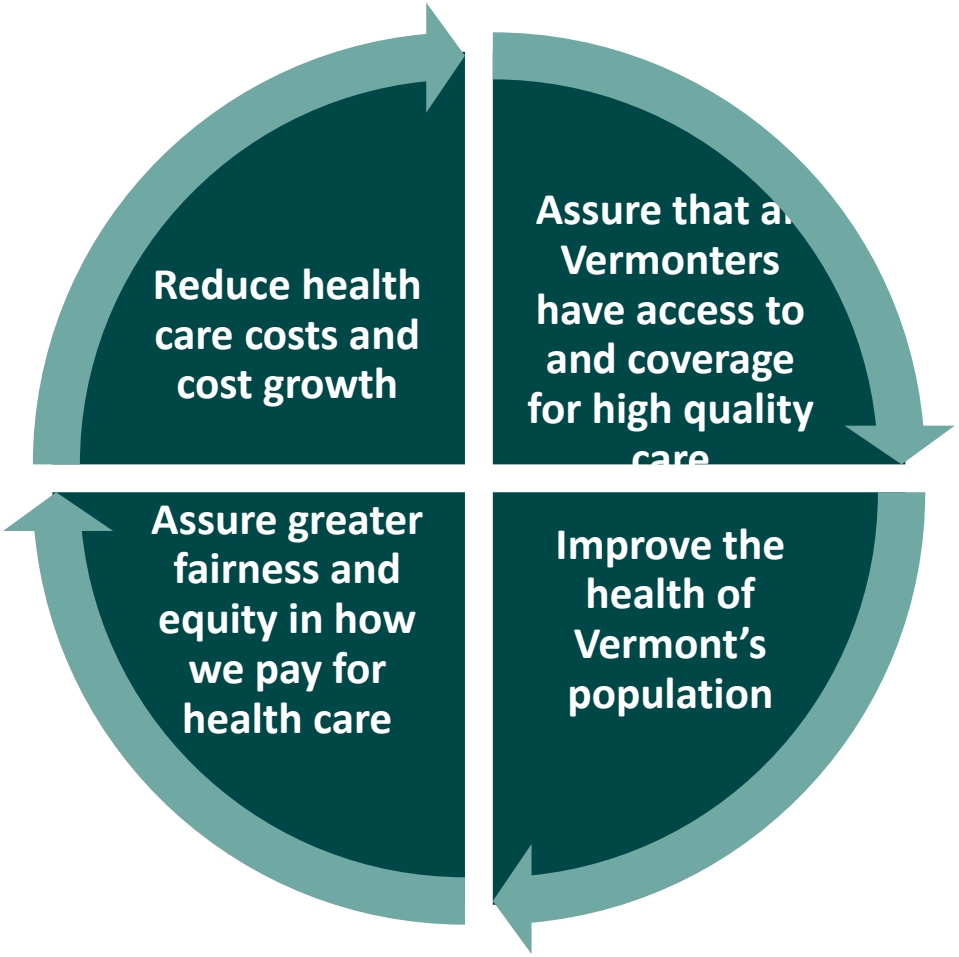
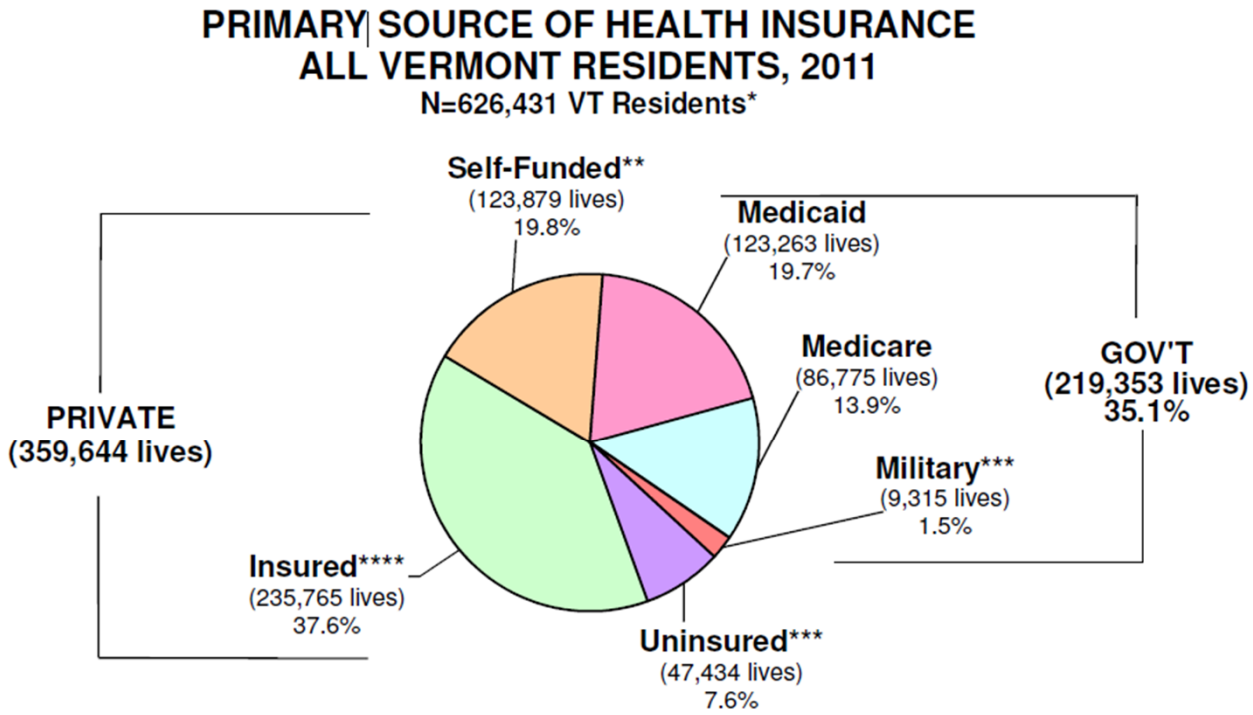
Transitions in 2014

