VERMONT

A Brief History of Health Care Reform

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### Background Facts: By the Numbers

<table>
<thead>
<tr>
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<th>2000</th>
<th>2014</th>
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<tbody>
<tr>
<td>Population</td>
<td>609,618</td>
<td>626,562</td>
</tr>
<tr>
<td>Health Care Spending</td>
<td>$2.3 billion</td>
<td>$5.54 billion</td>
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<tr>
<td>Per Capita</td>
<td>$3,759</td>
<td>$8,843</td>
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<tr>
<td>% State GDP</td>
<td>12.4%</td>
<td>18.7%</td>
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<tr>
<td>Private Insurance</td>
<td>366,213</td>
<td>341,077</td>
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<tr>
<td></td>
<td>60.1%</td>
<td>54.4%</td>
</tr>
<tr>
<td>Medicaid</td>
<td>97,664</td>
<td>132,829</td>
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<tr>
<td></td>
<td>16.0%</td>
<td>21.2%</td>
</tr>
<tr>
<td>Medicare</td>
<td>87,937</td>
<td>110,916</td>
</tr>
<tr>
<td></td>
<td>14.4%</td>
<td>17.7%</td>
</tr>
<tr>
<td>Military</td>
<td>5,626</td>
<td>18,578</td>
</tr>
<tr>
<td></td>
<td>0.9%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Uninsured</td>
<td>51,390</td>
<td>23,231</td>
</tr>
<tr>
<td></td>
<td>8.4%</td>
<td>3.7%</td>
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</table>
Vermont has a long history of coverage, quality, and cost control initiatives.

• Reforms date as far back as the 1940s

• The Legislature has passed many health care reform bills over the years – some making small or incremental changes, some modifying existing programs, and some establishing significant new initiatives.

• This presentation will begin with the 1990s and only focus on significant and specific health care reform initiatives.
Major Reforms in the 90s

- **Act 160 of 1992**
  - Unsuccessful push for universal care program and single payer
  - Creation of the **Health Care Authority** (began August 1992)
    - 3 member administrative body tasked with responsibility for ensuring universal access and containing health care costs
    - Existed for about 4 years before it became part of the Department of Banking, Insurance, Securities, and Health Care Administration (BISHCA)

- **Dr. Dynasaur** – Eligibility expansion for children (through Medicaid Waiver)
  - Implemented in late 80s/early 90s
  - Increased eligibility up to 300% FPL in the mid-90’s

- **Vermont Health Access Plan (VHAP)**
  - Eligibility expansion for coverage for low-income uninsured adults (through Medicaid Waiver)
  - Also included an Rx component (VHAP Rx)
  - Eligibility expanded to 195% for parents and caretakers of eligible children
Major Reforms in the 2000s

- **H.524 (2005) — Vetoed by Governor Douglas**
  - Created Green Mountain Health
    - Publicly funded health coverage for uninsured residents with a limited benefit that would expand over time to a universal, complete benefit
    - Financed by “health effort tax” on wages

- **Catamount Health**
  - Initially passed in Act 191 (2006); later amended several times
  - Implemented in 2007
  - Created a new health insurance product — offered by BCBSVT and MVP Health Care
  - State-subsidized premium assistance program (CHAP)
  - State subsidy for employer sponsored insurance (ESI) if eligible and if more cost-effective to the State
  - Financed by employer assessment and a portion of cigarette tax revenue

- **Other notable reforms**
  - VPharm — Medicare Part D wrap-around Rx coverage for low-income Vermonters
  - Blueprint for Health — chronic conditions pilot begins (codified and expanded later)
  - Health information technology fund created
  - Establishment of Health Care Reform Commission
  - ACO Pilot Project
Major Reforms in the 2010s

- **Hsiao Study – (Act 128 of 2010)**
  - Legislature hired a consultant, Dr. William Hsiao, to design three health care system options (single payer, public option, and at least one other)

- **Green Mountain Care (Act 48 of 2011)**
  - Created as a universal and unified ("single-payer") health care system

- **Vermont Health Benefit Exchange (Act 48 of 2011 and others)**
  - Known as "Vermont Health Connect"
  - Initially designed also to be the platform to support Green Mountain Care
  - All health insurance plans for individuals/small groups must be Exchange plans
  - Provides premium assistance and cost-sharing subsidies in addition to federal subsidies for individuals up to 300% FPL

- **Other notable reforms**
  - Adoption of 14 principles for reforming health care in Vermont (Act 48)
  - Creation of Green Mountain Care Board, transfer of duties to Board (Act 48, others)
  - All-payer model and accountable care organizations (Act 113 of 2016)
Questions?