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Baseline Data Report for Vermont Exchange Evaluation

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Introduction

In developing a baseline report for use with the Exchange Evaluation plan, a variety of sources were reviewed and data was compiled in line with the metrics addressed in the Evaluation Plan. During the development of a comprehensive Exchange Evaluation plan, that data and metrics were broken down into three separate categories that could be more readily applied to the Exchange. The measures were grouped into (1) Pre and Post Exchange Market, (2) Broad Reform Measures, and (3) Exchange Specific Measures. This report provides a complete baseline assessment of metrics that fall into the first and second categories. The third grouping consists of measures that are not able to be measured until Exchange implementation in late 2013, or operation in early 2014.

This report is intended to provide the State of Vermont with a snapshot of major health and healthcare indicators as they are today—prior to the state’s implementation of the Health Benefits Exchange. This snapshot will provide a baseline against which progress can be measured in a variety of areas.

Uses of a baseline report

Vermont is fortunate to have strong on-going data collection efforts. For example, the State has conducted five statewide household surveys (1997, 2000, 2005, 2008, and a limited version in 2009), which provide important baseline information about health insurance trends. The State also maintains VHCURES (Vermont Healthcare Claims Uniform Reporting and Evaluation System), a claims database that includes information from commercial carriers, including from self-insured employers. VHCURES is envisioned to ultimately contain claims and enrollment records for nearly all Vermont residents, including those covered by commercial insurance, Medicare, and Medicaid. The State also maintains a wealth of data in the annual reports issued by the Vermont Blueprint for Health initiative.

The baseline data measures outlined in this report relied heavily on the current reporting mechanisms already working in the State. The extensive household surveys, claims reporting system, and quality measures within the Blueprint annual reports were an invaluable resource when compiling the baseline data. Other data sources were consulted throughout the formation of this report; a complete list of State data sources is included in the complete Evaluation plan.

The data compiled here represent both the historical and current landscapes of health insurance and health status throughout the State of Vermont. Using this report will allow the State to compare newly acquired data to past data points and trends to ensure that the State continues moving towards its goals of health reform and Exchange success.

To mirror the segregation of the data outlined in the Exchange evaluation plan, this baseline data report has been broken down into two main sections. The first will discuss the baseline measures that can be assessed in both the pre and post Exchange markets. The data is grouped in accordance with the Vermont specific goals laid out in the Strategic plan. The second section will discuss those measures that can be used to assess the broader reform goals in the State, and may not be specific to the Exchange. Those data sets are also grouped in accordance with the Vermont specific goals laid out in the Strategic plan.

1. Pre and Post Exchange Market Measures

There are several measures that can be evaluated prior to Exchange implementation and be continuously evaluated during Exchange implementation and operation. Many of these measures use data collection methods employed on an annual basis; this yearly analysis should continue as a way to discover and evaluate both positive and negative trends. This section is organized to mirror those goals laid out in Act 48: (1) Reduce the number of uninsured and underinsured, (2) Improve quality of health care, (3) Promote health, prevention, and healthy lifestyles, (4) Contain costs, (5) Reduce administrative costs in the Insurance Market, and (6) Reduce disruption when individuals lose employer-based coverage. Each of these categories contains several measures, which are outlined and defined in the completed Evaluation plan.

1.1. Reduce the number of uninsured and underinsured

These baseline numbers will allow the State to assess the effect of the Exchange on the levels and types of coverage. While not all changes in insurance coverage will be attributable to Exchange implementation, the measurement of insurance coverage will work to satisfy both the goals of the Exchange, as well as the broader reform goals of the State. The Vermont Household Health Insurance Survey (VHHIS) regularly asks about the insurance coverage status of Vermont residents. In late 2009, almost 30% of covered persons received their coverage from either Medicare or Medicaid; 59.4% were covered by private insurance, and 7.6% remained uninsured.

Vermont Health Insurance- Coverage by Primary Payer						
Year	Medicare	Medicaid	Private	Military	Uninsured	Total Pop.
2005	90,110 (14.5%)	91,126 (14.7%)	369,348 (59.4%)	9,754 (1.6%)	61,057(9.8%)	621,395
2008	88,027(14.2%)	99,159 (16.0%)	371,870 (59.9%)	14,910 (2.4%)	47,286 (7.6%)	621,252
2009	95,182 (15.3%)	109,353 (17.6%)	355,359 (57.2%)	13,917 (2.2%)	47,460 (7.6%)	621,271

Source: Data Compendia; <http://www.dfr.vermont.gov/insurance/health-insurance/vermont-household-health-insurance-survey-vhhs>

Notes: For details on survey methodology, see above website

Data reported by the Kaiser Family Foundation using the 2010 Current Population Survey and the Annual Social and Economic Supplements presents similar data, but uses a different methodology and different, often larger, sampling populations. The larger sample size does not equate to a more accurate sample, given that the sample of Vermonters may often be smaller than the total sample in the Vermont Household Insurance Survey. In 2010, 36% of covered persons received their coverage from either Medicare or Medicaid; 54% were covered by private insurance, and 9% remained uninsured.

