

Report Summary: GMCB Billback Report for Fiscal Year 2023

By: Green Mountain Care Board; Date: September 15, 2023

Prepared for: House Committee on Appropriations; Senate Committee on Appropriations and Joint Fiscal Committee

Frequency: [Annual Report](#); Statute: 18 V.S.A. § 9374(h)

Background:

- Regulatory agencies in Vermont and other states are often funded in a variety of ways. Funding can take the form of set fees (such as a license fee), taxes, or it can be some or all of the actual costs of regulating that industry or organization, a practice known as billing back.
- Per 18 V.S.A. § 9374(h), the GMCB's billback requirements apply to: Vermont hospitals, health insurers, and accountable care organizations.
- Also, per 18 V.S.A. § 9607, the GMCB administers billback authority on behalf of the Agency of Human Services in support of its contract with the Office of the Health Care Advocate.

Key Terms

Billback / Billing Back: regulatory agencies billing regulated entities for some or all of the actual costs of regulating that industry or organization.

Report Methods:

- As defined by statute, the billback rate for the GMCB in Fiscal Year 2023 is 40/60, meaning 40% of the Board's expenses are paid by the state's general fund and 60% are paid by regulated entities.
- Throughout the year, the GMCB tracks billback eligible hours through staff time sheets.

Report Highlights:

- In Fiscal Year 2023, the GMCB billed back approximately \$4,177,617. When broken down by industry group, the totals were:

Industry	Billback amount
Vermont Hospitals	\$1,918,433
Health Insurance Carriers	\$1,705,077
Accountable Care Organizations	\$554,107

Disclaimer: This summary does not capture the full details of this report. For more information, read the full report [here](#).

Green Mountain Care Board

FISCAL YEAR 2023 BILLBACK

Submitted to House Committee on Appropriations, Senate Committee on
Appropriations, and the Joint Fiscal Committee

September 13, 2023

In accordance with 18 V.S.A. § 9374(h)



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Fiscal Year (FY) 2023 Billback Report

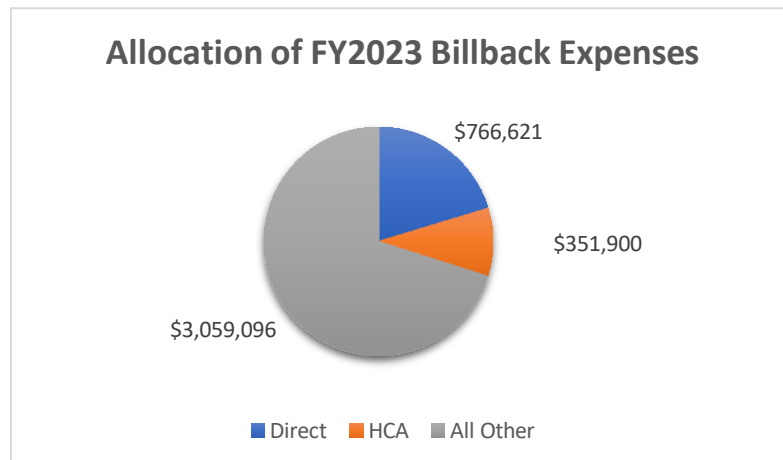
Background

In 2012, the Legislature authorized the newly formed Green Mountain Care Board (GMCB) to bill back to hospitals and insurance carriers the costs of certain activities related to health care system oversight. The law provided that “[e]xpenses incurred to obtain information, analyze expenditures, review hospital budgets, and for any other contracts” that are authorized by the Board would be borne according to statute.

In summary, for each dollar that the GMCB incurred pursuant to this statutory authority, the State pays 40 cents and the regulated entities, as a group, pay 60 cents. The total amount paid by the regulated entities is in this report. The Legislature later expanded the scope of the billback to include funding for the Office of the Health Care Advocate (HCA). For additional background, please see Exhibits 1 & 2.

