

GOVERNOR SHUMLIN'S VERMONT HEALTH REFORM PROPOSAL

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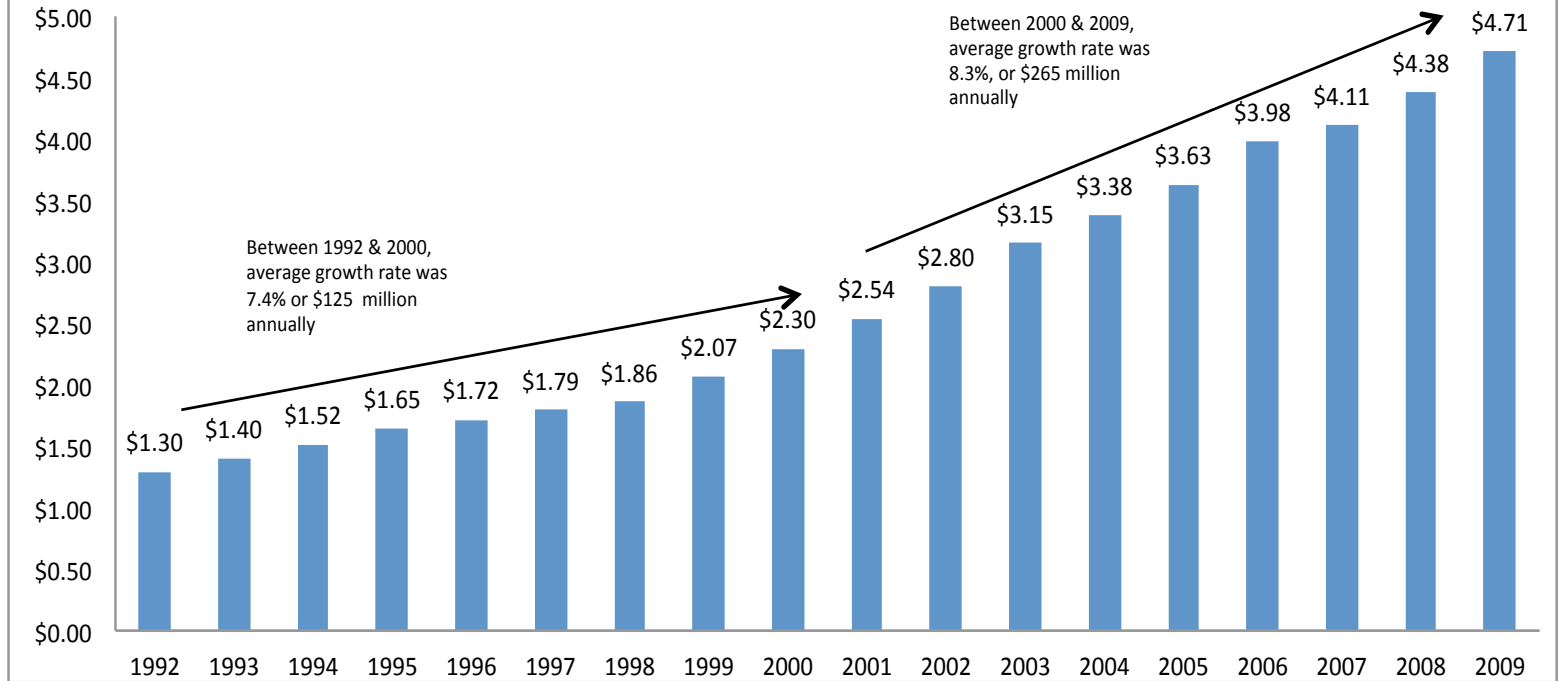
Special Assistant to the Governor
for Health Care

