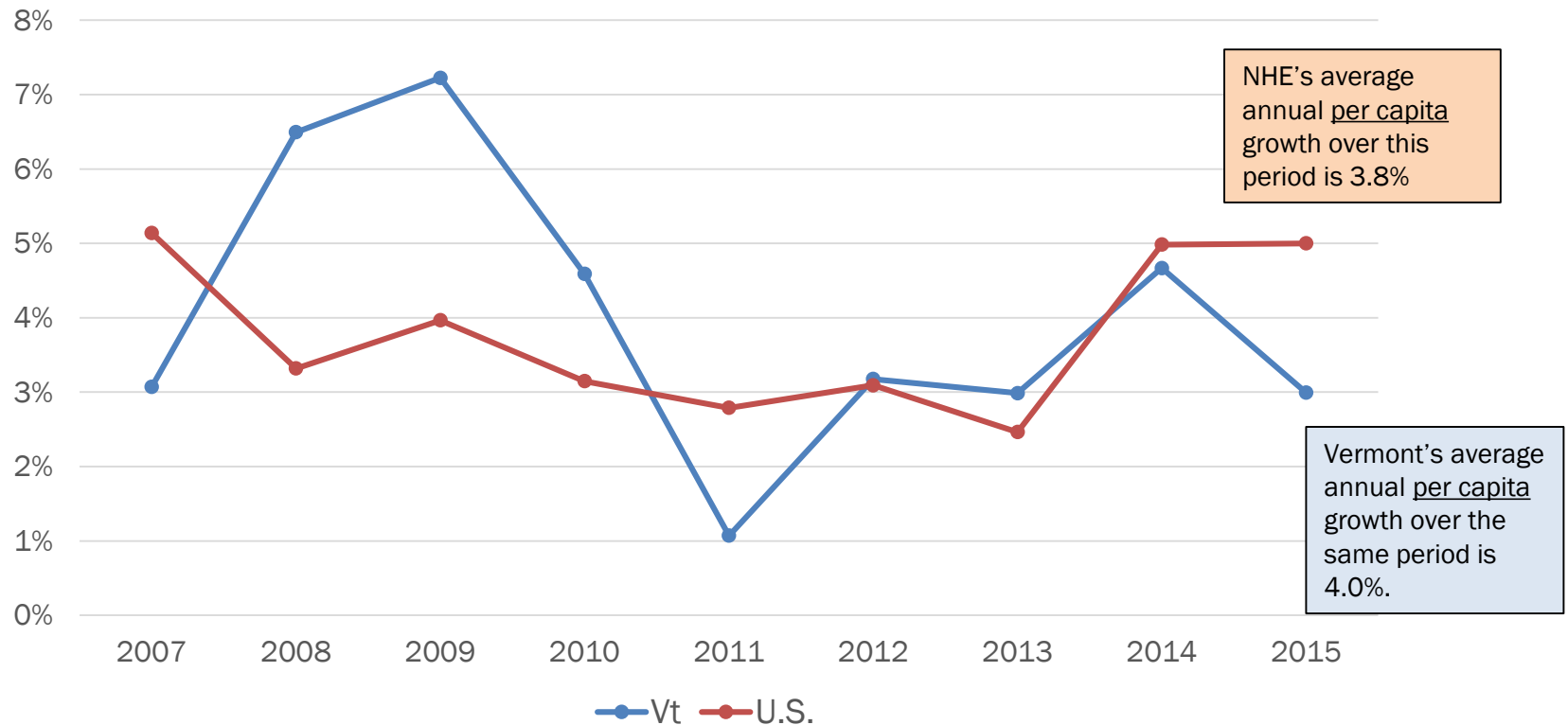
## Vermont compared to CMS National Health Expenditures (NHE)