Health Insurance Coverage Distribution (2010)		
	Vermont #	Vermont %
Employer	311,300	50%
Individual	23,800	4%
Medicaid	141,600	23%
Medicare	78,300	13%
Uninsured	58,700	9%

Source: Census Bureau's Current Population Survey and Annual Social and Economic Supplements

The Vermont Household Health Insurance Survey also looks at the characteristics of uninsurance. One of the key indicators here is the duration of uninsurance. This data can be used to define continuing barriers to obtaining coverage including, cost, concerns over choice, loss of ESI, or concerns over eligibility for other programs. Nearly a quarter of Vermont residents who reported being uninsured have been without health insurance coverage for longer than 5 years.

Duration of Uninsurance (2009)								
1-3 months	4 - 6 months	7 - 9 months	10 - 12 months	> 1 - 2 years	> 2 - 5 years	> 5 years	Unsure	TOTAL
9,800	6,450	2,231	5,143	4,735	5,435	11,317	2,349	47,460

Source: 2009 Vermont Household Health Insurance Survey

Although insurance coverage rates are high, 27.9% of all Vermont residents under the age of 65 suffer from some form of underinsurance. Underinsurance is defined by the absence of adequate health insurance coverage. The main indicators of underinsurance are those of a high deductible (over 5% of income) and healthcare expense (excluding premium) that exceed 10% of family income or 5% of income below 200% FPL. As Vermont works to control and contain costs, as well as expand coverage, the levels of underinsurance will be a strong indicator of the overall progress towards these goals.

Reason for Underinsurance	High Deductible	High Expenses	High Deductible and High Expenses	Total
Underinsured Adults (18-64)	40%	32%	29%	80,458 (28.6%)
Underinsured Children	53%	27%	20%	16,813 (23%)

Source: Data Compendia; <http://www.dfr.vermont.gov/insurance/health-insurance/vermont-household-health-insurance-survey-vhhs>

Vermont’s Exchange solution will also provide an opportunity to measure changes. Existing enrollment files among Vermonters currently receiving public benefits as well as enrollment files provided to VHCURES may offer a link between the pre and post Exchange markets. Matching individuals across this threshold will provide insight into the initial effects of the Exchange’s implementation.

The data outlined above presents a comprehensive view of the historical and current landscape of insurance coverage in Vermont. As the State moves into Exchange implementation and operation, it will be important to see how these measures and trends change over time. The continued analysis of insurance coverage information will allow the State to view its progress towards the reduction in uninsurance and underinsurance, and identify any gaps or inconsistencies in the reporting structures of the Exchange.

1.2. Improve quality of health care

One of the main cost drivers in health care is preventable Emergency Department visits. These often occur because of a lack of proper insurance or low access to primary or preventative care. This baseline data represent those preventable ED visits as outlined in the Onpoint Health Data Report Card. The Onpoint report card uses claims data to offer high level data on a wide range of metrics. Onpoint defines avoidable ED visits “using a set of diagnostic categories most likely to represent conditions that are potentially non-urgent and/or treatable in the primary care setting. These include sore throat, strep, viral infection, anxiety, conjunctivitis, ear infection, upper respiratory infection, bronchitis, asthma, dermatitis and rash, joint pain, lower back pain, muscle and soft tissue pain, fatigue, and headache.”

As the State continually works towards improving the quality of health care throughout the State, the number of avoidable ED visits will be an important indicator for how primary care has advanced and overall quality has improved. The Vermont Healthcare Claims Uniform Reporting and Evaluation System (VHCURES) further breaks this down by hospital Service Area (HSA), which will allow the State to see how different geographic and demographic areas are affected by the improvement efforts of the Exchange.

Avoidable Emergency Department Visits per 1,000 population * Commercially insured			
	2008	2009	2010
State	<u>31.4</u>	<u>31.6</u>	<u>30.0</u>
Barre	44.9	43.4	41.1
Bennington	26.7	27.3	28.0
Brattleboro	20.6	23.1	21.9
Burlington	18.1	17.6	17.7
Middlebury	27.3	26.7	26.8
Morrisville	35.6	35.4	32.3
Newport	47.9	49.9	49.1
Randolph	37.1	43.0	29.7
Rutland	37.0	38.7	33.9

Springfield	39.0	42.6	37.5
St. Albans	49.4	49.3	43.8
St. Johnsbury	36.5	33.7	38.0
White River Junction	39.6	40.4	39.1

Source: <http://www.dfr.vermont.gov/sites/default/files/2010%20VHCURES%20RC.pdf>

Utilization trends provide valuable insight when working towards improving the quality of health care in the State. VHCURES tracks various utilization measures across the State per 1,000 residents in the commercial market, while the Institutes of Medicine tracks the same utilization measures across the Medicare population. Measuring these trends across implementation and operation of the Exchange will provide a strong indication of how the Exchange has affected health care utilization throughout the State.

