

H. 481 - House Health Care Revised Proposal and Bill as passed by Ways & Means

REVENUES

REVENUES as passed Ways & Means- 4/2/15 (Note: Committee Amendment does not include any spending)

REVENUE ESTIMATES	SFY '16 REVENUE ESTIMATES		SFY '17 REVENUE ESTIMATES		SFY' 18
	Gen. Fund	Ed. Fund	Gen. Fund	Ed. Fund	Gen. Fund
1/2 cent on sweetened beverages + diet	14,583,000		17,588,000		17,675,000
Cigarette tax increase - \$0.25	2,000,000		1,932,000		1,866,000
Other tobacco products (snuf / snuz)	500,000		483,000		483,000
Dietary Supplements	1,192,000	642,000	1,365,000	735,000	1,433,000
TOTAL	18,275,000		21,368,000		21,457,000

= One time costs

HOUSE HEALTH CARE REVISED PROPOSAL (3/31/15)

COST ESTIMATES	Start Date	SFY '16 COST ESTIMATES				SFY '17 COST ESTIMATES*				SFY' 18
		State \$	Fed \$	Other	Gross (est.) \$	State \$	Fed \$	Other	Gross (est.) \$	State \$
Underinsured										
Current cost-sharing subsidies	Existing	761,308			761,308	1,621,585			1,621,585	1,726,988
Cost sharing subsidies	1/1/2016	2,000,000			2,000,000	4,260,000			4,260,000	4,536,900
Medicaid Rate Increase / Cost Shift / Price Differential		6,187,755	7,033,297		13,221,052	7,101,698	7,673,975		14,775,673	7,427,790
Primary Care rate increase	7/1/2015	3,286,655	3,713,345		7,000,000	3,515,930	3,757,070		7,273,000	3,677,232
Professional services rate increases	7/1/2015	2,451,400	2,769,652		5,221,052	2,622,408	2,802,266		5,424,673	2,742,717
Dartmouth Hitchcock	1/1/2016	449,700	550,300		1,000,000	963,361	1,114,639		2,078,000	1,007,841
Blueprint for Health		2,584,197	3,162,295		5,746,492	2,690,714	3,113,242		5,803,957	2,736,380
Community Health Team (CHT) Rebalance	7/1/2015	420,769	514,897		935,666	438,113	506,910		945,023	445,548
Increase CHT payments	7/1/2015	526,959	644,843		1,171,802	548,680	634,840		1,183,520	557,992
Increase Primary care med home payments	7/1/2015	1,636,469	2,002,555		3,639,024	1,703,922	1,971,492		3,675,414	1,732,840
Health Care Advocate (One time)	7/1/2015	40,000			40,000					
Other Medicaid Providers										
1.5% Increase for other providers	7/1/2015	3,055,596	3,739,147		6,794,743	3,272,895	3,786,844		7,059,738	3,424,010
Home Health (payment reform) ** (One time)	7/1/2015	89,940	110,060		200,000					
Green Mountain Care Board		1,085,822	546,723	1,392,475	3,025,020	987,350	490,631	1,253,286	2,731,267	1,053,723
All payer waiver / Rate-setting process (w/ Cost shift)	7/1/2015	1,085,822	546,723	1,332,475	2,965,020	987,350	490,631	1,193,286	2,671,267	993,723
VITL Oversight ***	7/1/2015			60,000	60,000			60,000	60,000	60,000
Vermont Household Insurance Survey (One time)	7/1/2015	150,000			150,000					
AHEC	7/1/2015	300,000	400,000		700,000	300,000	400,000		700,000	300,000
Task Force on Universal Coverage	7/1/2015				<i>Per diem costs can be covered within existing budget</i>					
Universal Primary Care Study (One time)	7/1/2015	200,000			200,000					
COSTS associated with Ways & Means Amendment - 4/2/15										
Costs associated with implementation of taxes		810,000			810,000	310,000			310,000	310,000
Beverage Tax Implementation (start-up costs)		500,000			500,000					
Sweetened Beverage Operations ****		310,000			310,000	310,000			310,000	310,000

