

SHARE Panel: The Vermont Experience

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Overview

In this talk we will cover:

- Overview of UNE's Evaluation of Vermont's Health Reforms
- Primary Goals of Vermont's 2006 HCAA
- Objectives, Methods and Data Sources
- Affordability – Findings and Barriers
- Sustainability – Findings and Barriers
- Implications for Federal Health Reform Debate

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Overview of Evaluation

- Our evaluation of health care reform in VT is based on the 2006 Health Care Affordability Acts (HCAA) and will cover:
 - Health insurance affordability
 - Sustainability of the reforms, esp. the public insurance option
 - Access to Care
- Funded by the Robert Wood Johnson Foundation

VT 2006 HCAA Primary Goals

1. Increase access to affordable health insurance
 - Goal: 96% of Vermont's population insured by 2010
2. Improve quality of care across the lifespan
 - Prevention and care management of chronic health conditions
3. Contain health care costs.
 - Shift population eligible for public coverage to private sector
 - Provide a comprehensive but affordable public option
 - Use Blueprint for Health to accomplish long term sustainability and reduce rising health care costs (chronic disease management through a medical home)
 - Blueprint not part of current evaluation

VT access to affordable health insurance

- New Public/Private Hybrid Plan – Catamount
 - CHAP
 - with premium publicly subsidized up to 300% FPL
 - Enrollee premium = \$60-\$185 per month
 - Catamount Health
 - Above 300% FPL can purchase insurance at full cost
 - Enrollee premium = \$393 per month
- Expand Employer-Based Coverage by subsidizing employee premiums (has to be comprehensive coverage & cost effective for State)
 - ESIA – Employer-sponsored insurance for those otherwise eligible for Catamount Health
 - VHAP ESI – Employer-sponsored insurance for those otherwise eligible for VHAP (existing VT Medicaid program for childless adults)
- Employer mandate (Pay or Play)
 - Employers must pay \$365 per FTE assessment if do not offer health insurance to workers (or if workers refuse coverage)
- Marketing and Outreach strategy to simplify and increase enrollment into existing and new public programs

Today's Presentation

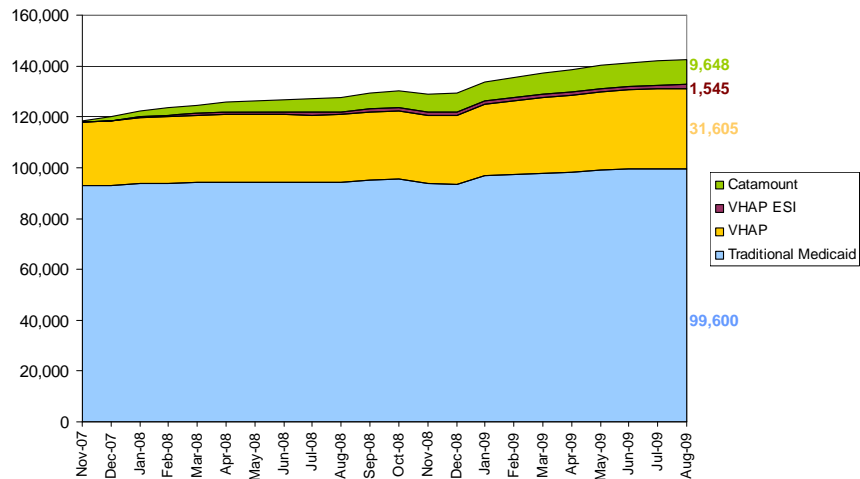
- **Affordability Analysis**
 - Examine enrollment as an indicator of affordability for all four new programs
 - Examine demographics of enrollees by age and income level
 - Discuss perceived affordability based on qualitative data from stakeholders
- **Sustainability Analysis**
 - Examine expenditures and revenues from Catamount Fund to date

Methods and Data Sources

- **Interviews with key informants to:**
 - Clarify the historical context, policies, and practices involved with implementation
 - Gain insight around lessons learned
- **Quantitative data from:**
 - Office of Vermont Health Access (OVHA) Enrollment, Revenues and Expenditures
 - The 2005 and 2008 VHHIS (pop surveys)
 - The Current Population Survey (CPS)

Affordability-Enrollment

Overview - Enrollment in Vermont's Health Care Programs,
November 2007 - August 2009



Affordability

- Generally meeting enrollment targets predicted by expert projections
- Still have barriers to enrollment
 - Cost of premiums
 - 12 month waiting period
 - Multi-step enrollment process

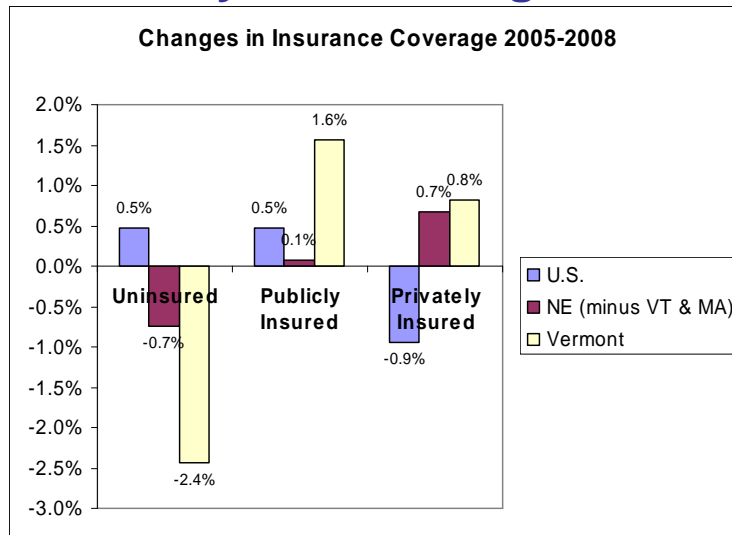
Affordability - Coverage

Vermont Health Insurance Enrollment (Ages 0 - 64) 2005 - 2008

	Any Insurance	Public Insurance	Private Insurance	Uninsured
VT Health Insurance Enrollment 2005	88.8%	21.3%	67.5%	11.2%
VT Health Insurance Enrollment 2008	91.2%	22.9%	68.3%	8.8%
Vermont Raw Differential	2.4%*	1.6%	0.8%	-2.4%*