Utilization Measures and Trends in Vermont?				
	2008	2009	2010	Medicare (2010)
Inpatient Days	192.4	197.5	202.2	1,274
Readmissions (w/in 30 Days)	4.9	4.8	4.8	2.7
Outpatient ED Visits	192.4	187.5	184.9	559
Avoidable outpatient ED	31.4	31.6	30.0	N/A
Outpatient OR Procedures	86.6	88.2	90.9	2,886
Advanced Imaging	138.0	136.8	136.3	3,005
Primary Care Encounters	2,644	2,726	2,650	9,181
Medical Specialists	1,296	1,311	1,318	(Evaluation, office visits, specialist visits)
Mental Health/ Sub. Abuse	913	967	993	N/A
Pharmacy Use	13,156	14,139	14,565	27,710 (part B)
* Rates per 1,000 Members				

Source: State of Vermont Reports and Analysis from VHCURES, 2011; Institute of Medicine State level, cost, utilization, and quality data, 2010

VHCURES also looks at total healthcare visits per HSA. A visit is defined by any service that resulted in a health insurance claim including: Hospital Inpatient, Hospital Outpatient, Non-Mental Health Professional Services, Non-Hospital Mental Health Professional Services, Pharmacy, and All Other Services. This measure provides a broad picture of the total utilization trends across the State. The report also details the total PMPM payments made in each HSA. The total paid PMPM is the total of the amount paid by the plan and the amount paid by the member. These indicators allow the State to examine trends in both overall healthcare utilization as well as trends in the overall cost of health care across the State.

Sum of Visits					Total Paid PMPM			
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>

Barre	577,725	584,160	597,291	577,934	\$297	\$324	\$354	\$371
Bennington	346,457	327,368	321,931	303,927	\$336	\$363	\$391	\$417
Brattleboro	264,997	260,149	269,674	265,106	\$312	\$326	\$357	\$371
Burlington	1,506,728	1,511,809	1,530,139	1,479,713	\$278	\$297	\$316	\$332
Middlebury	250,400	248,057	256,853	245,419	\$351	\$320	\$360	\$377
Morrisville	175,427	173,253	174,440	166,703	\$316	\$325	\$331	\$348
Newport	146,216	152,482	159,744	158,769	\$346	\$373	\$408	\$462
Randolph	111,940	107,637	115,234	110,937	\$363	\$334	\$400	\$447
Rutland	528,707	521,593	532,890	505,000	\$364	\$380	\$410	\$425
Springfield	235,168	236,509	238,565	225,426	\$337	\$357	\$383	\$404
St. Albans	319,818	318,770	321,034	309,693	\$289	\$311	\$352	\$364
St. Johnsbury	177,012	184,198	184,924	180,963	\$312	\$346	\$370	\$394
White River Junction	464,131	464,622	470,605	446,545	\$336	\$364	\$393	\$431
Total	5,104,640	5,090,565	5,173,258	4,976,069	\$312	\$330	\$357	\$378

Source: HUER Reports (Onpoint analysis of VHCURES); <http://www.dfr.vermont.gov/health-care/health-insurers/vermont-healthcare-claims-uniform-reporting-and-evaluation-system-vhcure>

One of the ways that Vermont currently employs to assess the quality of the healthcare infrastructure is the production of annual hospital and health plan report cards. These reports look at customer satisfaction as a whole and across a variety of measures. The overall rating of Vermont Hospitals remains high, with 70% of respondents reporting a high level of overall satisfaction.

Overall Rating of Vermont Hospitals			
	Low	Medium	High
July 2008-June 2009	7%	24%	70%
October 2008-September 2009	6%	24%	70%
January 2009-December 2009	6%	23%	71%
April 2009-March 2010	6%	23%	71%

Source: <http://www.dfr.vermont.gov/?q=health-care/hospitals-health-care-practitioners/2010-hospital-report-card>

Health plans are also scored across a variety of customer services and quality of care measures. The plans are then compared to the national and New England regional scores. The regional score tends to be slightly higher than the national average. The table below compares the health options offered in Vermont along a variety of quality and customer service measures.

	BCBS POS	CIGNA POS	MVP HMO	TVHP HMO	BCBS PPO	CIGNA PPO	MVP PPO
Getting Needed care	--	Λ	--	--	--	--	--

Health plan customer service	Λ	--	--	--	--	V	--
Overall Plan Experience	Λ	--	--	V	V	--	V
Call Answering	V	--	--	V	V	--	--
Claims Handling	Λ	--	--	--	Λ	--	--
Plan Information on Costs	Λ	--	--	--	--	--	--
Adolescent Immunizations	V	V	--	V	V	--	V
Breast Cancer Screening	Λ	Λ	Λ	--	--	Λ	--
Cervical Cancer Screening	--	--	--	--	--	--	--
Chlamydia Screening for Women	--	--	--	--	--	--	--
Flu Shots for Adults	--	Λ	--	--	--	--	--
Tobacco cessation assistance	Λ	--	--	--	Λ	--	--
Prenatal and Postpartum Care	Λ	--	--	--	Λ	V	V
Well Child Visits	Λ	Λ	Λ	Λ	Λ	Λ	Λ
Adult Acute Bronchitis care	V	--	Λ	V	--	--	--
URI care in Children	Λ	Λ	Λ	Λ	Λ	Λ	Λ
Mental illness follow-up	--	N/A	N/A	--	--	--	--
Low Back Pain	Λ	Λ	--	Λ	Λ	Λ	Λ
Asthma	--	--	--	--	--	--	--
High Blood Pressure	N/A	--	Λ	N/A	V	N/A	N/A
Alcohol and drug dependence	--	--	Λ	--	--	--	--
Depression Management	Λ	Λ	--	--	--	Λ	--
Long-term medication	--	--	--	--	--	--	--
Rheumatoid Arthritis	--	N/A	N/A	--	--	--	--
Chronic Lung Disease	--	--	N/A	--	--	--	N/A