February 8, 2011

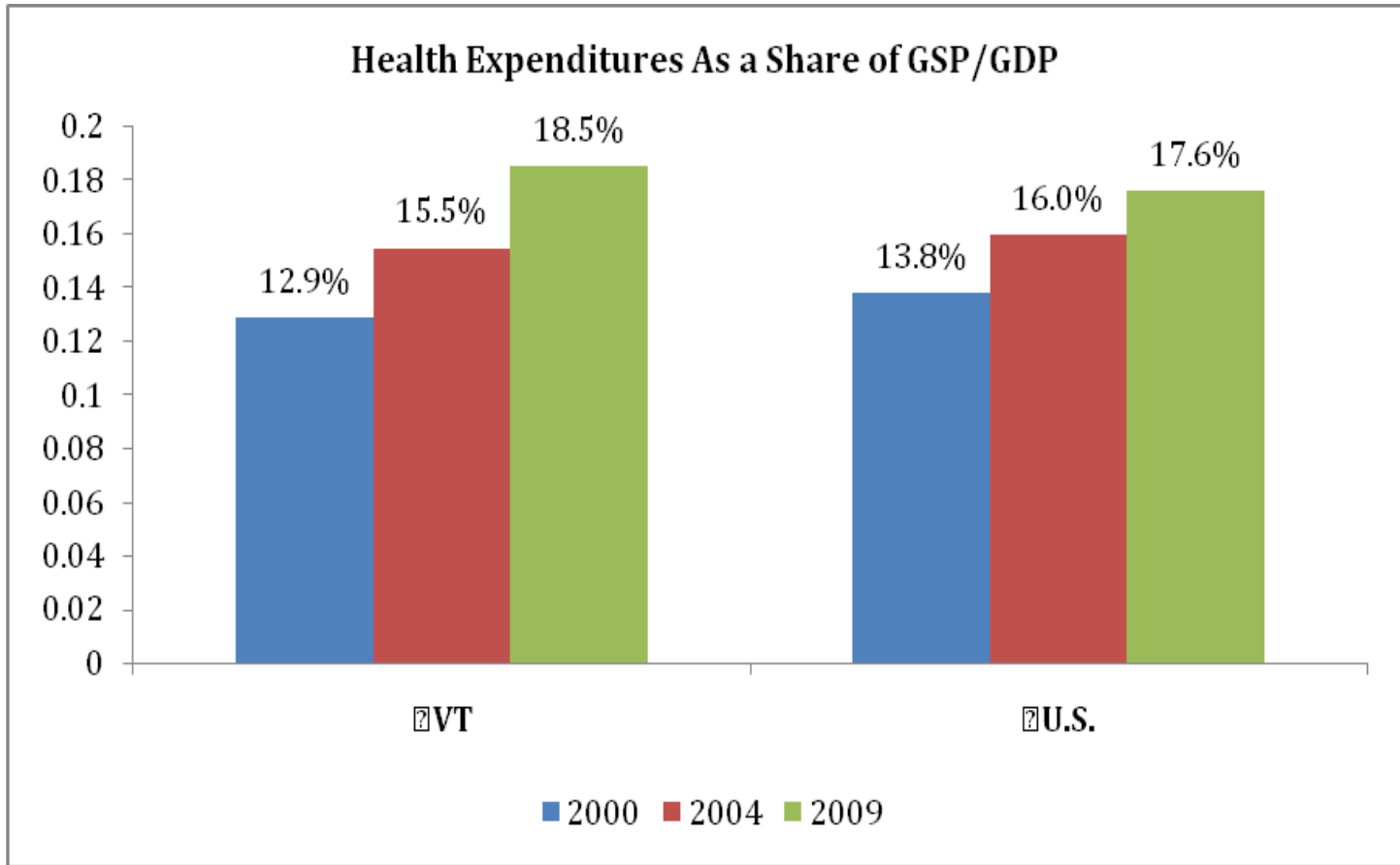
“You’ve got to be careful if you don’t know where you are going, because you might not get there.”

