

**Governor's FY 2016 Health Care Reform Proposal (in Millions)**

<b>0.7% Payroll Tax - 5.5 Months of Collections</b>			
	<b>41.44</b>		
FY 2016 Health Care Reform Related Expenditures	State Funds	Federal Funds	Total
<i>One-time Costs</i>			
Tax Department Implementation <sup>2</sup>	3.47	-	3.47
<i>Costs Starting July 1, 2015</i>			
Nursing Home Statutory Rate Increase	1.44	1.76	3.20
Caseload & Utilization Increase for New Adults	4.48	9.21	13.70 *
Caseload & Utilization Incr. for ABD, Kids, Gen. Adults	6.89	8.44	15.33 *
GMCB All Payer Waiver and Utility Analysis Costs <sup>3</sup>	1.08	0.43	1.51
<i>Costs Starting in January 1, 2016</i>			
State Payroll Tax Liability	1.94	-	1.94
Strengthening the Blueprint	2.03	2.48	4.51
Home Health Increase	0.56	0.69	1.25
Increased Reimbursement Rates <sup>4</sup>	11.44	14.06	25.50 *
2.5% Medicaid Provider Increase <sup>5</sup>	2.55	3.12	5.66
Health Home Expansion <sup>6</sup>	0.50	4.50	5.00
Increase Cost Sharing Reduction Program	2.00	-	2.00
<b>Total Health Care Reform Proposal</b>	<b>38.39</b>	<b>44.68</b>	<b>83.07</b>
<b>Other Caseload and Utilization Pressures</b>	<b>3.06</b>		

<b>Investments Available to Impact Private Premiums (Cost Shift) *</b>			
Caseload & Utilization Increase for New Adults	4.48	9.21	13.70
Caseload & Utilization Incr. for ABD, Kids, Gen. Adults	6.89	8.44	15.33
Increased Reimbursement Rates	11.44	14.06	25.50
<b>Total Available to Impact Private Premiums</b>	<b>22.82</b>	<b>31.70</b>	<b>54.53</b>

<b>Steady State Budget Pressures</b>	
Nursing Home Statutory Rate Increase	1.44
Caseload & Utilization Increase for New Adults	4.48
Caseload & Utilization Incr. for ABD, Kids, Gen. Adults	6.89
Remaining Revenue for Other Budget Pressures	3.06
<b>Total</b>	<b>15.87</b>
GMCB All Payer Waiver and Utility Analysis Costs <sup>3</sup>	1.08
<b>Total Including Funding GMCB All Payer Waiver</b>	<b>16.95</b>

**Estimated Annualized Health Care Reform Proposal (in Millions) <sup>1</sup>**

<b>0.7% Payroll Tax - 12 months of Collections</b>			
	<b>90.42</b>		
Annualized Health Care Reform Proposal	State Funds	Federal Funds	Total
Tax Department On-going Expenses	0.59	-	0.59
Nursing Home Statutory Rate Increase <sup>7</sup>	1.48	1.81	3.30
Caseload & Utilization Increase for New Adults <sup>7</sup>	4.61	9.49	14.10 *
Caseload & Utilization Incr. for ABD, Kids, Gen. Adults <sup>7</sup>	7.10	8.69	15.79 *
GMCB All Payer Waiver and Utility Analysis Costs <sup>3</sup>	1.15	0.43	1.57
State Payroll Tax Liability	4.24	-	4.24
Strengthening the Blueprint	4.06	4.96	9.02
Home Health Increase	1.12	1.38	2.50
Increased Reimbursement Rates <sup>4</sup>	23.42	27.58	51.00 *
2.5% Medicaid Provider Increase <sup>5</sup>	5.09	6.23	11.32
Health Home <sup>6</sup>	1.00	9.00	10.00
Increase Cost Sharing Reduction Program	4.00	-	4.00
Continued Cost Shift investments <sup>8</sup>	29.49	29.52	59.01 *
<b>Total Annualized Health Care Reform Proposal</b>	<b>87.36</b>	<b>99.08</b>	<b>186.44</b>
<b>Other Caseload and Utilization Pressures</b>	<b>3.06</b>		

<b>Investments Available to Impact Private Premiums (Cost Shift) *</b>			
Caseload & Utilization Increase for New Adults <sup>6</sup>	4.61	9.49	14.10
Caseload & Utilization Incr. for ABD, Kids, Gen. Adults <sup>6</sup>	7.10	8.69	15.79
Increased Reimbursement Rates <sup>3</sup>	23.42	27.58	51.00
Continued Cost Shift investments <sup>8</sup>	29.49	29.52	59.01
<b>Total Available to Impact Private Premiums</b>	<b>64.63</b>	<b>75.27</b>	<b>139.90</b>

1 - Annualized assumptions; not the FY2017 Budget Proposal

2 - Includes ongoing annual operating cost of \$592K

3 - GMCB State funds include the match for GC, the Bill back fund, and other non-matchable GF needs; total only includes Federal and General funds

4 - Reimbursement rates include in-state outpatient, primary care services, Dartmouth-Hitchcock, and professional services (included psychologists, specialists, and chiropractors across all settings of care)

5 - Medicaid provider increase for providers not reimbursed through the Department of Vermont Health Access Global Commitment, State Only, and Non-DVHA Waiver Appropriations

6 - 10/90 Match rate

7 - Assume 3% Medicaid Growth and the FY2016 FMAP assumptions for New Adults and traditional Medicaid

8 - Investments could include further reduction in the uninsured, Medicaid/Vermont Premium Assistance/Cost Sharing Reduction, additional investment in rates, and Provider Reimbursement Inflation