

## Department of Vermont Health Access

### Strategic Planning Around Budget Processes

SFY '14 thru SFY '16

|                                      | SFY '14            |                  | SFY '15            |                   | SFY '16              |                   |
|--------------------------------------|--------------------|------------------|--------------------|-------------------|----------------------|-------------------|
|                                      | Gross              | Annual GF Chg    | Gross              | Annual GF Chg     | Gross                | Annual GF Chg     |
| <b>Expense:</b>                      |                    |                  |                    |                   |                      |                   |
| Exchange                             | 400,000            | 400,000          | 8,792,606          | 8,392,606         | 10,024,270           | 10,024,270        |
| Premium Subsidy < 300% FPL           | 6,586,587          | 2,869,117        | 7,245,245          | 3,003,879         | 691,592              | 453,407           |
| Cost Sharing Subsidy < 300% FPL      | 3,887,724          | 1,693,493        | 4,276,497          | 1,773,036         | 408,211              | 267,623           |
| Cost Shift (3% excl. NH ~ DVHA Only) | 16,113,683         | 7,019,120        | 22,129,458         | 9,396,168         | 22,793,342           | 9,928,780         |
| Cost Shift (3% non-DVHA)             | 8,278,976          | 3,606,322        | 12,665,742         | 5,377,874         | 13,045,714           | 5,682,713         |
| DVHA Caseload/Utilization            | 915,427,498        | (24,630,108)     | 899,301,859        | (23,342,807)      | 944,709,541          | 33,463,538        |
| Non-DVHA Caseload/Utilization        | 18,950,887         | 8,255,006        | 19,519,413         | 8,287,943         | 20,104,996           | 8,757,736         |
| <b>TOTAL EXPENSES</b>                | <b>969,645,355</b> | <b>(787,050)</b> | <b>973,930,821</b> | <b>12,888,698</b> | <b>1,011,777,666</b> | <b>68,578,068</b> |

|   | SFY '14           |  | SFY '15           |  | SFY '16           |  |
|---|-------------------|--|-------------------|--|-------------------|--|
|   | Annual GF Chg     |  | Annual GF Chg     |  | Annual GF Chg     |  |
| <b>Revenue/Savings to Consider</b>                  |                   |  |                   |  |                   |  |
| Leahy Bump on DVHA Expenses                         | 9,159,233         |  | 18,326,865        |  | 9,654,227         |  |
| Leahy Bump on Non-DVHA Expenses                     | 7,294,570         |  | 15,685,769        |  | 7,922,629         |  |
| Claims Assessments (1/2% in '15 and 1/2% in '16)    | -                 |  | 8,125,000         |  | 8,562,500         |  |
| Carry-forward                                       |                   |  | 17,240,853        |  | 46,489,788        |  |
| <b>TOTAL REVENUES/SAVINGS</b>                       | <b>16,453,803</b> |  | <b>59,378,486</b> |  | <b>72,629,144</b> |  |
| <b>YEAR END BALANCE (Expenses-Revenues/Savings)</b> | <b>17,240,853</b> |  | <b>46,489,788</b> |  | <b>4,051,076</b>  |  |

Assumptions:

Operating costs for Exchange in SFY '14 are for Navigators only. Program costs for Exchange (premium and cost sharing subsidies) are effective 1/1/14. SFY '15 represents the 1st full year of self sustainability and assumes 118,000 enrolled individuals. SFY '16 assumes a 4.5% increase (based on Wakely's financial sustainability

Premium and cost sharing subsidies assume federal participation will be granted at traditional match rate plus 2.2% "Leahy" bump

Traditional Healthcare coverage assumes Catamount and ESIA individuals will shift to the Exchange effective 1/1/14; VHAP and VHAP ESIA individuals < 133% will move to the New Adult Medicaid group as of 1/1/14; and VHAP and VHAP ESIA individuals > 133% will move to the Exchange by 4/1/14.

Traditional Healthcare coverage estimates for SFY '15 assume same growth trend used to predict SFY '14 totals as agreed upon with the Consensus Workgroup. SFY '16 assumes overall 5% growth in cost.

Cost Shifting Estimates Based on a 3% Increase Over SFY '12 Actuals for All Providers Except Nursing Homes

Dollars Represent DVHA Expenses and General Fund Impacts Only