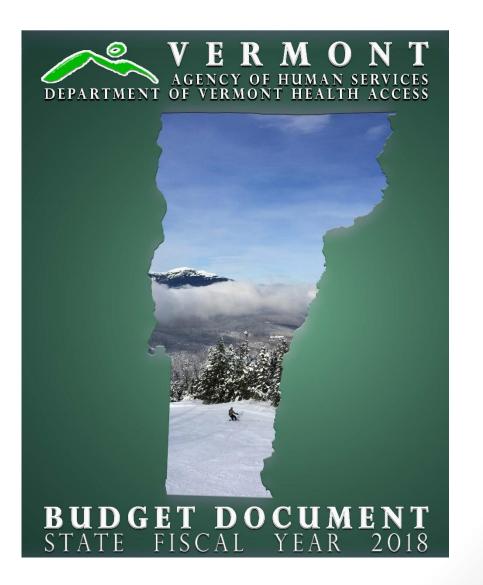
DEPARTMENT OF VERMONT HEALTH ACCESS

State Fiscal Year 2018 Budget Presentation



DVHA's Mission

Assist Medicaid beneficiaries in accessing clinically appropriate health services.

Administer Vermont's public health insurance system efficiently and effectively.

Collaborate with other healthcare system entities in bringing evidence-based practices to Vermont Medicaid beneficiaries.

Provide leadership for Vermont stakeholders to improve access, quality and cost-effectiveness of healthcare.

Who DVHA Serves: 203,758 Vermonters

- Categorical Eligibility
 - Aged
 - Blind
 - Disabled
 - Medicare Eligible
- Modified Adjusted Gross Income
 - Income Eligible
 - Eligibility Grouping Varies
 Based Upon Federal Poverty
 Levels (FPL)
- Limited Benefit Programs
 - Some Individual Specific
 - Some Provider Specific
 - Some Federally Driven

- ✓ Aged, Blind, or Disabled Adult
- ✓ ABD Dual Eligible for Medicare
- ✓ Blind or Disabled Child
- ✓ ABD Dual Enrolled in Choices for Care
- ✓ General Adult (income below Protected Income Level)
- ✓ New Adult With Child (income up to 133% FPL)
- ✓ Childless New Adult (income up to 133% FPL)
- ✓ General Child (income up to Protected Income Level)
- ✓ Optional/Underinsured Child (up to 312% FPL)
- ✓ Children's Health Insurance Plan (CHIP) (up to 312% FPL)
- ✓ VPharm (Medicare Enrolled with income up to 225% FPL)
- Healthy Vermonters (between 350% 400% FPL)
- ✓ Vermont Premium Assistance (income btwn 133% & 300% FPL)
- ✓ Cost Sharing Reduction (income btwn 133% & 300% FPL)
- ✓ Disproportionate Share Hospital Payments
- ✓ Buy-In
- ✓ Clawback

See Fast Facts on Page 7 for high level information on who DVHA serves. For more information on specific coverage programs, caseload, utilization, and expenditures see Chapter 4 of the DVHA Budget Book starting on Page 64.

What DVHA Does

In order to accomplish its mission, DVHA focuses on five key areas:

General Administration

- Commissioner's Office
- Business Office
- Data
- Outreach/Education
- Operational Support
- Medicaid Support

Claims Services

- Clinical Operations
- MMIS Claims Processor
- MMIS Misc. Contracts
- Provider and Member Relations
- Reimbursement Unit

Projects

- EHRIP
- HIT/HIE
- MMIS

Eligibility

- Assistant Operations (Aops)
- Call Center
- Health Access Eligibility & Enrollment
- Long-Term Care
- Premium Processing

Quality

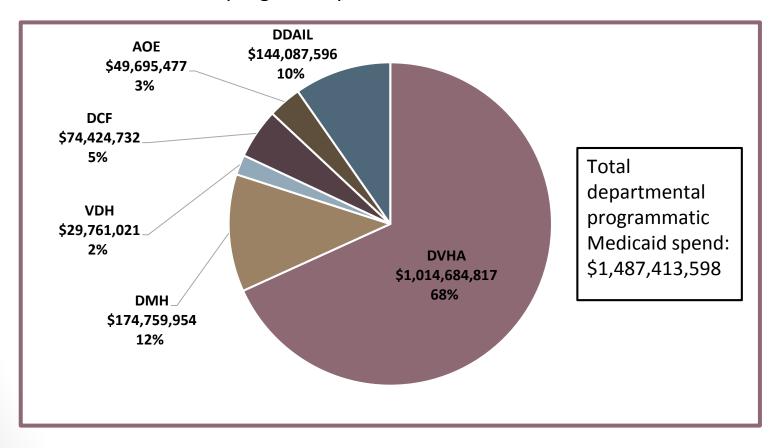
- Blueprint
- Coordination of Benefits
- Managed Care & Compliance
- Payment Reform
- Pharmacy
- Program Integrity
- Quality Improvement
- Vermont Chronic Care Initiative

