

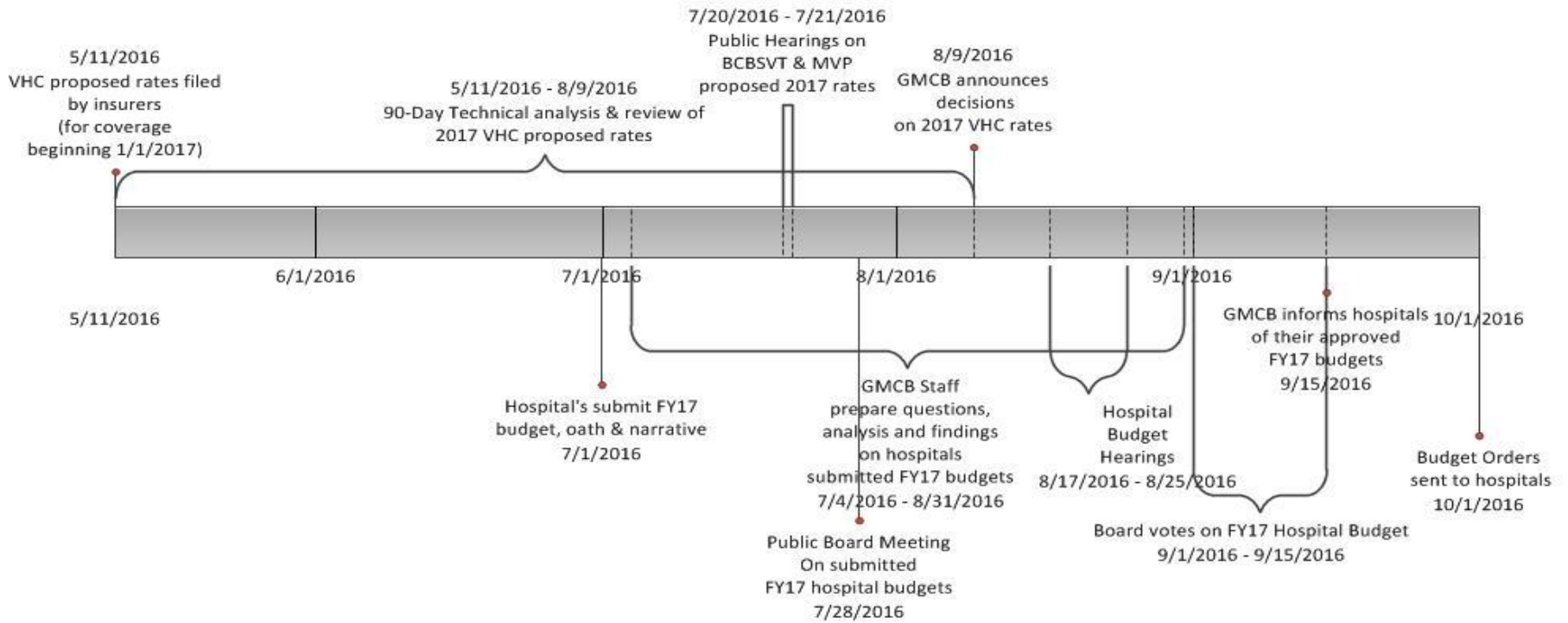
Green Mountain Care Board

Presentation to Health Reform Oversight Committee

Friday, September 16, 2016

Other Rate Review Dates:

1/27/2016 Vermont Health Connect (VHC) Qualified Health Plans (QHPs) were presented @ Public Board Meeting.



Other Hospital Budget Dates:

March 2016 GMCB provides guidance on FY 2017 (FY17) hospital budget policy

April – May 2016 Provides additional and updated reporting requirements

Pay Parity Implementation Plans

Act 143 Sec 5: Reducing Payment Differentials; Guidance and Implementation Report

On or before July 15, 2016 the GMCB shall provide a copy of each implementation plan to the Health Reform Oversight Committee, the House Committee on Health Care, and the Senate Committees on Health and Welfare and Finance Committees for providing fair and equitable reimbursement per Act 54 sec. 23(b) of 2015.

- *Reports were submitted to the GMCB on Friday, July 15, 2016*
- *Reports were forwarded to Legislative reports and Committees of jurisdiction*

No later than 30 days following this review but in no event later than December 1, 2016, the Board shall report to Health Reform Oversight Committee, the House Committee on Health Care, and the Senate Committees on Health and Welfare and Finance on its progress toward achieving fair and equitable reimbursement amounts for professional services provided by academic medical centers and by other professionals, without increasing health insurance premiums or public funding of health care, as required by 2015 Acts and Resolves No.54,Sec.23(b).

- *In the spring '16 GMCB reviewed the schedule of regulatory activities that includes Exchange Rate Review and Hospital Budget Review. GMCB plans to review Implementation plans in October.*

Update on Exchange Plan Rates

Rate Review Summary

Two insurers offer Qualified Health Plans on Vermont Health Connect

MVP (approximately 6,600 covered lives):

The Board reduced MVP's average annual rate increase from its proposed 8.8% to approximately 3.7%.

BCBSVT (approximately 70k covered lives):

The Board reduced the average annual rate increase from its proposed 8.2% to 7.3%.