Robin J. Lunge, Director of Health Care Reform
Mark Larson, Commissioner, DVHA

Health Reform Goals



Current Health Care Coverage



* 2011 U.S. Census Bureau state-level annual population estimate and provided by VT Dept. of Health
** VT Department of Financial Regulation (DFR) does not regulate or collect data on Self-Funded. This is an estimate of the total Vermont lives covered by Self-Funded plans which includes Federal Employees Health Benefit Plan
***2009 Vermont Household Insurance Survey number trended forward and weighted based on the U.S Census Bureau uninsured estimates. The Household insurance survery is currently underway again and these numbers will be upated accordingly
****This number includes 51,358 Vermonters covered by health plans licensed in other states.

Migration Predictions-2014 Enrollment

Individual	58,515
Small Group	36,487
Medicaid (All, not just Primary)	159,191
Total	254,193*

*Assuming 4% Uninsured : approximately 24,000 Vermonters

Public Programs & Uninsured

- VHAP and Catamount programs will end, with current beneficiaries moving into Medicaid or the Exchange
- Estimate 96% are insured in 2014

	2012 Population	2014 Migration	
		Medicaid	Exchange QHP
VHAP	38,602	28,587	10,015
Catamount	11,427	2,294	9,133
Uninsured	44,568	1,563	13,707

New Medicaid coverage

- Income eligibility increases to 133% FPL

- For individuals moving from VHAP to Medicaid:
  - Reduced premiums
  - Reduced out-of-pocket costs
  - Increased benefits

Federal Premium Tax Credits

Department of Vermont Health Access
ACA PREMIUM LEVELS IN 2014

2011 FPL range	Income (1 person)	Premium for 1-person household	
	Monthly income	% of income	Monthly amount
0-100%	$0-$931	0.0%	$0
100 - 133%	$932-$1238	2.0%	$19-$25
133 - 150%	$1239-$1397	3-4%	$37-$56
150 -200%	$1398-$1862	4-6.3%	$56-$117
200 - 250%	$1863-$2328	6.3-8.1%	$117-$189
250 - 300%	$2329-$2793	8.1-9.5%	$189-$265
300 - 350%	$2794-$3259	9.5%	$265-$310
350 - 400%	$3260-$3724	9.5%	$310-$354