- Yogi Berra

Health Spending in VT More Than Doubled Between 1992 and 2009

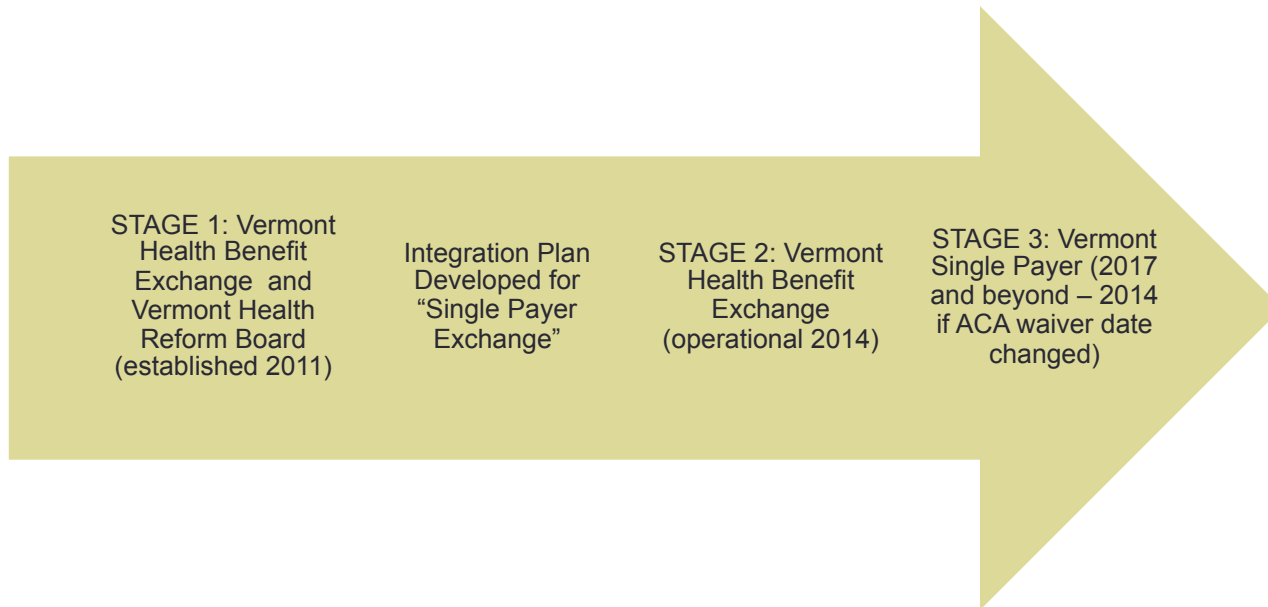


Source: Vermont Dept. of Banking, Insurance, Securities and Health Care Administration (BISHCA)