4

Please see page 26 of the DVHA Budget Book.

Connecting DVHA With AHS

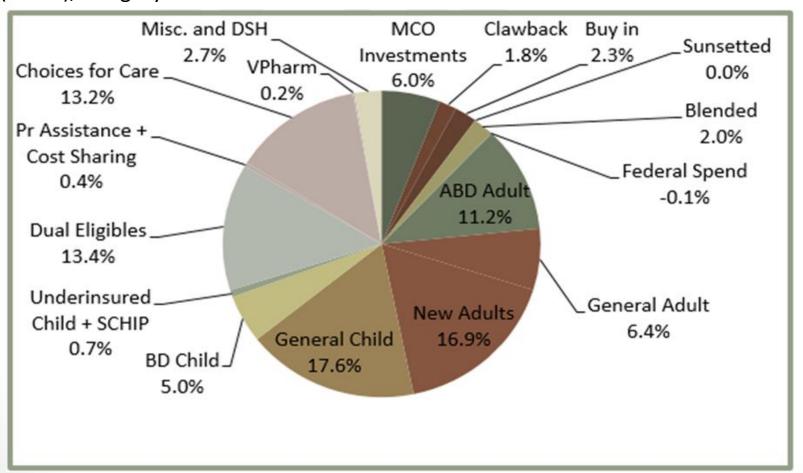
Within the Agency of Human Services, DVHA accounted for nearly twothirds of Medicaid program expenses in SFY 2016.



Please see page 22 of the DVHA Budget Book for more information regarding the distribution of Medicaid spending within AHS.

How AHS Connects to Enrollees

Medicaid spending at AHS is distributed across 15 Medicaid Eligibility Groups (MEGs)/category areas.



Please see page 22 of the DVHA Budget Book for more information regarding the distribution of Medicaid spending within AHS.

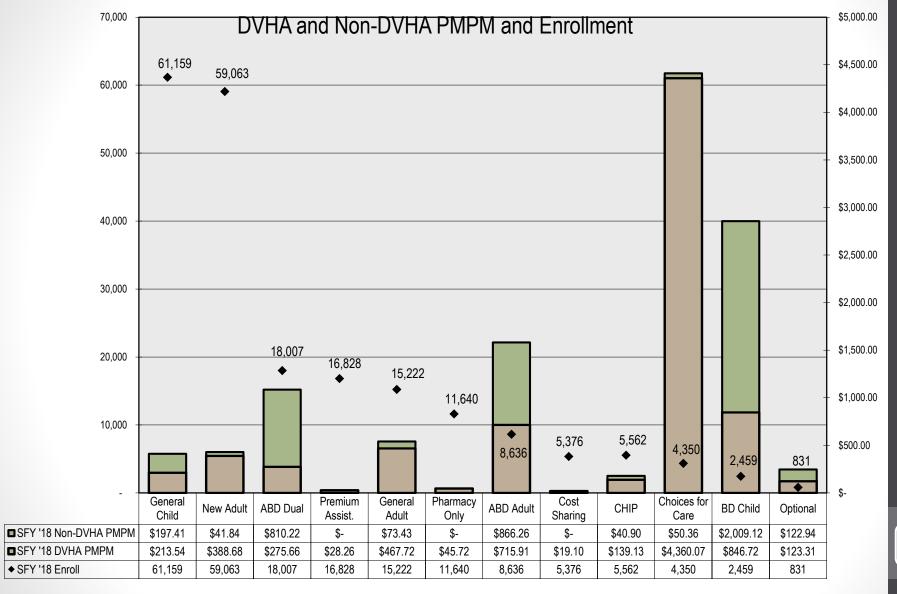
Connecting AHS to Services Provided

AHS Medicaid
Spending is
distributed
across multiple
departments &
agencies and 15
Medicaid
Eligibility Groups
(MEGs)/category
areas.