2011 FPL range	Income (4 people)	Premium for 4-person household	
	Monthly income	% of income	Monthly amount
0-100%	$0-$1921	0.0%	$0
100 - 133%	$1922-$2555	2.0%	$38-$51
133 - 150%	$2556-$2882	3-4%	$77-$115
150 -200%	$2883-$3842	4-6.3%	$115-$242
200 - 250%	$3843-$4803	6.3-8.1%	$242-$389
250 - 300%	$4804-$5763	8.1-9.5%	$389-$547
300 - 350%	$5764-$6724	9.5%	$548-$639
350 - 400%	$6725-$7684	9.5%	$639-$730

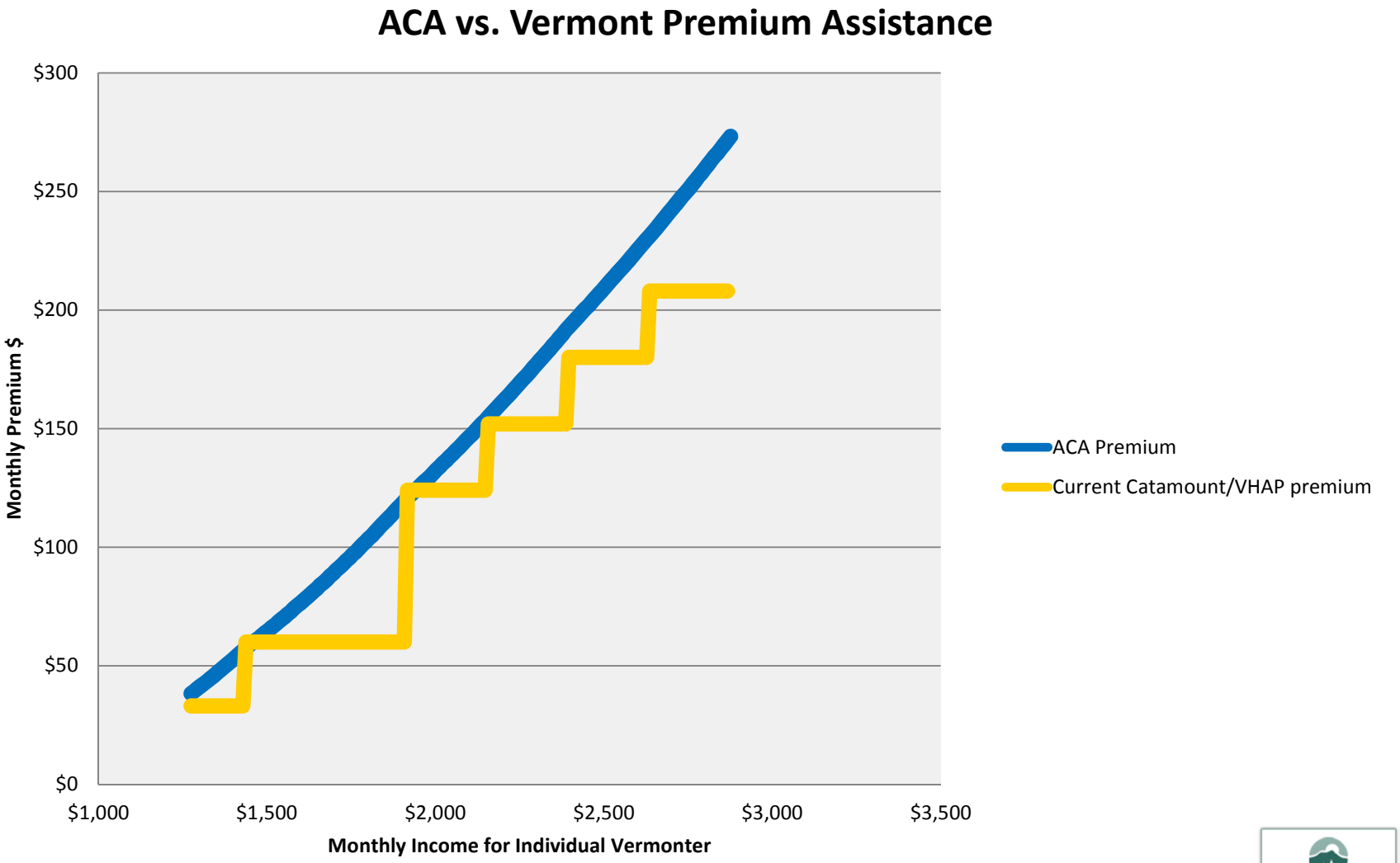
Federal Cost-Sharing Assistance

	Medical Deductible	
FPL	ACA	Catamount
133-150%	$100	$500
150-200%	$500	$500
200-250%	$1,900	$500
250-300%	$1,900	$500