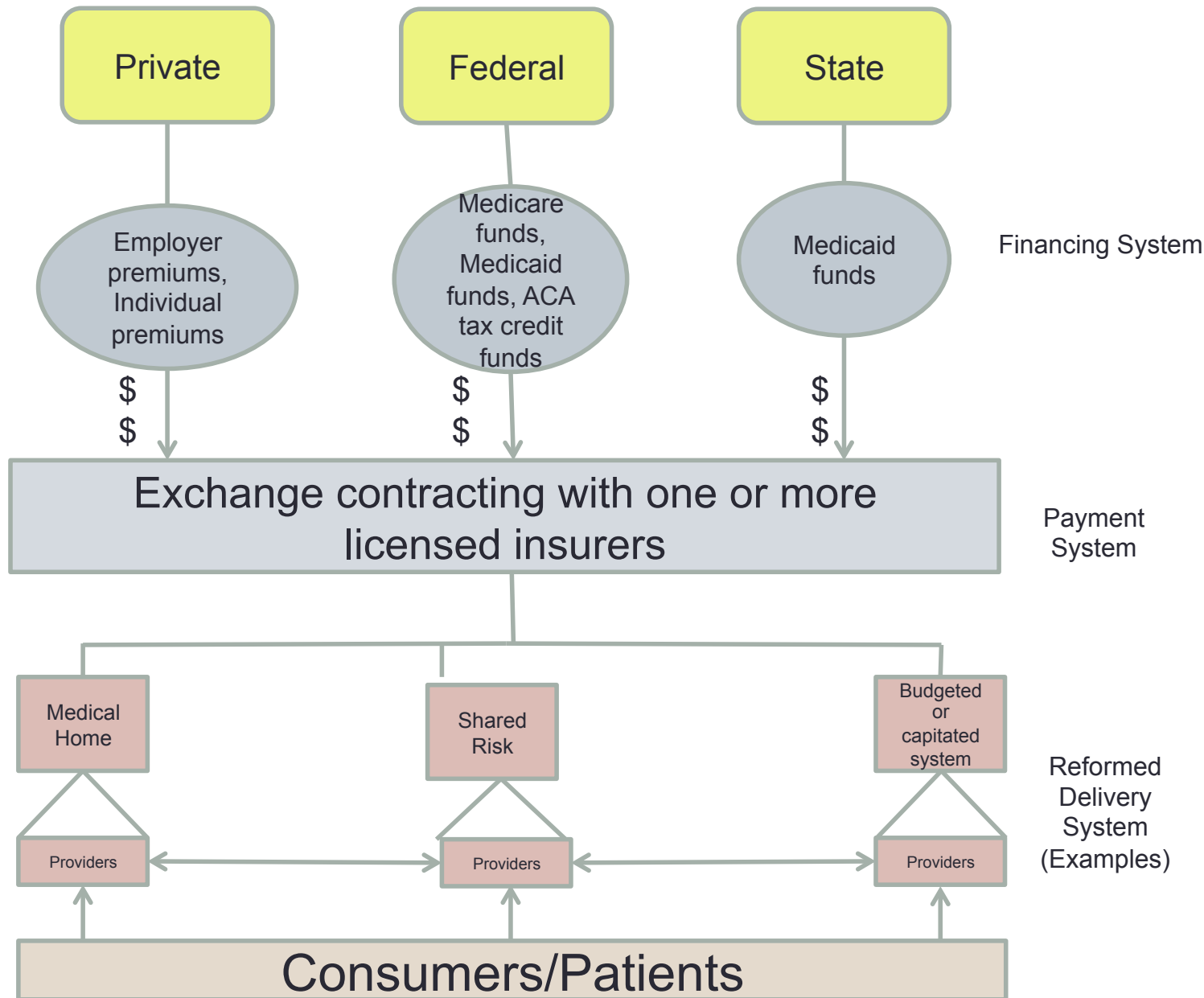


Source: VT BISHCA

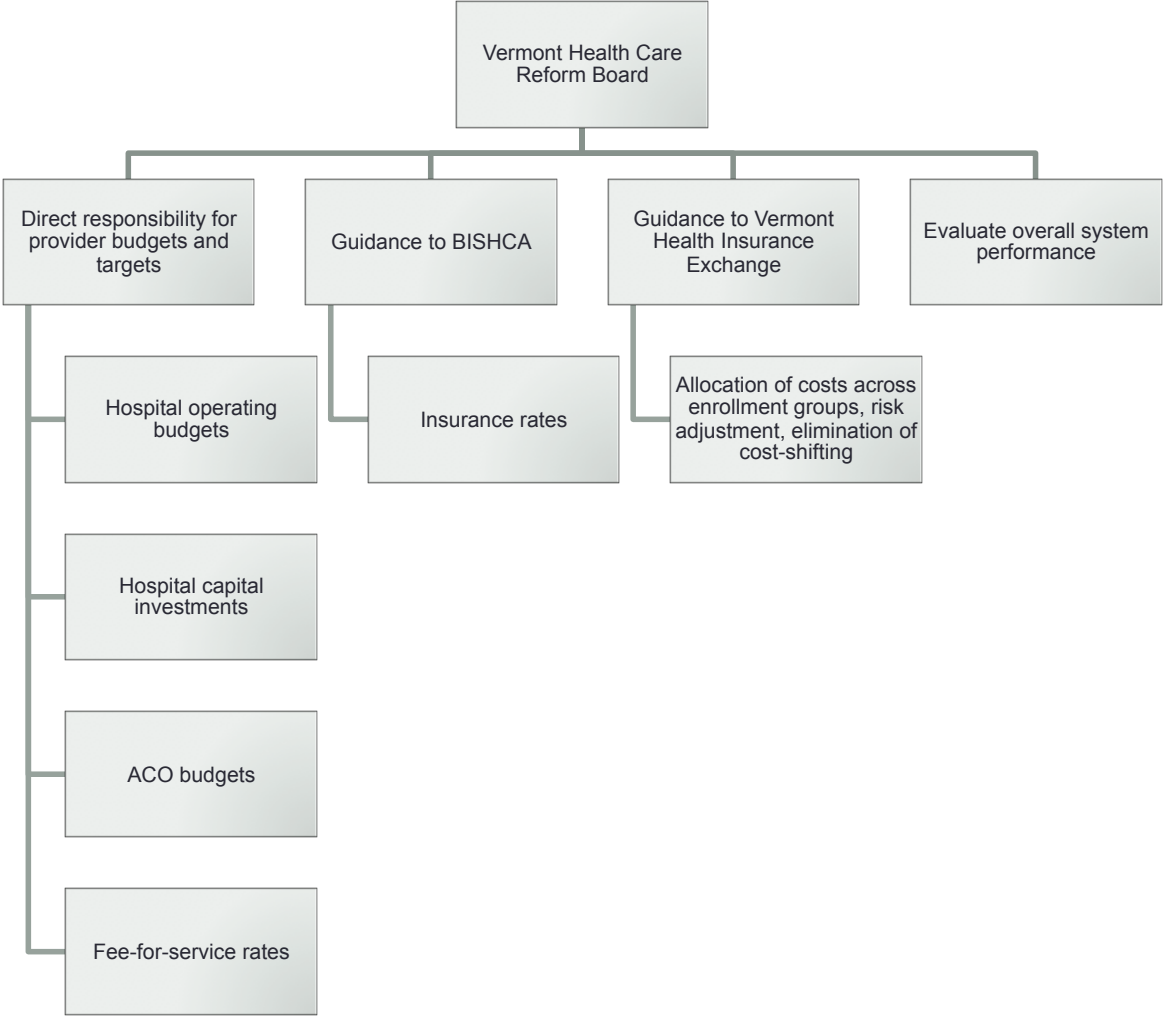