Please see page 23 of the DVHA Budget Book for more information regarding the distribution of Medicaid spending within AHS.

SFY 2016 Medicaid Spend - Global Commitment, CHIP, & CFC - BY CATEGORY OF SERVICE														
Category of Service		DVHA		DMH		VDH		DCF		AOE		DDAIL		Total AHS
Inpatient	\$	142,551,542	\$	4,276,698	\$	-	\$	-	\$	-	\$	-	\$	146,828,240
Outpatient	\$	143,456,449	\$	611	\$	-	\$	10,373	\$	-	\$	-	\$	143,467,433
Physician	\$	123,330,113	\$	3,730	\$	-	\$	216,749	\$	245,434	\$	-	\$	123,796,026
Pharmacy	\$	208,281,067	\$	-	\$	-	\$	13,370	\$	-	\$	-	\$	208,294,437
Nursing Home	\$	121,227,892	\$	-	\$	-	\$	-	\$	-	\$	-	\$	121,227,892
ICF/MR Private	\$	-	\$	-	\$	-	\$	-	\$	-	\$	777,843	\$	777,843
Mental Health Facility	\$	645,746	\$	14,805	\$	-	\$	-	\$	-	\$	-	\$	660,551
Dental	\$	29,229,900	\$	-	\$	-	\$	168,178	\$	-	\$	-	\$	29,398,078
MH Clinic	\$	194,888		104,993,212	\$	-	\$	-	\$	-	\$	394,723	\$	105,582,824
Independent Lab/Xray	\$	11,705,155	\$	-	\$	-	\$	-	\$	-	\$	-	\$	11,705,155
Home Health	\$	6,789,547	\$	-	\$	-	\$	311,606	\$	250	\$	-	\$	7,101,403
Hospice	\$	4,058,563	\$	-	\$	-	\$	-	\$	-	\$	-	\$	4,058,563
FQHC & RHC	\$	36,121,371	\$	-	\$	-	\$	-	\$	-	\$	-	\$	36,121,371
Chiropractor	\$	1,365,792	\$	-	\$	-	\$	-	\$	-	\$	-	\$	1,365,792
Nurse Practitioner	\$	1,038,466	\$	-	\$	-	\$	-	\$	-	\$	-	\$	1,038,466
Skilled Nursing	\$	2,633,311	\$	-	\$	-	\$	-	\$	-	\$	-	\$	2,633,311
Podiatrist	\$	236,072	\$	-	\$	-	\$	-	\$	-	\$	-	\$	236,072
Psychologist	\$	27,906,070	\$	6,203	\$	-	\$	5,918	\$	-	\$	-	\$	27,918,191
Optometrist/Optician	Ś	2,534,042	Ś	-	\$	-	Ś	-	\$	-	Ś	-	\$	2,534,042
Transportation	Ś	12,682,079	Ś	-	Ś	-	Ś	-	Ś	-	Ś	_	\$	12,682,079
Therapy Services	\$	5,887,648	\$	_	\$	_	\$	1,381,940	\$	_	\$	_	\$	7,269,589
Prosthetic/Ortho	Ś	3,507,216	\$	_	\$	_	Ś	-	\$	_	\$	-	\$	3,507,216
Medical Supplies & DME	\$	11,556,374	\$		\$	_	\$		\$		\$		\$	11,556,374
H&CB Services	\$	59,240,530	\$		\$	_	\$		\$	_	\$		\$	59,240,530
H&CB Services Mental Service	\$	697,455	\$	1,570,670	\$	_	\$		\$		\$		\$	2,268,126
H&CB Services Development	Ÿ	037,433	7	1,570,070	7		Y		7		Ÿ		Υ	2,200,120
Services	\$	(650)	\$	-	\$	-	\$	-	\$	-	\$ 1	129,148,935	\$	129,148,285
TBI Services	\$	-	\$	176,834	\$	-	\$	-	\$	-	\$	3,282,469	\$	3,459,303
Enhanced Resident Care	Ś	9,054,265	Ś	-	Ś	-	Ś	-	\$	-	Ś	183	Ś	9,054,448
Personal Care Services	\$	13,216,268	Ś	-	\$	-	Ś	-	Ś	-	\$	1,091,613	\$	14,307,882
Targeted Case Management (Drug)	\$	45,453	\$	4,935,586	\$	_	Ś	_	\$	_	Ś	357,894	\$	5,338,933
Assistive Community Care	\$	14,036,662	\$	4,756,090	\$	_	ı.	12,367,911	\$	_	\$	-	Ś	31,160,663
Day Treatment MHS	\$	169	_	53,389,672	\$	_	\$	-	\$	_	\$	1,653,611	\$	55,043,452
OADAP Families in Recovery	\$	3,088,695	\$	-	Ė	27,352,443	\$		\$		\$	6,773,539	\$	37,214,678
Rehabilitation	\$	778,552	\$		\$	-	\$		\$		\$	-	\$	778,552
D & P Dept of Health	\$	306,463	\$	638,684	7	2,420,764	·	40,127,598	-	9,449,793	\$	718,875	\$	93,662,177
PcPlus Case Mgmt and Special	٦	300,403	٧	030,004	ې	2,420,704	۰	40,127,336	ېږ	13,443,733	٦	710,073	٧	33,002,177
Program Payments	Ś	1,542,550	Ś	-	\$	_	\$	_	Ś	-	\$	_	\$	1,542,550
Blue Print & CHT Payments	\$	14,762,160	\$	_	\$	_	\$	_	\$	_	\$	-	\$	14,762,160
PDP Premiums	\$	1,503,221	\$		\$	_	\$	-	\$	-	\$	-	\$	1,503,221
VPA Premiums	\$	5,266,242	\$		\$	_	\$	356,753	\$		\$		\$	5,622,995
Ambulance	\$	4,448,037	\$		\$		\$	-	\$		\$		\$	4,448,037
Dialysis	\$	1,456,654	\$		\$		\$		\$		\$		\$	1,456,654
ASC	\$	61,095	\$		\$		\$		\$	-	\$		\$	61,095
	\$	113,467,538	\$		\$	-	·	19,464,336	\$		\$	(101,517)	\$	132,830,357
Total Other Expenditures	7		- 7		7	(12.100)		19,404,336	_	-	\$		÷	
Total Offsets	\$	(125,225,848)	\$	(2,841)	\$	(12,186)	\$	-	\$	-	_	(10,574)		(125,251,448)
Total All Program Expenditures	\$:	1,014,684,817	\$ 1	174,759,954	\$ 2	29,761,021	\$	74,424,732	\$ 4	9,695,477	\$ 1	144,087,596	\$:	1,487,413,598

