

State Health Care Resources Fund: Revenue Breakdown

Updated September 10, 2015 – JFO

The State Health Care Resources Fund accounts for 19% of total Medicaid funding sources when federal dollars are included and 44% of state funding sources (when federal dollars are excluded).

| Name | Statute | Description | Revenue (State Fiscal Year) | Notes |
|--|---|---|---|--|
| ***All Years are State Fiscal Years*** | | | | |
| Tobacco Taxes | | | | |
| Cigarette Tax (and Floor Stock Tax) | 32 V.S.A §7771. <i>Rate of Tax</i> | <ul style="list-style-type: none"> • Includes cigarettes, little cigars, and roll-your-own tobacco. • Tax based on weight, not per pack rate. • 2003: Tax surpasses the \$1 mark to \$1.19/pack. • 2006: Little cigars and roll-your-own tobacco taxed as cigarettes instead of tobacco products. • 2008: Increased from \$1.79 to \$1.99/pack. • 2009: Increased to \$2.24/pack. • 2011: Increased to \$2.62/pack. • 2014: increased to \$2.75/pack. • 2015: increased to \$3.08/pack | <p>2015: \$68,650,396 2014: \$64,727,447 2013: \$67,338,387 2012: \$73,361,699</p> | <p>*2012 actuals includes floor stock tax of \$550,272.</p> <p>*2015 actuals includes floor stock tax of \$347,610</p> |
| Tobacco Products Taxes | 32 V.S.A §7811. <i>Imposition of tobacco products tax either per unit or as a percentage of the wholesale price</i> | <ul style="list-style-type: none"> • Includes cigars, pipe tobacco, snuff & smokeless tobacco. • 2006: Snuff tax changed from 41% of wholesale to \$1.49/ounce or a \$1.79 per container equivalent. • 2008: Snuff tax increased to \$1.69/ounce or a \$1.99 per container equivalent. • 2009: New smokeless tobacco added to snuff tax. Snuff tax increased to \$1.87/ounce or a \$2.24 per container equivalent. • 2009: Other tobacco products tax rate increased from 41% to 92% of wholesale price. Tiered cigar tax introduced based on price. • 2011: Cigar tax increased from \$1.08 to \$2.17. • 2014: Snuff/smokeless tobacco tax increased to \$2.29/ounce or a \$2.75 per container equivalent. • 2015: Snuff/smokeless tobacco tax increased to \$2.57/ounce or a \$3.08 per container equivalent | <p>2015: \$8,104,758 2014: \$7,125,892 2013: \$6,931,690 2012: \$6,868,340</p> | |

| Employer/Claims Assessment | | | | |
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| Health Care Fund Contribution Assessment (a.k.a. "Employer Assessment") | 21 V.S.A § 2003 | <ul style="list-style-type: none"> Quarterly health care fund contribution increased from \$133.30/quarter to \$140.84/quarter (April 2014 collection) paid by employers for every "uncovered" FTE in excess of four. Definition of "uncovered" can be found on the Vermont Department of Labor website. January 2015: Adjusts by a percentage equal to any percentage change in premiums for the second lowest cost silver plan in the Vermont Health Benefits Exchange. | 2015: \$15,879,665 2014: \$12,995,400 2013: \$11,886,600 2012: \$11,168,000 | Link to the Vermont Department of Labor Employer Assessment page: http://labor.vermont.gov/unemployment-insurance/employers/employer-health-care-contribution-information/ |
| Health Care Claims Tax (Includes Dental Claims) | 32 V.S.A § 10402 <i>Health Care Claims Tax</i> | <ul style="list-style-type: none"> There is a 0.999% tax on all health insurance claims paid by health insurers for its Vermont members for the previous fiscal year ending June 30, of which <u>0.8% of claims</u> are deposited into the State Health Care Resources Fund. Act 73 of 2013 moved collection of the tax from DVHA to the Department of Taxes. Claims tax also imposed on dental claims. | 2015: \$13,978,648 2014: \$13,073,292 2013: \$12,470,283 2012: \$12,603,108 | |
| Provider Taxes | | | | |
| <i>Notes:</i> <ul style="list-style-type: none"> All provider taxes must be broad based (imposed equally throughout each individual class), uniformly imposed (each provider taxed the same), and comply with the "hold harmless" provision (tax paid is not returned to provider ensuring they are made whole for amounts paid). Vermont imposes provider taxes on 6 of the 19 specified classes of health care providers or services allowed by federally regulations. | | | | |
| Hospital Provider Tax | 33 V.S.A. §1953. <i>Hospital Assessment</i> | <ul style="list-style-type: none"> Current tax rate is 6%, up from 5.9% in 2012. Tax rates have ranged between 3.6% and 6% over the last 10 years, holding at 5.5% from 2007 to 2011. Psychiatric Hospitals such as the Brattleboro Retreat are assessed at a rate of 4.21%, representing approx. \$900K (2014 estimate). | 2015: \$125,293,302 2014: \$120,087,900 2013: \$115,505,466 2012: \$110,642,636 | |
| Nursing Home Provider Tax | 33 V.S.A. §1954. <i>Nursing Home Assessment</i> | <ul style="list-style-type: none"> Tax assessed on a per bed basis, which cannot exceed the corresponding rate. Current tax rate is 6% of net patient revenues, or \$4,919.53 per bed, which has not changed since 2012. From 2009 – 2011, per bed rate was \$4,509.57, or 5.5% of net patient revenues. | 2015: \$15,595,924 2014: \$15,998,993 2013: \$16,268,103 2012: \$15,749,272 | Annual assessment on licensed beds is prorated for the number of days the bed was actually licensed with overpayments being refunded to the facility. |