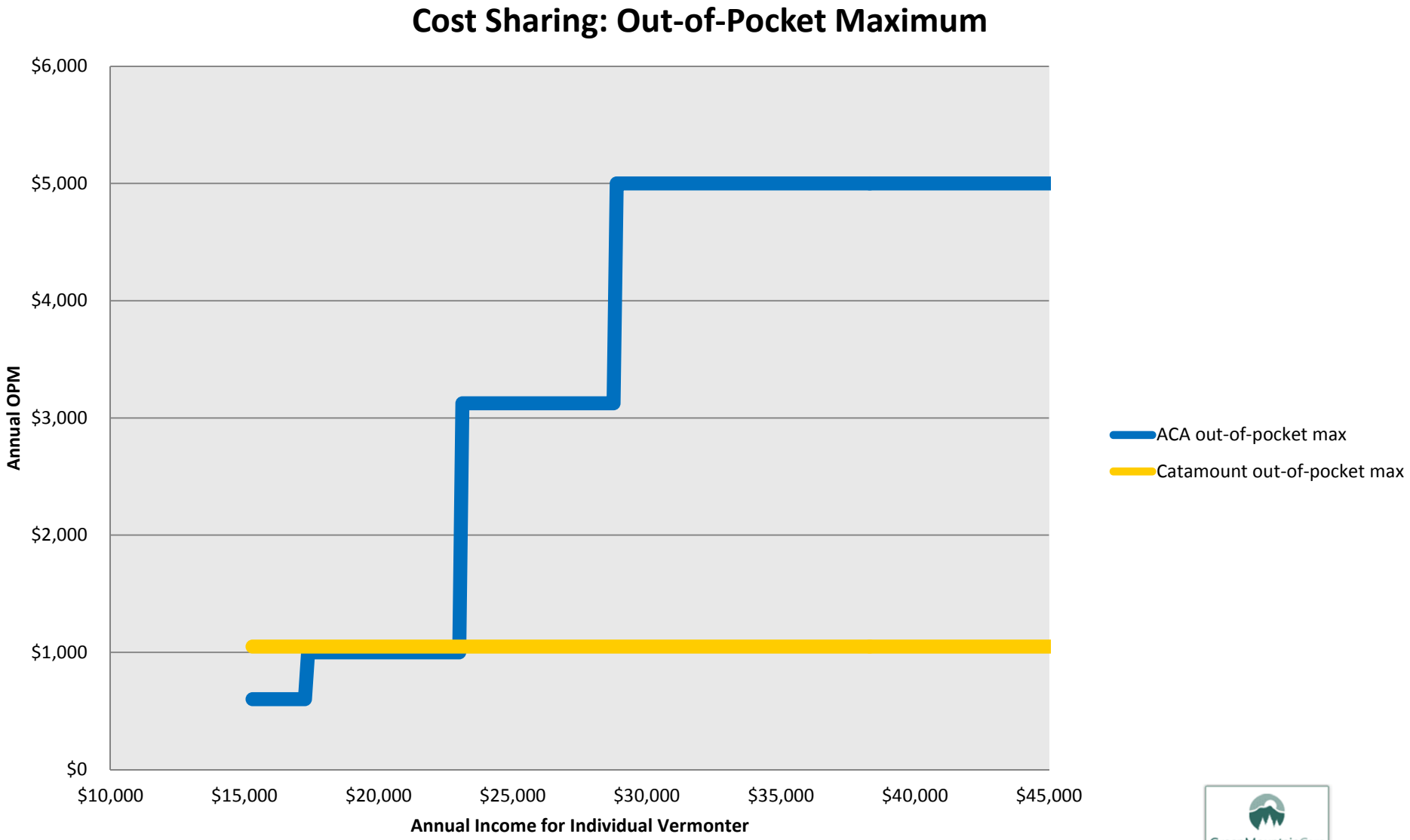
	Medical OPM	
FPL	ACA	Catamount
133-150%	$600	$1,050
150-200%	$1,000	$1,050
200-250%	$3,200	$1,050
250-300%	$5,000	$1,050