Spending by Department by Eligibility Group Varies



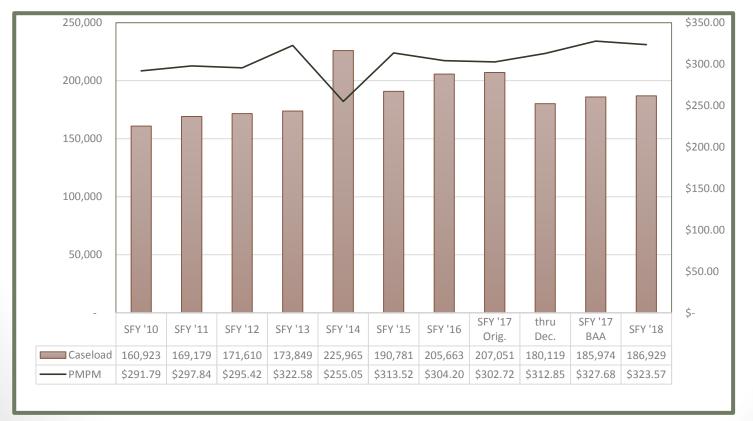
Please see page 88 of the DVHA Budget Book for more information regarding the Agency's Medicaid spending by category.

DVHA Budget Ask

- DVHA's SFY '17 appropriation is \$1,224,947,848 gross / \$481,514,946 state
- This is comprised of:
 - \$189,714,049 gross administration / \$50,153,654 state
 - \$1,035,233,799 gross program / \$431,361,293 state
- The Governor's Recommended budget adjusts the begin appropriation by:
 - \$273,938 gross administration / (\$5,446,792) state
 - (\$11,916,670) gross program / (\$3,679,111) state
- DVHA's Governor's budget is \$1,212,757,242 gross / \$466,275,926 state

