

# Vermont's Health Care System Overview: *Payers & Players*

*(as we currently know it)*



2023 Update

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# A quick note about the DATA in this presentation

**We attempted to use the most up to date available at the time of creating this presentation.**

**Some of the data are from BEFORE THE COVID-19 PUBLIC HEALTH EMERGENCY and may not fully reflect spending, coverage changes, additional assistance, etc. that may have occurred due to the COVID-19 pandemic.**



# Parts of a Health Care System

- Patients
- Providers
- Payers (Insurance Coverage)
- Regulators



# PATIENTS

(People)






# POPULATION

	Population <sup>1</sup>	% Δ	Births <sup>2</sup>	% Δ	Deaths <sup>2</sup>	% Δ
2008	624,451	0.2%	6,341	-2.7%	5,195	0.7%
2009	624,817	0.1%	6,109	-3.7%	5,028	-3.2%
2010	625,741	0.1%	6,224	1.9%	5,381	7.0%
2011	626,431	0.1%	6,079	-2.3%	5,435	1.0%
2012	626,011	-0.1%	6,007	-1.2%	5,487	1.0%
2013	626,630	0.1%	5,972	-0.6%	5,636	2.7%
2014	626,562	0.0%	6,131	2.7%	5,627	-0.2%
2015	626,042	-0.1%	5,903	-3.7%	5,919	5.2%
2016	624,594	-0.2%	5,756	-2.5%	5,908	-0.2%
2017	623,657	-0.2%	5,655	-1.8%	6,010	1.7%
2018	626,299	0.4%	5,432	-3.9%	6,027	0.3%
2019	623,989	-0.4%	5,361	-1.3%	5,956	-1.2%
2020	643,077	3.1%	5,171	-3.5%	6,461	8.5%

<sup>1</sup> U.S. Census Data

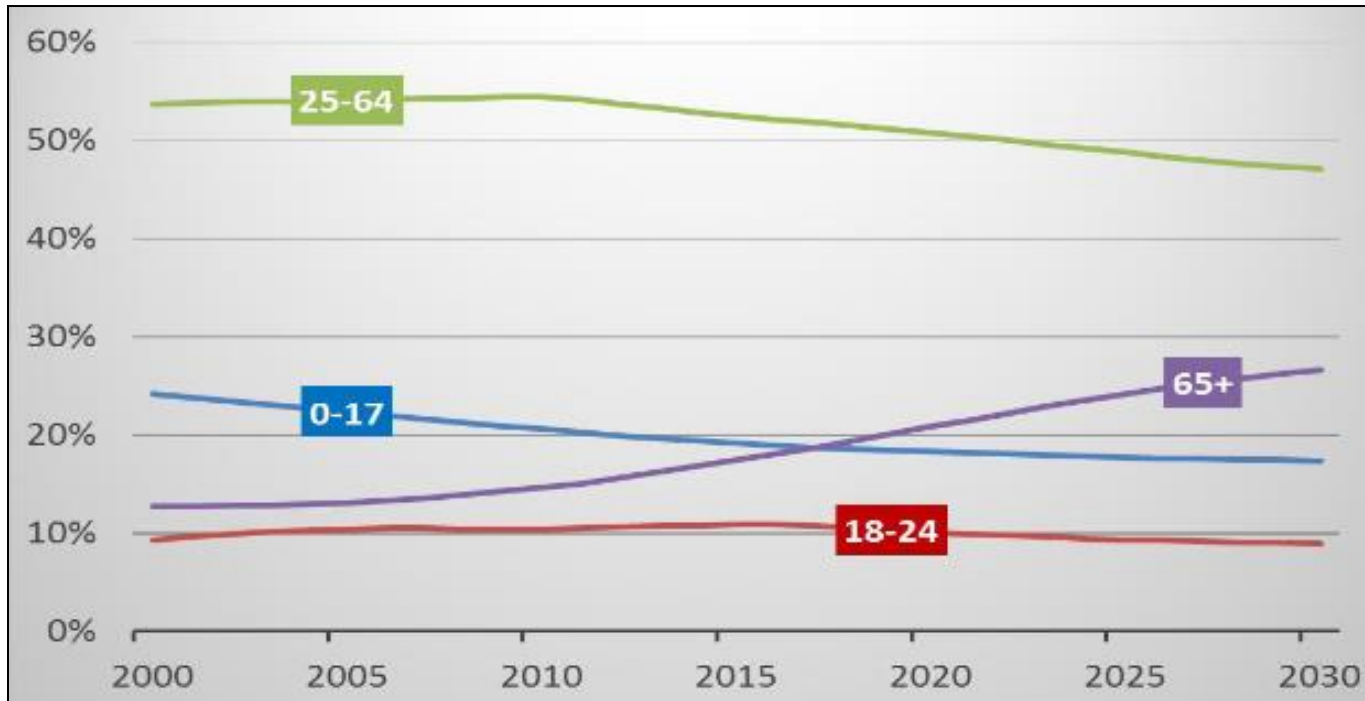
 Decrease from previous year

<sup>2</sup> 2020 Vital Statistics (released 7/13/2022),  
Vermont Department of Health



# POPULATION

Share of Vermont Population by age Group, 2000-2030



Source: Vermont Tax Structure Commission, December 2019

- 2017 marked the first time that Vermont had as many seniors (65+) as children (<18).
- Note: These projections were made in 2019 and do not account for populations changes caused by the COVID-19 pandemic.



# POPULATION

## LEADING CAUSES OF DEATH BY AGE (2020)

### 15-24 Years

Accidents	44%
-----------	-----

### 25-34 Years

Accidents	48%
-----------	-----

Suicide	19%
---------	-----

### 35-44 Years

Accidents	27%
-----------	-----

### 45-54 Years

Malignant Neoplasms	24%
---------------------	-----

Accidents	23%
-----------	-----

Diseases of the heart	16%
-----------------------	-----

Suicide	7%
---------	----

### 55-84 Years

Malignant Neoplasms	29%
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Diseases of the heart	23%
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Chronic Lower Respiratory Disease	6%
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### 85+ Years

Diseases of the Heart	28%
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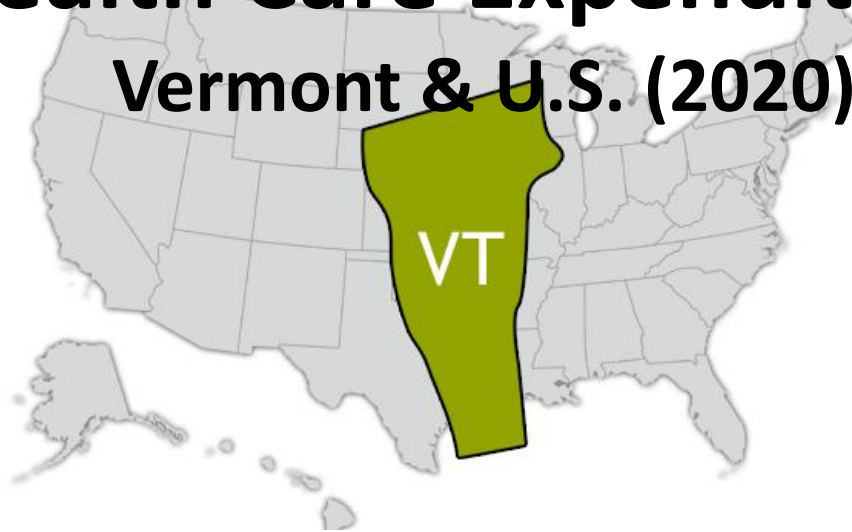
Malignant Neoplasms	12%
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Alzheimer's Disease	8%
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Stroke	6%
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# Health Care Expenditures Vermont & U.S. (2020)



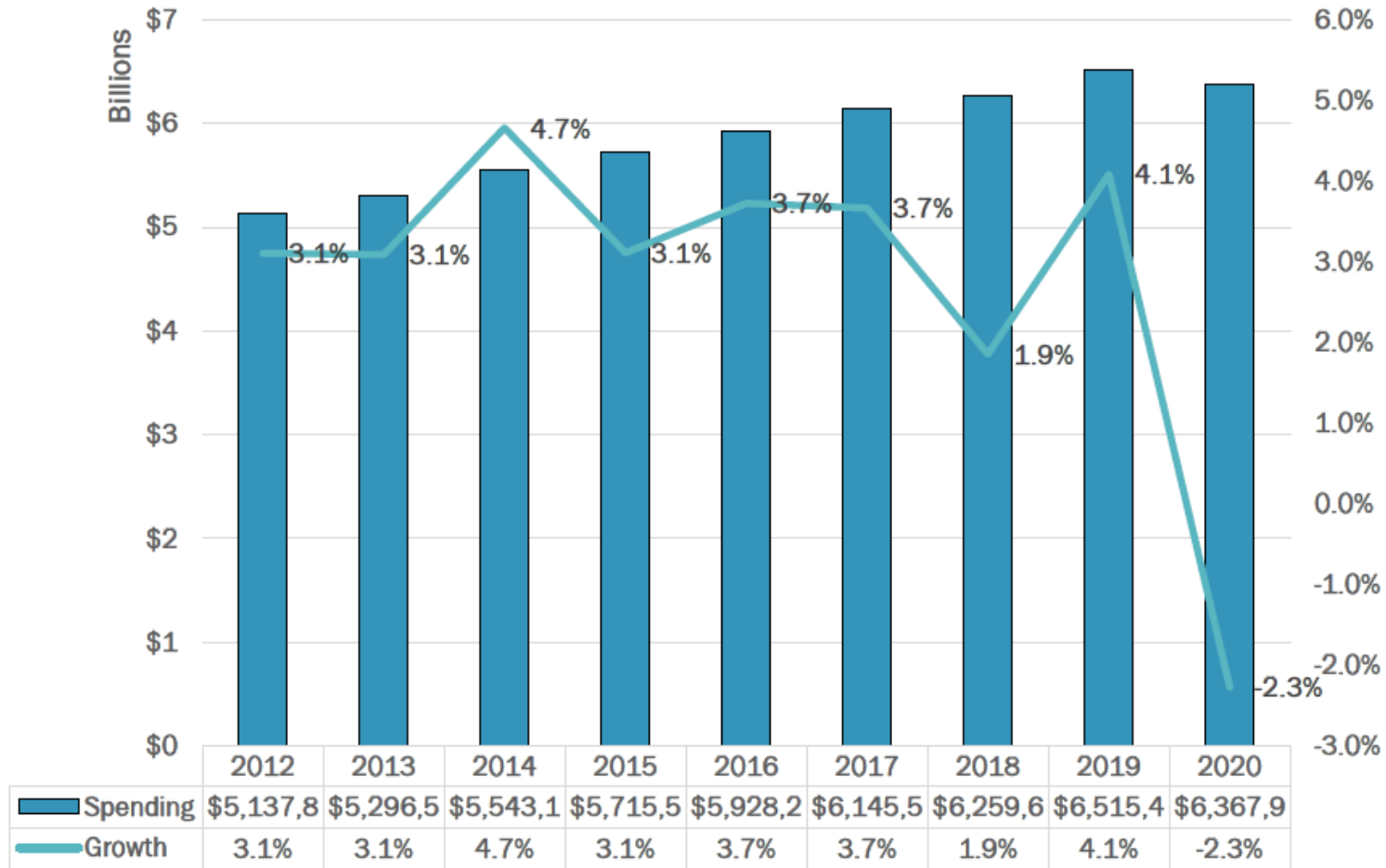
	<u>VT</u>	<u>U.S.</u>
<b>Total (billions)</b>	\$6.37	\$4,124
<b>Annual Change (2019-2020)</b>	-2.3%	9.7%
<b>Average Annual Change (2011-2020)</b>	2.5%	4.4%
<b>Per Capita</b>	\$9,902	\$11,945
<b>Annual Change (2019-2020)</b>	-5.2%	9.9%
<b>Average Annual Change (2011-2020)</b>	2.2%	4.0%
<b>Share of Gross State/Domestic Product</b>	19.0%	18.8%