Three Stages of Vermont Health Reform



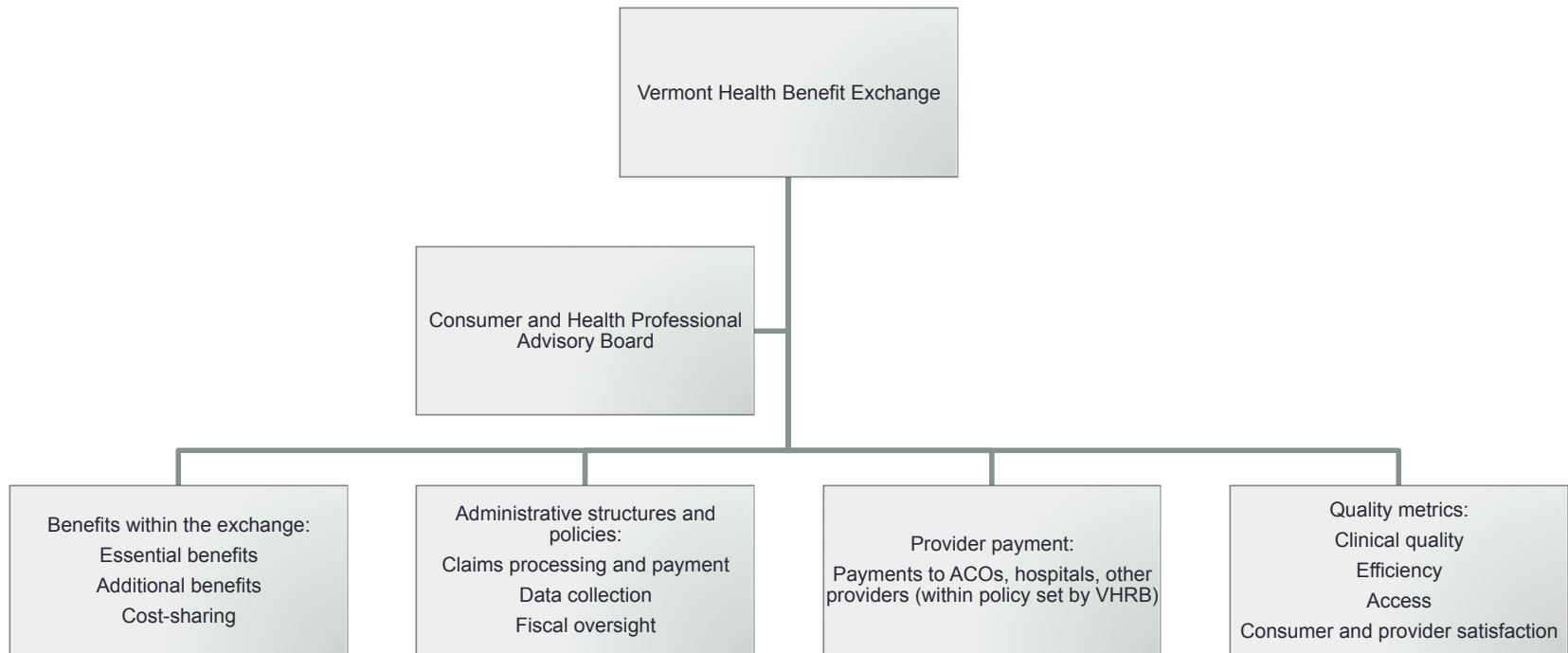
Single Payer Exchange Funds Flow



