Healthcare Affordability State Policy Scorecard

Polling data repeatedly shows that healthcare affordability is the number one issue that state residents, on both sides of the political aisle, want their policymakers to work on. This scorecard identifies areas where Vermont is doing well and areas where it can improve.

STATE: VERMONT **RANK:** N/A out of 42 states + DC

Vermont has high healthcare spending per person, however, policy efforts are achieving some success.

	POLICY SCORE	OUTCOME SCORE	*RECOMMENDATIONS*
EXTEND COVERAGE TO ALL RESIDENTS	**9** OUT OF **10** POINTS — Medicaid coverage for childless adults extends to 138% of FPL. VT offers premium subsidies in the individual market and considers affordability during rate review.	**9** OUT OF **10** POINTS — In 2018, VT was in the top third of states in terms of covering the uninsured, ranking 3 out of 50 states, plus DC.	*Consider offering coverage options for undocumented children.*
MAKE OUT-OF-POCKET COSTS AFFORDABLE	**4** OUT OF **10** POINTS — VT offers some protections against skimpy, confusing STLD health plans; partial SMB protections; and patient-centered, standard plan designs on the Exchange.	**8** OUT OF **10** POINTS — VT out-performs many states in reducing healthcare affordability burdens (although 32% of adults are still burdened). VT ranked 9 out of 49 states, plus DC, for this measure.	*Consider strengthening SMB protections; strengthening protections against STLD health plans; and pursuing strategies to lower the cost of high-value care.*
REDUCE LOW-VALUE CARE	**1** OUT OF **10** POINTS — VT requires some forms of patient safety reporting, but ranks below average for hospital antibiotic stewardship. VT has not measured the provision of low-value care.	**9** OUT OF **10** POINTS — VT ranks highly in terms of reducing C-sections for low risk mothers (6 out of 50 states, plus DC). VT ranks 8 out of 50 states, plus DC, in terms of per capita antibiotic prescribing.	*Curtailing low- and no-value care is a key part of a comprehensive approach to affordability. VT should use claims & EHR data to identify unnecessary care & enact a multi-stakeholder effort to reduce it. VT should stop paying for services related to 'never events' & use other techniques to reduce medical harm.*
CURB EXCESS PRICES IN THE SYSTEM	**9.3** OUT OF **10** POINTS — VT is a leader in state policies to curb the rise of healthcare prices, with strong price transparency rules, a healthcare spending oversight entity and mandatory health spending targets, among other policies.	**N/A** OUT OF **10** POINTS — Data on private sector prices, relative to the national median, was not available for VT.	*Year-over-year increases in healthcare prices overwhelmingly drive state healthcare spending. VT should continue to use its existing tool set to address pricing outliers and unwarranted price variation.*

APCD = All-Payer Claims Database **FPL** = Federal Poverty Level **EHR** = Electronic Health Records **OOP** = Out-of-Pocket Costs **SMB** = Surprise Medical Bill **STLD** = Short-Term, Limited-Duration

See state notes on page 2.

Full report and additional details at **www.HealthcareValueHub.org/Affordability-Scorecard/Vermont**

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VERMONT NOTES

Methodological Notes:

State rank reflects the weighted sum of the policy and outcome scoring components. In this summation, the Extend Coverage to All Residents category received the biggest weight (reflecting its large impact on the uninsured population) and Reduce Low-Value Care received the smallest weight, reflecting its smaller impact on spending. A lower state rank number (i.e. close to 1) reflects a higher overall score and better performance when compared to other states.

For a complete discussion of methodology, please see healthcarevaluehub.org/affordability-scorecard/methodology.

The Problem:

Vermont out-performs many states in reducing healthcare affordability burdens, although 32% of adults are still burdened).Vermont ranks 9 out of 49 states, plus DC, for this measure. The most common burden reported was 'trouble paying medical bills' (28% of adults), followed by 'made changes to medical drugs because of cost.' According to the BEA, healthcare spending in Vermont totaled $9,076 per person in 2018.* Moreover, between 2013 and 2018, healthcare spending per person grew 28.4%.* Vermont has much work to do to ensure wise healthcare spending and affordability for residents.

Extend Coverage to All Residents:

Vermont uses subsidies to reduce costs for residents up to 300% of FPL and purchasing coverage in the non-group market and offers Medicaid coverage to lawfully residing immigrant children and pregnant women without a 5-year wait. In addition to conducting rate review, Vermont is an active purchaser in its exchange.

Make Out-of-Pocket Costs Affordable:

High-deductible health plans create barriers to care for many families. Between 2011 and 2016, the average deductible associated with employer coverage rose 3% per year in Vermont.*

Reduce Low-Value Care:

Addressing medical harm to improve patient safety can take many forms. One form is declining payment for services related to "never events," serious reportable events identified by the National Quality Forum (NQF) that should never occur in a healthcare setting.

Seventy-nine percent of Vermont hospitals have adopted the CDC's 'Core Elements' of antibiotic stewardship — short of the goal of 100% of hospitals.

Curb Excess Prices in the System:

Providers participating in Vermont's All-payer ACO Model are subject to spending benchmarks; however, those operating outside the model are not.

Private payer prices in Vermont are 217% higher than prices paid by Medicare.*

* Informational data, not used in state score or ranking. **DOI** = Department of Insurance **BEA** = U.S. Bureau of Economic Analysis • Scorecard Updated: Feb. 6, 2020

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