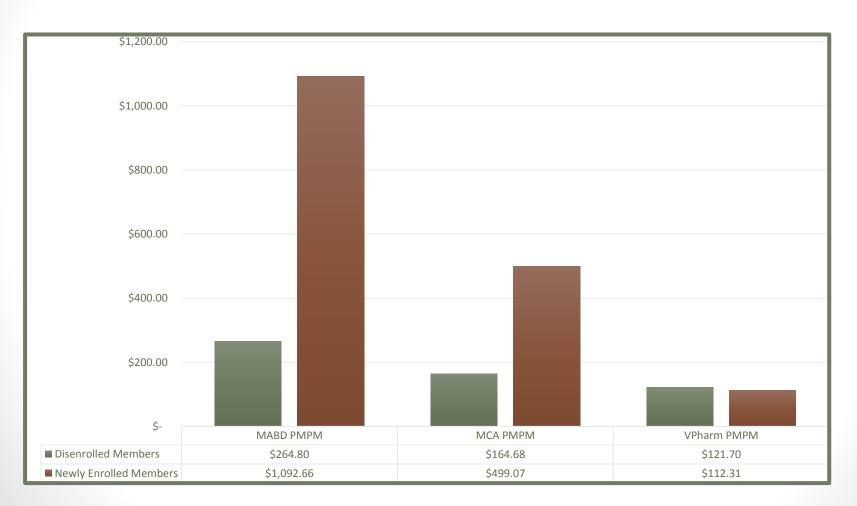
Please see pages 110 and 119 of the DVHA Budget Book for more information on DVHA's budget request.

Caseload & Utilization



Caseload & Utilization, cont'd.

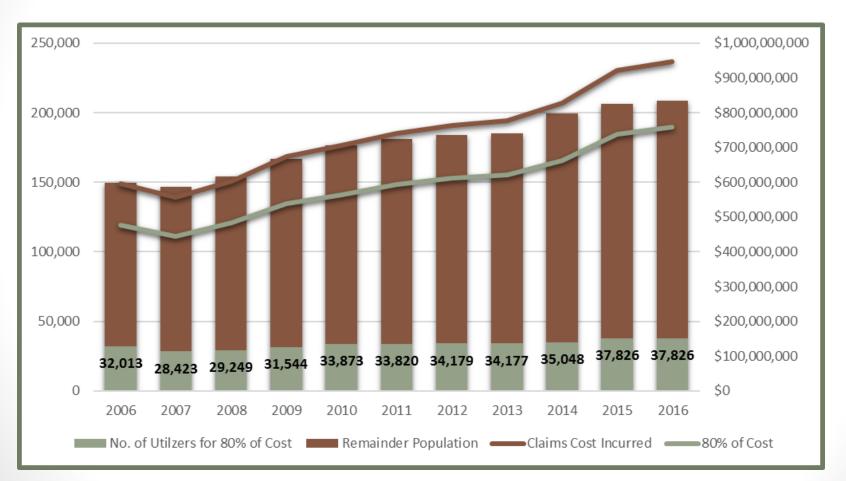
Caseload is declining but remaining beneficiaries require more care than those no longer enrolled.



Please see page 112 of the DVHA Budget Book.

Caseload & Utilization, cont'd.

Overall Medicaid spending is driven by a small group of Medicaid beneficiaries, i.e. the 80%/20% rule.



Please see page 89 of the DVHA Budget Book.

Additional Changes

Caseload and Utilization Reserve
Buy-In Adjustment
Clawback Increase
Disproportionate Share Reduction
Change in Federal Match
DAIL Managed Policy Decisions

Administrative Considerations

Personal Services
\$1,777,105 state
Pay Act and Fringe
Elimination of Two Deputy Commissioners (\$262,283) gross / (\$105,939) state
2 Paygrade Increase for Benefits Program Specialists \$471,818 gross / \$139,182 state
52 Health Access Eligibility & Enrollment Positions \$4,234,549 gross / \$1,249,153 state
Vacancy Savings Increase due to HAEEU Positions(\$633,060) gross / (\$236,321) state
Operating
\$104,394 state

The DVHA portion of shared service costs that are allocated by department, such as fee-for-space and Department of Information and Innovation (DII) costs, is rising.

Administrative Considerations, cont'd.