Source: Data from the Green Mountain Care Board Expenditure Analysis and CMS National Health Expenditure Data





# Health Care Expenditures



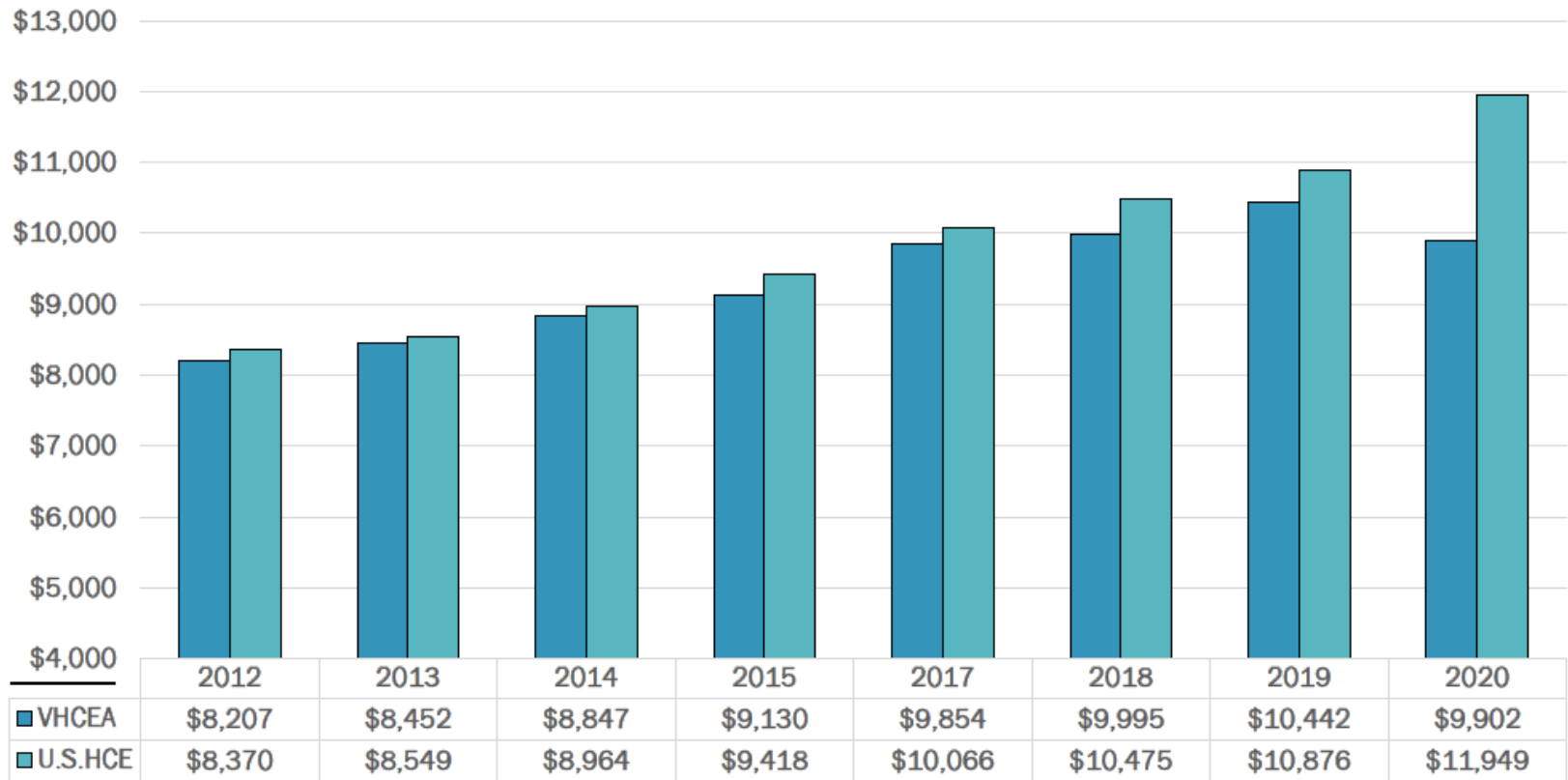
Source: Chart from GMCB 2020 Expenditure Analysis.



# Health Care Expenditures

## Vermont & U.S.

Per Capita (per person)  
Health Consumption Expenditures



Note: Chart from GCMCB 2020 Expenditure Analysis (released May 2022).

Source: US Data from CMS: NHE Health Consumption Expenditures



# PROVIDERS





# HOSPITALS

- 14 hospitals in Vermont
  - 1 “Level 1” trauma center (University of Vermont Medical Center)
  - All of not-for-profit hospitals
- Dartmouth-Hitchcock Medical Center (in NH)
  - Provides health care services to a significant number of Vermonters
  - “Level 1” trauma center (only one in NH)
- VA Hospital
  - Located in White River Junction
- Psychiatric Hospitals
  - Vermont Psychiatric Care Hospital in Berlin
  - Brattleboro retreat (private treatment center)





# HOSPITALS *By the numbers (2020)*

- Spending on Hospital Care for Vermonters was **\$2.2 billion**. *This was a 7% decrease from 2019.*
  - *This accounted for **34.5%** of all health care spending for Vermonters.*
- There were a total of **\$214,605 visits** to Vermont hospital Emergency Rooms. *This was a 19.6% decrease from 2019.*
  - *UVMHC accounted for 23% of all ED visits, followed by Rutland (12%).*
  - *12.5% of these ED visits resulted in an admission (and inpatient discharge).*
  - *Roughly 1/3 of visits were paid by private insurance (32.3%), Medicaid (30.3%), or Medicare (28.3%).*
- There were **41,552 inpatient** discharges. *This was a 13.9% decrease from 2019.*
  - *Those ages 65 or older accounted for roughly half of all inpatient discharges.*
  - *Medicare was the principal payer over 50% of the time, followed by private insurance (33%) and Medicaid (18%).*
  - *The average length of stay was 5.3 days.*
  - *The UVMHC accounted for 45% of all inpatient discharges in Vermont (and 62% of total IP charges).*
- There were a total of **114,538 outpatient** visits. *This was a 15.9% decrease from 2019.*
  - *UVMHC accounted for 45% of all outpatient visits in Vermont.*
  - *Medicare was the principal payer 50% of the time, followed by private insurance (34%) and Medicaid (11%).*

Sources: 2020 Vermont Hospitals Report, republished February 2022.  
Green Mountain Care Board 2020 Expenditure Analysis (released May 2022).

UVMHC = The University of Vermont Medical Center



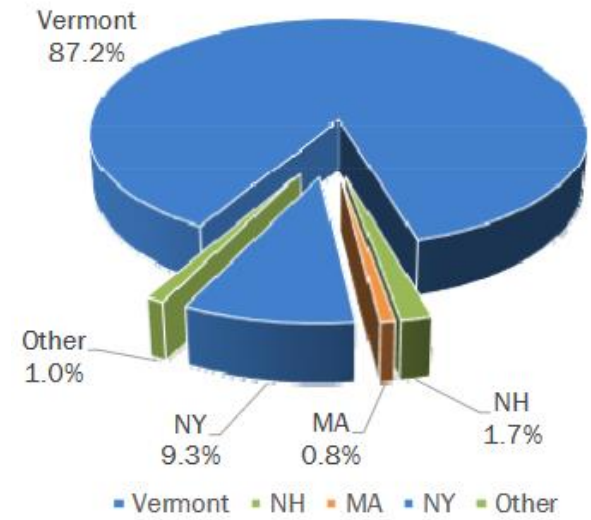


# HOSPITALS In-State Migration (2020)

- Statewide, approximately 13% of total inpatient discharges were for out of state residents. The amount varies widely by hospital/region

### Percent of out of state residents to total inpatient discharges

Hospital	Town	%
Southern Vermont Medical Center	Bennington	29%
Mount Ascutney Hospital	Windsor	27%
Brattleboro Memorial Hospital	Brattleboro	20%
University of Vermont Medical Center	Burlington	17%
Springfield Hospital	Springfield	16%
Porter Medical Center	Middlebury	10%
Rutland Regional Health Center	Rutland	7%
Northeastern Vermont Regional Hospital	St. Johnsbury	3%
Copley Hospital	Morrisville	3%
Gifford Medical Center	Randolph	3%
Central Vermont Medical Center	Berlin	2%
Grace Cottage Hospital	Townshend	2%
North Country Hospital	Newport	1%
Northwestern Medical Center	St. Albans	1%
<b>ALL HOSPITALS</b>		<b>13%</b>



- Out-of-State migration harder to estimate.
  - For example, many Vermonters seek medical Care at Dartmouth Hitchcock Medical Center in New Hampshire but the data are limited.

Sources: 2020 Vermont Hospitals Report, republished February 2022.  
 Green Mountain Care Board 2020 Expenditure Analysis (released May 2022).

