



Toward Evidence-Based Health Care Reform

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Status of Vermont Health Care Reform

Welcome to "Toward Evidence-Based Health Care Reform," a periodic e-memo providing facts, figures, examples and analysis of current issues in health care reform in Vermont. The memo is written by Jeanne Keller, Keller & Fuller, Inc., and sponsored by BRS, Inc., a member organization providing a range of services and support to Vermont's small businesses. For more about BRS, please visit our website: www.brsvt.com

To review past issues of Toward Evidence-Based Health Care Reform, www.vtreform.com.

To read and download the comprehensive health care reform proposal supported by BRS and several other Vermont business associations, www.vtiha.org.

No one said this would be easy, and perhaps the clearest evidence of the complexity of legislation passed last year is the status report spreadsheet posted monthly by Director of Health Care Reform, Susan Besio. The report includes each health care reform activity required to be undertaken, itemized by topic along with due dates and status. In 7 point font, and at least 20 items per page, the nine-page report lays out nearly 200 activities that are taking place throughout state government, from studies and reports to IT and other systems designs, RFPs for insurance plans and more. (You can download [the latest report](#), sorted by topic, due date or lead department. There is also an [overview of all the reforms](#), and a [5-year implementation plan](#) posted on the Agency of Administration's new health care reform [website](#), www.hcr.vermont.gov.)

Over 35 advisory committees and task forces were also created to provide public input into these activities, including development of common claims forms, treatment of seasonal workers for the employer assessment, development of standard hospital free care policies, evaluation of the cost shift, reporting of hospital-acquired infections, and much more.

So where does health care reform in Vermont stand? For the most part, it is still a work in progress. Briefly, here's the status of some of the key initiatives.

Catamount Health Plan

- [Regulations](#) were issued to insurers August 1, 2006 specifying what is to be included in the Catamount Health insurance plans. Three carriers submitted letters of intent: MVP, BCBSVT and Capital District Health Plans.
- In August 2006, BISHCA issued the final report on the [survey of the uninsured](#). This survey is more accurate than US Census estimates, as it is based on actual survey information from nearly 10,000 Vermont residents, with a margin of error of plus/minus 1.5%. Among the key findings: 91.2% of Vermonters have either private or government-sponsored insurance. 59.4% of Vermont residents have private insurance, less than a 1% decline since 2000. Another 14.5% have health insurance coverage through the state Medicaid program, 14.5% are covered by Medicare, and 1.7% are covered by military insurance. 9.8% of Vermont residents are uninsured, and this represents only a 1.8% increase from 2000 to 2006. (Nationally, over 15% are uninsured. Only one or two states surpass what Vermont has already achieved – less than 10% uninsured.) *Of the 9.8% of residents who are uninsured, 2/3 are between the ages of 18 and 32, and over half of uninsured children and a significant number of uninsured adults (between a third and half) are already eligible for Medicaid or VHAP but haven't applied.*
- In December, BISHCA [released a report](#) from independent actuaries estimating the monthly cost for the Catamount Health Plan at \$362 per month for single coverage; \$723 for 2-person and \$976 for family coverages. The actuary notes that rates to be filed by carriers may vary, but will likely use similar adjustments for adverse selection, trends and administrative load. This estimate compares to the \$305/month for single coverage estimated by the legislature in budgeting Catamount. This \$57 difference per month, times 12 months, times the 2500 expected to enroll in Catamount in the first year would mean the program would have at least a \$1.7 million shortfall in its first year.
- Two premium assistance programs will be implemented: one for those eligible for Catamount health, and the other for those with access to employer sponsored plans. The Office of Vermont Health Access (OVHA) produced [reports on how these subsidy programs would be administered](#), and the legislature tentatively authorized the executive branch to move forward on implementation.
- House and Senate leaders held a press conference in mid-January to announce lower enrollment projections for Catamount. Because Catamount rates haven't been filed and enrollment won't even start until October, this "guesstimate" isn't anything to base legislation on, but the announcement was treated by some as a signal that Catamount was in trouble. There were even news reports erroneously implying that actual enrollments had not met projections, creating a mistaken impression among public and legislators. Maybe everyone should wait until *after* the outreach campaign starts in July, and *after* enrollment starts in October 2007 to see if there's a problem?