Grants and Contracts
Eligibility Unit Temporary Support
Vermont Health Connect Contract Increases \$1,419,417 gross / \$424,646 state
Base Contract Increases
Decrease in Project Contracts
Transfer of LTC – AAA Senior Eligibility Grants\$149,904 gross / \$74,952 state
Movement of Ombudsman Contract to AHS (\$733,653) gross / (\$376,660) state
VHC Contract Savings for Improved Efficiencies (\$3,662,223) gross / (\$2,858,000) state
Miscellaneous Administrative Contract Reductions (\$864,304) gross / (\$400,000) state
Changes in Funding

DVHA Administration

The Department of Vermont Health Access (DVHA) has five key areas which are the department's administrative focus. These are:

- General Administration
- Claims Services
- Eligibility
- Quality

Project	SFY '18 Goveror's Recommendation								
,				% of Admin	% of Total				
	# FTEs		Total \$	Budget	Budget				
General	87	\$	9,960,991	5.26%	0.82%				
Claims Services	29	\$	18,273,537	9.65%	1.51%				
Eligibility	145	\$	48,272,806	25.48%	3.98%				
Quality	90	\$	21,733,978	11.47%	1.79%				
Project	15	\$	91,198,799	48.14%	7.52%				
TOTAL ADMINISTRATIVE COSTS	366	\$	189,440,111	100.00%	15.62%				

TOTAL DVHA BUDGET	\$ 1,212,757,242

Please see page 26 of the DVHA Budget Book.

DVHA Administration, cont'd.

Each functional area has multiple units, each with their own admin costs.

Descriptions of these units can be found on pages 27 through 50 of the DVHA budget book.

			% of Admin	% of Total
	# FTEs	Total \$	Budget	Budget
General	87	\$ 9,960,991	5.26%	0.82%
Business Office	25	\$ 2,665,428	1.41%	0.229
Commissioner's Office	13	\$ 1,908,652	1.01%	0.16%
Data	4	\$ 485,612	0.26%	0.04%
Outreach/Education	7	\$ 801,079	0.42%	0.07%
Operational Support	31	\$ 3,136,991	1.66%	0.26%
Medicaid Support	7	\$ 963,229	0.51%	0.089
Claims Services	29	\$ 18,273,537	9.65%	1.51%
Clinical Operations	14	\$ 1,460,637	0.77%	0.129
MMIS - Claims Processor		\$ 12,740,897	6.73%	1.05%
MMIS - Misc. Contracts		\$ 2,729,905	1.44%	0.239
Provider and Member Relations	8	\$ 713,156	0.38%	0.06%
Reimbursement Unit	7	\$ 628,943	0.33%	0.05%
Eligibility	145	\$ 48,272,806	25.48%	3.98%
Assistant Operations (AOps)	16	\$ 1,806,214	0.95%	0.15%
Call Center (Maximus)		\$ 7,504,006	3.96%	0.62%
Eligibility - Misc. Contracts		\$ 1,595,526	0.84%	0.13%
Health Access Eligibility & Enrollment	104	\$ 9,132,124	4.82%	0.75%
Long-Term Care	25	\$ 2,858,990	1.51%	0.24%
Premium Processing (Benaissance)		\$ 3,940,926	2.08%	0.329
Vermont Health Connect		\$ 21,435,020	11.31%	1.77%
Quality	90	\$ 21,733,978	11.47%	1.79%
Blueprint	9	\$ 6,031,337	3.18%	0.50%
Care Management		\$ 2,484,577	1.31%	0.20%
Coordination of Benefits	17	\$ 1,698,944	0.90%	0.149
Managed Care and Compliance	1	\$ 159,433	0.08%	0.01%
Payment Reform	9	\$ 972,958	0.51%	0.089
Pharmacy	6	\$ 832,417	0.44%	0.07%
Pharmacy Benefits Manager		\$ 3,750,535	1.98%	0.31%
Program Integrity	14	\$ 1,684,307	0.89%	0.14%
Quality Improvement	10	\$ 1,195,956	0.63%	0.10%
Vermont Chronic Care Initiative	24	\$ 2,923,514	1.54%	0.24%
Project	15	\$ 91,198,799	48.14%	7.52%
EHRIP		\$ 10,300,000	5.44%	0.85%
HIT/HIE		\$ 10,552,176	5.57%	0.87%
MMIS		\$ 44,206,081	23.34%	3.65%
MMIS/HSE/HIT Staff	15	\$ 1,728,628	0.91%	0.149
IE: Healthcare Projects		\$ 24,411,914	12.89%	2.019
TOTAL ADMINISTRATIVE COSTS	366	\$ 189,440,111	100.00%	15.62%