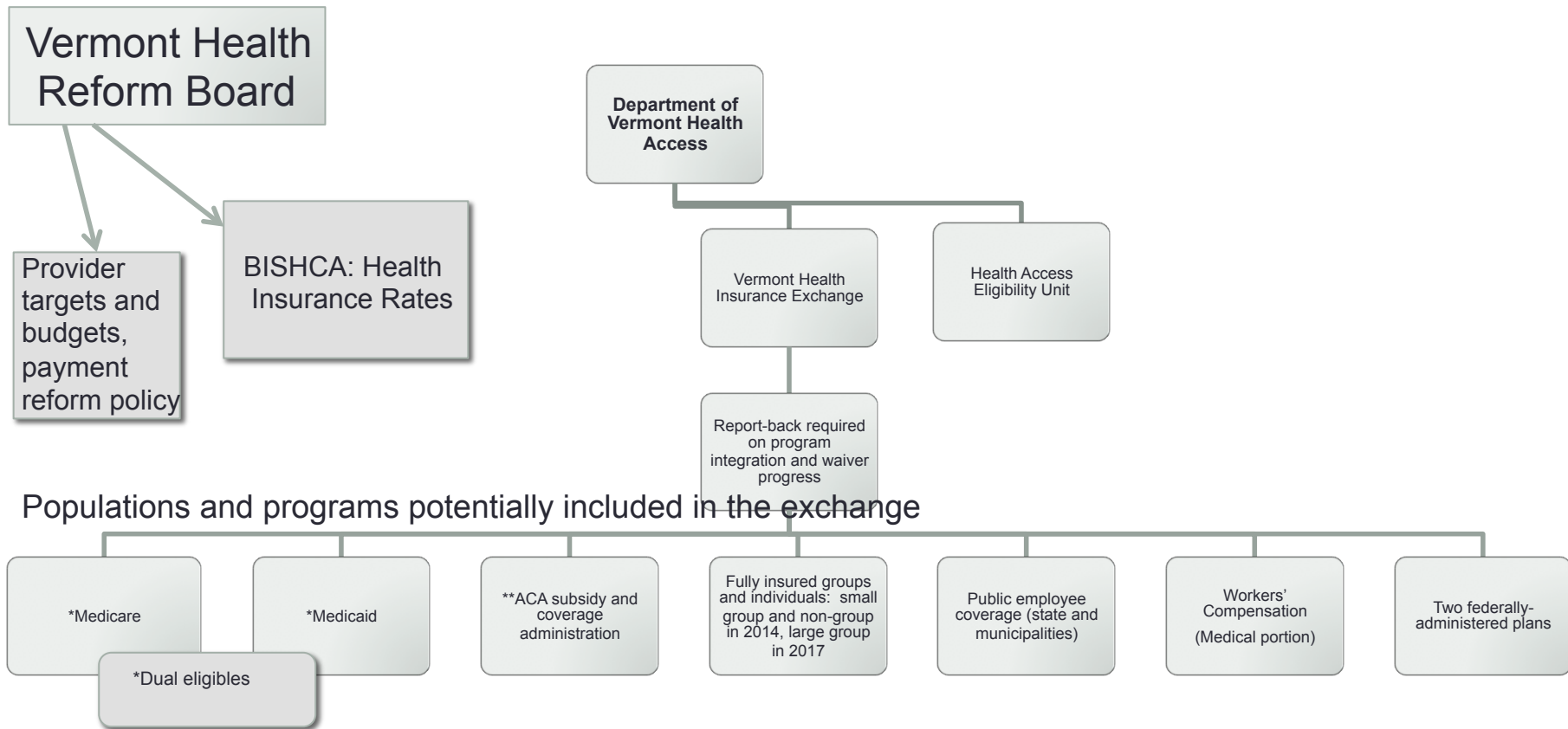
Payment Reform and Cost Containment: Vermont Health Reform Board