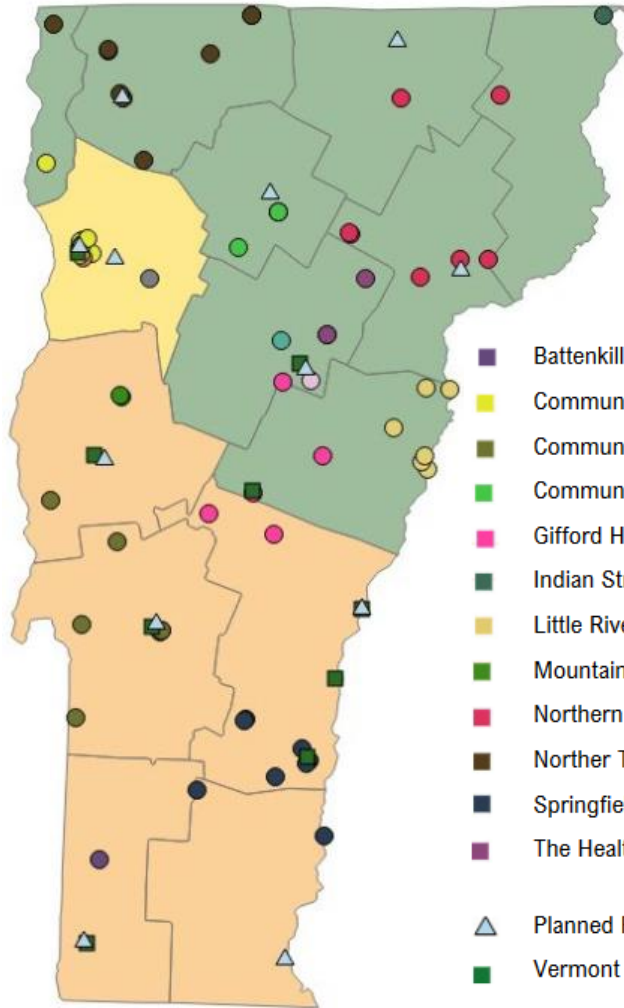


# FEDERALLY QUALIFIED HEALTH CENTERS (FQHCs)

- FQHC is a reimbursement designation from the federal government.
- FQHCs have a larger regulatory burden, including over 90 requirements tied to FQHC status.
- Some defining components of an FQHC include:
  - Offering comprehensive services including primary medical, dental, oral, mental health & enabling services
  - Being located in areas of high need
  - Having a patient-majority governing board
  - Acceptance of all patients regardless of payer or ability to pay and offer sliding fee scales.



# FEDERALLY QUALIFIED HEALTH CENTERS (FQHCs)



- Battenkill Valley Health Center (FQHC)
- Community Health Centers of Burlington (FQHC)
- Community Health Centers of the Rutland Region (FQHC)
- Community Health Services of Lamoille Valley (FQHC)
- Gifford Health Care (FQHC)
- Indian Stream Health Center (FQHC)
- Little Rivers Health Care (FQHC)
- Mountain Health Center (FQHC)
- Northern Counties Health Care (FQHC)
- Norther Tier Center for Health (FQHC)
- Springfield Medical Care Systems (FQHC)
- The Health Center (FQHC)
- ▲ Planned Parenthood of Northern New England
- Vermont Coalition of Clinics for the Uninsured (Squares)

Area Health Education Center (AHEC) Regions Shaded by County

- Northern Vermont
- Southern Vermont
- UVM

- 11 FQHCs in Vermont
- 73 primary care sites across all 14 counties
  - *Note: There were only 7 sites in 2000.*
- Served over 171,308 Vermonters in 2020

Source: Bi-State Primary Care Association





# LONG TERM CARE



- 37 Nursing homes facilities
  - 34 participate in Medicaid (including the Vermont Veteran's home)
  - Approx. 2,897 beds (as of October 2022)
- 10 Home health agencies
- 17 Assisted Living Residences
- 100 Residential Care Homes
- 10 Hospice programs
- 1 ICF/ID \*



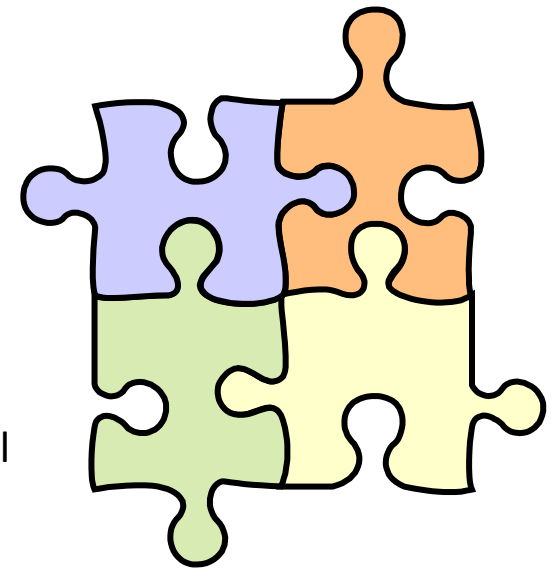
\* ICF/ID = Intermediate Care Facilities Individuals with Intellectual Disabilities



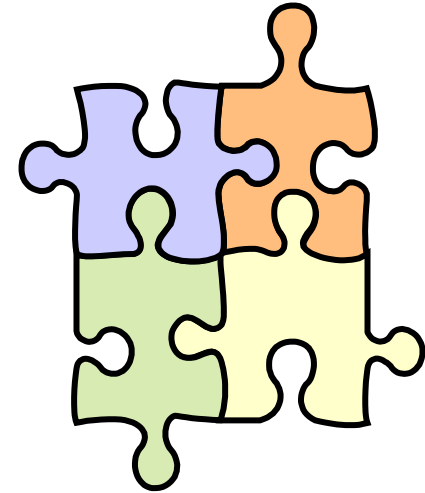
# MENTAL HEALTH

## Providers Include:

- 9 Designated Agencies (DA's) provide comprehensive Mental Health (MH) & Developmental Disability Services (DS)
  - 1 region has separate DA's for MH and DS
  - 5 specialized service agencies for DS only
  - 2 specialized service agencies for MH only
- “Designated” Hospitals
  - Hospitals that have inpatient psychiatric units.
  - The Dept. of Mental Health currently designates 6 hospitals to provide psychiatric care in Vermont.
- Brattleboro Retreat
  - Private non-profit mental health and addiction hospital that provides comprehensive inpatient, partial hospitalization, and outpatient treatment services for children, adolescents, and adults.
- Vermont Psychiatric Care Hospital (VPCH) in Berlin



# MENTAL HEALTH



- 193 adult psychiatric inpatient beds across the system of care.\*
  - 25 @ Vermont Psychiatric Care Hospital
  - 24 @ Rutland Regional Medical Center
  - 80 @ Brattleboro retreat
  - 14 @ Central Vermont Medical Center
  - 12 @ VA Hospital in White River Junction
  - 28 @ University of Vermont Medical Center
  - 10 @ Windham Center

*57 of the beds listed above are level 1 beds*

- Level 1 = hospitalization stay for people who are the most acutely distressed and require additional resources

## Level 1 Beds

<b>Brattleboro Retreat</b>	26
<b>Rutland Regional Medical Center</b>	6
<b>Vermont Psychiatric Care Hospital</b>	25

\* Number of beds as of 10/3/22



# WORKFORCE – Physicians & PA's

## Physicians (2018 data)

- 2,473 (1,368 FTEs) providing care
  - 615 (25%) worked mainly in primary care
    - 21 (33 FTEs) fewer than in 2016
    - 19 (62 FTEs) fewer than in 2008
  - 1,858 (75%) worked mainly in specialty Care
    - 312 (16 FTEs) more than in 2016
    - 659 (114 FTEs) more than in 2008
    - Increases were especially large in hospitalists and emergency medicine
    - Some specialties saw decreases
  - 33% attended medical school and/or completed residency training at the University of Vermont
  - 30% are under the age of 44
  - 29% are over the age of 60

## Physicians Assistant (2019 data)

- 355 (292 FTEs) PA's providing care
  - 111 (31%) worked mainly in primary care
    - 5 (5 FTEs) more than in 2016
    - 26 (22 FTEs) more than in 2008
  - 244 (69%) worked mainly in specialty Care
    - 42 (33 FTEs) more than in 2016
    - 138 (111 FTEs) more than in 2016
  - There are no PAs training programs in Vermont.
  - 53% are under the age of 44
  - 12% are over the age of 60

*Note: Another 1,112 physicians renewed their VT licenses but were not providing patient care in VT*

Source: Vermont Department of Health, Health Care Workforce Data





# WORKFORCE - Nurses

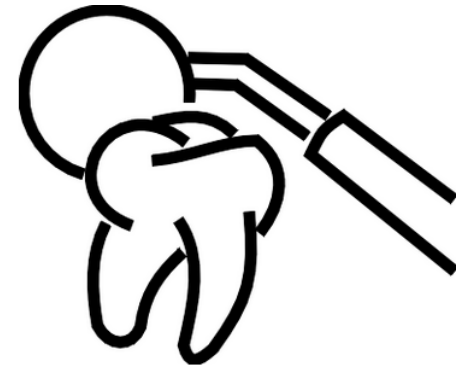
	Licensed in VT	Practicing in VT	Average Age	% Under age 44	% Over age 65	Pursuing further Nurse Education (%)	Full-time (%)	% Traveling Nurse	Data Year
Advanced Practice Registered Nurses (APRNs)	868	84%	49 (median)	52%	60+ = 29%	-----	23%	-----	2019
Registered Nurses (RNs)	14,206	Approx. 76%	48	42%	13%	11%	22%	3%	2021
Licensed Practical Nurses (LPNs)	1,636	Approx. 80%	49	37%	12%	22%	72%	8%	2020
Licensed Nursing Assistants (LNAs)	3,885	87%	38 (median)	63%	3%	8%	42%	-----	2016

Source: Vermont Department of Health, Health Care Workforce Data



# WORKFORCE - Dentists

- 389 Dentists (298.3 FTEs)
  - 313 provide mainly primary care
    - 28% were under age 40
    - 44% were age 55 or older
    - 21% were age 65 or older
  - Between 2017 and 2019
    - Net number of dentists stayed the same
    - More dentists providing 30 hours or more of per week
      - FTEs increased by 3.3 (due to more hours)
    - % of dentists accepting new patients was 97% in both years
    - % of dentists accepting new Medicaid patients dropped to 55%



Source: Vermont Department of Health, 2019 Survey of Dentists



# PAYERS

(Insurance Coverage)



Note: Some facts and figures are Pre-COVID-19 data.