# 2015 Vermont Resident Analysis

## Vermont compared to CMS National Health Expenditures (NHE)

### Per Capita Growth Health Consumption Expenditures



## Health Insurance Coverage Profile Vermont Residents 2013-2015

Category	2013	2014	Under Review	
			2015	% change
<b>Commercial Insured Market</b>				
Non-group	4,387	32,041	29,547	
Large Employer group	52,397	47,400	40,190	
Small Employer group	31,122	37,231	36,656	
Association	63,846	39,758	39,410	
<b>Insured Market Subtotal</b>	<b>151,752</b>	<b>156,430</b>	<b>145,803</b>	
<b>Self-insured Employer Plans</b>				
Self-insured Employer Plans	127,048	137,327	126,568	
Federal Employee Plan	14,521	14,535	14,666	
Military	15,478	18,578	18,578	
<b>Self Insured Market Subtotal</b>	<b>157,047</b>	<b>170,440</b>	<b>159,812</b>	
<b>Other</b>				
VT residents covered by insurers outside VT	24,165	25,143	20,077	
Catamount Health	17,026	0	0	
<b>Other</b>	<b>41,191</b>	<b>25,143</b>	<b>20,077</b>	
<b>Commercial Insured Market</b>	<b>349,990</b>	<b>352,013</b>	<b>325,692</b>	<b>-7.5%</b>
<b>Government Coverage</b>				
Medicaid	127,342	146,273	161,097	10.1%
Medicare	111,954	115,649	119,477	3.3%
<b>Government Coverage</b>	<b>239,296</b>	<b>261,922</b>	<b>280,574</b>	<b>7.1%</b>
<b>Uninsured</b>				
<b>Uninsured</b>	<b>37,344</b>	<b>26,071</b>	<b>26,071</b>	<b>0.0%</b>
<b>Total of Assigned Lives</b>	<b>626,630</b>	<b>640,006</b>	<b>632,337</b>	
Duplicated Count		-13,444	-6,295	
<b>Total Vermont Population</b>	<b>626,630</b>	<b>626,562</b>	<b>626,042</b>	<b>-0.1%</b>

The “duplicated count” adjustment is done to recognize that enrollees shift across payer types. Data from Vermont’s all-payer claims database (VHCURES) is used to improve validation of enrollment counts.



# Vermont Provider Analysis



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# Vermont Provider Health Care Expenditures

## Summary of Spending Growth

All dollar amounts are reported in millions

Payers	2010	2011	2012	2013	2014	2015	2014-2015 Annual Change	2010-2015 Average Annual Change
Out of Pocket	\$703	\$744	\$738	\$765	\$734	\$736	0.4%	0.9%
Commercial	\$1,737	\$1,815	\$1,803	\$1,838	\$1,819	\$1,977	8.7%	2.6%
Medicare	\$1,015	\$1,073	\$1,201	\$1,229	\$1,324	\$1,381	4.4%	6.4%
Medicaid	\$1,078	\$1,120	\$1,181	\$1,361	\$1,389	\$1,461	5.2%	6.3%
Other Government	\$266	\$276	\$246	\$248	\$281	\$297	5.8%	2.2%
Total Provider Expenditures	\$4,799	\$5,028	\$5,169	\$5,441	\$5,546	\$5,853	5.5%	4.0%
Annual Percent Change	2.9%	4.8%	2.8%	5.3%	1.9%	5.5%		