Λ = Score is better than the national average

V = Score is worse than the national average

-- = Score is similar to the national average

Source: Vermont Department of Financial Regulation, 2011 Health Plan Report Card

1.3. Promote health, prevention, and healthy lifestyles by individuals

Beyond assessing the effectiveness of the healthcare infrastructure across the State, Vermont is working towards improving the overall health of its population by promoting health, prevention, and healthy lifestyles throughout the State. Various clinical risk categories are assessed annually throughout the State using VHCURES. Categories range from 1= Healthy, to 9=Catastrophic conditions. Measuring the change in enrollment in each of the categories can provide insight into the impact of health improvement initiatives across the State. The average payment by members within each risk category is also measured, giving the State a strong assessment of which risk categories are the key drivers of healthcare costs.

Clinical Risk Group Category	Unique Members	Avg. Paid Per Member
1-Healthy	255,844	\$702
2-History of significant acute disease	22,649	\$3,3271
3-Single minor chronic disease	36,891	\$3,661

4-Minor chronic disease multiple systems	8,177	\$6,626
5-Single dominant or chronic disease	41,289	\$6,385
6-Significant chronic disease, multiple systems	13,636	\$16,238
7-Dominant chronic disease, multiple systems	3,137	\$50,748
8-Dominant, metastatic malignancies	1,478	\$65,011
9-Catastrophic conditions	586	\$45,128

Source: State of Vermont Reports and Analysis from VHCURES, 2011 (Onpoint Analysis); http://gmcboard.vermont.gov/sites/gmcboard/files/VHCURES_110811.pdf

One of the key initiatives Vermont has in place to promote the health of its residents is the Blueprint for Health program which focuses on patient centered care, patient self-management, and clinical cooperation. The program continues to expand throughout the State, currently serving over 350,000 Vermont residents.

January 2012	Practice	PCP Clinicians	PCP Clinical FTEs	Patients
Hospital Owned Practices	37	224	195	181,429
Independent Practices	22	83	63	77,066
Federally Qualified Health Centers	20	124	101	94,838
Total	79	431	359	353,333

Source: Vermont Blueprint for Health Annual Report, 2012

Onpoint health data conducted a review of the Blueprint program using patients who are actively participating in the Blueprint program (“Participants”) and comparing them to patients who were receiving their primary care outside of the Blueprint model (“Controls”). While there was a reduction in both groups, the participants showed a greater decrease in both inpatient admissions and outpatient ED visits than both the statewide or control groups showed. The Blueprint program shows strong results toward increased quality of care, and will be an important indicator as the State moves toward its goal of promoting health, prevention, and healthier lifestyles.

Blueprint participation study	Baseline (2007-2008)	Startup (2008-2009)	Operations (2009-2010)
<i>Inpatient admissions per 1000</i>			
Participants	9%	-1%	-12%
Controls	14%	-10%	9%
Statewide	7%	1%	-2%
<i>Outpatient ED visits per 1000</i>			
Participants	15%	-11%	-9%
Controls	9%	-5%	-5%

Statewide	5%	-2%	-1%
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Source: Vermont Blueprint for Health Annual Report, 2012

The Blueprint program enhances its focus on patient self-management and holds healthier living workshops that focus on chronic pain, diabetes, chronic disease management, and tobacco cessation. These workshops allow for community outreach and support. Enrollment in these workshops can provide a sound indication of the success of outreach programs and quality initiatives employed by the Exchange and other State initiatives.

Healthier Living Workshops (HLW)			
	Number of participants who completed a workshop and a:		
Year	<u>Baseline Questionnaire</u>	<u>6 month follow-up</u>	<u>12 month follow-up</u>
2005 and prior	118	66	62
2006	192	97	87
2007	248	110	90
2008	394	132	58
2009	589	184	173
2010(Jan-June)	263	107	--
2010(July-Dec)	284	--	--

Source: Vermont Department of Health, Healthier Living Workshops Bi-annual Report, April 2011.

<http://hcr.vermont.gov/sites/hcr/files/overPoint - Healthier Living self Jan 11 new.pdf>

The Healthier Living Workshops look to empower patients through education and support. By teaching patients how to better self-manage their health care, patients enrolled in the program were less likely to be hospitalized, less likely to visit the Emergency Department, had fewer severe symptoms, and were more confident when speaking with a medical professional about their symptoms and treatment options. As the program continues to expand across the State, these health outcome measures will provide important information; ensuring the promotion of health, prevention, and healthy lifestyles for all Vermonters.