# INSURANCE COVERAGE

## Private / Commercial Insurance

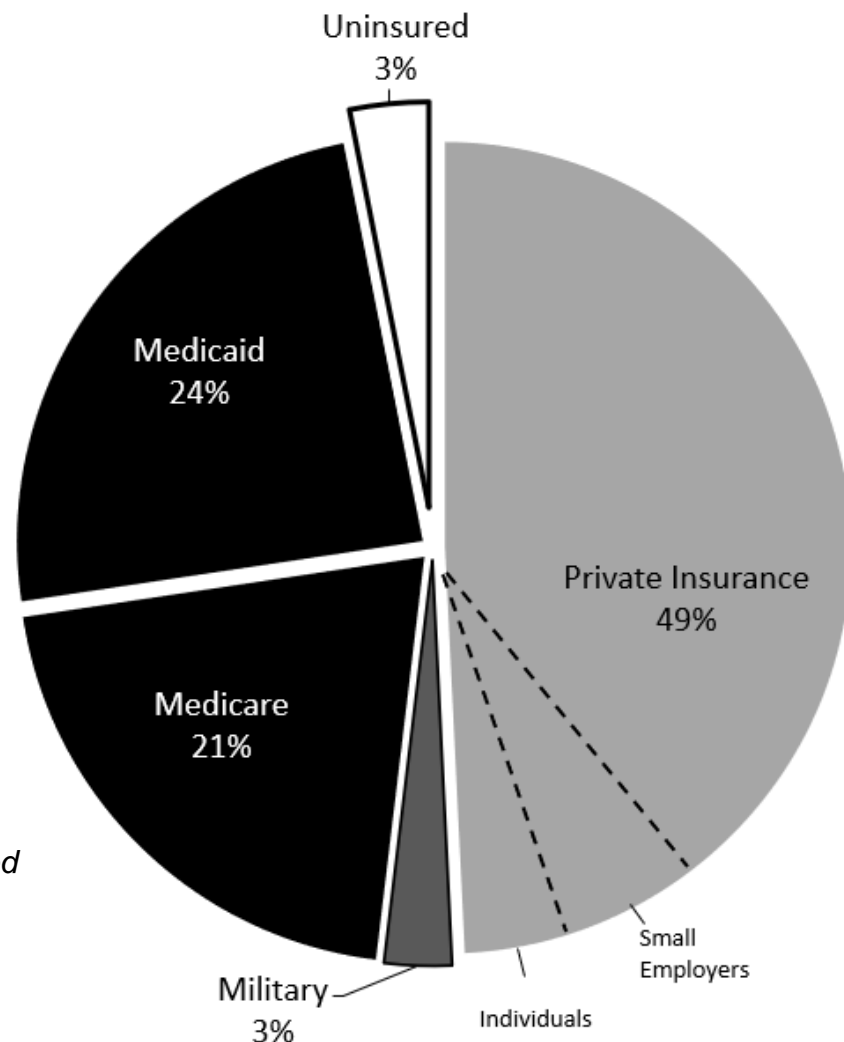
- Employer-based
- Individual Market

## Government

- Medicare
- Medicaid

## Military

Health Coverage by Source (2021)



Notes:

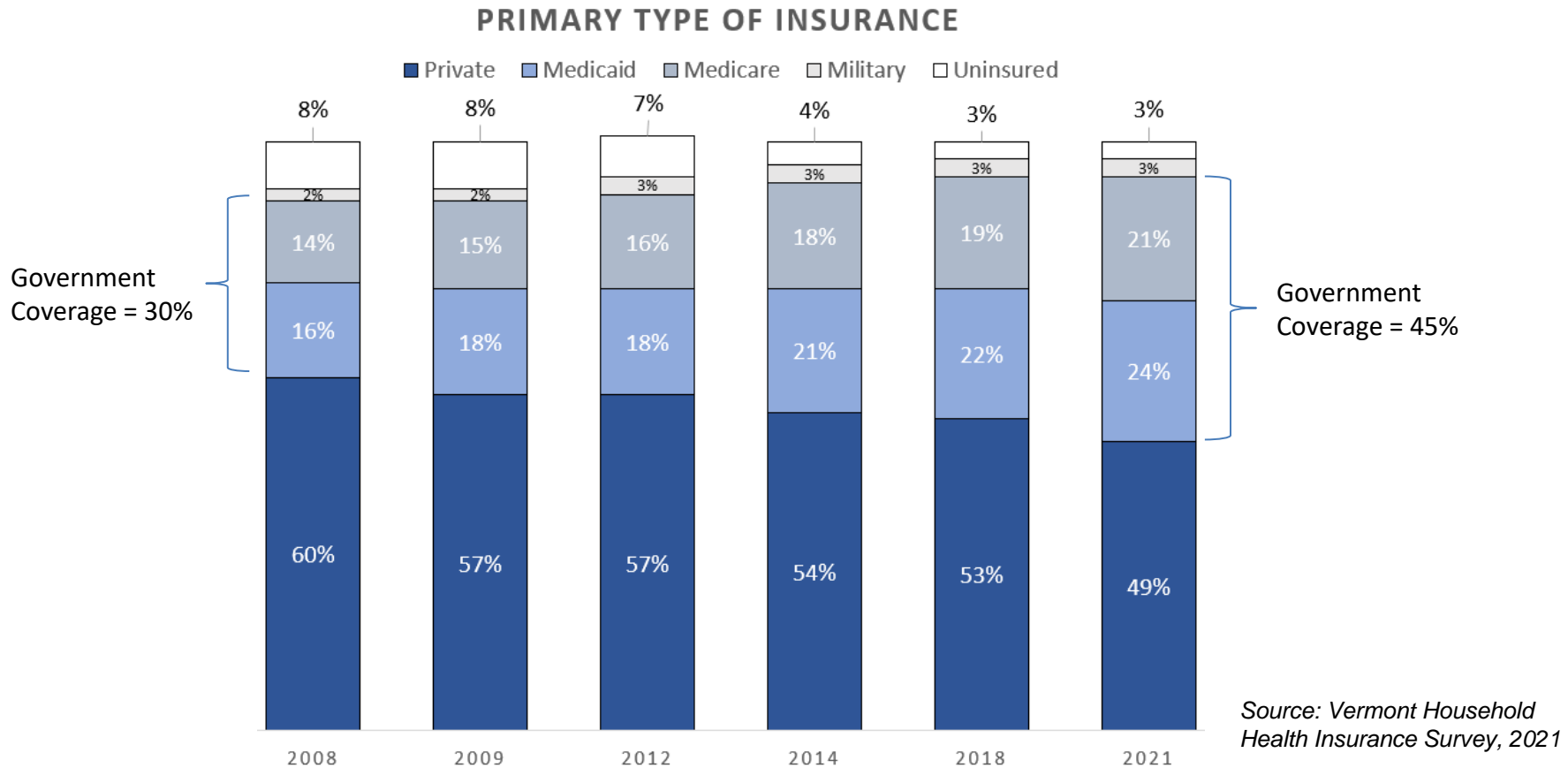
1) Chart = Primary source of health coverage by source (Vermont Household Health Insurance Survey, 2021)

2) Public employees (such as State employees and teachers) are treated as “private” insurance, not “public” insurance, in this and other documents because they are administered by private insurance companies acting as third-party administrators.





# Context: Insurance Coverage



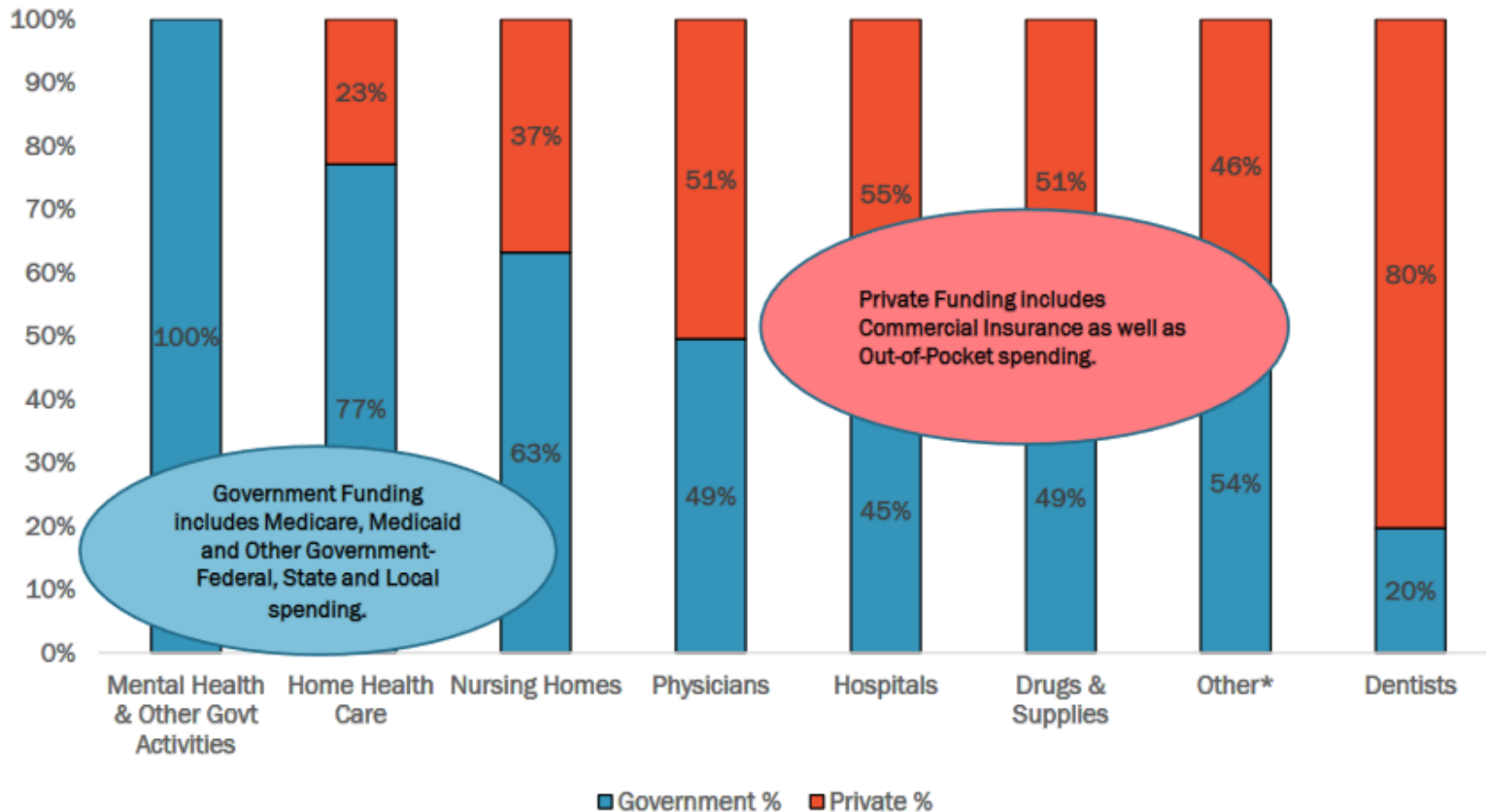
Between 2008 and 2021:

- The rate of uninsured and commercially insured decreased
- The number of Vermonters with government insurance (Medicare and Medicaid) increased
- This trend can be found going back as far as 2000.