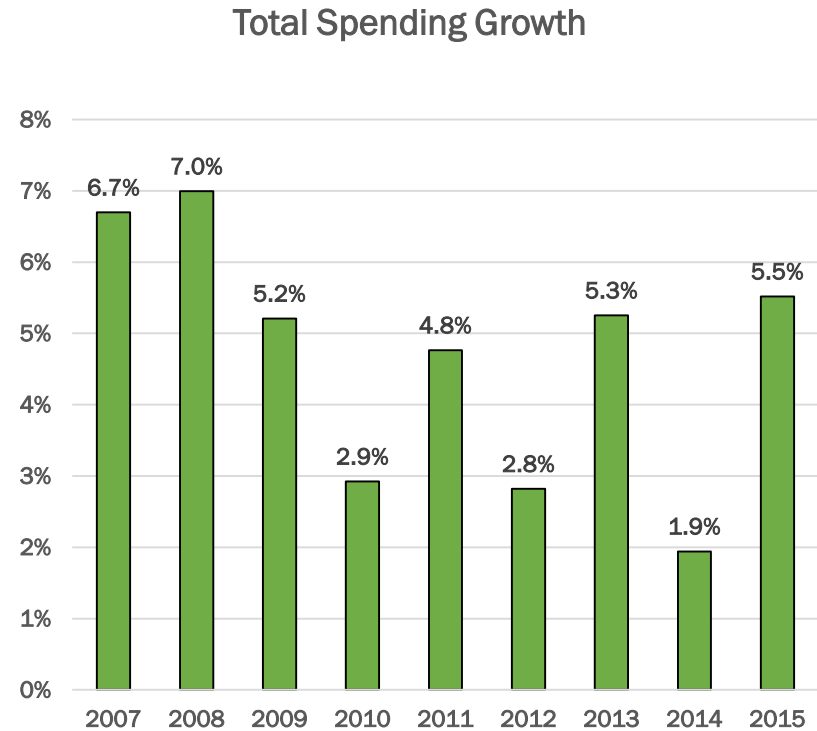
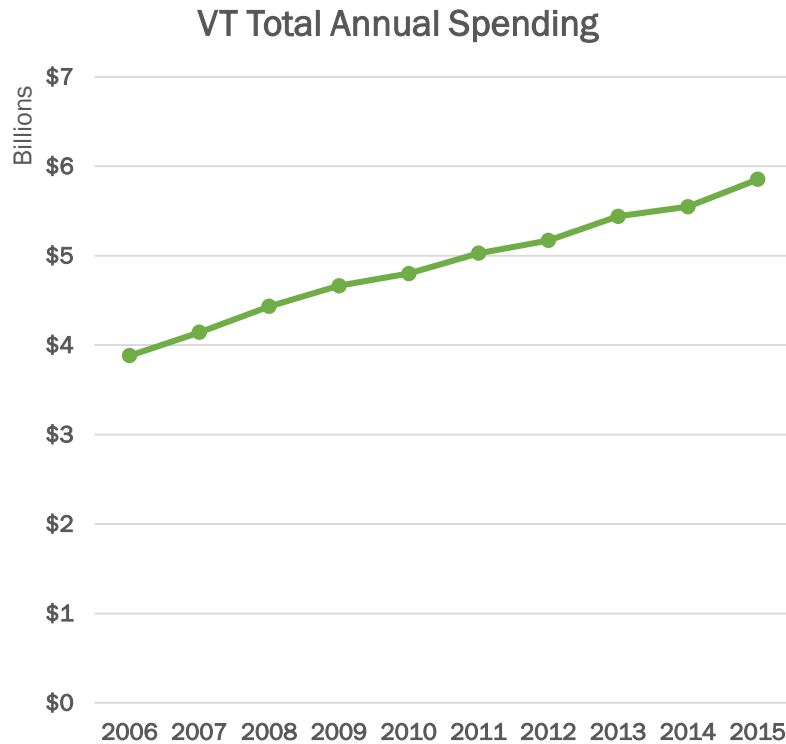
Providers	2010	2011	2012	2013	2014	2015	2014-2015 Annual Change	2010-2015 Average Annual Change
Hospitals	\$2,121	\$2,237	\$2,289	\$2,456	\$2,547	\$2,698	5.9%	4.9%
Physicians	\$555	\$569	\$573	\$527	\$414	\$434	4.9%	-4.8%
Dentists	\$239	\$253	\$261	\$261	\$262	\$272	3.8%	2.6%
Other Professionals	\$212	\$221	\$229	\$244	\$251	\$305	21.5%	7.6%
Home Health Care	\$109	\$110	\$113	\$119	\$128	\$135	6.1%	4.5%
Drugs & Supplies	\$635	\$697	\$714	\$761	\$817	\$880	7.6%	6.7%
Vision & DME	\$94	\$102	\$110	\$135	\$117	\$85	-27.2%	-2.0%
Nursing Home	\$257	\$264	\$265	\$264	\$271	\$259	-4.5%	0.2%
Other Unclassified	\$33	\$33	\$34	\$34	\$34	\$34	-1.9%	0.5%
Mental Health & Other Govt Activities	\$544	\$542	\$581	\$641	\$705	\$751	6.5%	6.6%
Total Provider Expenditures	\$4,799	\$5,028	\$5,169	\$5,441	\$5,546	\$5,853	5.5%	4.0%
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# 2015 Vermont Provider Analysis