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| ICF/DD (Intermediate Care Facilities for individuals with Developmental Disabilities) Provider Tax (formerly ICF/MR) | 33 V.S.A §1955. <i>ICF/MR assessment</i> | <ul style="list-style-type: none"> • Tax assessed as a percentage of total direct and indirect expenses based on most recent audit of facility. • Current tax rate is 5.9% (since 2012). • From 2009 – 2011, tax rate was 5.5% of total direct and indirect expenses. | 2015: 73,759 2014: \$71,629 2013: \$69,695 2012: \$82,098 | |
| Home Health Agency Provider Tax | 33 V.S.A. §1955a. <i>Home health agency assessment</i> | <ul style="list-style-type: none"> • Tax assessed as a percentage of net operating revenue from core services (rather than net patient revenues). • Current tax rate is 19.3% of net operating revenues which equals 3.9% of net patient revenues. • From 2009-2011, assessment was 17.69% of net operating revenue from core services or 3.8% of net patient revenues. | 2015: \$4,373,603 2014: \$4,097,040 2013: \$4,529,917 2012: \$4,548,206 | |
| Pharmacy Prescription Tax | 33 V.S.A § 1955b. <i>Pharmacy Assessment</i> | <ul style="list-style-type: none"> • \$0.10 monthly assessment on pharmacies for every prescription filled and refilled. • Added in 2005 with no increase in rate since that time. | 2015: \$775,297 2014: \$780,174 2013: \$795,192 2012: \$789,877 | |
| Beneficiary Premiums | | | | |
| Catamount Health Assistance Program Beneficiary Premium (CHAP) - State Share | 33 V.S.A § 1984. <i>Individual Contributions</i> | <ul style="list-style-type: none"> • Coverage for uninsured adults without access to approved Employee-Sponsored Insurance. • Subsidies up to 300% of FPL. • Beneficiary share ranged from \$60-\$267/person/month paid to state. | 2014: \$3,164,335 2013: \$4,984,683 2012: \$4,597,687 | The Catamount Health program ceased in Q1 of 2014. |
| Vermont Health Access Plan (VHAP) Beneficiary Premium | | <ul style="list-style-type: none"> • Coverage for uninsured adults up to 150% FPL without children, 185% FPL with children. • Coverage similar to Medicaid excluding dental and transportation. • Monthly premiums range from nothing to \$49/person/month depending on FPL. • ER visit = \$25, Outpatient hospital visit = \$3, Rx >\$50 = \$3. | 2014: \$1,371,854 2013: \$2,951,004 2012: \$2,858,383 | VHAP was repealed at the end of CY 2013. |
| Dr. Dynasaur Beneficiary Premium (Includes CHIP) | | <ul style="list-style-type: none"> • Coverage for pregnant women and children up to age 18. • Depending on FPL, monthly premiums range from \$0 to \$20/family/month. • SCHIP is \$60/family/month. • No prescription co-pays. | 2015: \$1,121,057 2014: \$447,262 2013: \$720,593 2012: \$687,502 | |

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| Pharmacy Beneficiary Premiums (VPharm 1, 2, & 3, VHAP Rx, Vscript, Vscript Expanded.) | <ul style="list-style-type: none"> • VHAP Rx, VScript, VScript Expanded: coverage for aged or disabled, not eligible for Medicare, have no pharmacy coverage. • VPharm 1,2,3: “wrap” coverage for Medicare Part D. • Premiums range from \$15 PMPM to \$50 PMPM. • \$1/\$2 prescription copays. | 2015: \$3,112,356 2014: \$3,163,777 2013: \$3,180,120 2012: \$3,160,264 | PMPM = Per member per month cost |
|--|---|--|----------------------------------|

| Other | | | |
|---|---|--|--|
| Graduate Medical Education (GME) | <ul style="list-style-type: none"> • The University of Vermont Medical School provides funds to be matched specifically for the purpose of graduate medical education. | 2015: \$13,054,500 2014: \$13,288,943 2013: \$25,756,529 | |
| Nursing Home Sales Assessment | <ul style="list-style-type: none"> • This is a one-time assessment on the sale of any nursing home in the state. | 2014: \$746,400 2013: \$320,000 | |
| Recoveries | <ul style="list-style-type: none"> • This includes “pay and chase” where Medicaid is payer of last resort, fraud, and other recoveries. | 2015: \$435,377 2014: \$1,279,529 2013: \$5,049,628 2012: \$625,996 | |
| Other | <ul style="list-style-type: none"> • This includes interest income, settlements, abandoned property, and premium fees. | 2015: N/A 2014: N/A 2013: \$194,977 | |

OTHER:
The State Health Care Resources Fund accounts for 19% of total Medicaid funding sources when federal dollars are included and 44% of state funding sources (when federal dollars are excluded). The chart below shows all of the Medicaid revenue sources (for SFY'14 est.).

SFY'14

| Total Medicaid Revenue Sources (includes GC, LTC, and CHIP) | | |
|--|----------------------|------|
| Federal Funds | 825,544,112 | 58% |
| General Funds | 254,554,514 | 18% |
| State Health Care Resources Fund | 269,326,423 | 19% |
| Tobacco Settlement | 35,975,693 | 3% |
| Success Beyond Six | 19,206,889 | 1% |
| Certified Local Match | 27,799,832 | 2% |
| Other | 1,334,529 | 0.1% |
| | 1,433,741,992 | |

Note: Other includes insurance regulatory and supervision, Next generation, Agriculture mosquito control, and interdepartmental transfers from the Agency of Administration Capital funds.