



Estimating the Incidence of Health Spending for Vermont

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Project Goals

- **Total health spending for Vermont residents**
 - **Baseline in 2012 (pre-Affordable Care Act)**
 - **Estimate in 2017 (post-Affordable Care Act)**
- **Determine who pays for care**
 - **Vermont residents**
 - **Health insurance premiums**
 - **Out-of-pocket expenses**
 - **Taxes**
 - **Businesses that employ Vermont residents**
 - **Health insurance premiums**
 - **Taxes**
 - **Individuals from other states**
 - **Taxes on property and consumption**

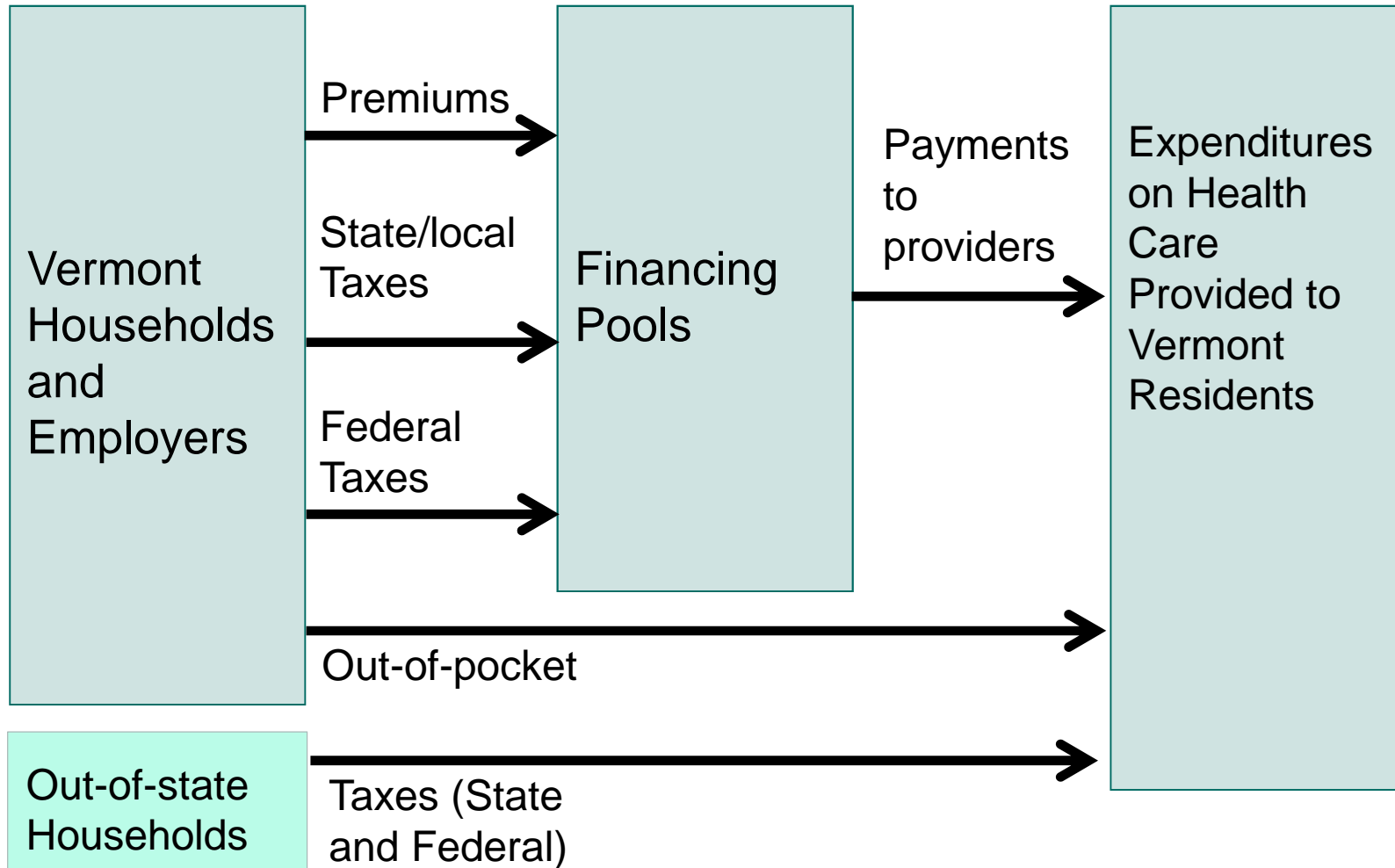
Project Goals, continued

- **Is the system equitable?**
 - **Assess the relationship between dollars paid and the value of health care received**
 - **Who pays more or less than the value of health care they receive?**
 - **By income group**
 - **By age group**
 - **By family type**
 - **Do people with the same income receive the same benefit?**