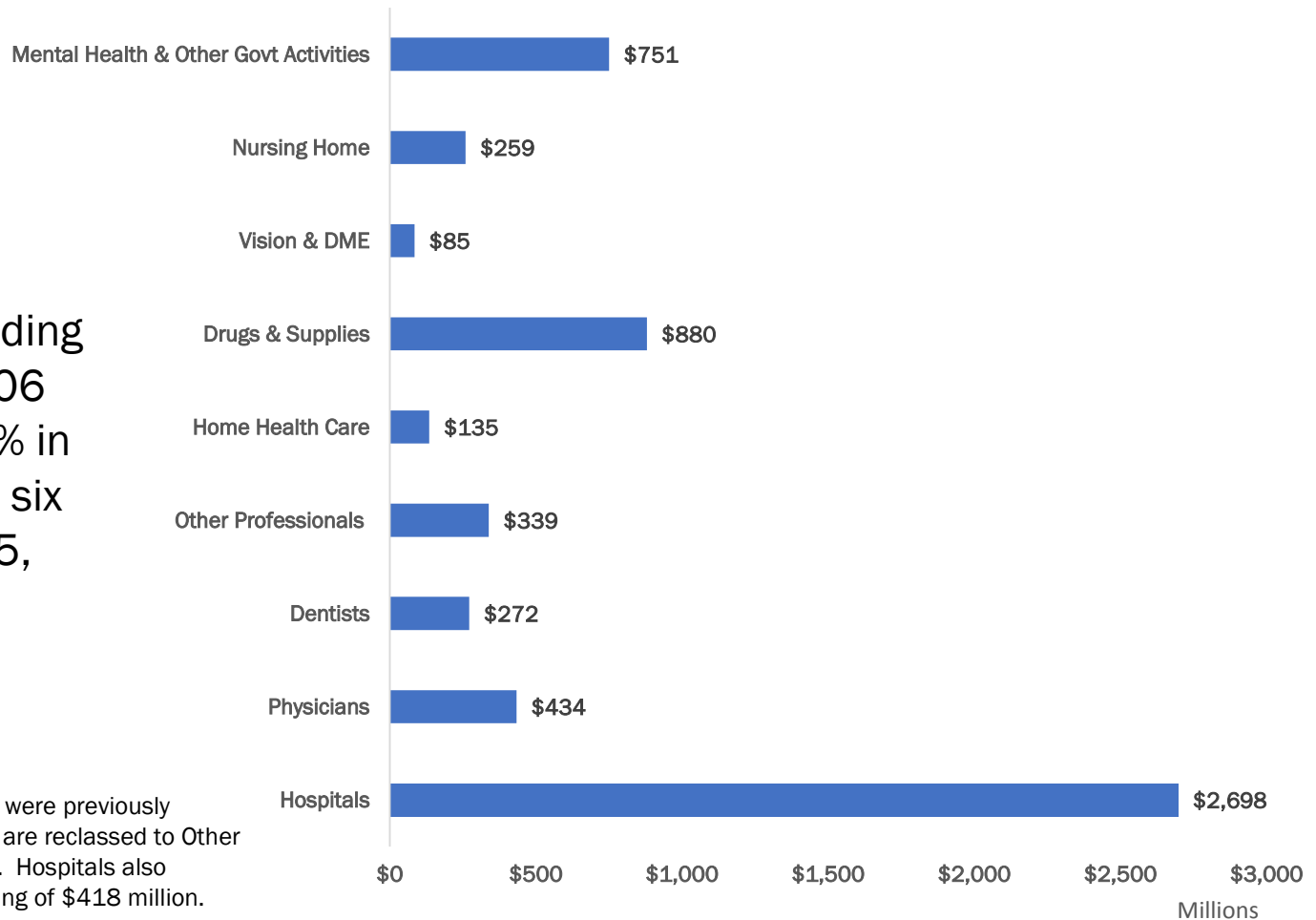
Spending increased from \$3.9 billion in 2006 to \$5.9 billion in 2015, an average annual increase of 4.7% for the period 2006-2015. The increase from 2014 to 2015 was 5.5%.



# 2015 Vermont Provider Analysis

## Provider Spending by Category - \$5.9 Billion

Provider spending increased \$306 million or 5.5% in 2015. For the six years 2010-15, the increase averaged 4%.