Primary care visits and other preventive medical services are covered without cost-sharing

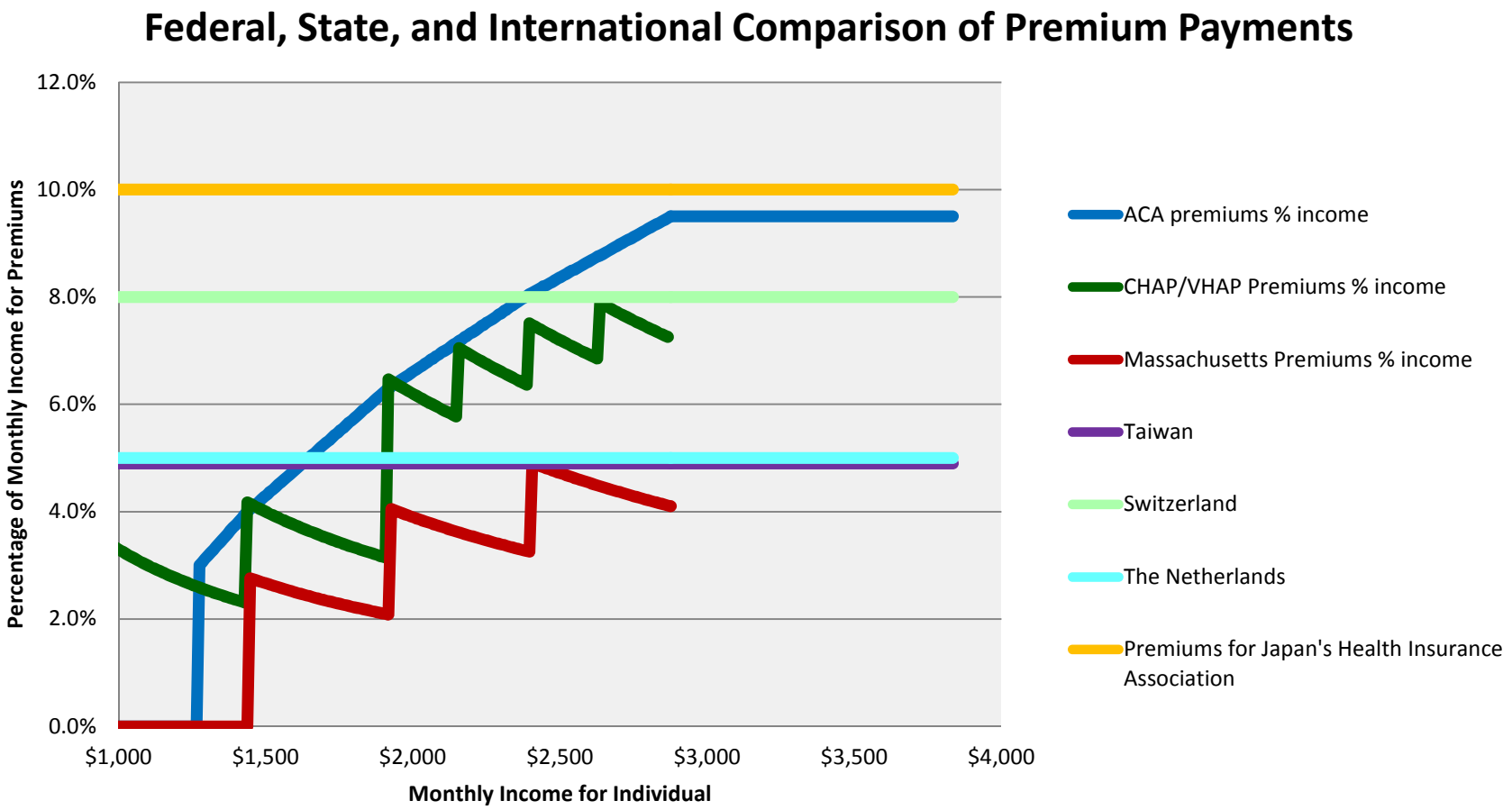
The ACA is less affordable for Vermonters