* Difference is statistically significant at p<.05 level

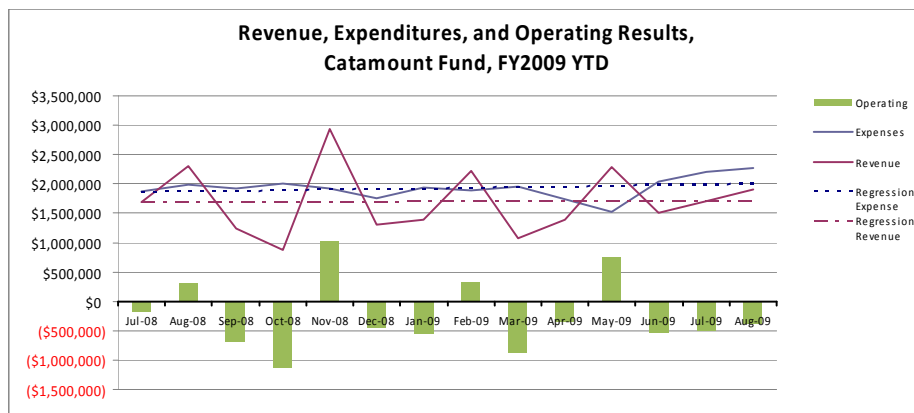
Affordability – Measuring Crowd Out



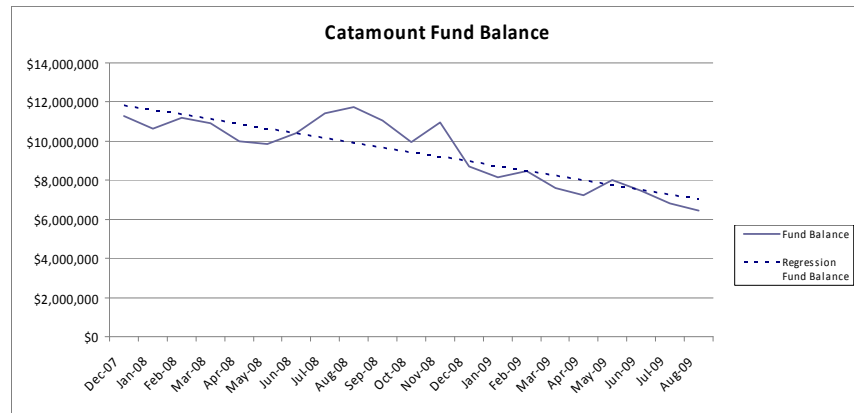
Affordability – Measuring Crowd Out

ACCOUNTING DECOMPOSITION	2005	2008	Change
Public Health Insurance	% with public insurance	% with public insurance	
Always Eligible for Public Coverage (05 & 08)	53.3%	59.9%	6.6%
Newly Eligible for Public Coverage (08 only)	11.7%	12.4%	.7%
Never eligible for public coverage	3.5%	3.4%	-.1%
Private Health Insurance	% with private insurance	% with private insurance	
Always Eligible for Public Coverage (05 & 08)	30.4%	26.8%	-3.6%
Newly Eligible for Public Coverage (08 only)	68.9%	71.8%	2.9%
Never eligible for public coverage	91.5%	92.7%	1.2%

Sustainability – Financial Data



Sustainability – Financial Data



Sustainability - Barriers

Barriers to Long Term Sustainability

- The decision by CMS not to permit the use of matching funds for 200-300% of federal poverty
- Reliance on a tobacco taxes—thought to be declining revenue source—for a significant portion of program funding (46% of state's revenue in FY 2009)
- Broader economic forces
 - Possible negative impact on enrollment
 - Reduced, then eliminated supplemental contribution to offset the loss of anticipated federal funds
- Blueprint for Health impact on costs not yet available

Summary of Findings

- Insurance coverage in Vermont has increased significantly.
- Enrollment in Catamount Health increased sharply and steadily during the initial months and is growing incrementally now.
- Outreach campaigns appear to have been effective.
- Some barriers to enrollment exist, but modifications have been made to address these barriers.
- Take-up rates in Catamount were higher among older age groups
- Increases in public insurance appear independent of regional/national trends.
- Crowd-out from private coverage apparently not an issue.
- The program, as currently funded, does not appear to be fiscally sustainable.
- Despite challenges, stakeholders are optimistic about continuation of health reform in Vermont.

Implications for Federal Reform Debate

- **Individual Mandate**
 - If less than 96% of Vermont's population is insured by 2010, the legislature will re-evaluate whether a health insurance mandate on individuals is needed to achieve universal coverage.
- **Crowd-out**
 - Does not appear to be occurring in Vermont
 - Both private and public insurance coverage increased in VT, despite national trends toward less private coverage
 - Residents newly eligible for Catamount experienced a greater increase in private than public coverage since Catamount's inception (2.9% vs. 0.7%)
- **Public Option**
 - Vermont's approach to the "public option," using a public/private hybrid, might be an alternative for Federal Reform given the partisan debate over this issue

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