# INSURANCE COVERAGE

## Government vs. Private Funding by Provider Category

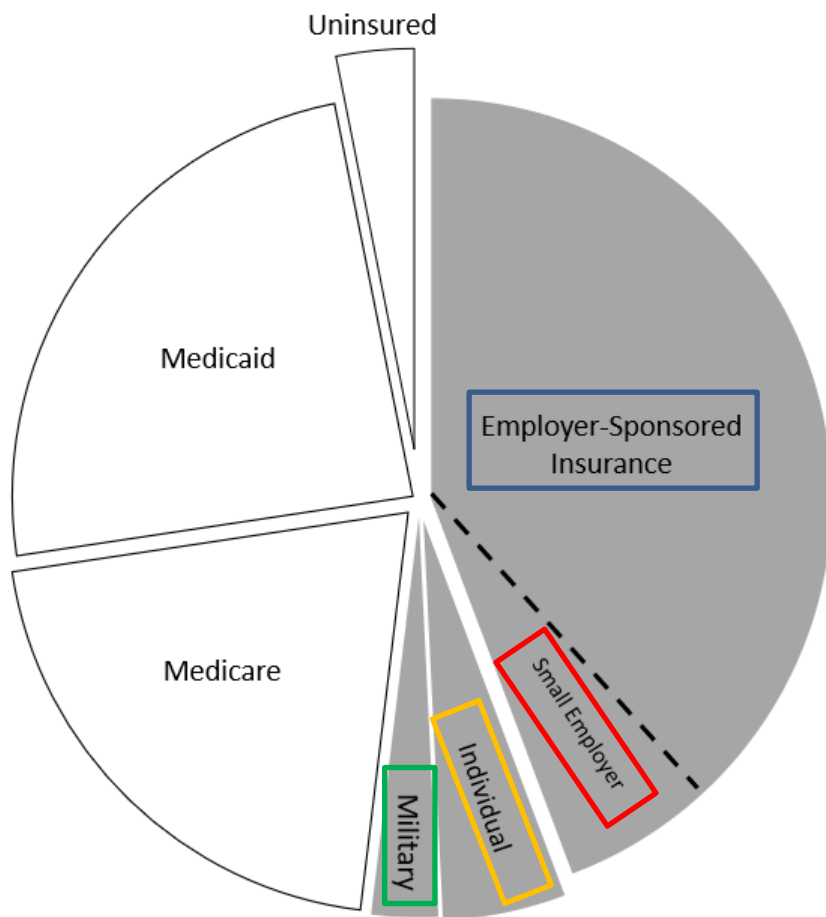


\*"Other" includes services rendered by other professionals, durable medical equipment suppliers, vision providers, and other miscellaneous providers.

Source: Green Mountain Care Board, Expenditure Analysis 2020, Released May 2022.



# PRIVATE / COMMERCIAL INSURANCE



## ➤ Employer-based

- Self-insured
  - Self-insured employer plans
  - Federal Employee Plan
- Insured
  - Large Group ★
  - Small Group ★

## ➤ Individual Market ★

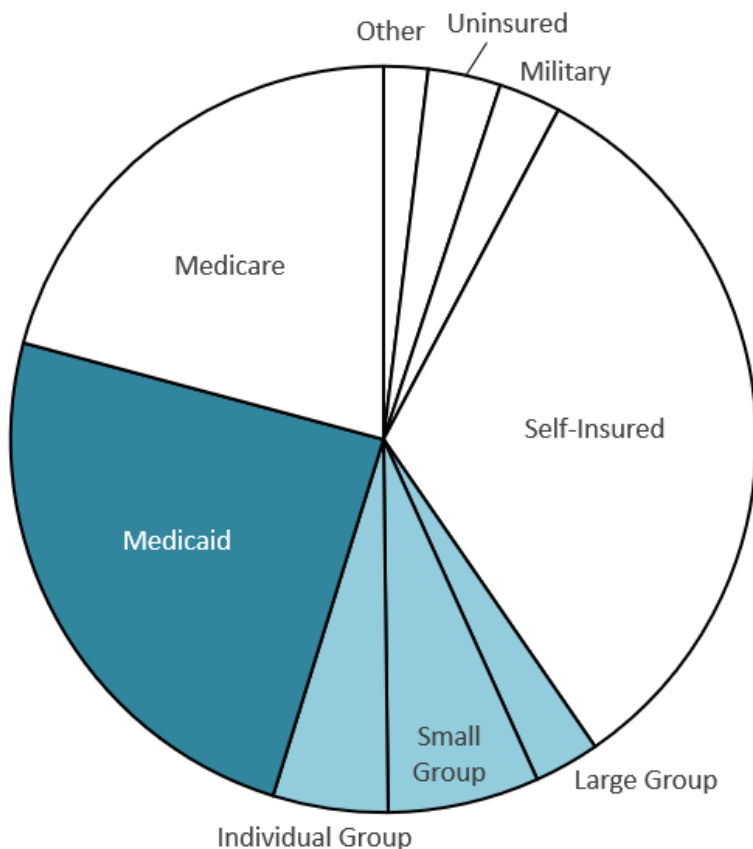
- Qualified Health Plans
- Reflective Plans

## ➤ Military

★ = Regulated by the State



# Coverage Regulated / Influenced by the State



## ➤ Regulated/Influenced by the State

- Individual Market
- Small Group
- Large Group
- MEDICAID (through State Budget)

## ➤ Not Regulated/Influenced by the State

- Self-Insured Employer Plans
- Medicare
- Military



# PRIVATE / COMMERCIAL INSURANCE

## Employer-based

### INSURED

vs.

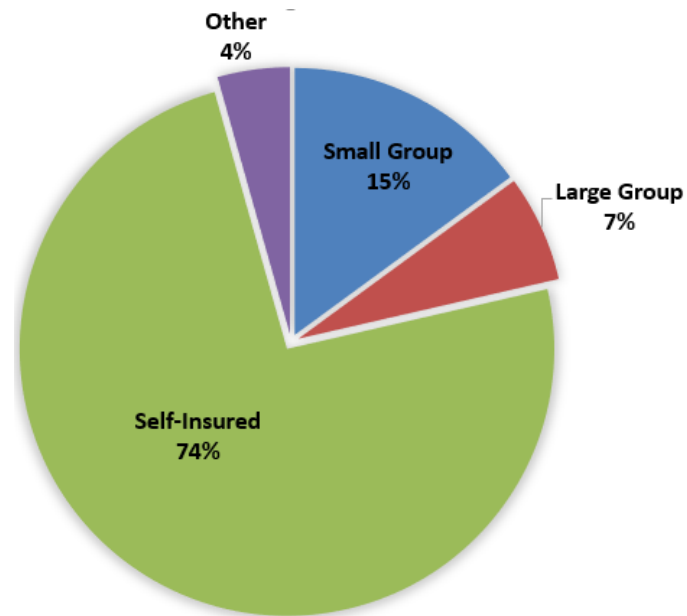
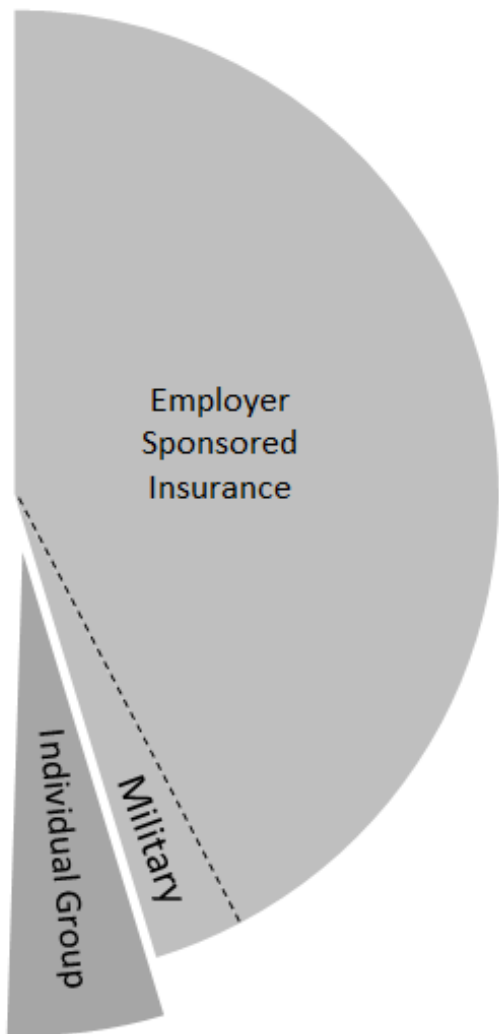
### SELF-INSURED

- INSURER bears ALL (or most) of the financial risk
  - Employer purchases coverage from a regulated health insurance company
  - Insurer is subject to state regulations
- EMPLOYER assumes ALL (or most) of the financial risk (may reinsure)
  - Employer purchases administration services
    - Third Party Administrator (TPA)
  - Not subject to state regulation



# PRIVATE / COMMERCIAL INSURANCE

- Approximately half (49%) of Vermonters have private insurance\*
  - Most private insurance plans are through an employer-related source.
    - Employer-sponsored insurance (ESI), COBRA, or retirement plan.
  - Approx. 3/4 of ESI plans are self-insured plans.