The ACA is less affordable for Vermonters

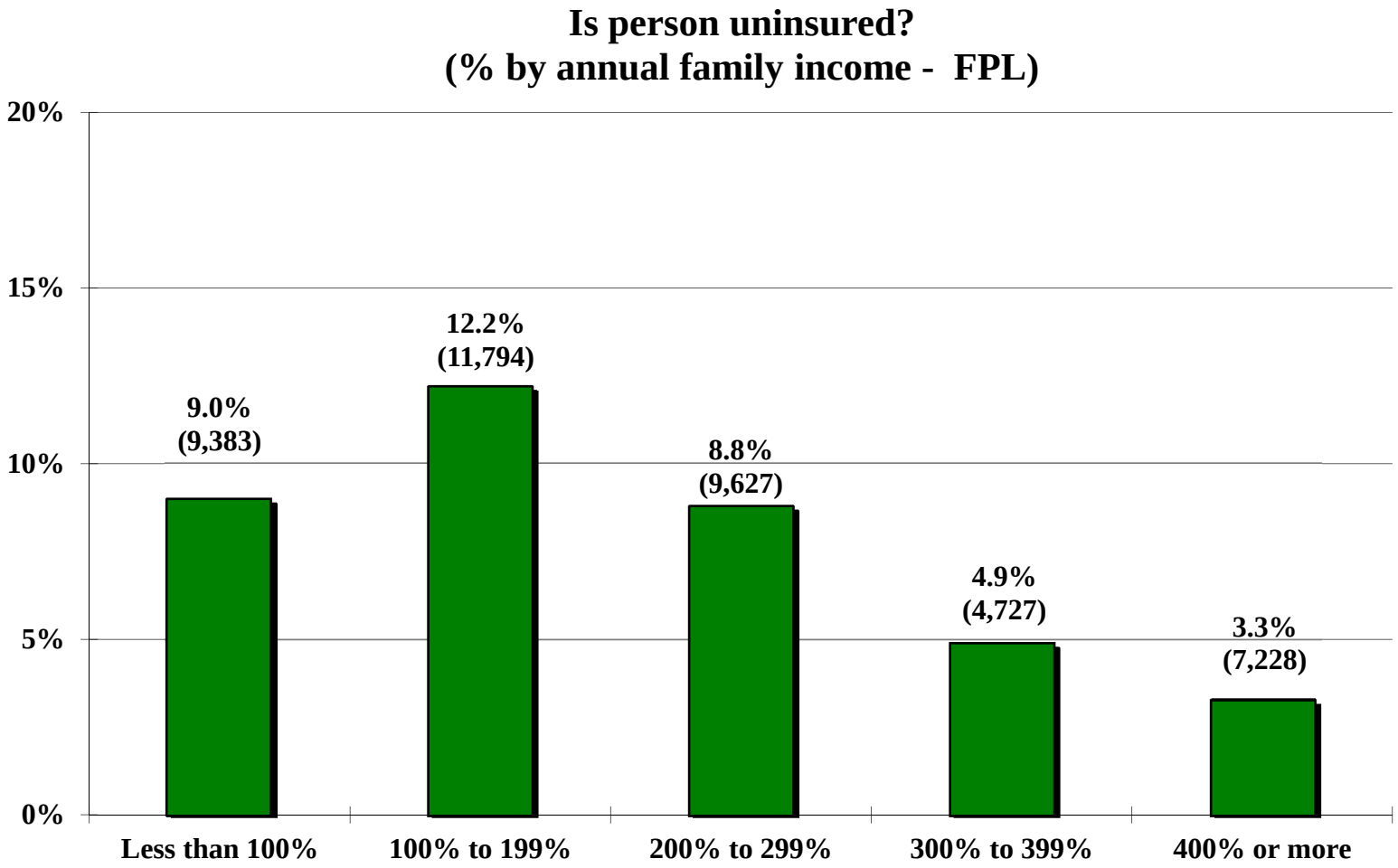


Background on Affordability Standards



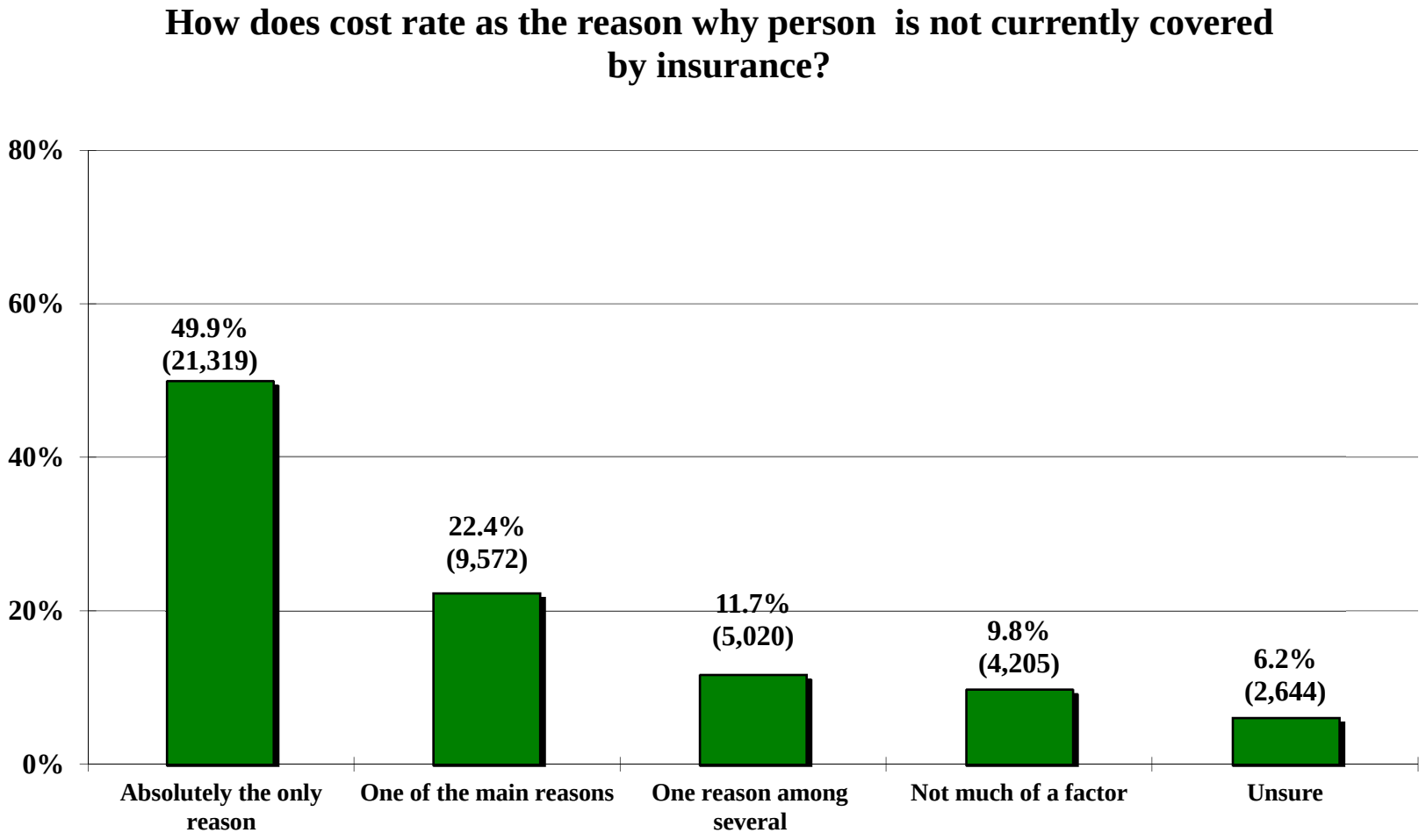
Note: International systems often have local or other forms of affordability assistance

Currently, the percentage of uninsured residents is largest among those whose family incomes are less than 400% of federal poverty level.



Data Source: 2012 Vermont Household Health Insurance Survey

Cost is the main reason uninsured Vermonters lack health insurance coverage.



