

**Costs related to the planning and implementation of
The Affordable Care Act and Green Mountain Care
Discussion Draft - 1/22/14**

The following data are for the period of 7/1/10 thru 9/30/13.

- During the three years, from 7/1/10 thru 9/30/13, the amount of state dollars spent on Green Mountain Care was \$557,220
- More than \$125 million has been spent on activities related to implementing the Affordable Care Act, the majority of which were federal dollars.
 - More than half of the spending was on Health Information Technology (HIT) related activities.
 - Over \$45 million has been spent on planning and implementation of the exchange.
- The Affordable Care Act has the following key impacts (not captured in data below):
 - Required the creation of exchange, of which Vermont opted for a state-based exchange
 - The ACA produced significant savings in pharmacy benefit costs to the state Medicaid program, by covering certain drugs and benefits previously paid for by the state.
 - The state received a 2.2% increase in the Federal Medical Assistance Percentage (FMAP) for calendar two years (covering 3 state fiscal years), which will provide approximately \$40M in additional federal matching dollars over this period (not listed on other side).
 - However, this will put additional pressure on the Medicaid budget when it goes away in 2016.
 - As a result of the Medicaid expansion under the ACA, the state will receive enhanced FMAP on more than 25,000 childless adults, many of whom were previously covered by Catamount, VHAP, or were uninsured.
- Significant time and resources have been expended in planning and implementing the exchange and other aspects of GMC. There may be other unknown in-direct costs as well.

JFO DRAFT

Expenditures to date related to Implementation of the Affordable Care Act and Green Mountain Care (7/1/10 thru 9/30/13)

Affordable Care Act	Federal Grants	Global Commitment	Special Funds (incl. RWJ)	State Share (incl. GC Match)
Exchange Implementation				
Salaries & Fringe	\$ 5,325,676	\$ -	\$ -	\$ -
Contracts (less Education & Outreach and navigation)	\$ 35,655,544	\$ -	\$ -	\$ -
Education & Outreach	\$ 1,226,299	\$ -	\$ -	\$ -
Navigators	\$ 118,676	\$ 61,424	\$ -	\$ 47,407
Operating	\$ 1,014,146	\$ -	\$ -	\$ -
Indirect Allocations	\$ 1,834,440	\$ -	\$ -	\$ -
Health Services Enterprise Platform (IT)		Included in salaries and contracts		
TOTAL Exchange Implementation	\$ 45,174,781	\$ 61,424	\$ -	\$ 47,407

Pharmacy Benefit Changes				
Reduction in state-only pharmacy costs due to ACA	\$ -	\$ (1,500,000)	\$ -	\$ (653,400)
Impact of Rebate Changes in ACA	\$ -	\$ (3,300,000)	\$ -	\$ (1,437,480)
Extend the 340B discount drug pricing	\$ -	\$ (3,600,000)	\$ -	\$ (1,568,160)
Remove exemption of benzos, barb.	\$ -	\$ (525,000)	\$ -	\$ (228,690)
TOTAL Pharmacy Benefit Changes		\$ (8,925,000)		\$ (3,887,730)

Other ACA related Expenditures				
State Innovation Grant (SIM)	\$ -	\$ -	\$ -	\$ -
Health Information Technology (HIT) and and Health Information Exchange (HIE)	\$ 119,614	\$ -	\$ -	\$ -
	\$ 72,844,243	\$ -	\$ -	\$ 1,268,328
Primary Care Physician Rate Increases	\$ 7,538,052	\$ (1,305,342)	\$ -	\$ (568,607)
Cover children until age 26 under Parents' plans	\$ -	\$ (2,137,723)	\$ -	\$ (931,192)
TOTAL Other	\$ 80,501,909	\$ (3,443,065)	\$ -	\$ (231,471)

TOTAL SPENT TO DATE AS PART OF ACA \$ 125,676,690 \$(12,306,641) \$ - \$ (4,071,794)

Green Mountain Care (GMC)	Federal Grants	Global Commitment	Special Funds (incl. RWJ)	State Share (incl. GC Match)
Salaries & Fringe	\$ -	\$ 295,717	\$ 82,251	\$ 267,555
Operating	\$ -	\$ 19,610	\$ 5,538	\$ 1,828
Contracts	\$ 60,982	\$ 212,664	\$ 59,289	\$ 287,007
Public Forums	\$ -	\$ -	\$ -	\$ 830
TOTAL Green Mountain Care	\$ 60,982	\$ 527,991	\$ 147,078	\$ 557,220