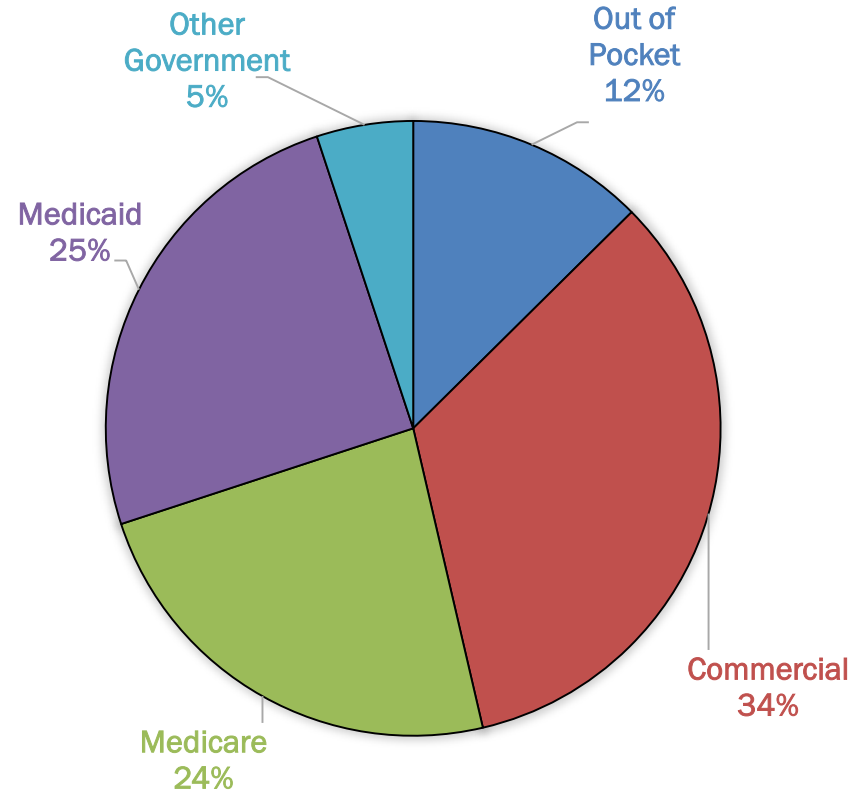
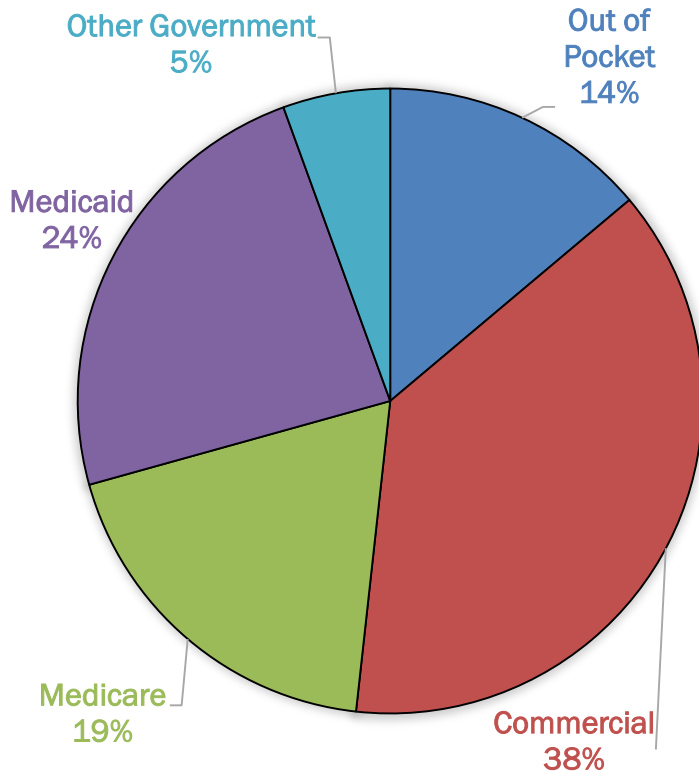
Note: Optometrists which were previously reported in Vision & DME are reclassified to Other Professionals as of 2015. Hospitals also includes physician spending of \$418 million.