Purchasing and Administrative Simplification: Vermont Health Benefit Exchange



Vermont Health Care Reform Proposal, Stage I (2011-2012) – Establish Exchange and Cost/Payment Reform Oversight

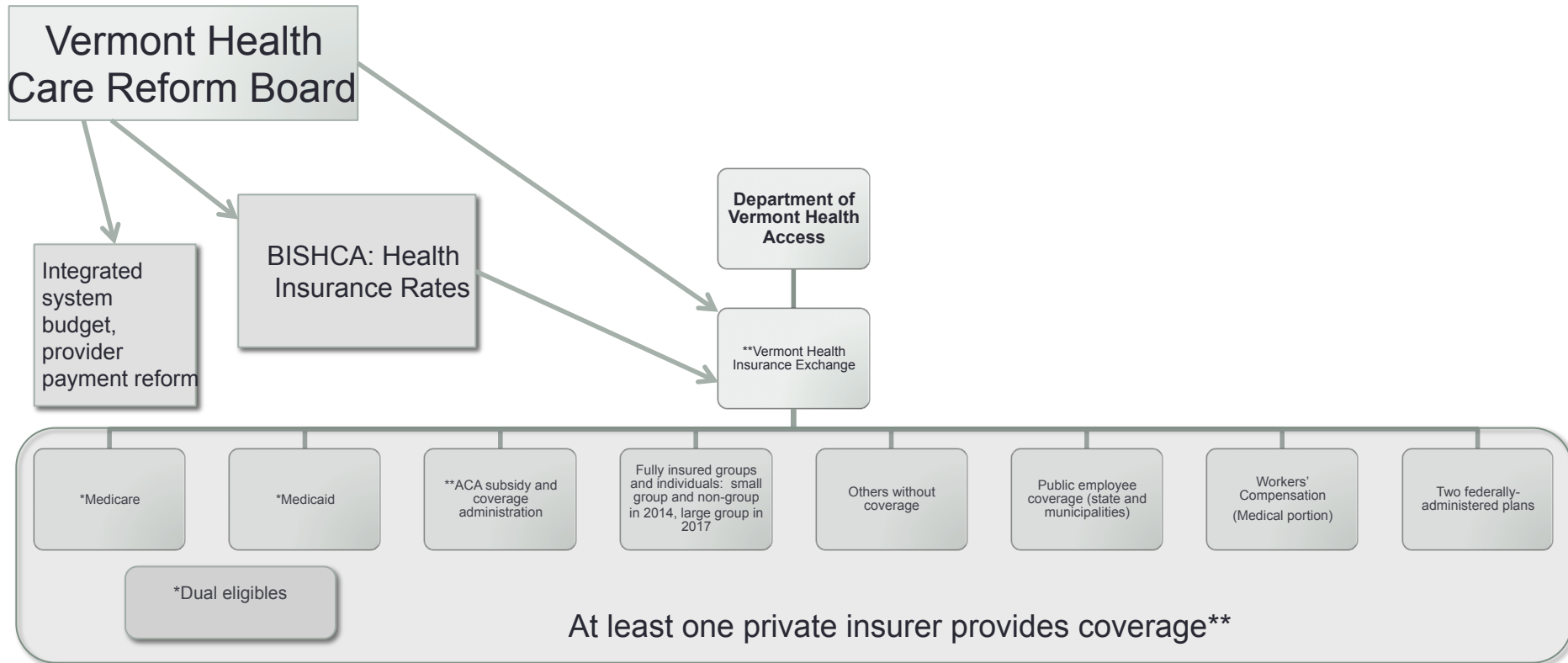


*Requires federal approval **Required under the Affordable Care Act

Goal:

- Common benefit floor (feds set minimum, state can go higher)
- Options of benefit packages that exceed the floor
- Common payment methodology for all
- Common payment level for all
- Common claims administration or methodology
- Common provider networks across populations, but there can be selective contracting for some benefit packages

Vermont Health Care Reform Proposal, Stage II (2013-2014) – Establish Single Payer Exchange (assumes no ACA waiver or ERISA exemption)