HLW outcomes		
	<u>Baseline</u>	<u>12 Months</u>
Hospitalizations	13%	10%
ED Visits	28%	25%
MD Visits	93%	93%
Severe Fatigue	38%	30%
Severe Pain	32%	23%
Severe shortness of breath	14%	10%
Ask questions about treatment	68%	76%
Discuss problems related to illness	56%	62%
Prepare a list of questions	42%	54%

Source: Vermont Department of Health, Healthier Living Workshops Bi-annual Report, April 2011.

<http://hcr.vermont.gov/sites/hcr/files/overPoint - Healthier Living self Jan 11 new.pdf>

The Behavioral Risk Factor Surveillance System used by the CDC tracks health risk behaviors on a national and State level. The indicators presented in this report provide a comprehensive picture of what the current health status of Vermonters is. These indicators can be used to measure progress towards the goal of improving the overall health of Vermont’s population. Historical data from 2001 and 2005 are included along with more recent data from 2010 in order to provide a more complete historical picture.

Selected Measures from 2010 BRFSS	VT(2010)	US(2010)	2001	2005
General Health Fair or Poor (adults)	11%	16%	11%	12%
Personal Health Care Provider (adults)	90%	82%	84%	88%
Didn't visit doctor due to cost (adults)	9%	15%	9% (2000)	10%
Poor physical health (adults)	9%	11%	10%	10%
Poor mental health (adults)	9%	11%	9%	10%
Adults with disability	23%	23%	19%	21%
Anxiety or Depression (adults)	8%	N/A		
Adult Asthma (current)	11%	9%	9%	10%
Cancer (ever diagnosed, adults)	6%	N/A		
Cardiovascular Disease (adults)	7%	8%	8%	7%
Pre-diabetes (adults)	5%			
Diabetes Prevalence (adults)	7%	9%	5%	6%
Appropriate Diabetes Care (of those adults with Diabetes)				
Annual MD Visit	86%			
A1C twice in last year	77%			
Annual foot check by MD	83%			
Daily Glucose Test	64%			
Annual Eye Exam	51%			
Diabetes Education	51%			
Obese Adults	24%	27%	17%	20%
No Leisure Time Physical Activity (adults)	18%	24%	20%	19%
Cigarette Smoking (Adults)	16%	17%	22%	20%
Immunizations - Flu Shot (65 and older)	71%	66%	72%	67%
Routine Doctor Visits (adults)	65%	68%	72% (2000)	62%
Visited Dentist in Last Year (adults)	74%	68%	75% (2000)	73%
Prostate Cancer Screening (men 50+)	75%			
Colorectal Cancer Screening (adults 50+)	71%	64%		
Mammogram, last 2 yrs (women)	49%	50%		
PAP Test, last 3 years. (women)	82%	80%		
Ever Tested for HIV (18-64)	34%	40%		
HIV Test, in last year (18-64)	5%	10%	10%	8%

Source: Vermont Behavioral Risk Factor Surveillance Survey-2010 Data Summary:
http://healthvermont.gov/research/brfss/documents/Summary_BRFSS_2010.pdf

1.4. To contain costs

An important measure when looking at the impact of health insurances costs in the State is the percent of family income devoted to the cost of health insurance premiums. One of the main goals of the Exchange is to contain the costs incurred by the people of Vermont. Comparing the median family income to the average family health insurance premium allows the State to see how the percent of income changes over time.

	Median Family Income	Average Family health insurance premium	Percent of Income
2003	\$43,261	\$9,483	22%
2004	\$47,329	\$10,690	23%
2005	\$50,704	\$11,420	23%
2006	\$51,981	\$11,631	22%
2007	\$47,390		
2008	\$50,706	\$13,091	26%
2009	\$52,318	\$14,558	28%
2010	\$55,942	\$13,588	24%

Note: Premiums are not adjusted for changes in benefits; Agency for Healthcare Research and Quality did not report data for 2007

Source: http://www.census.gov/hhes/www/income/data/historical/household/2010/H08_2010.xls; MEPS-IC (see employer premium table); Agency for Healthcare Research and Quality: http://www.meps.ahrq.gov/mepsweb/data_stats/MEPSnetIC.jsp.

The baseline data for overall premium trends in the commercial market both for non-group and small group provide a historical prospective for the State to reference when assessing the growth, and projected future growth of premiums across the State. Changes in premium for plans offered through the Exchange can indicate a positive or negative effect of the Exchange on the costs of healthcare in Vermont. The data presented below represents the commercially insured populations, and does not include the self-insured market.