\* 2021 Vermont Household Health Insurance Survey (VHHIS)

\*\* Health Insurance Map, Dept. of Vermont Health Access



# Health Benefits Exchange

## ("The Exchange")



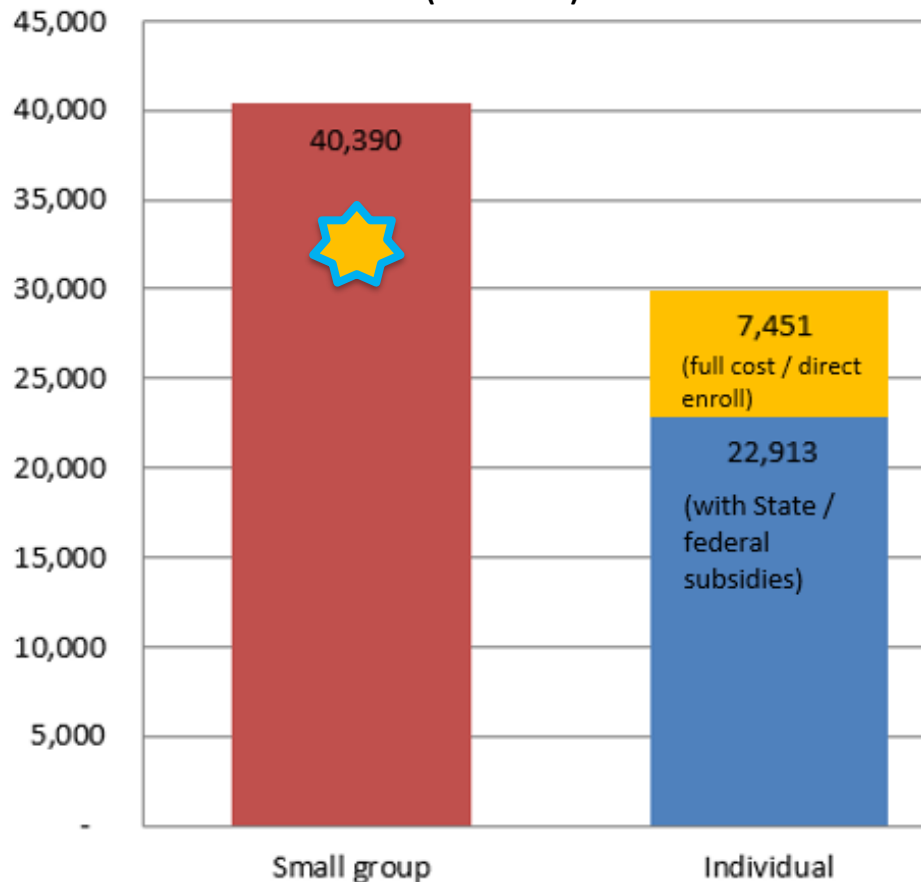
- Established under the Affordable Care Act (ACA)
- Online marketplace for Individuals and Small businesses ( $\leq 100$  employees) to purchase health insurance plans and access financial assistance (if eligible).
- ***Vermont Health Connect (VHC)*** is Vermont's Health Benefit Exchange.
- VHC is administered by the Department of Vermont Health Access (DVHA)
  - DVHA is part of the Agency of Human Services (AHS)



# PRIVATE / COMMERCIAL INSURANCE

## Individual and Small Group Markets

Enrollment in the Individual & Small Group Markets  
(June 2022)



### Small employer

- defined as up to 100 employees
- Approx. 40,390 people were covered by small group plans (June 2022)

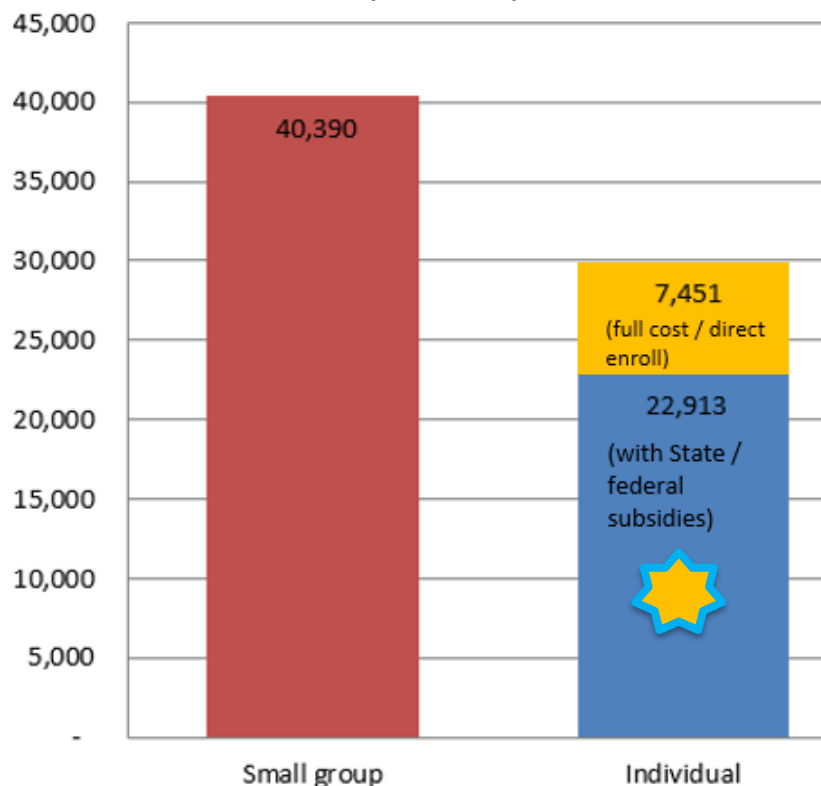
Source: Health Insurance Map, Dept. of Vermont Health Access





## Individual and Small Group Markets

**Enrollment in the Individual & Small Group Markets**  
(June 2022)



Source: Health Insurance Map, Dept. of Vermont Health Access

NOTE: FPL Chart on the last slide of this presentation

### Individual Plans

- Approx. 30,364 people were covered by individual plans (June 2022)
- Three-fourths were receiving financial assistance (state and/or federal).
  - Federal advanced premium tax credits (APTC) available for those up to 400% FPL
    - COVID-relief bills temporarily extend these subsidies to those over 400% FPL through 2025.
  - Additional state tax credits available up to 300% FPL
- State & Federal cost-sharing assistance also available up to 300% FPL.
- Individuals not receiving financial assistance can buy directly from the carriers although many still purchase through VHC.



# MILITARY

- Coverage based on current or previous military service
  - Includes Veteran's Administration (VA).
- Approximately 3% of Vermonters (16,600) have Military coverage\*

*Source: 2021 Vermont Household Health Insurance Survey*



# THE UNINSURED

## RATE OF UNINSURED

Survey Year	Uninsured		Difference from 2021
	#	%	
2021	19,400	3.1%	
2018	19,800	3.2%	400
2014	23,200	3.7%	3,800
2012	42,800	6.8%	23,400

According to the **2021 Vermont Household Health Insurance Survey**, of the uninsured approximately:

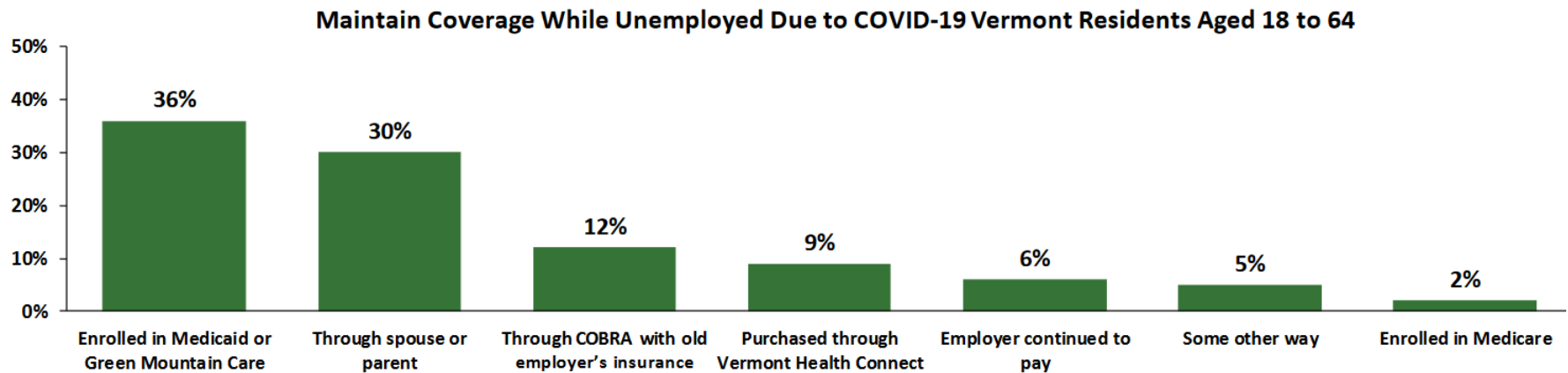
- 20% were eligible for Medicaid.
- 52% were eligible for state and/or federal subsidies through the VT Health Connect.
- 33% had access to employer-sponsored health insurance.
  - 51% cite cost as the primary reason they did not have insurance.

*Source: 2021 Vermont Household Health Insurance Survey*



# Impact of COVID-19 on Insurance Coverage

- Of those unemployed or furloughed due to COVID-19, 84% (of those aged 18-64) maintained coverage.
- Of those who maintained coverage:



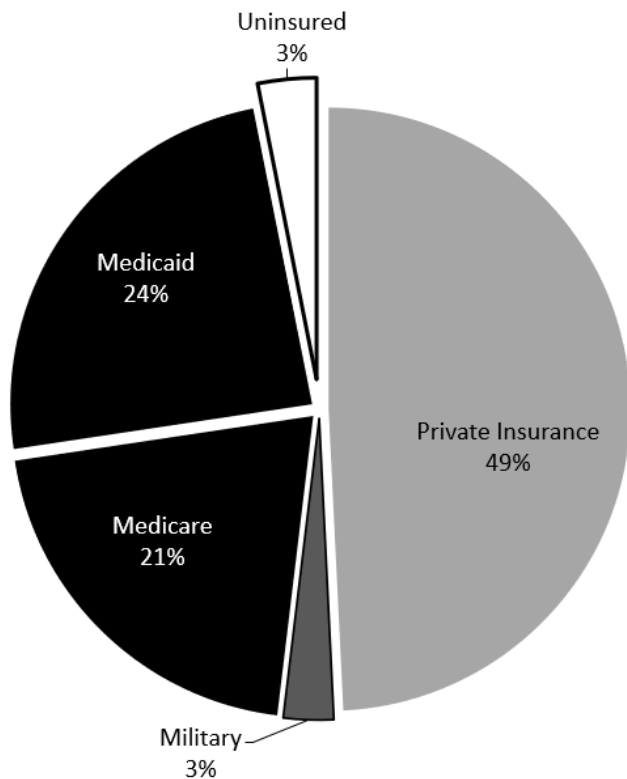
Source: Vermont Household Health Insurance Survey, 2022



