



# Health Care Reform Update to the Health Reform Oversight Committee

Al Gobeille, Chair, Green Mountain Care Board and  
Lawrence Miller, Chief of Health Care Reform, Executive  
Office

August 11, 2015

# Agenda

## Regulation

- What it has achieved!
- What are its limits?

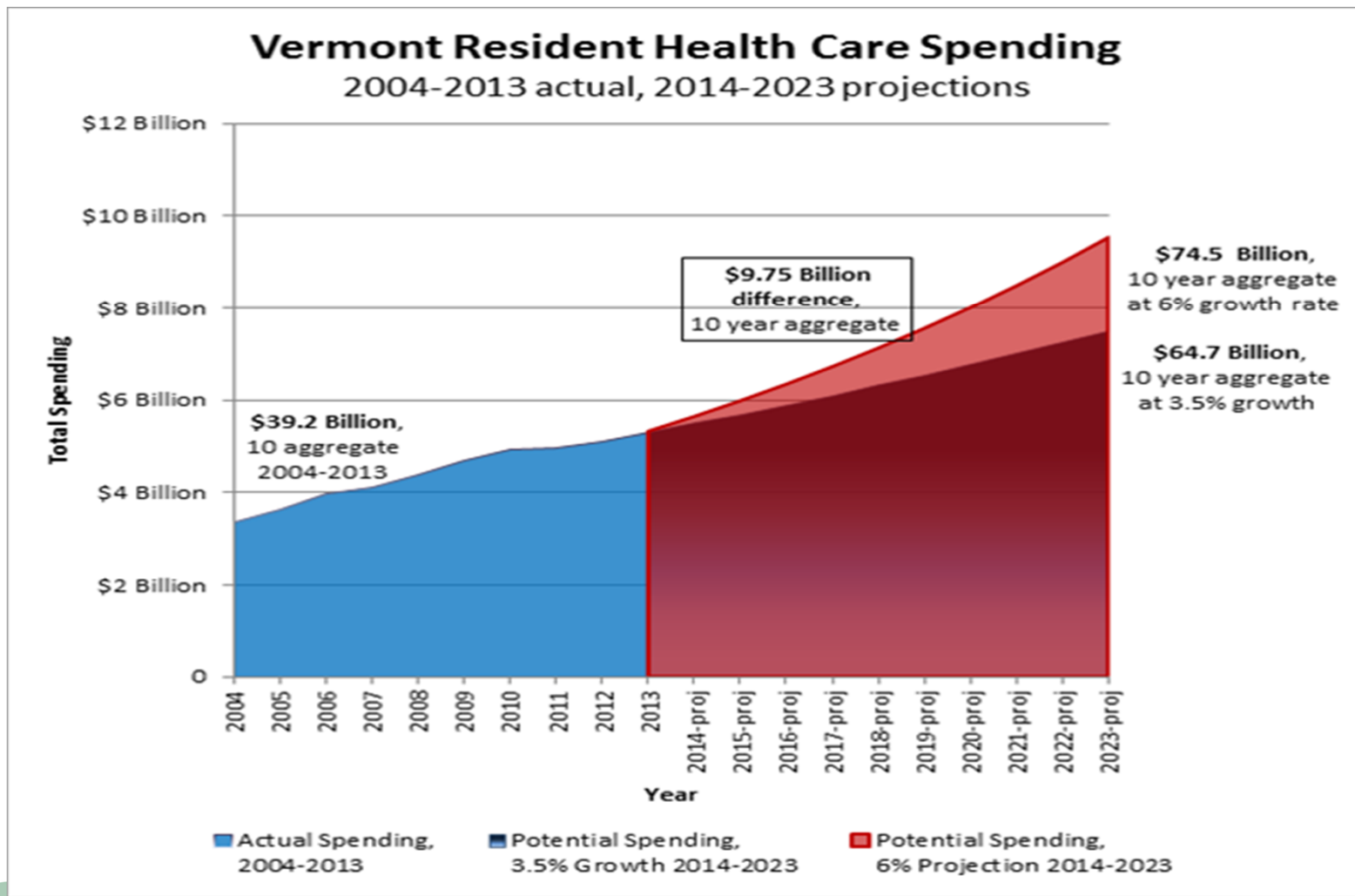
## 5 Year Deal

- What is an All Payer Model?
- Why is it good for patients?
- Why is it good for Primary Care?
- Why is it good for payers?

