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APPROPRIATIONS

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**MEMORANDUM**

To: Rep. Fisher, Chair, House Committee on Health Care  
From: Rep. Martha Heath, Chair, House Committee on Appropriations  
Date: May 6, 2013  
Subject: Request for Review of Specific Provisions in Senate Budget

The Senate has passed H.530 and we are currently in the conference committee process. There are several provisions in the Senate passed budget that I would like your committee to review. Please respond to me by noon on Wednesday May 8. If I haven't heard from you by then I will conclude that you do not object to the Senate changes. Thank you for your consideration.

Sec. E.306 32 V.S.A. § 305a(c) is amended to read:

(c) The January estimates shall include estimated caseloads and estimated ~~per member per month~~ per-member per-month expenditures for the current and next succeeding fiscal years for each Medicaid enrollment group as defined by the ~~agency~~ Agency and the ~~joint fiscal office~~ Joint Fiscal Office for state health care assistance programs or premium assistance programs supported by the state health care resources and Global Commitment funds, ~~for VermontRx~~, and for the programs under ~~the Choices for Care~~ any Medicaid Section 1115 waiver. For Board consideration, there shall be provided two versions of the next succeeding fiscal year's estimated per-member per-month expenditures, one shall include an increase in Medicaid provider reimbursements in order to ensure that the expenditure estimates reflect amounts attributable to health care inflation as required by subdivisions 307(d)(5) and (d)(6) of this title and one shall be without the inflationary adjustment. For VPharm, the January estimates shall include estimated caseloads and estimated per-member per-month expenditures for the current and next succeeding fiscal years by income category. The January estimates shall include the expenditures for the current and next succeeding fiscal years for the Medicare Part D phased-down state contribution payment and for the disproportionate share hospital payments. In July, the ~~administration~~ Administration and the ~~joint fiscal office~~ Joint Fiscal Office shall make a report to the ~~emergency board~~ Emergency Board on the most recently ended fiscal year for all Medicaid and Medicaid-related programs, including caseload and expenditure information for each Medicaid eligibility group. Based on this report, the ~~emergency board~~ Emergency Board may adopt revised estimates for the current fiscal year and estimates for the next succeeding fiscal year.

Sec. E.307.3 ANALYSIS OF METHODS TO HELP HIGH OUT-OF-POCKET COST SUBSCRIBERS

(a) It is the intent of the General Assembly to ensure that low- and middle-income individuals purchasing health insurance through the Vermont Health Benefit Exchange (Exchange) have financial protection from large out-of-pocket costs. The State of Vermont should analyze the potential enhanced cost-sharing subsidies available in the Exchange if federal financial participation is available by funding the subsidies as a managed-care entity investment through the Global Commitment to Health Section 1115 Medicaid waiver. The Department shall specifically estimate the fiscal potential to modify the cost-sharing subsidy established in 33 V.S.A. § 1812(b) as follows:

(1) Cost-sharing assistance established in 18 V.S.A. § 1812(b)(2)(C) for households with income above 200 percent of the federal poverty level (FPL) and at or below 250 percent FPL shall be increased from 77 percent to 83 percent actuarial value.

(2) Cost-sharing assistance established in 18 V.S.A. § 1812(b)(2)(D) for households with income above 250 percent FPL and at or below 300 percent FPL shall be increased from 73 percent to 77 percent actuarial value.

(3) Cost-sharing assistance shall be established for households with income above 300 percent FPL and at or below 350 percent FPL at 73 percent actuarial value.

(b) The analysis above shall be compared to the cost analysis, financial, and administrative potential to establish a high-risk pool or acquisition of secondary insurance to address the financial hardship of high out-of-pocket subscribers.

(c) The Department shall also report on the financial impact of low- and middle-income individuals purchasing health insurance through the Exchange who transition to Medicare coverage and recommendations for how these impacts, if burdensome, might be addressed.

(d) The Department shall report to the Joint Fiscal Committee at its next scheduled meeting after notice from the Commissioner of Vermont Health Access of approval from the Centers For Medicare and Medicaid Services (CMS) and the Commissioner's assessment of the State's financial capacity for new investments and comparative analysis. The Committee shall review the relevant information to determine whether the CMS approval to consolidate the waivers did create sufficient financial capacity to include the subsidy as an investment and shall review the comparative analysis for establishing a high-risk pool or secondary insurance.

#### Sec. E.345.1 COST SHIFT ACCOUNTABILITY

(a) As part of the fiscal year 2014 budget proposal, \$16,000,000, which will be annualized at \$20,000,000, is being appropriated in the Global Commitment and Choices for Care waivers to reduce the State cost shift to private insurers. The Administration shall develop consistent reportable measures to be accountable for the results of this and subsequent cost shift reduction investments. Specifically:

(1) The Green Mountain Care Board (GMCB) shall maintain and report as part of its "GMCB's Vermont Health Dashboard of Key Indicators":

(A) a comparison of the difference between Medicaid and Medicare provider reimbursement rates;

(B) Additional measures as determined to create standard transparent measurement of a reduced costs shift.

(2) The Green Mountain Care Board shall submit to the General Assembly on or before January 15, 2014 a report on how this investment in fiscal year 2014 is projected to influence current or future rate setting and how it will be incorporated into the rate review process.

(3) The Department of Vermont Health Access shall use its developing information system capacity with the “Blueprint” system and other initiatives to develop and prepare annual reports on the impacts of these and other investments on the cost shift. As part of the fiscal year 2015 budget submission, measurement methodologies and baseline information shall be in place and be part of that submission.