# 2015 Vermont Provider Analysis

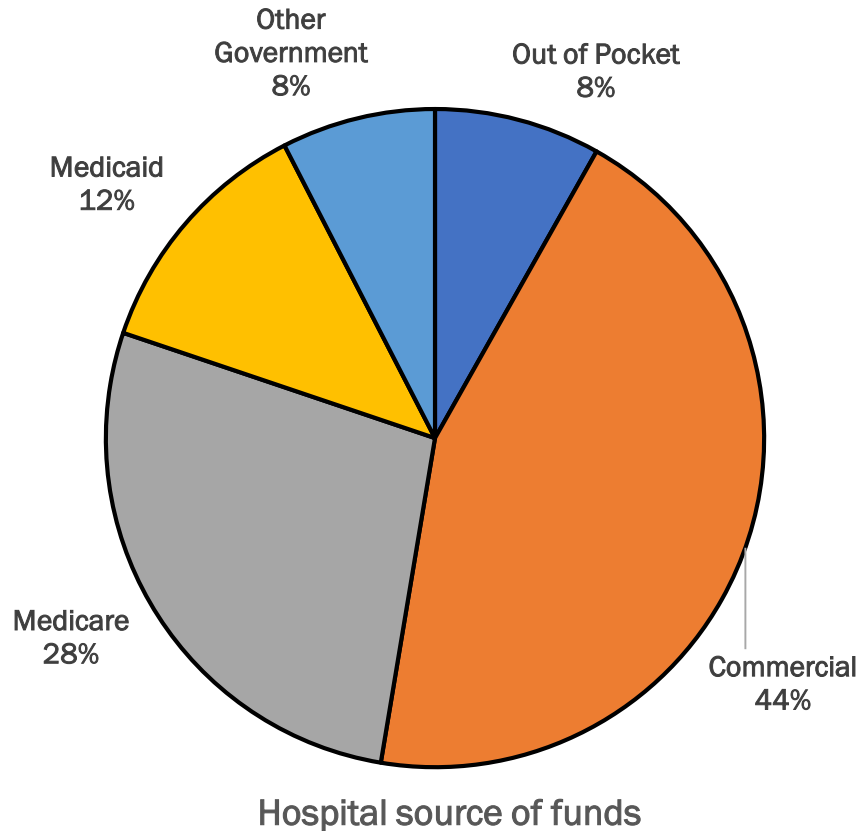
2006 Source of funds \$3.9 billion

2015 Source of funds \$5.9 billion

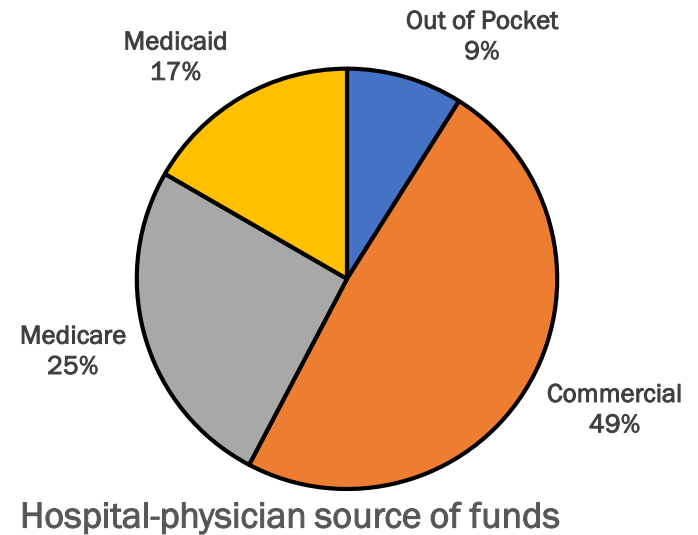


# 2015 Vermont Provider Analysis

Hospital Spending \$2.7 billion



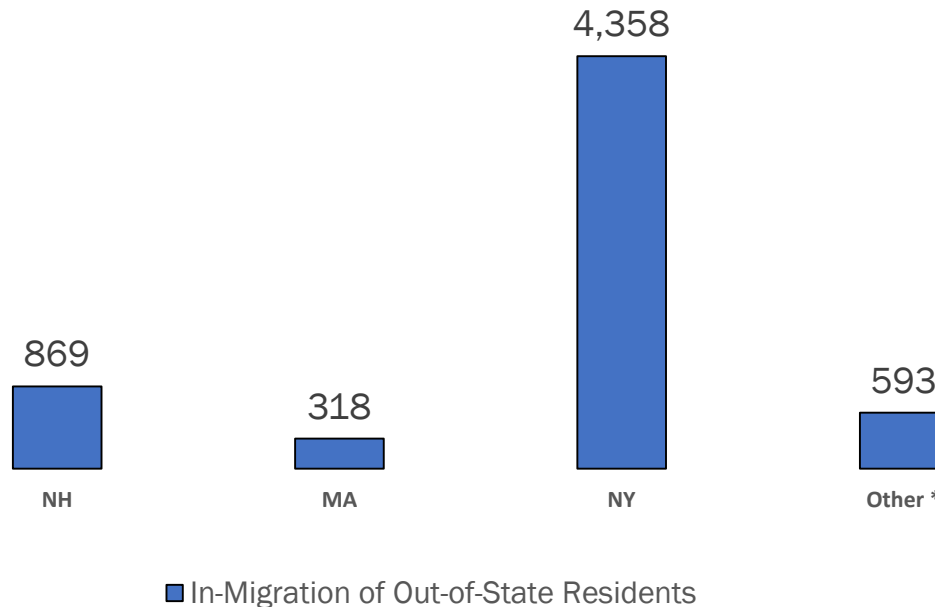
Of the total hospital spending, approx. 16% or \$418 million is reported as physician revenue. The community hospitals employ 1,006 FTE MDs.