## CMS Status

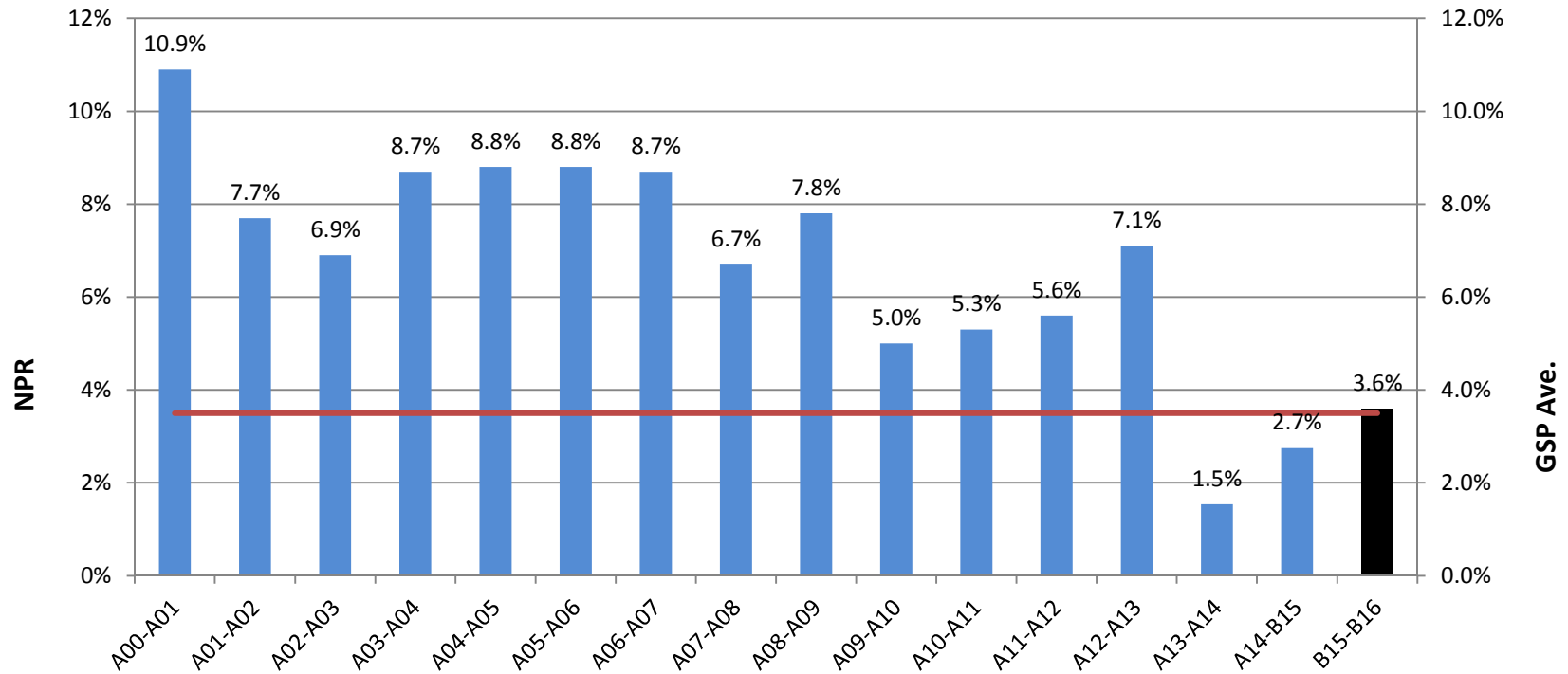
# Why are we Working on Health Care Reform?

Health care spending continues to outpace economic growth.