# Coverage of Children

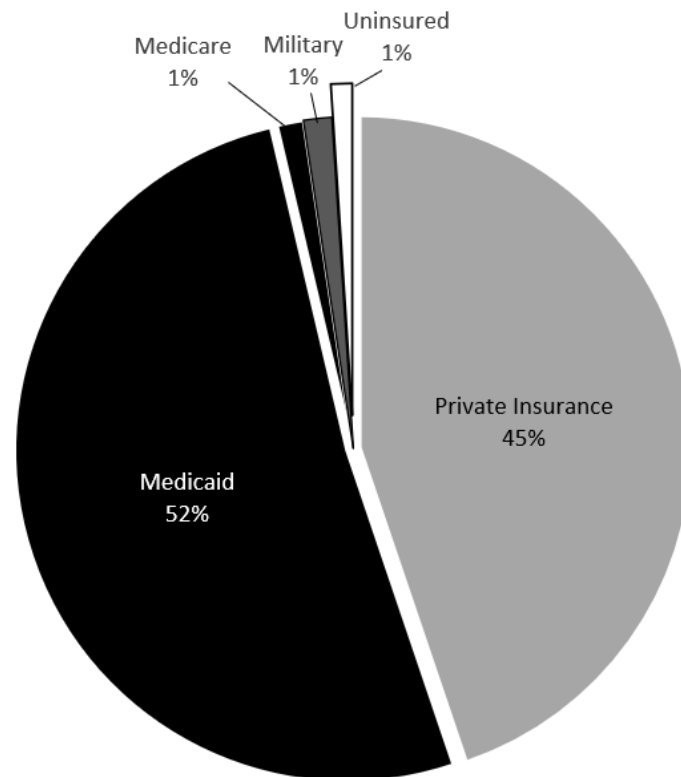
## Health Coverage by Source (2021)

**Total Vermont Population**



- Only 1% (1,200) of kids in Vermont were uninsured.
- More than 50% of kids in Vermont had Medicaid coverage.

**Kids aged 17 and under**



Source: 2021 Vermont Household Health Insurance Survey



# PUBLIC

## MEDICARE & MEDICAID



# A quick note about Medicaid vs. Medicare

## Medicaid

- State-federal program
- Low-income
- Children and adults
- 65 or older, blind, or disabled

Note: The list above is meant for illustrative purposes and does not include “Medicaid expansion” eligibilities which may differ from state to state.

## Medicare

- Federal program
- All incomes
  - 65 or older
  - Any age with end stage renal disease
- Under 65 with certain disabilities



# Medicare

(2021 Data)

- Federal Program (no state involvement)
- Roughly 120,000-130,000 (21%) Vermonters have Medicare coverage
- Most (87%) are over 65 years old
  - Plus 1,500 (or 1%) are kids ages 17 & Under
- Anyone with end-stage renal disease
- Some Parts have additional requirements (i.e. work history, premium requirements, etc.)

*Note: the number of Medicare beneficiaries increased by 27% (27,700 people) between 2012 and 2021.*





# Structure of Medicare

- **Part A** - Primarily hospital inpatient care
- **Part B** - Most other health services
- **Part C (Medicare Advantage Plans)** - Are health plan options (like an HMO or PPO) approved by Medicare and offered by private insurance companies.
  - Cover all of Part A and Part B and usually Medicare drug coverage.
  - Roughly 3% of Medicare beneficiaries in Vermont
- **Part D** - Pharmacy coverage



# Medicaid

- Created in 1965 as Title XIX of Social Security Act
- Public health benefit program for low-income individuals and families and individuals with disabilities
- Financed through a federal-state partnership and administered by the states
- Each state designs and operates its own program within broad federal guidelines

*“If you’ve seen one Medicaid Program, then you’ve seen one Medicaid program.”*



# Vermont Medicaid

VT Medicaid is administered by the  
Department of Vermont Health Access (DVHA)



*Green Mountain Care is the “umbrella” name of all the State-sponsored health programs under Vermont Medicaid.*

*★ Not to be confused with Green Mountain Care as laid out in Act 48 (aka “single payer”) or with the Green Mountain Care Board*



# Medicaid

(As of July 2022)

## NATIONWIDE

**Approximately 90 million** individuals nationwide had coverage through Medicaid or CHIP (approx. 27% of Americans).

- CHIP = Children's Health Insurance Program.

## VERMONT

**Approx. 208,000** (1/3) of Vermonters received some form of assistance through Medicaid (including CHIP).

- Primary source of coverage:
  - Approximately **163,000** Vermonters (approx. 26%).
- Partial or supplemental assistance for approx. **45,000** Vermonters (approx. 7%)
  - e.g. premium assistance, Rx assistance, etc.

*\* These numbers have and continue to change due to the federal COVID-19 public health emergency declaration.*



# Medicaid

## Eligibility – *who is covered*

- **In order to qualify, beneficiaries must be:**
  - Vermont resident
  - U.S. citizen, permanent resident, or noncitizen with lawful presence
    - *Act 48 of 2021 provided for state-only coverage for all income-eligible children and pregnant women regardless of immigration status.*
  - Financial situation would be characterized as low income or very low income and be one of the following:
    - Pregnant
    - Responsible for a child 18 years old or younger
    - Blind
    - Have a disability or a family caretaker of someone with a disability
    - 65 years of age or older

## Benefits (Services) – *what is covered*

- Under Medicaid, states are required to cover mandatory benefits and may choose to cover optional benefits.



# Vermont Covered State Plan Services

## (What is covered)

Mandatory Services	Optional Services	
Inpatient hospital services	Prescription drugs	Chiropractic services
Outpatient hospital services	Clinic services	Other practitioner services
Rural health clinic services	Physical therapy	Private duty nursing services
Nursing facility services	Occupational therapy	Personal care
Home health services	Eyeglasses	Hospice
Physician services	Respiratory care services	Case management
Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) services	Other diagnostic, screening, preventive, and rehabilitative services	Services for individuals age 65 or older in an institution for mental disease (IMD)
Federally qualified health center services	Podiatry services	Services in an intermediate care facility for individuals with an intellectual disability
Laboratory and X-ray services	Optometry services	Health homes for enrollees with chronic conditions
Family planning services	Dental services	Speech, hearing, and language disorder services
Nurse midwife services	Tobacco cessation counseling	Inpatient psychiatric services for individuals under age 21
Certified pediatric and family nurse practitioner services	Prosthetics	Self-directed personal assistance services
Freestanding birth center services (when licensed or otherwise recognized by the state)	<p><b>NOTE: Under Medicaid, states are required to cover MANDATORY benefits and may choose to cover OPTIONAL benefits.</b></p>	
Transportation to medical care		

# Medicaid – Global Commitment

- Global Commitment to Health (“Global Commitment”) is the name of the agreement between Vermont and CMS\* that is used to administer the majority of Vermont’s Medicaid program.
- GC is a Section 1115 Demonstration (often referred to as “a waiver”) that waive certain provisions of Medicaid law and give states flexibility and encourage state innovations in designing state Medicaid programs.
  - Must be budget neutral to the federal government.
  - Waivers generally reflect a states priorities and goals.
  - At least 40 states had at least one approved and/or pending 1115 waiver (2020).
- The vast majority of Vermont’s \$1.9 billion Medicaid program is administered through GC.
- GC has enabled VT to implement many programs that would not have received federal dollars in the absence of the waiver.

\* CMS = the Centers for Medicare and Medicaid Services



## A quick note on the 'Dual-Eligibility'

- Eligible for both Medicare and Medicaid
  - Medicare is payer of first resort
  - Counted in Medicare totals on previous slide
- Approx. 18,000 lives (2022)
- The Vermont Agency of Human Services (AHS) spends over \$240 million per year on “duals” for health care and other support services agency-wide

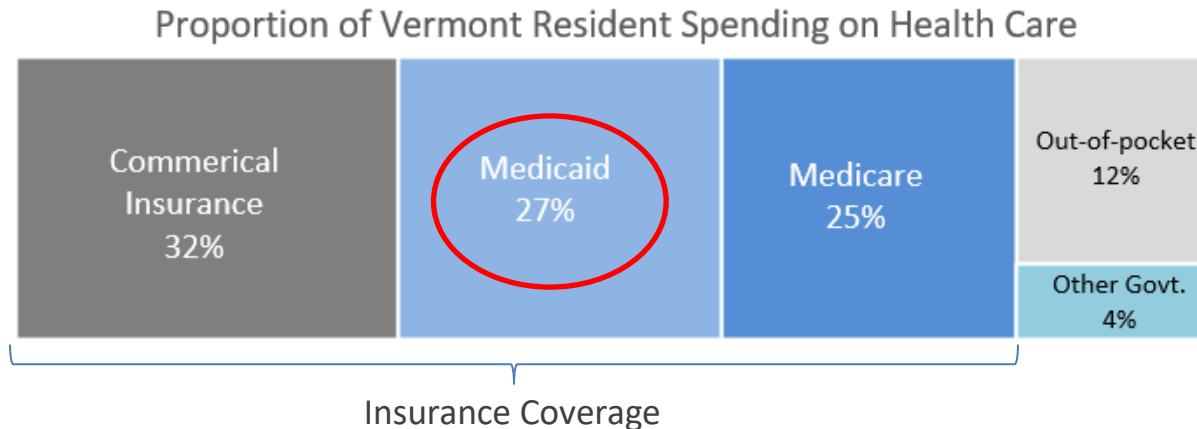




# Context: Overall Health Spending

**IN 2020, VERMONTERS SPENT \$6.37 BILLION ON HEALTH CARE**

- In 2019, Vermonters spent \$6.5 billion on health care.
- Spending decreased by 2.3% in 2020 due to the COVID-19 pandemic.
- **Medicaid** accounted for **27%** of Vermonters health spending in 2020.
  - This has state budget implications.