# 2015 Vermont Provider Analysis

## In-Migration of Hospital Inpatient Discharges

### 2015 Hospital Inpatient Discharges



**Note:** Out migration data not available for 2015. 2012 is the most complete data for Out-Migration due to technical difficulties and changed agreements with out-of-state sources.

Source-Vermont Uniform Hospital Discharge Data Set. Does not include newborns.

Notes: All figures exclude discharges from the VA hospital and records with missing charges.

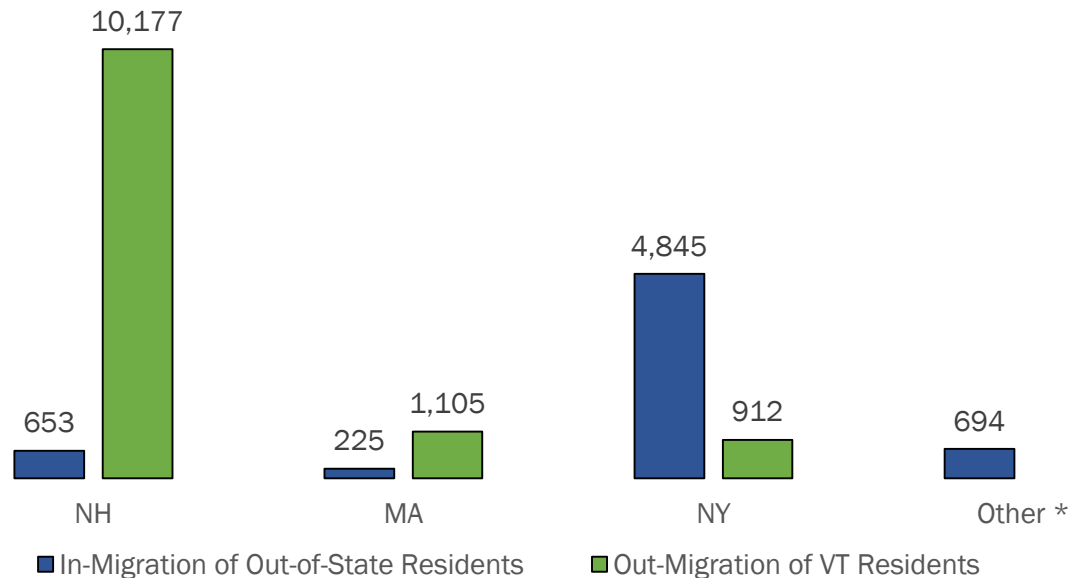
\*VT residents use hospitals in other states, but reporting is currently unavailable.



# 2015 Vermont Provider Analysis

## In and Out-Migration of Hospital Inpatient Discharges

### 2012 Hospital Inpatient Discharges



**Note: 2012 is the most complete data for Out-Migration due to technical difficulties and changed agreements with out-of-state sources.**

Source-Vermont Uniform Hospital Discharge Data Set. Does not include newborns.

Notes: All figures exclude discharges from the VA hospital and records with missing charges.

\*VT residents use hospitals in other states, but reporting is currently unavailable.



# Acknowledgements

The Green Mountain Care Board wants to thank the many individuals in government, commercial insurance, and the health care provider community for their valuable time and assistance that enabled us to produce this report. The Board also thanks its staff, the staff of the Agency of Human Services, and all others who provided their data and feedback.

If you have questions about this report, please contact Michael Davis, Lori Perry, or Janeen Morrison at (802) 828-2177.