Current Allocation of Billback Expenses

Effective July 2018, the Legislature amended section 9374(h) of Title 18. The allocation for direct and other expenses for the FY2023 Billback is as follows:



Summary of FY2023

The Board billed back approximately \$4,177,617, as shown in Tables 4 and 5 of this report. This represented the billback of FY22 actuals. Tables 1, 2 and 3 show the breakdown among the hospitals, insurance companies, and the accountable care organization that can be billed.

Project Area: Billback

Relevant Statute/Authority: 18 V.S.A. § 9374(h) and 18 V.S.A. § 9607

Overview: The GMCB must prepare a report showing “the total amount of all expenses eligible for allocation pursuant to subsection 18 V.S.A. § 9374(h) during the preceding State fiscal year and the total amount actually billed back to the regulated entities during the same period.”

The Board must submit this report annually on or before September 15 to the House and Senate Committees on Appropriations and the Joint Fiscal Committee at its September meeting. The report is listed on the non-action portion of the Fiscal Committee’s September meeting agenda.

Table 1: Amounts Paid by Hospitals In FY2023

HOSPITAL	Amount Billed
Brattleboro Memorial Hospital	\$ 61,836.53
Grace Cottage Hospital (Carlos Otis)	14,385.71
Central Vermont Medical Center	158,869.95
Copley Hospital	59,239.23
Gifford Medical Center	41,271.27
Mt Ascutney Hospital	43,557.96
Northeastern Vermont Regional Hospital	63,876.22
North Country Hospital	63,280.37
Northwestern Medical Center	82,871.25
Porter Medical Center	63,955.19
Rutland Regional Medical Center	192,875.60
Southwestern Vermont Medical Center	123,225.41
Springfield Hospital	35,351.57
University of Vermont Medical Center	913,837.13
Total	\$ 1,918,433.39

Table 2: Amounts Paid by Insurance Carriers In FY2023

CARRIER	Amount Billed
AXA Equitable Life Insurance Company	\$ 194.87
Blue Cross and Blue Shield of Vermont	1,057,105.55
Cigna Health and Life Ins Co/Connecticut General Life Ins Co	148,180.96
Lincoln Life & Annuity Company of New York	160.05
Metropolitan Life Insurance Co	200.09
MONY Life Insurance Company	152.27
MVP Health Plan Inc	451,495.32
New York Life Insurance Company	151.73
QCC Insurance Company	1,895.36
Sierra Health and Life Insurance Company, Inc.	158.01
State Farm Mutual Automobile Insurance Company	1,398.68
The Prudential Insurance Company of America	150.20
The Vermont Health Plan, LLC	18,687.90
Trustmark Insurance Company	164.34
Unified Life Insurance Company	151.34
United States Life Insurance Company in the City of New York	194.97
UnitedHealthcare Insurance Company	24,635.02
Total	\$ 1,705,076.66

Table 3: Amounts Paid by Accountable Care Organizations In FY2023

ACO	Amount Billed
Clover	\$27,348.92
OneCare Vermont	526,758.47
Total	\$554,107.40

Table 4: Detail for Amounts Billed Back to/Paid by Regulated Entities In FY2023

CALCULATION OF ASSESSMENTS - FY2023 GMCB Billback

Direct Expenses (Salaries, Benefits & Contracts)

<u>Regulated Entity Type</u>	<u>Billback Pmt Amt</u>
ACO	248,198
HMO, HMS & Insurer	246,838
Hospitals	271,585
	<u>766,621</u>

Note: remaining 40% = state funds (general fund)

Other Expenses Assessment (does not include HCA)

<u>Regulated Entity Type</u>	<u>Billback Pmt Amt</u>	<u>Share of Billback Pmt Amount</u>	<u>Notes</u>
ACO	305,910	10.0%	Share assigned by statute
HMO, HMS & INSURER	1,223,639	40.0%	Share assigned by statute
Hospitals	1,529,548	50.0%	Share assigned by statute
	<u>3,059,096</u>		

Note: remaining 40% = state funds (general fund)

