Health Care Reform
Single Payer Plan
DRAFT March 24, 2014

Key Goals:

- **Access for all** - *All Vermonters are covered as a right of VT citizenship and all will have comprehensive health coverage under a universal and unified health care system*

- **Quality Health Care** – *Continued investment in quality initiatives such as the blueprint, delivery reform and payment reform.*

- **Contain Costs** –Continue to work on initiatives such as *Blueprint, payment reform (ACO's SIM Grant) global hospital budgets (total revenue per capita in their defined market) or capitated per capita payments to the Green Mountain Care plan administrator.*

Summary

- ✓ Insurance would no longer be linked to employment (other than self - insured employers if they so choose)
- ✓ A single core plan, Green Mountain Care, would be the standard plan in the state
- ✓ A single vendor would administer the system (third party administrator)
- ✓ Incentives would focus on effective prevention and care coordination for chronically ill patient(who account for 83% of health care spending)
- ✓ Employers could continue to contribute toward the cost of health core their workers

Access

All Vermonters have comprehensive and affordable health coverage

- ✓ Green Mountain Care—with an actuarial value of approximately 80%- would be the standard benefit for privately insured and Medicaid.
- ✓ No other standard insurance could be purchased
- ✓ Individuals could purchase supplemental coverage through the exchange including those with federal health insurance coverage
- ✓ A single vendor (who could subcontract) would be selected to administer Green Mountain Care
- ✓ All insurance provided through Vermont Health Connect and not through employment

- ✓ Self-insured employers could drop their coverage and enroll workers into Green Mountain Care if they choose
- ✓ Medicare and other federal health plans (Federal Employees Health Benefits (FEHB), Tricare, VA etc.) would not be included but could purchase supplemental coverage through the exchange
- ✓ Green Mountain Care would cover at least 50% of the population and eliminate the purchase of insurance through employment (self-insured are by definition not purchasing insurance)

Subsidies

Premium tax credits and cost sharing subsidies would be more generous than under the affordable care act for those up to 400% FPL.

- The current federal premium tax credits and cost sharing subsidies under the ACA would continue (negotiated through a state innovation waiver) but would be applied to the Green Mountain Care plan with additional state funding
- Vermonters would continue to pay income related premiums and receive premium tax credits using the ACA schedule. They would also continue to receive an additional 1.5% of income premium subsidy through 300% FPL as under current Vermont Law. See chart below.
- Cost sharing subsidies for under 400% FPL would be as following:

ALTERNATIVE COST-SHARING SUBSIDY PROPOSALS - DRAFT

Cost-Sharing Subsidies Actuarial Values

* Based on the 2nd lowest cost Silver Plan

** Deductibles & OOP Max do not include Rx Deductibles and Rx OOP Max

FPL%	ACA	Current VT Law	Proposal
100-150%	94%	Same	Same
Deductible	$100/$200		
OOP Max	$500/$1000		
150-200%	87%	Same	Same
Deductible	$750/$1500		
OOP Max	$1250/$2500		
200-250%	73%	77%	80%
Deductible	$1500 $3800	$1500 $3000	(Gold Plan)
OOP Max	$4000 $6000	$3000 $6000	
250-300%	70%	73%	80%
Deductible	$1900 $3800	$1900 $3800	(Gold Plan)
OOP Max	$5100 $10,200	$4000 $8000	
300-400%			80%
Deductible OOP Max			(Gold Plan)

Note: Many of the deductibles and OOP Max's listed above may be subject to change. They also do not include Rx deductibles and OOP max

Premium Tax Credits

Income % FPL	Premium % of income	State Subsidy
Up to 133%	2%	Covered by Medicaid
133-150%	3 - 4%	Add'l
150-200%	4 - 6.3%	1.5%
200-250%	6.3 - 8.05%	
250-300%	8.05% - 9%	
300-400%	9.50%	-----

- Invest in affordability subsidies to help minimize the premium for those over 400% FPL

Cost Shift & Rate Reform

- Invest in Medicaid reimbursement rates to reduce the cost shift
- Funding can be matched by federal funds
- Can be applied in the context of payment reform to the extent allowable by CMS.

Quality

- *Blueprint v.2:*
  - Community Health Teams and Medical Homes would be expanded in three ways:
    I. New providers (specialized providers and ACOs)
    II. New populations (such as duals, etc.)
    III. Expanded functions and capabilities.
      - This includes linking the CHTs with disability and long-term services and support functions
      - Would also a pharmacist to the teams to provide comprehensive medication management and therapy.
      - Would also assure the transitional care models in place are best practice (such as the Coleman Model)
  - Work with Green Mountain Care plan administrator to increase Blueprint Payments to keep pace and maintain strong multi-payer approach (Medicaid, Medicare and plan administrator).
    - Increase transformation payments to health care providers for participation in the Blueprint (by an average of $2.50 per patient per month).
    - Increase capacity payments to the community health teams (from $1.50 to $3.00 per patient per month).
    - Create outcome based payment to health care providers for providing high-quality coordinated care (average per member per month of $5.00).
  - Broaden and standardize community health teams to improve outcomes and maximize return on investment while maintaining local control.
  - Take further advantage of 90/10 match (for 2 years) under section 2703 of the ACA to maximize Blueprint expansion.
  - Expansion will be done in conjunction with other payment and delivery system reforms.

Contain Costs

Options

- ✓ Global hospital budget per capita (in defined market) that increases at projected growth in the Vermont economy (state product)
- ✓ Fast adoption of SIM like payment reforms statewide—using bundled payments as a start
- ✓ Continued investment in Blueprint
- ✓ Green Mountain Care paid on a risk adjusted per capita basis growth indexed to overall growth in Vermont economy
- ✓ Green Mountain Care plan administrator would be at risk (shared savings program) for keeping the growth in per capita health care spending at or below the growth in the Vermont economy. As above the Green Mountain Care plan administrator would continue to contribute toward the costs of the Blueprint.