Earned Premium- Commercially insured population				
	2008	2009	2010	08-10 Change
Individual*	\$48,332,866	\$65,872,311	\$78,408,108	+ 62.2%
Small Group	\$76,099,470	\$81,808,660	\$98,412,600	+29.3%
Association	\$353,294,164	\$347,099,452	\$344,203,225	-2.6%
Large Group	\$249,261,082	\$266,723,191	\$271,462,373	+8.9%
Other Major Medical.	\$66,180,820	\$65,948,725	\$27,402,694	-58.6%
Total	\$793,168,402	\$827,452,339	\$819,889,000	+33.7%
Covered Lives (Enrollment)				
	2008	2009	2010	
Individual*	13,872	16,522	17,479	

Small Group	16,321	19,201	23,688	
Association	88,184	79,491	74,693	
Large Group	62,773	66,876	62,120	
Other Major Medical	20,494	20,987	5,209	
PMPY Premium				
	<u>2008</u>	<u>2009</u>	<u>2010</u>	
Individual*	\$3,484	\$3,987	\$4,486	+28.8%
Small Group	\$4,663	\$4,261	\$4,155	-10.9%
Association	\$4,006	\$4,367	\$4,608	+15.0%
Large Group	\$3,971	\$3,988	\$4,370	+10.0%
Other Major Medical	\$3,229	\$3,142	\$5,261	+62.9%

*Includes Catamount

Separate Catamount figures:

Earned Premium			
	<u>2008</u>	<u>2009</u>	<u>2010</u>
BCBS	\$19,348,193	\$35,268,225	\$48,554,766
MVP	\$5,624,471	\$10,331,361	\$11,911,537
Covered Lives			
	<u>2008</u>	<u>2009</u>	<u>2010</u>
BCBS	6,015	8,806	10,693
MVP	1,765	2,494	1,914
Per Member Per Year Premium			
	<u>2008</u>	<u>2009</u>	<u>2010</u>
BCBS	\$3,217	\$4,005	\$4,541
MVP	\$3,187	\$4,142	\$6,223

Source: DFR Annual Statement Supplemental Reports: <http://www.dfr.vermont.gov/insurance/health-insurance/market-share-reports-earned-premiums-year>

VHCURES looks at the patient liability of health care on Vermont residents on a per member per month basis. Patient liability represents the amount of financial responsibility that falls to the patient for the care received in the State. Evaluating and assessing changes in these amounts can provide insight into the amount of burden healthcare costs can be on Vermont residents. Total amounts on a PMPM basis have been increasing on a yearly basis, and the percentage of this increase is also escalating. Understanding the changes in amounts and scale of the yearly increase will allow the State to see if the Exchange is able to have an impact and control the costs of health care.

Patient Liability Per Member Per Month - Commercial Insurance and Self-Insured Employers, Vermont 2007-2011							
	<u>Deductible</u>	<u>Coinsurance</u>	<u>Copay</u>	<u>Total</u>	<u>Member Months</u>	<u>PMPM</u>	<u>Change from Prior</u>
2007	\$65,383,331	\$23,981,281	\$27,775,758	\$117,140,370	4,259,393	\$27.50	
2008	\$70,799,748	\$26,557,272	\$28,384,786	\$125,741,806	4,461,797	\$28.18	2.5%

2009	\$74,450,139	\$26,168,936	\$27,873,826	\$128,492,902	4,347,889	\$29.55	4.9%
2010	\$76,997,983	\$26,163,729	\$26,321,360	\$129,483,072	4,223,937	\$30.65	3.7%
2011	\$91,889,107	\$27,927,638	\$24,871,419	\$144,688,164	4,169,437	\$34.70	13.2%

Source: VHCURES, Policy Integrity analysis

1.5. Reduce administrative costs in the Insurance Market

The Annual Expenditure Analysis provided by the GMCB outlines the total costs of healthcare paid across the State. The net costs include administrative costs and changes in reserves, which are calculated as the difference between earned premiums and paid claims. The percentage indicates the amount of total healthcare costs consumed by the net costs. As the State attempts to lower the administrative costs in the insurance market, it should expect to see the percentage of healthcare costs consumed by the net cost decrease. This will indicate that more of the total cost is being allocated toward the provision and improvement of health care in Vermont.

All Payers								
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Net Costs	\$257,948	\$284,166	\$299,025	\$250,026	\$386,889	\$347,518	\$367,043	\$414,746
Total*	\$3,151	\$3,381	\$3,633	\$3,912	\$4,284	\$4,380	\$4,701	\$4,928
	8.2%	8.4%	8.2%	6.4%	9.0%	7.9%	7.8%	8.4%
Private Only								
Net Costs	\$149,575	\$170,162	\$180,338	\$171,102	\$211,338	\$178,800	\$195,628	\$256,843
Total*	\$1,239	\$1,283	\$1,389	\$1,503	\$1,661	\$1,564	\$1,659	\$1,780
	12.1%	13.3%	13.0%	11.4%	12.7%	11.4%	11.8%	14.4%
*Cost in Millions								

Source: Expenditure Analysis, GMC Board

1.6. Reduce disruption when individuals lose employer based coverage

Due to the unique position of the Vermont Exchange, changes in the ESI marketplace are expected to be significant. The percentage of the workforce in firms that are currently offering coverage, as well as any shifts in offering or cost sharing, will impact the ESI and private markets as the Exchange moves forward. Firms across all sizes have increased their cost sharing, as well as the share of the premium allocated to the employee. As Vermonters move away from ESI and into the private market, it will be important to ensure that the loss of ESI does not equate to a loss of insurance. These data points should be compared closely to any increase in the levels of newly uninsured as the State attempts to reduce any disruption in insurance coverage when moving away from ESI.