Health Care Advocate Assessment

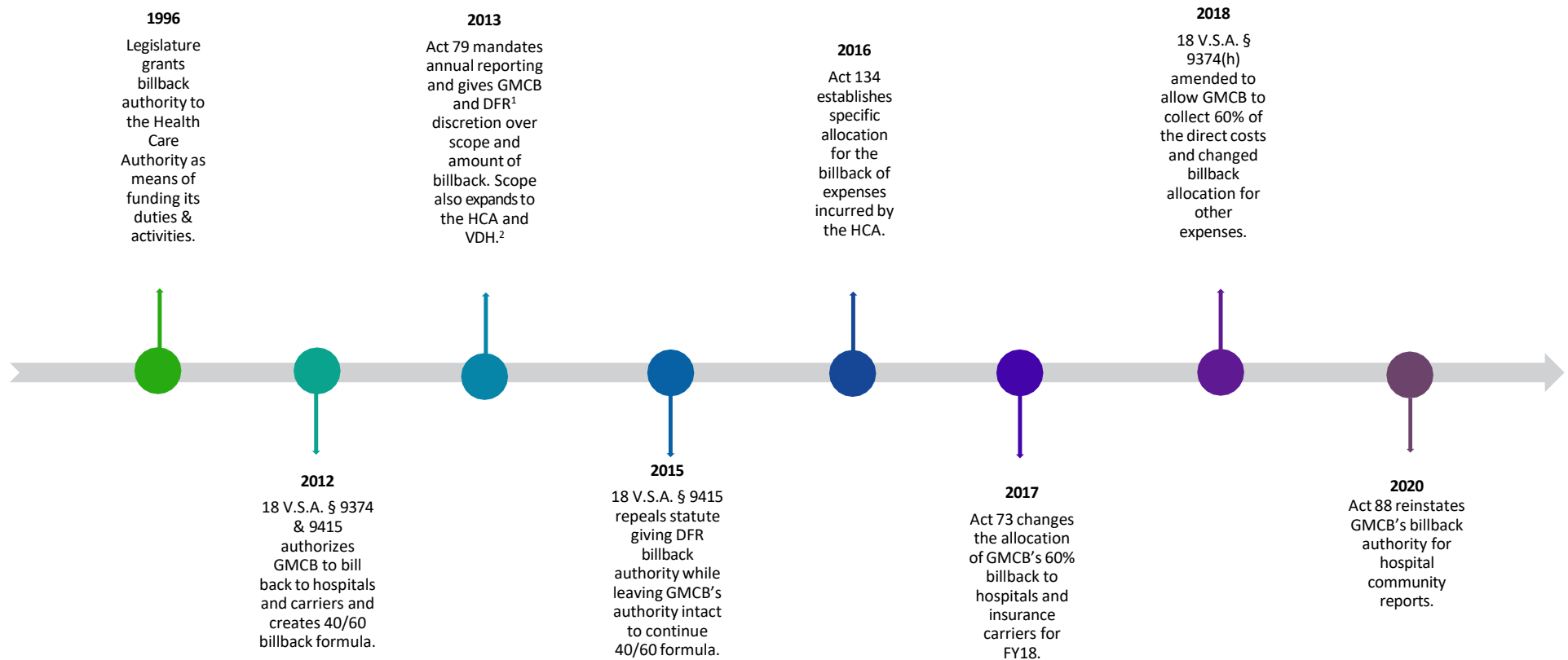
<u>Regulated Entity Type</u>	<u>Billback Pmt Amt</u>	<u>Share of Billback Pmt Amount</u>	<u>Notes</u>
HMO	n/a	0.0%	Share assigned by statute
HMS (BCBS)	117,300	33.3%	Share assigned by statute
Insurer	117,300	33.3%	Share assigned by statute
Hospitals	117,300	33.3%	Share assigned by statute
	<u>351,900</u>		

Note: remaining 27.5% = state funds (general fund)

Grand Total	<u><u>\$4,177,617</u></u>
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Appendices