2017 Estimated Savings in Premium \$\$ (submitted vs. approved rates)

The Board's modification of the filed rates results in estimated savings as follows:

BCBSVT Estimated Premium Savings \$ 3,505,618

MVP Estimated Premium Savings \$ 1,708,608

Total Estimated Premium Savings \$ 5,214,226

* Since 2014, the Board's modifications to filed Exchange rates have resulted in approximately \$38M in premium savings

Hospital Budgeting Process

Hospital Budget Process

Overview:

- The hospital budget process is directed by statute
- The GMCB receives comprehensive budget submissions from each hospital
- Submissions include broad information on a number of benchmarks & measures

Staff review:

- Staff examine submissions and puts information into context with respect to:
 - hospital trends
 - policy concerns
 - established Board guidance
- Compare and evaluate budget growth rates
- Introduce and consider new or evolving policy issues
- Offer decision making criteria to establish budgets
- Provide objective analysis

Vermont Hospital Rate Trend

	2013	2014	2015	2016	2017	
	Approved	Approved	Approved	Approved	Submitted	Approved
Brattleboro Memorial Hospital	5.2%	5.8%	2.7%	-1.4%	3.50%	3.50%
Central Vermont Medical Center	5.0%	6.9%	5.9%	4.7%	3.00%	2.45%
Copley Hospital	3.0%	6.0%	0.0%	-4.0%	0.00%	0.00%
Gifford Medical Center	6.1%	7.6%	5.6%	5.8%	3.94%	3.94%
Grace Cottage Hospital	6.5%	6.0%	5.0%	5.0%	5.00%	5.00%
Mt. Ascutney Hospital & Health Ctr	7.0%	5.0%	3.2%	5.7%	4.87%	4.87%
North Country Hospital	4.6%	8.0%	8.3%	4.8%	3.48%	3.48%
Northeastern VT Regional Hospital	6.5%	5.6%	5.0%	5.2%	3.75%	3.75%
Northwestern Medical Center	2.9%	3.9%	6.4%	-8.0%	2.90%	0.00%
Porter Medical Center	5.0%	6.0%	5.0%	5.3%	3.70%	3.70%
Rutland Regional Medical Center	10.3%	4.8%	8.4%	3.7%	-5.10%	-5.10%
Southwestern VT Medical Center	6.8%	7.2%	4.5%	3.8%	3.90%	3.36%
Springfield Hospital	6.0%	4.6%	5.5%	2.8%	0.00%	0.00%
The University of Vermont Medical Center	9.4%	4.4%	7.8%	6.0%	3.00%	2.45%
Weighted Average All Hospitals	7.9%	5.2%	6.8%	4.4%	2.2%	1.8%

Vermont Hospitals FY17 Submitted Budgets

Hospital	2015 Actual	Approved 2016 Budget	Submitted 2017 Budget	Net Patient Rev Growth	Deduct NPR for Physician transfers or acquisitions	Adjusted Net Patient Rev Growth	Adjusted NPR % change B16 - B17	Submitted NPR % change B16-B17
Brattleboro Memorial Hospital	\$75,742,920	\$73,896,151	\$76,408,611	\$2,512,460	\$0	\$2,512,460	3.4%	3.4%
Central Vermont Medical Center	\$173,990,659	\$173,996,286	\$193,220,803	\$19,224,517	\$2,804,070	\$16,420,447	9.4%	11.0%
Copley Hospital	\$63,464,436	\$60,987,719	\$65,509,894	\$4,522,175	\$0	\$4,522,175	7.4%	7.4%
Gifford Medical Center	\$53,896,728	\$56,201,733	\$57,762,429	\$1,560,696	\$0	\$1,560,696	2.8%	2.8%
Grace Cottage Hospital	\$16,038,766	\$18,375,041	\$19,205,503	\$830,462	\$0	\$830,462	4.5%	4.5%
Mt. Ascutney Hospital & Health Center	\$45,514,515	\$48,060,871	\$47,744,700	-\$316,171	\$0	-\$316,171	-0.7%	-0.7%
North Country Hospital	\$73,297,094	\$76,604,320	\$81,189,662	\$4,585,342	\$0	\$4,585,342	6.0%	6.0%
Northeastern VT Regional Hospital	\$65,548,594	\$68,095,300	\$71,339,400	\$3,244,100	\$0	\$3,244,100	4.8%	4.8%
Northwestern Medical Center	\$97,798,763	\$95,697,390	\$102,867,018	\$7,169,628	\$3,080,325	\$4,089,303	4.3%	7.5%
Porter Medical Center	\$70,596,270	\$75,581,083	\$76,094,922	\$513,839	\$0	\$513,839	0.7%	0.7%
Rutland Regional Medical Center	\$228,328,637	\$233,248,162	\$243,415,448	\$10,167,286	\$2,372,983	\$7,794,303	3.3%	4.4%
Southwestern VT Medical Center	\$142,769,168	\$144,025,568	\$152,792,211	\$8,766,643	\$1,720,462	\$7,046,181	4.9%	6.1%
Springfield Hospital	\$55,926,090	\$55,936,500	\$59,147,241	\$3,210,741	\$0	\$3,210,741	5.7%	5.7%
University of Vermont Medical Ctr	\$1,115,357,666	\$1,126,774,924	\$1,175,237,274	\$48,462,350	\$8,768,861	\$39,693,489	3.5%	4.3%
Totals	\$2,278,270,306	\$2,307,481,048	\$2,421,935,116	\$114,454,068	\$18,746,701	\$95,707,367	4.15%	4.96%

Possible improvements in the Hospital Budget Process?

Examine the Possibility of Exchange Rate Review and Hospital Budget Timing

- Hospital Budget review and decisions could be made before the Exchange Rate Review hearings.
- This will provide more accurate health insurance premium rates
- This will require hospitals to submit earlier budgets

(Dependent on resources and possible statute changes)