Health Insurance and Vermont Private Employers, 2011					
Firm Size (number of employees)	<u>1 to 9</u>	<u>10 to 19</u>	<u>20-49</u>	<u>50-249</u>	<u>250 up</u>
Percent of firms offering health insurance	47%	77%	86%	98%	100%

To full-time employees only	37%	56%	59%	63%	45%
Workers offered as % of all workers	76%	81%	75%	75%	65%
Enrolled workers as % of workers offered	80%	58%	67%	69%	64%
Enrolled workers as % of all workers in firm	63%	47%	50%	52%	46%
<u>Changed coverage in last 5 years</u>					
Added	4%	8%	11%	12%	10%
Dropped	11%	6%	7%	6%	5%
Increased cost-sharing	30%	48%	60%	66%	71%
Decreased cost-sharing	2%	6%	6%	4%	5%
Increased employee share of premiums	14%	27%	33%	42%	48%
Decreased employee share of premiums	3%	6%	4%	7%	0%

Source: Vermont Department of Labor, 2011 Fringe Benefit Survey; <http://www.vtlmi.info.fringebene.pdf>

2. Broad Reform Measures

The measures listed below are those that could be used to evaluate the progression of the State’s broader reform goals listed in the Vermont Strategic Plan. Much of this was compiled through the State’s current extensive evaluation strategies. The evaluation of broader reform goals will run parallel to the evaluation of the State Exchange, and each should build off the other. This section is also organized to mirror those goals laid out in Act 48: (1) Reduce the number of uninsured and underinsured, (2) Improve quality of health care, (3) Promote health, prevention, and healthy lifestyles, (4) To contain costs, (5) Reduce administrative costs in the Insurance Market, and (6) Reduce disruption when individuals lose employer-based coverage. Each of the categories contains several measures which are outlined and defined in the completed Evaluation plan.

2.1. Reduce the number of uninsured and underinsured

A reduction in the number of uninsured and underinsured is a key goal for the both the Exchange and for the State as a whole. The measured discussed in section 1.1 of this baseline report can be applied to both the Exchange specific goals, as well as the broad reform goals, both of which are outlined in the completed Evaluation plan.

2.2. Improve quality of health care

Building upon the successful focus on primary care implemented by the Blueprint for Health program, a key measure for the broader health reform goals of the State is to improve the quality of health care. One way to improve the overall quality of care is to ensure that residents have adequate access to care. According to the Graduate Medical Education National Advisory Committee, a ratio of 78 FTE per 100,000 residents is considered an adequate supply of primary care physicians. A ratio under 78 is inadequate, and fewer than 67 is severely inadequate. The

statewide ratios have consistently remained above the adequate threshold, but certain counties, such as Rutland and St. Albans have fallen into the severely inadequate category for the past several years.

Primary Care FTEs/ 100,000			
	2006	2008	2010
State	80.7	80.2	78.6
Barre	74.7	69.3	72.0
Bennington	90.0	87.5	87.0
Brattleboro	97.6	99.7	95.7
Burlington	91.4	91.2	89.7
Middlebury	105.8	114.9	99.2
Morrisville	68.7	64.2	70.0
Newport	67.2	72.9	68.9
Randolph	85.3	94.5	91.4
Rutland	63.4	61.9	61.0
Springfield	93.7	87.2	72.1
St. Albans	68.3	59.6	64.0
St. Johnsbury	70.3	69.4	70.5
White River Junction	65.0	71.4	68.7

Source: Vermont Department of Health, Health Care Provider Surveys;

<http://healthvermont.gov/research/HlthCarePrvSrvys/HealthCareProviderSurveys.aspx>

According to the BRFSS data reported in Section 1.3 above, 90% of Vermonters have a personal healthcare provider. Recent data released by State Health Access Data Assistance Center (SHADAC) supports the BRFSS data, reporting that 89.7% of the population of Vermont has a personal doctor or health care provider¹. This represents a high level of access for Vermont residents, however, only 65% of residents reported undergoing a routine MD visit in 2010. While residents are assigned a personal health care provider, the lack of utilization may indicate that they experience difficulty obtaining an appointment, don't know how to access care, or do not value primary care. The data presented by SHADAC does not show a large problem with access to care, reporting that 91.5% of the population was able to get care when needed. Evaluating changes in these indicators will allow the State to monitor its progress towards the broader reform goal of improving the quality of health care in Vermont.

2.3. Promote health, prevention, and healthy lifestyles by individuals

The promotion of health, prevention, and healthy lifestyles is a fundamental goal for both the Exchange and for the State as a whole. Because this goal can be applied to both sections of the baseline report; Exchange specific measures, and broader reform goals, the metrics selected to provide a baseline measurement are expressed above in Section 1.3 of this report. Those measures

¹ http://www.shadac.org/files/AccessProfileSummary_Aug2012.pdf

include: Clinical risk categories, Blueprint participation, Healthier Living Workshop results, and selected measures from the 2010 BRFSS.