Appendix 1: Timeline of Billback Legislation



¹ Department of Financial Regulation

² Vermont Department of Health

Appendix 2: FY2014 – FY2023 GMCB and HCA Billback

GMCB Industry and HCA Billback (in thousands)							Excludes CON & Billbacks on Behalf of VDH			
Organization Name	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Brattleboro	8	13	13	14	24	38	63	70	53	62
Grace Cottage (Carlos Otis)	1	2	1	1	2	4	14	16	13	14
CVMC	15	28	32	38	59	100	156	173	133	159
Copley	8	12	14	15	26	46	52	56	48	59
Gifford	6	10	11	12	19	28	38	42	32	41
Mt Ascutney	2	3	3	3	5	10	39	42	34	44
Northeastern	6	10	11	12	19	34	63	71	59	64
North Country	7	11	12	13	20	33	60	67	53	63
Northwestern	11	19	20	24	37	61	84	89	68	83
Porter	8	13	14	14	22	36	63	71	53	64
Rutland	28	46	49	57	89	167	192	214	164	193
Southwestern	19	32	30	30	48	84	124	137	106	123
Springfield	10	17	18	18	28	49	35	39	27	35
UVM/MC	94	150	158	169	275	470	966	1,071	825	914
Total for Hospitals	\$ 223	\$ 369	\$ 387	\$ 421	\$ 673	\$ 1,158	\$ 1,948	\$ 2,158	\$ 1,669	\$ 1,918
Blue Cross and Blue Shield of VT	\$ 223	\$ 369	\$ 387	\$ 421	\$ 1,471	\$ 809	\$ 1,250	\$ 1,326	\$ 1,081	\$ 1,057
MVP Health Plan Inc	53	9	107	122	111	60	206	338	285	451
MVP Health Insurance Company	82	244	237	223	122	84	83	2	2	-
The Vermont Health Plan, LLC	141	360	280	176	61	23	29	30	27	19
Cigna Health and Life Ins Co	5	63	106	129	-	-	-	-	-	-
Connecticut General Life Insurance	115	23	5	0	-	-	-	-	-	-
Cigna Health and Life Ins Co/Conne	-	-	-	-	81	49	78	129	149	148
UnitedHealthcare Insurance Comp	16	11	20	35	23	23	15	26	33	25
Aetna Life Insurance Company	17	14	12	24	18	16	30	12	16	-
MVP Health Services Corp	-	-	-	-	6	-	-	-	-	-
4 Ever Life Insurance Company	0	0	3	4	3	1	-	-	-	-
State Farm Mutual Automobile Insu	1	1	1	2	2	2	1	1	2	1
QCC Insurance Company	3	3	3	4	2	-	2	2	2	2
All Other	2	1	0	-	-	2	3	1	2	2
Total for Insurers	\$ 668	\$ 1,106	\$ 1,160	\$ 1,139	\$ 1,900	\$ 1,069	\$ 1,696	\$ 1,910	\$ 1,598	\$ 1,705
OneCare Vermont						208	366	398	441	527
Clover										27
Total ACO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 208	\$ 366	\$ 398	\$ 441	\$ 554
Grand TOTAL	\$ 891	\$ 1,474	\$ 1,546	\$ 1,560	\$ 2,573	\$ 2,435	\$ 4,010	\$ 4,466	\$ 3,708	\$ 4,178

Billback Notes:

Direct Salary, Fringe & Contract billback portion of expenses (60%) for insurer rate review, hospitals and ACOs for prior year deducted first per 18 V.S.A. § 9374 (h)(1)

Other billback expenses of the Board (except for Health Care Advocate) based on FY22 actuals and allocated per 18 V.S.A. § 9374 (h)(2)

Health Care Advocate allocated per 18 V.S.A. § 9607 (b)

Hospitals are assessed per 18 V.S.A. § 9374 (h)

- Hospital calculation based on budgeted acute admissions through FY19
- Hospital calculation based on budgeted NPR in FY20
- Hospital calculation based on actual NPR FY21 forward (FY23 based on 2021 Actual NPR)

Insurance companies assessed per 18 V.S.A. § 9374 (h)

- Assessment for those insurers licensed to do business in Vermont
- Insurance Company calculations based on Earned Premium (FY23 based on 2020 ASSR)

ACOs assessed per 18 V.S.A. § 9374 (h) with billback portion of ACOs direct expenses deducted first per 18 V.S.A. § 9374 (h)(1) and the balance of assessment calculated per 18 V.S.A. § 9374 (h)(2)