Analytic Approach

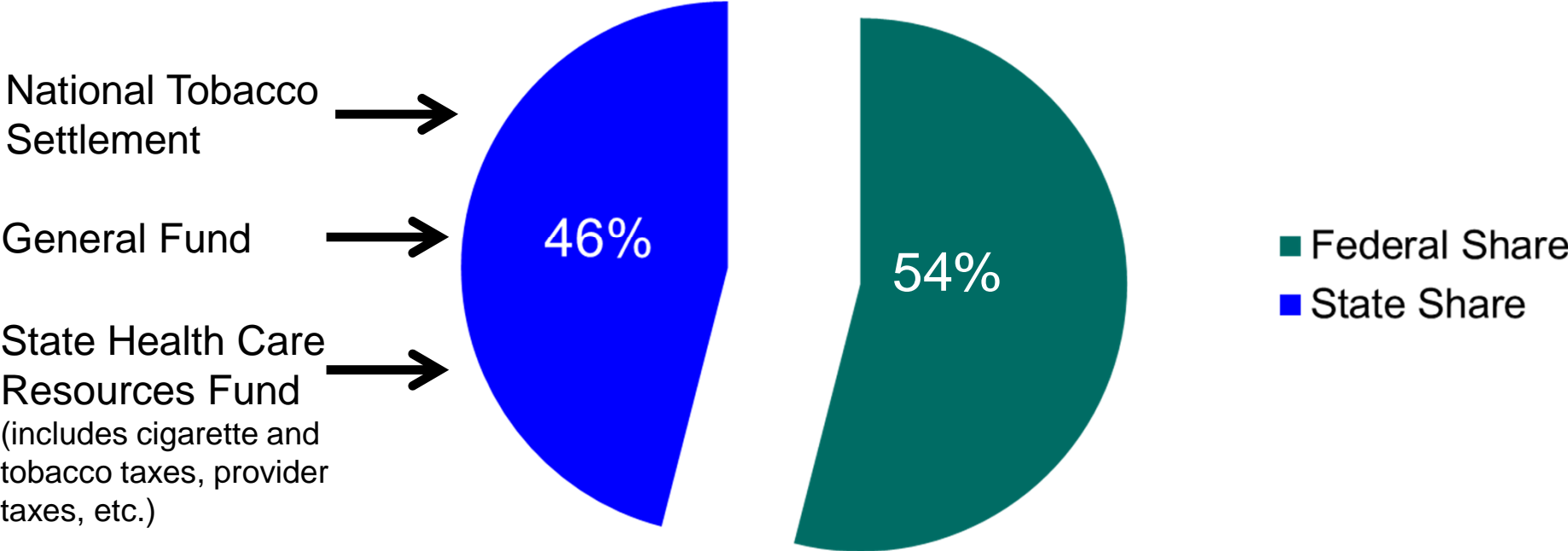
- **Use Vermont-specific data to estimate health insurance enrollment and health spending among Vermont residents in 2012**
- **Use RAND's COMPARE microsimulation model to predict how health insurance enrollment and spending patterns will change in 2017 under current law, including any ACA effects**
- **Estimate the contributions from various financing sources for predicted expenditures**
 - **Premiums or premium contributions (including contributions made by employers)**
 - **Out-of-pocket spending**
 - **Federal and state subsidy spending (including ACA)**
 - **Medicaid**
 - **Medicare**
 - **Other public health programs**
- **Allocate spending across individuals, by income and other characteristics**