# Hospital Budget Targets

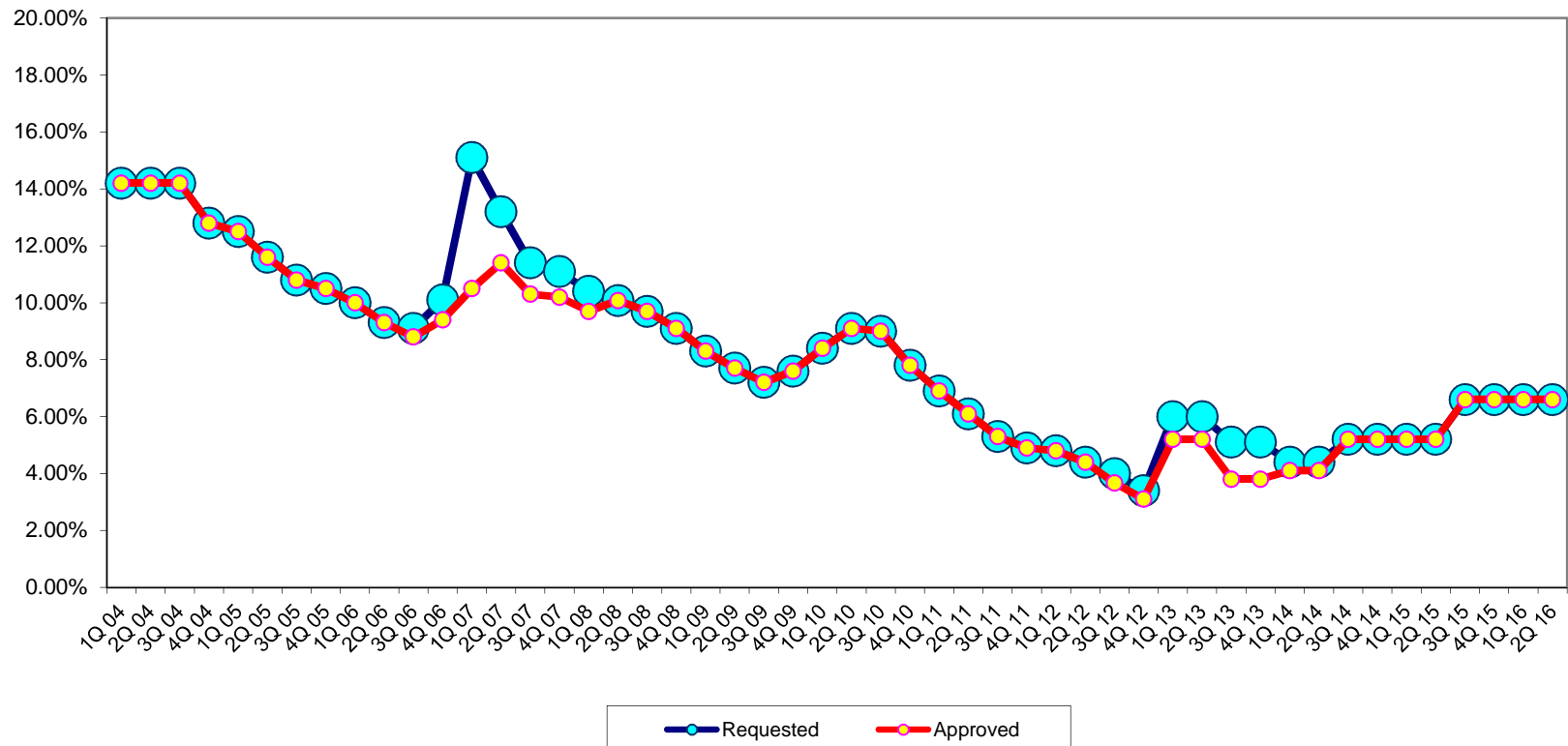
## All Vermont Community Hospitals Net Patient Revenue Growth vs. GSP