*Requires federal approval **Required under the Affordable Care Act

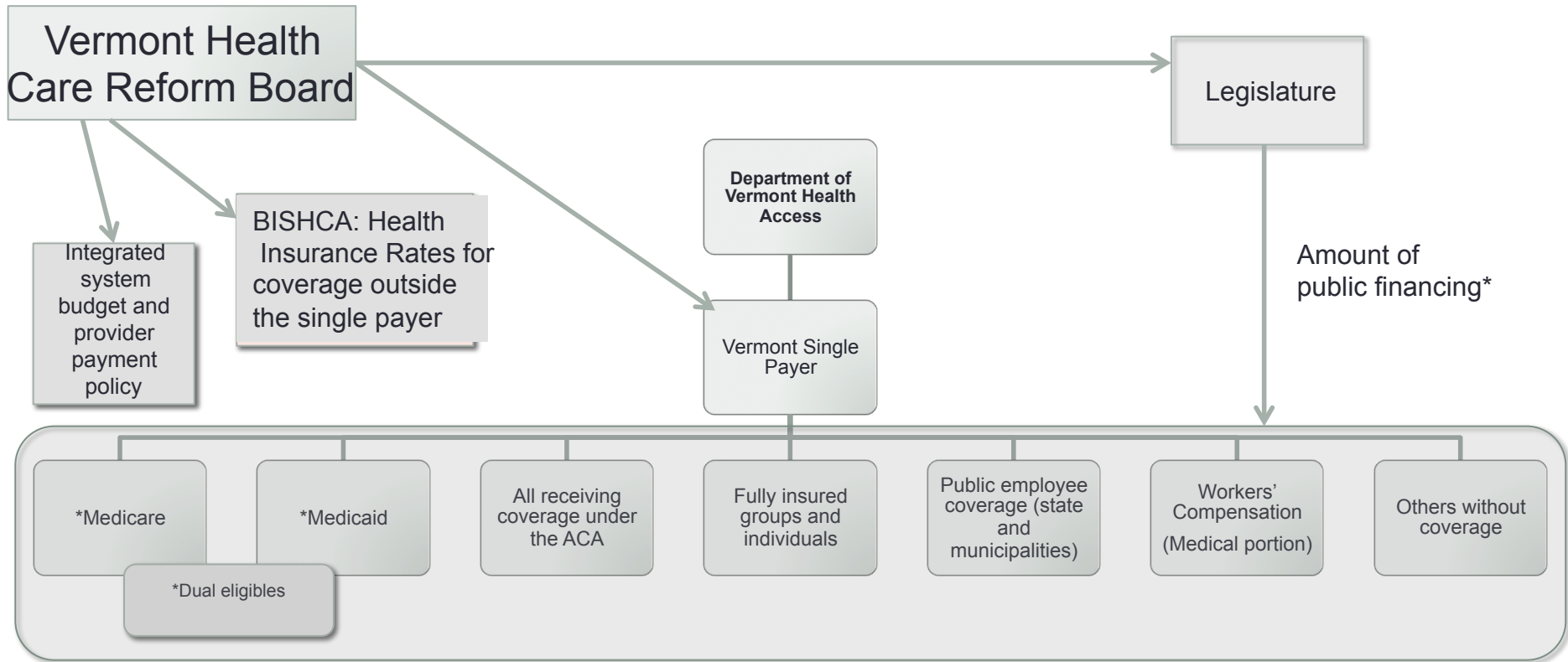
Remaining outside the exchange are:

- Self-insured or federally-covered groups (VA, etc.) that choose not to be covered through the exchange
- Supplemental coverage beyond that offered in the exchange
- Undocumented immigrants

Assumes:

- Common benefit floor (feds set minimum, state can go higher)
- Options of benefit packages that exceed the floor
- Common payment methodology for all
- Common payment level for all
- Common claims administration or methodology
- Common provider networks across populations, but there can be selective contracting for some benefit packages

Vermont Health Reform Proposal, Stage III – Establish Single Payer (upon availability of ACA waiver, without ERISA exemption)



*Requires federal approval

Potentially remaining outside the exchange are:

- Self-insured or federally-covered (VA, etc.) groups that choose not to be covered through the exchange
- Supplemental coverage beyond that offered in the exchange

Assumes:

- Common benefit floor (feds set minimum, state can go higher)
- Options of benefit packages that exceed the floor
- Common payment methodology for all
- Common payment level for all
- Common claims administration or methodology
- Common provider networks across populations, but there can be selective contracting for some benefit packages

Timeline for Vermont Exchange/single payer development

