

Vermont Legislative Joint Fiscal Office

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FISCAL NOTE

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S. 252 – An act relating to financing for Green Mountain Care As amended by the House

S. 252 as introduced by Senator Galbraith was a bill addressing financing for Green Mountain Care. The Senate passed the bill as a strike-all amendment which no longer contained revenues for the purpose of funding Green Mountain Care, although the title of the bill remains. The House Health Care Committee further amended the bill. The bill went to the Ways & Means Committee which had further proposals of amendment which then passed the House.

Fiscal impacts on the SFY'15 budget:

Sec. 11 – Employer Assessment

It was estimated that the employer assessment would raise \$14.2 million in SFY'15. Built into that estimate was the assumption that the assessment, which is indexed to increase by the same percentage as Catamount premiums, would increase when Catamount premiums increased by 11.9% in July 2013. However, the employer assessment was not increased, creating a estimated shortfall of \$1.3M in SFY'15. This proposal increases the employer assessment from its current rate of \$119.12 per quarter to \$133.30 per quarter starting in July 2015. In addition, it moves future indexes from January to July.

*SFY'15 Fiscal Impact = It is estimated that without the index, revenues will come in approximately \$1.3 million below projections. This amendment will raise enough money to cover the shortfall and therefore is **budget neutral**.*

Index in July based on January increase for 2nd lowest silver plan in exchange

July 1 = 11.9% index

Jan. 1 = No index

July 1 = Next index

	Jan. 2014				July 1	Jan. 2015			July 1, 2015
	SFY'14				SFY'15				
Rate	\$119.12	\$119.12	\$119.12	\$119.12	\$133.30	\$133.30	\$133.30	\$133.30	\$133.30+

Sec. 30 – Financial Impacts of Health Care Reform

The Ways & Means proposal of amendment also includes a change to Sec. 30, requiring the Joint Fiscal Committee to do an analysis of health care spending under both current and health care reform proposals as part of better understanding the potential impacts of Green Mountain Care.

SFY'15 Fiscal Impact = the analysis will be part of the on-going work of the Joint Fiscal Office. A request for funding has been included in the SFY'15 budget for this and other related work.