Flow of Funds for Health Care



We Will Map Spending for Public Programs Back to Tax Sources

Example: Medicaid Spending



Data Sources

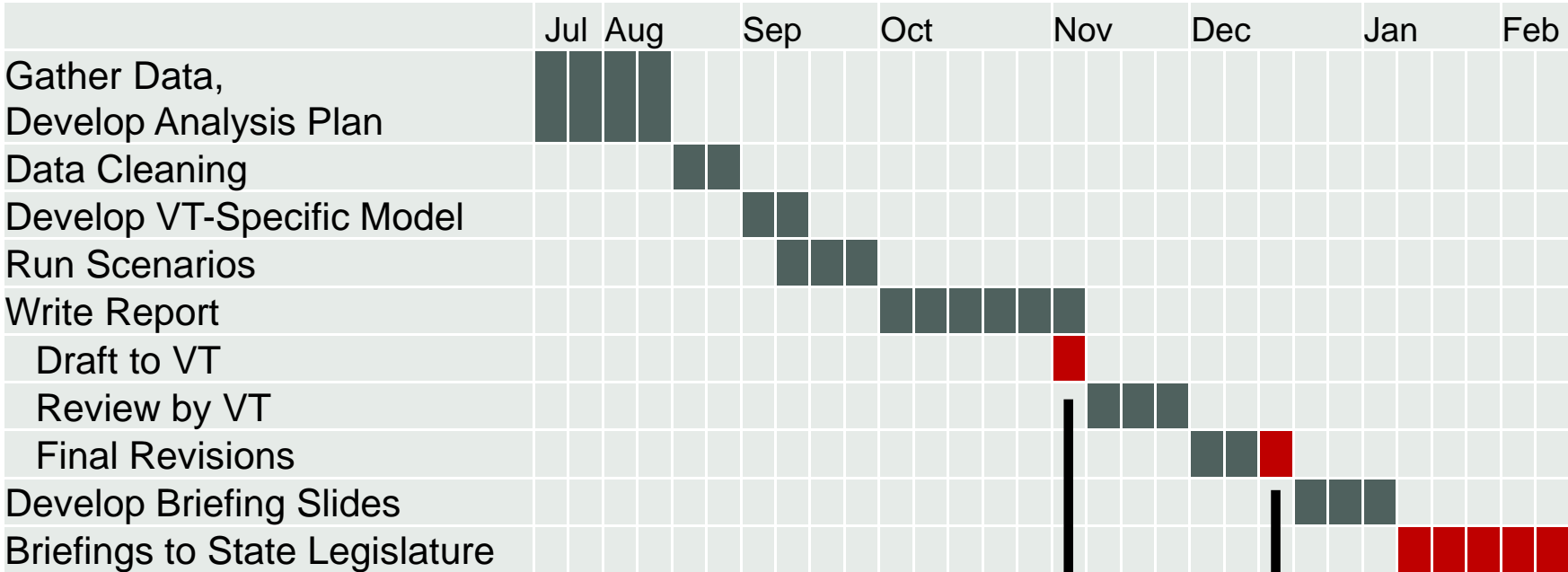
Note: RAND is in regular communication with Jon Gruber and his team to minimize differences in outputs due to data choices. Where possible, we are working to use similar data sources.

- **Vermont Household Health Interview Survey (VHHIS)**
- **Vermont Health Claims Uniform Reporting and Evaluation System (VHCURES)**
- **State administrative data on taxes paid**
- **2013 Fringe Benefit Survey (from VT's Department of Labor)**
- **Vermont specific reports and analyses (e.g., expenditure analysis)**
- **Other state and federal data sources needed to fill gaps**

Planned Outputs

- **Figures and tables showing how much people pay for health care, by family income ranging from very low to very high incomes**
- **Figures and tables showing how much people receive in health insurance subsidies and free care, by family income**
- **Variation in dollars paid and health care received across individuals**
- **Case studies of spending and receipt patterns for specific types of households, such as:**
 - **A single mom on Medicaid**
 - **A single, middle-income worker under age 35**
 - **A middle-income family with two working parents, with employer coverage**
 - **A high-income retired couple on Medicare**

Project Timeline



Draft Report Due 11/19

Final Report Due 12/19

Briefings to Legislature, Jan-Feb