Data Source: 2012 Vermont Household Health Insurance Survey

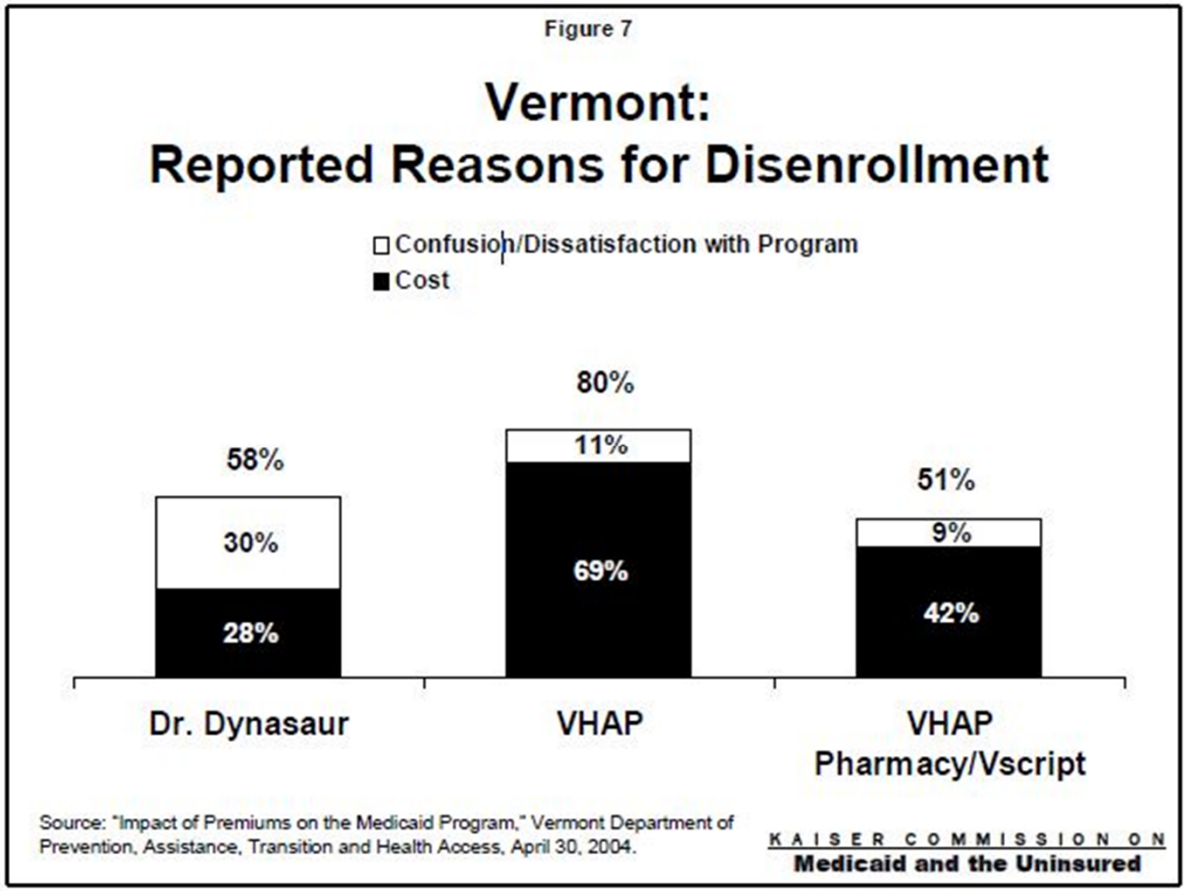
Premiums Impact Enrollment

- Affordability of premiums impact on enrollment in insurance
  - Income sensitive

- Vermont's experience in 2004:
  - VHAP premiums increased - $10 to $50 every six months to $10 to $60 every month
  - 15 percent drop in enrollment
  - cost was cited as the main factor

S. Artiga & M. O'Malley, "Increasing Premiums and Cost Sharing in Medicaid and SCHIP: Recent State Experiences," Kaiser Commission on Medicaid and the Uninsured Issue Paper, May 2005, citing "Impact of Premiums on the Medicaid Program," Vermont Department of Prevention, Assistance, Transition, and Health Access, April 30, 2004.

Premiums Impact Enrollment



Cost-sharing impacts use of services

- To what extent does cost-sharing reduce the use of health care?
  - Clear evidence that it does if high enough
- To what extent is that reduction harmful in terms of personal health?
  - Non-emergency use of ED
  - Avoiding care to manage diabetes
- To what extent do these effects vary by patient characteristics?
  - Clear link to income, health status

Cost-sharing impacts use of services

- Standard plans in VHC have cost-sharing designed to guide behavior
  - Within limitations of federal requirements
  - Emphasis on prevention, primary care, chronic care
    - lower co-payments, no deductibles
  - Higher cost-sharing for more variable types of care

Premium assistance & cost-sharing proposal

- Stay tuned for details tomorrow!

- Builds off of concepts discussed today….