2.4. Contain costs

The Vermont Annual Expenditure Analysis, along with data from the U.S. Census bureau, was compiled to produce a picture of the healthcare cost landscape in Vermont. This data set looks at the total spending on health care across the State, the total per capita spending on health care, and the percentage of State GDP that is spent on health care. While baseline data discussed in section 1.4 looks at the cost impact on the individual, these broader indicators allow for a more high level of assessment of healthcare costs throughout the State.

	2003	2004	2005	2006	2007	2008	2009	2010
Total Health Care spending (\$mil)	\$3,151	\$3,382	\$3,634	\$3,912	\$4,285	\$4,380	\$4,702	\$4,928
Changes from prior	12.4%	7.3%	7.5%	7.7%	9.5%	2.2%	7.3%	4.8%

	2003	2004	2005	2006	2007	2008	2009	2010
Pop.	616,559	618,145	618,814	619,985	620,460	621,049	621,760	625,909
Per capita Health Care Spending	\$5,111	\$5,470	\$5,872	\$6,310	\$6,906	\$7,053	\$7,562	\$7,874
Changes from prior	12.1%	7.0%	7.3%	7.5%	9.4%	2.1%	7.2%	4.1%

	2003	2004	2005	2006	2007	2008	2009	2010
GDP (\$mil)	\$20,537	\$21,876	\$22,743	\$23,613	\$24,043	\$24,445	\$24,247	\$25,264
Health Care as % of GDP	15.3%	15.5%	16.0%	16.6%	17.8%	17.9%	19.4%	19.5%

Source: Vermont Annual Expenditure Analysis; U.S. Census; U.S. Bureau of Economic Analysis

2.5. Reduce administrative costs in the Insurance Market

The reduction of administrative costs in the Insurance Market is a key goal under Vermont Act 48. The ability of the Exchange to control and reduce administrative costs will be integral to its success. During the development of an evaluation strategy, the reduction of administrative costs was not defined as a key measure towards the broader reform goals. The reduction of administrative costs would be folded into the overall cost control and reduction strategies employed by the State throughout Exchange development, implementation, and operation. It is, however, important to note that the Exchange is expected to incur a level of administrative cost, and the State will want to ensure that this level of predicted spending can be offset by the predicted savings seen from the Exchange.

2.6. Reduce disruption when individuals lose employer based coverage

Trends in employer contributions are a key indicator in ensuring limited disruption in the ESI market. Premiums are not standardized to a constant benefit, therefore, changes may be attenuated by shifts to products with higher cost-sharing structures. Annual employee premiums have continued to rise in every offering category, as well as the percentage of the total premium the employee is expected to contribute.

	2003	2004	2005	2006	2008	2009	2010	2011
Single								
Total	\$3,596	\$4,074	\$4,392	\$4,322	\$4,900	\$5,001	\$5,170	\$5,582
Employee	\$653	\$744	\$739	\$738	\$986	\$1,008	\$1,099	\$1,221
Employee Share	18.2%	18.3%	16.8%	17.1%	20.1%	20.2%	21.3%	21.9%
Change (Total)		13%	8%	-2%	6%	2%	3%	8%
Employee + 1								
Total	\$7,080	\$7,588	\$8,777	\$8,213	\$9,965	\$10,187	\$9,938	\$11,452
Employee	\$1,562	\$1,514	\$1,783	\$1,830	\$2,497	\$2,614	\$2,406	\$2,947
Employee Share	22.1%	20.0%	20.3%	22.3%	25.1%	25.7%	24.2%	25.7%
Change (Total)		7%	16%	-6%	10%	2%	-2%	15%
Family								
Total	\$9,483	\$10,690	\$11,420	\$11,631	\$13,091	\$14,558	\$13,588	\$16,273
Employee	\$2,020	\$2,657	\$2,541	\$2,619	\$3,435	\$3,793	\$2,997	\$4,255
Employee Share	21.3%	24.9%	22.3%	22.5%	26.2%	26.1%	22.1%	26.1%
Change (Total)		13%	7%	2%	6%	11%	-7%	20%

Note: Agency for Healthcare Research and Quality (AHRQ) did not report data for 2007; Change reported in 2008 is a two year average from 2006

Source: AHRQ; http://www.meps.ahrq.gov/mepsweb/data_stats/MEPSnetIC.jsp

As premiums and employee contributions continue to rise, the percentage of employers who are offering insurance, particularly in the small group market, is declining. In order to ensure a reduction of disruption when individuals lose ESI coverage, the State will want to continually compare any increase in members in the individual market to any losses in the group market.

ESI Offer					
Employer Size	<u>1-9</u>	<u>10-19</u>	<u>20-49</u>	<u>50-249</u>	<u>250 and Over</u>
Firms Offering Health Insurance					
2005	51%	78%	88%	99%	100%
2011	47%	77%	86%	98%	100%

Employees offered Health Insurance (as a % of all employees)					
2005	55%	64%	75%	85%	74%
2011	76%	81%	75%	75%	65%

Source: Vermont Department of Labor, Benefits Survey; Fringe Benefits (2005, 2011)