Adjusted to reflect bad debt reporting change in 2012

# Insurance Premium Rate Review

Total Trend (Medical & Drug Combined) 1Q 2004 through 2Q 2016



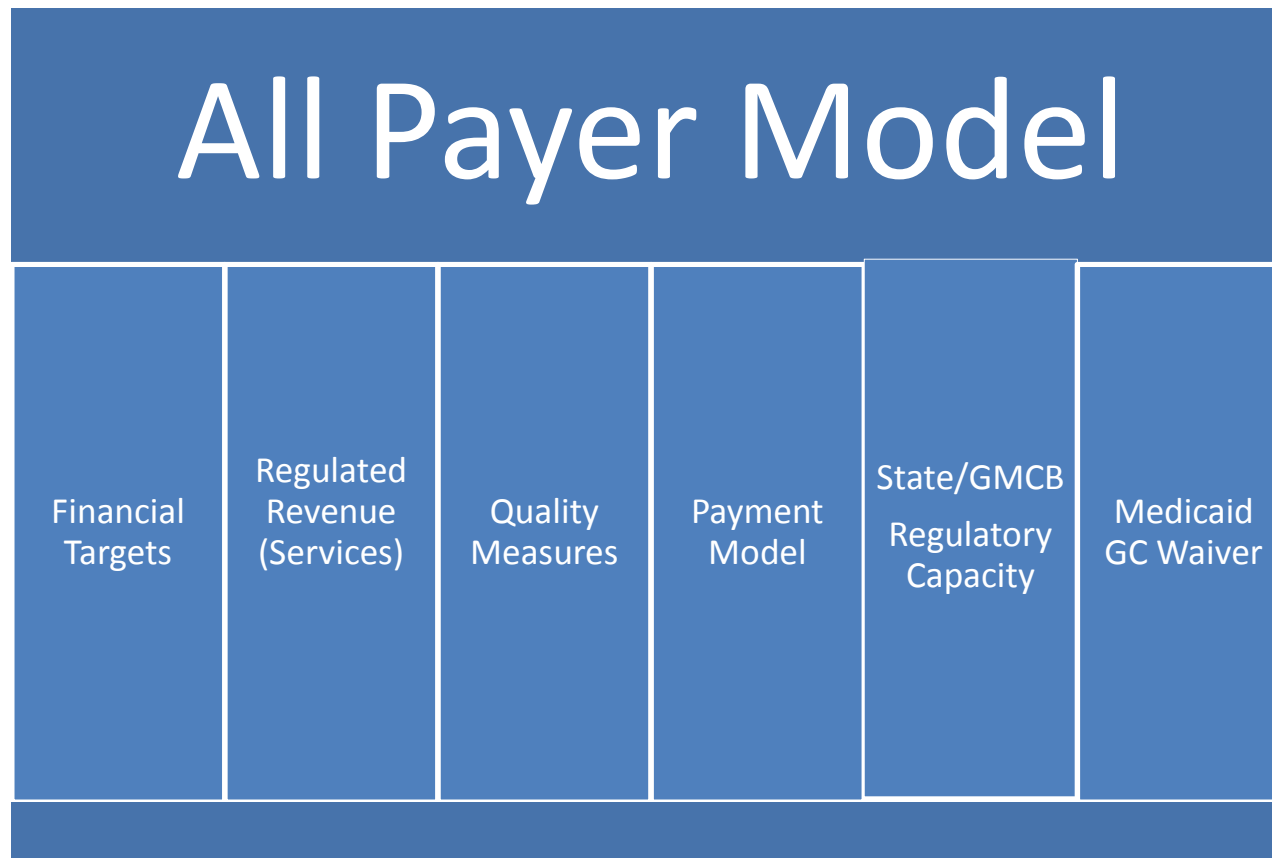
## Misaligned Incentives

A small increase in primary care physicians (1 Dr./10,000 people) is associated with fewer:

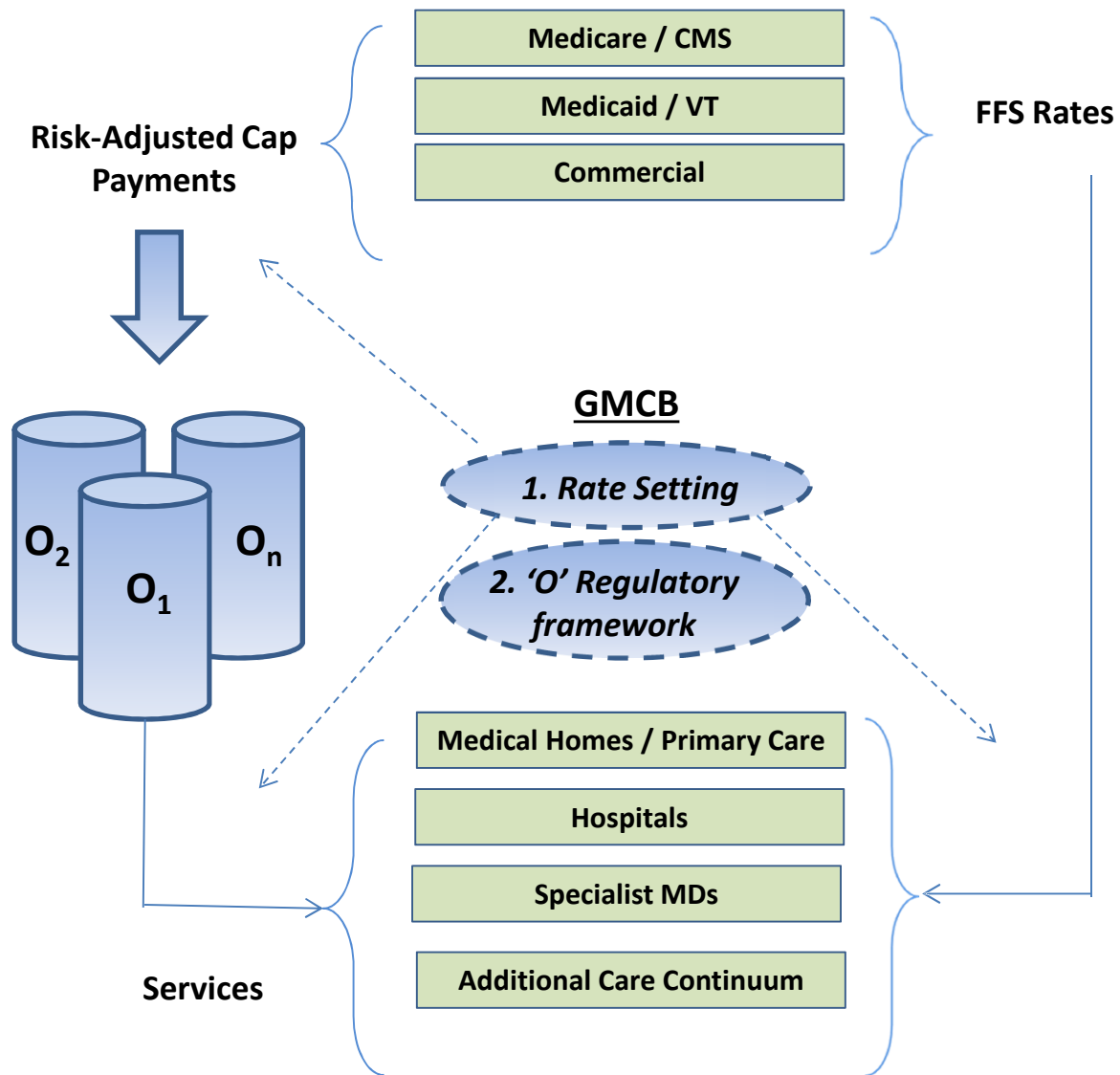
- Hospital inpatient admissions by 5.5%
- Outpatient visits by 5%
- Emergency Department visits by 11%
- Total Surgeries by 7%

In our current system, this is a financially bad thing!

# Elements of an All Payer Model



# All Payer Model- 5 Year Agreement





# How Does An All Payer Model Improve the Health Care System?

## Patients

- Better access to Primary Care
- Most appropriate care

## Providers

- Improved incentives for Primary Care
- Predictable and flexible funding

## Payers

- More predictable payment by government programs
- Aligned incentives for providers

**Questions?**