Eval. of beverage tax on health outcomes (VDH)	TBD									
TOTAL		17,264,618	14,991,521	1,392,475	33,648,615	20,544,242	15,464,692	1,253,286	37,262,220	21,515,791
HIT FUND		0	0	60,000	60,000	0	0	60,000	60,000	60,000
To be financed		17,264,618	14,991,521	1,332,475	33,588,615	20,544,242	15,464,692	1,193,286	37,202,220	21,455,791
<i>Difference</i>		1,010,382				823,758				1,209
<i>Cumulative</i>						1,834,140				1,835,349

NOTES:

- * SFY'17 assumes annualized costs. Also assumes both loss of Leahy bump and modest decrease in federal match.
- ** Money towards MMIS to move from fee-for-service to prospective payment.
- *** VITL Oversight -- proposes using HIT fund dollars for the state share of billback. HIT Fund sunsets, so assume it switches to GF in '18
- **** \$310K = \$80K (processing/call ctr = 1FTE) + \$40K (data integration = .5FTE) + \$160K (billing/collection = 2FTEs) + \$30K (policy support)

Growth Trends

- (1) Cost sharing subsidies - Assumes private insurance growth of t
- (2) Medicaid Reimbursement rates (Phys. services, Dartmouth, ar
- (3) Blueprint for Health - Growth tied to estimated Medicaid popu

JFO DRAFT/ntl
4/6/15

REVENUE ESTIMATES (very preliminary)

<u>Ed. Fund</u>	<u>Assumptions & Notes</u>
	< Growth rates provided by Rudd Center and Tom Kavet
	< Growth based on Tom Kavet Cigarette tax forecast
	< No growth assumed at this time
772,000	< Growth rate tied to industry growth

COST ESTIMATES (very preliminary)

<u>Fed \$</u>	<u>Other</u>	<u>Gross (est.) \$</u>	<u>Assumptions & Notes</u>
		1,726,988	< Assumes 6.5% growth (1)
		4,536,900	< Assumes 6.5% growth (1)
7,924,134		15,351,924	
3,879,415		7,556,647	< Assumes 3.9% growth & FMAP changes (2)
2,893,518		5,636,235	< Assumes 3.9% growth & FMAP changes (2)
1,151,201		2,159,042	< Assumes 3.9% growth & FMAP changes (2)
3,125,617		5,861,996	< Assumes 1% Medicaid population growth (3)
508,925		954,473	
637,363		1,195,355	< Increases base from \$1.50 to \$2.25 PMPM
1,979,328		3,712,168	< Increases base from \$2 to \$3.5 + \$1.50 for P4P payments.
			< Note: VT has appropriated additional \$'s in previous years
3,911,058		7,335,068	< Assumes 3.9% growth & FMAP changes (2)
			< Implementation of prospective payment system
492,744	1,202,636	2,749,103	
492,744	1,202,636	2,689,103	< Assumes 3% increase for positions & operations.
		60,000	< HIT fund \$'s for state share of billback. Sunsets FY'18
			< One time
400,000		700,000	< Restores cut from Admin's proposal
			< Proposal due 12/1/2015
			< Report due 10/15/2015
		310,000	
		310,000	

Preliminary FY'17 FMAP **0.4636**
 Very preliminary FY'18 **0.4668** < 25 year avg trend = .32%

	Gross	Net		16	Diff
Outpatient	10,000,000	4,471,073	44.71%		
Primary	5,000,000	2,347,611	46.95%	0.4497	1.98%
Professional	9,000,000	4,225,700	46.95%	0.4497	1.98%
Dartmouth	1,500,000	674,550	44.97%	0.4497	0.00%
	25,500,000	11,718,934	45.96%		

< Tied to Sweetened beverage tax

15,853,553	1,202,636	38,571,980
0	0	60,000
15,853,553	1,202,636	38,511,980

5.5%. Note: '16-'17 RAND/Admin consensus = 7.7%; CMS = 5.4%; used midpoint of 6.5%.
and Other providers) - Assumes 3.9% growth in Medicaid based on RAND/Admin consensus estimates for '16-'17. CMS = 6.8%
inflation growth. FY'11-'14 traditional populations grew at 1.4%. Est. '15-'16 growth = .5%. Used 1% for '17' & '18.

- NOTE: State share increases due to:
- loss of Leahy bump (1.1% in FY16)
 - uses '16 FMAP = .4607
 - Does not account for new adult FMAP
 - Built in 1.5% growth above 1/2 yr '16 f

Est. '17 Est. '18

48.34%	48.66%
48.34%	48.66%
46.36%	46.68%

or '17 (cost shift)