- On deck for CH: On March 7th, carriers will need to file their rates with BISHCA. This will be the first real “gut check” on feasibility of the program. By April 23, BISHCA will sign off or deny the rates. A help-line will go live on May 1, along with enhanced outreach for Medicaid and VHAP eligibles. Enrollment through private carriers and premium assistance programs begin October 1, 2007.

Employer Assessment

- Despite receiving no funding or staff for administration of the employer assessment, the Department of Labor has done an admirable job of seeking public input and developing systems for implementation of the assessment, a major source of funding for the Catamount Health program described above. Their [website](#) provides clear, up-to-date information on the assessment, including an assessment calculator for employers, FAQs and the regulations, which were issued in mid-December. (A reminder that the BRS website --- www.brsvt.com includes a simple online calculator free to the public.)
- A Task Force [recommended](#) to the legislature “...not including seasonal workers who have health care coverage from any source because it supports the goal of health care coverage while recognizing some of the unique characteristics of seasonal work and seasonal workers.” After a week of testimony, the House Health Care Committee appears to be leaning toward accepting the recommendation but narrowing the definition and duration of what constitutes exempt seasonal work. The House Health Care Committee’s resolution of the seasonal employee issue is expected to be added to the overall technical corrections bill for Act 191.
- On deck for the Assessment: The first quarter for which employers will be assessed begins April 1, 2007, and first payments to the state will be due July 15th. The legislature will have to act on the recommendation in time for instructions to be sent to employers by April 1.

Blueprint for Health Chronic Care Initiative

- The Blueprint is a coordinated effort to improve chronic care in Vermont that was supported by the Department of Health, hospitals, insurance carriers and physicians, along with other community health advocates for three years prior to obtaining significant funding in the past legislative cycle. Now the [Blueprint](#) is a truly statewide initiative, and designated as the central organizing entity for improvements to be made in Medicaid, the state employee health plan, physician practices, hospitals and health plans, and in self-management of diseases by consumers themselves.
- In January, the Blueprint Executive Committee, a multi-stakeholder group that advises the Commissioner of Health, delivered to the legislature a 5-year Strategic Plan outlining goals and measurable objectives for the BP in a variety of areas: delivery system, payment reforms, IT, community reforms and patient self-management.
- In September, the Vermont Program for Quality Health Care was awarded a grant to provide training and support to physicians in five pilot communities on practice redesign to deliver evidence-based, high quality care to patients with chronic illnesses, such a diabetes, heart disease, asthma and high blood pressure.
- On deck for the BP: by July 1, Medicaid will propose how to tie provider reimbursements to performance standards set by the Blueprint for chronic care (implementation in 2009); Task Forces will develop recommendation on reforming all reimbursement to better match chronic care activities, such as case management, information technology use, ongoing testing and pharmacy management requirements, etc.

Health Information Technology

- Act 191 and the appropriations act last year included several millions of dollars for health information technology. Vermont Information Technology Leaders (VITL), a private non-profit organization composed mostly of health care providers, state agencies and industry folks, was [tasked by the legislature](#) to develop a Regional Health Information Organization (RHIO), with oversight from BISHCA and in coordination with the Department of Health. RHIO is the term used nationally for integrated, coordinated regional health information systems or networks that allow health care providers and payers to exchange and share financial and clinical information, enabling better coordination of patient care, better efficiencies, and allowing development of databases on chronic disease and best practices.
- The first VITL contract was awarded recently to [GE Healthcare and Orion](#), to develop and implement a chronic care information system throughout Vermont, in conjunction with the Blueprint for Health initiative, Department of Health.
- VITL produced the legislatively mandated [Preliminary Health Information Technology Plan](#) on January 1, 2007. The plan describes the Health Information Exchange Network that is contemplated, and discusses the transaction standards, definitions and other elements of a working RHIO that will be developed over the next several years, in concert with providers and payers.
- On deck for HIT: Roll-out of the first Chronic Care Information site: Mt. Ascutney, with five other sites to follow in the next months; final IT Plan is due July 2007.

The next issue of Toward Evidence Based Health Care Reform will provide a status report of other key elements of Vermont’s health care reform legislation.