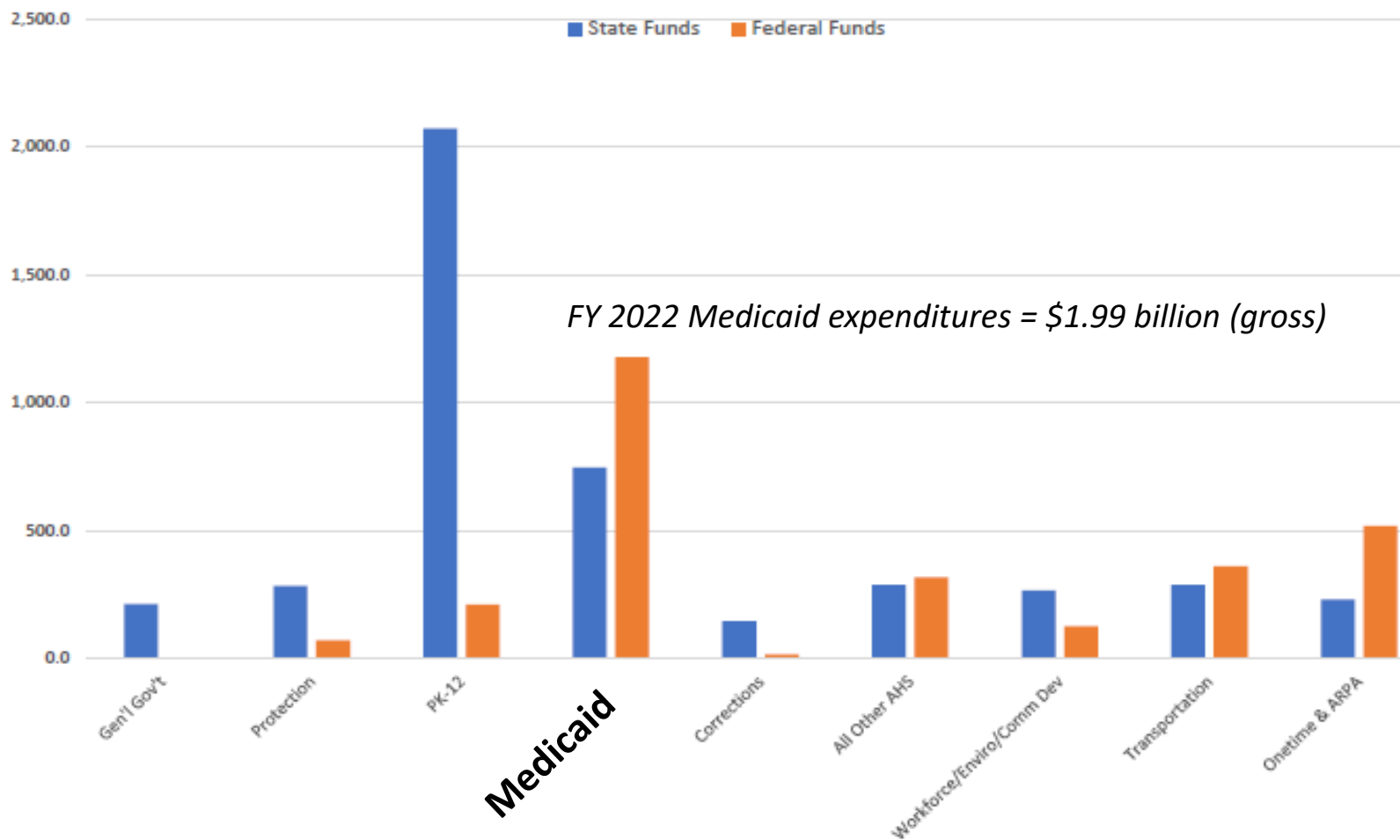


Source: 2020 Vermont Health Care Expenditure Analysis (published May 2022)



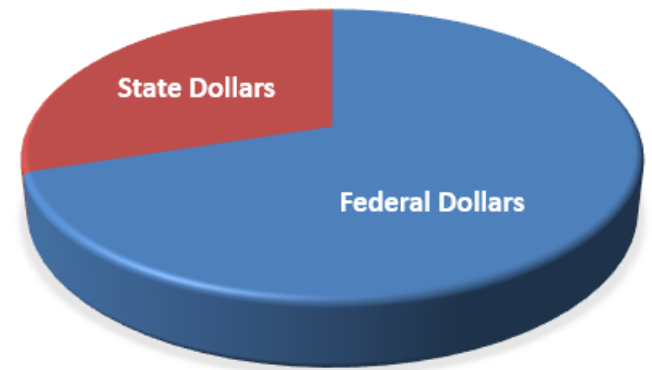
# Context: State Budget (2022 illustration)

Where \$s Are Spent - FY22 Operating Budget  
State Funds \$4.5B v. Federal Funds \$2.8B

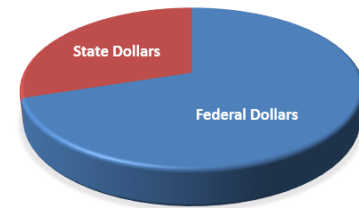


# Medicaid Financing

- Overall FY 2022 Medicaid expenditures = \$1.9 billion (gross)
- Medicaid is funded through a combination of both State and Federal matching dollars.
  - In FY'22 total federal participation accounted for approximately 70% of overall Medicaid spending in Vermont.
  - Federal matching dollars range between 50% to 90% depending on the program and/or the expenditure.
- Most (not all) of the federal funds for the State's Medicaid program are from the FMAP (Federal Medical Assistance Percentage)



# Federal Medical Assistance Percentage (FMAP)



- FMAP is the share of state Medicaid benefit costs paid by the federal government
- FMAP is calculated based on a 3-year average of state per capita personal income compared to national average
- No state can receive less than 50% or more than 83%

<i>COMPARISON OF FMAPs - Selected States (FFY 2024)</i>			
<u>New England States</u>	<u>Highest FMAP</u>	<u>Lowest FMAP (50% FMAP)</u>	
CT, NH, MA = 50%	Mississippi (77.27%) ↓	California	New Hampshire
RI = 55.01% ↑	West Virginia (74.10%) ↑	Colorado	New Jersey
Vermont = 56.75% ↑	Alabama (73.12%) ↑	Connecticut	New York
Maine = 62.65% ↓	New Mexico (72.59%) ↓	Maryland	Washington
		Massachusetts	Wyoming
↑ = Increased from previous year			
↓ = Decreased from previous year			

- States currently receive an additional 6.2% in FMAP as part of the federal Families First Coronavirus Response Act (2020)
- States also receive “enhanced FMAPs” for expansion populations under the ACA and for the *Children’s Health Insurance Program (CHIP)*



# Federal Medical Assistance Percentage (FMAP)

## SFY 2024 RATES\*

### Federal Medical Assistance Percentage (FMAP)

- 56.52% Federal / 43.48% State
- Applied to the majority Medicaid expenditures

### STATE SHARE

\$1.00



### GROSS

\$2.30



### *Enhanced FMAPs*

### Children's Health Insurance Program (CHIP)

- 69.57% Federal / 30.44% State
- Applied to Medicaid expenditures for approx. 4,700 low-income children

\$1.00



\$3.29



### Childless New Adults

- 90% Federal / 10% State
- Applied to the Medicaid expenditures for approx. 47,000 childless adults

\$1.00



\$10.00

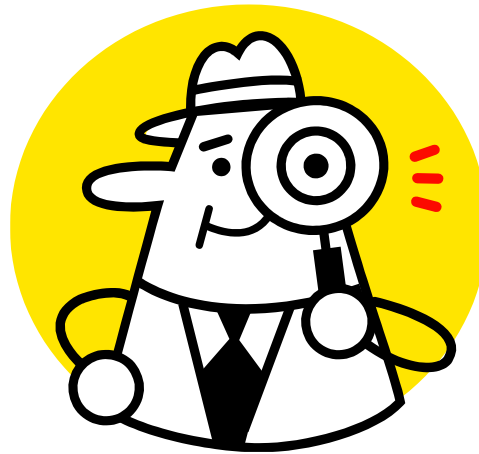


Note: These rates do not include the additional 6.2% FMAP states receive as part of the federal Families First Coronavirus Response Act

\* The State fiscal year is different than the federal fiscal year. As such, the state uses a blended match rate to calculate SFY FMAP rates.



# REGULATORS



# REGULATORS

- Department of Financial Regulations (DFR)
- Green Mountain Care Board (GMCB)
- Attorney General (fraud, etc.)
- Health Department (inspections)
- Center for Medicare and Medicaid Services (CMS)

## Other

- Joint Commission (accreditation)
- National Committee for Quality Assurance or NCQA (accreditation)



# A quick note about The Green Mountain Care Board

- Created in 2011 (Act 48)
- Five-member board, appointed by the Governor for 6-year terms.
- Regulate health insurance rates, hospital budgets, Accountable Care Organizations, and major capital expenditures (certificate of need).
- Supports Vermont's health care innovation and payment reform efforts (such as the Vermont All-Payer Model).
- Data and analytic responsibilities (such as maintaining Vermont's all-payer claims database and other data).
- <https://gmcboard.vermont.gov/>
- Statutory purpose can be found at [18 V.S.A. § 9372](#)





# 2022 FEDERAL POVERTY LEVELS (FPLs)

**Monthly**

Household Size	100%	138%	150%	200%	250%	300%	400%
1	\$1,133	\$1,563	\$1,699	\$2,265	\$2,831	\$3,398	\$4,530
2	\$1,526	\$2,106	\$2,289	\$3,052	\$3,815	\$4,578	\$6,103
3	\$1,919	\$2,648	\$2,879	\$3,838	\$4,798	\$5,758	\$7,677
4	\$2,313	\$3,191	\$3,469	\$4,625	\$5,781	\$6,938	\$9,250
5	\$2,706	\$3,734	\$4,059	\$5,412	\$6,765	\$8,118	\$10,823
6	\$3,099	\$4,277	\$4,649	\$6,198	\$7,748	\$9,298	\$12,397

**Annually**

Household Size	100%	138%	150%	200%	250%	300%	400%
1	\$13,590	\$18,754	\$20,385	\$27,180	\$33,975	\$40,770	\$54,360
2	\$18,310	\$25,268	\$27,465	\$36,620	\$45,775	\$54,930	\$73,240
3	\$23,030	\$31,781	\$34,545	\$46,060	\$57,575	\$69,090	\$92,120
4	\$27,750	\$38,295	\$41,625	\$55,500	\$69,375	\$83,250	\$111,000
5	\$32,470	\$44,809	\$48,705	\$64,940	\$81,175	\$97,410	\$129,880
6	\$37,190	\$51,322	\$55,785	\$74,380	\$92,975	\$111,570	\$148,760

<https://aspe.hhs.gov/poverty-guidelines>



# THE END

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**JFO**

