

# The Dr. Dynasaur 2.0 Proposal

A study to examine removing Dr. Dynasaur's income cap and expanding the age limit from 19 to 26 years of age.

## Goals

- Make health care more affordable for Vermonters
- Make health care more affordable for Vermont businesses
- Fairly compensate health care providers for treating Dr Dynasaur enrollees



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More Care for More Vermonters

[drdynasaur2.org](http://drdynasaur2.org)

# Supporters of Studying Dr Dynasaur 2.0

American Academy of Pediatrics, Vermont Chapter  
Vermont League of Cities and Towns  
AARP-VT  
Professional Firefighters of Vermont  
American Federation of Teachers/United Professions of Vermont  
Vermont State Employees Association  
Vermont NEA  
Planned Parenthood  
American Cancer Society  
American Heart Association  
Main Street Alliance  
Voices for Vermont's Children  
Vermont Businesses for Social Responsibility  
Vermont Early Childhood Alliance  
Vermont Interfaith Action  
Vermont Public Interest Research Group



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# Doing Nothing is Not An Option- Vermont Cannot Afford it

According to the Green Mountain Care Board:

- Insurance premiums increase approximately 6% annually.
- Health care expenditures make up approximately 22% of VT's GDP.
- By 2025 the premiums for a family platinum plan in the Exchange will cost over \$41,000.



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# Cost of Health Care in the Exchange Today

Annual Household Income (Gross)

Family Size	Plan Type	2016 Annual Premium	Current annual deductible / out of pocket max
Family of 4 earning \$100,000	Silver	\$16,332	\$4,000 / \$13,700
Family of 4 earning \$75,000	Bronze	\$13,800	\$8,000 / \$13,700
Adult/child earning \$70,000	Silver	\$11,220	\$4,000 / \$13,700
Single 25 yr old earning \$40,000	Silver	\$5,808	\$2,000 / \$6,850
Single 25 yr old earning \$40,000	Bronze	\$4,908	\$4,000 / \$6,850



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# What is Dr. Dynasaur?

- Dr. Dynasaur provides medically necessary care for all Vermonters from birth through age 18 if currently living in a household under 300%FPL.
- Pregnant women under 200%FPL.

Annual Household Income (Gross)

Family Size	200% FPL	300% FPL
2	\$32,000	\$47,800
3	\$40,200	\$60,200
4	\$48,500	\$72,750

# History of Dr. Dynasaur

- 1989: Dr. Dynasaur was created for children through age 6 up to 225% FPL
- 1992: Dr. Dynasaur was incorporated into the Medicaid program which expanded coverage through age 18. Dr. Dynasaur was made available as supplemental insurance for insured children who did not have comprehensive coverage.
- 1998: Congress created the State Child Health Insurance Program which expanded Dr. Dynasaur to children with incomes up to 300%FPL.

Annual Household Income (Gross)

Family Size	225% FPL	300% FPL
2	\$35,800	\$47,800
3	\$45,200	\$60,200
4	\$54,500	\$72,750

# What Does Dr. Dynasaur Cover?

- Dr Dynasaur's benefits are based on the federal Medicaid program's EPSDT (Early Periodic Screening Diagnostic Treatment) guidelines which in general ensures the provision of, and payment for, any treatment that is considered "medically necessary". This includes:
  - Primary care
  - Hospitalization
  - Mental health and substance abuse treatment
  - Prescription drugs
  - Vision (including eyeglasses)
  - Hearing problems, (including hearing aids)
  - Regular preventive dental care and treatment to restore teeth and maintain dental health.



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# Vermont's Underinsured Population

The 2014 Vermont Household Uninsured Survey found that 27% of privately insured Vermonters are underinsured including 63% of those aged 18-24, the highest of any age bracket.

And the poorest Vermonters are by far more likely to be underinsured:

- 90% of privately insured Vermonters <100%FPL are underinsured
- 69% of privately insured Vermonters 100-199%FPL are underinsured
- Only 10% of privately insured Vermonters earning >400%FPL are underinsured

Annual Household Income (Gross)

Family Size	< 100% FPL	200% FPL	300% FPL
2	< \$16,000	\$16,000 - \$32,000	\$63,700
3	< \$20,000	\$20,000 - \$40,200	\$80,300
4	< \$24,000	\$24,000 - \$48,500	\$97,000



# What Happens When You Are Underinsured?

According to a literature review by the Dartmouth Institute:

- A 10% rise in co-pays caused hospitalizations to go up, especially for the sickest
- Higher coinsurance doesn't affect health outcomes for healthy beneficiaries. Low-income groups at-risk of illness had adverse effects.
- High deductibles caused a reduction in utilization overall, even for free preventive care and emergency room for severe emergencies



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# Potential Benefits of Dr. Dynasaur 2.0

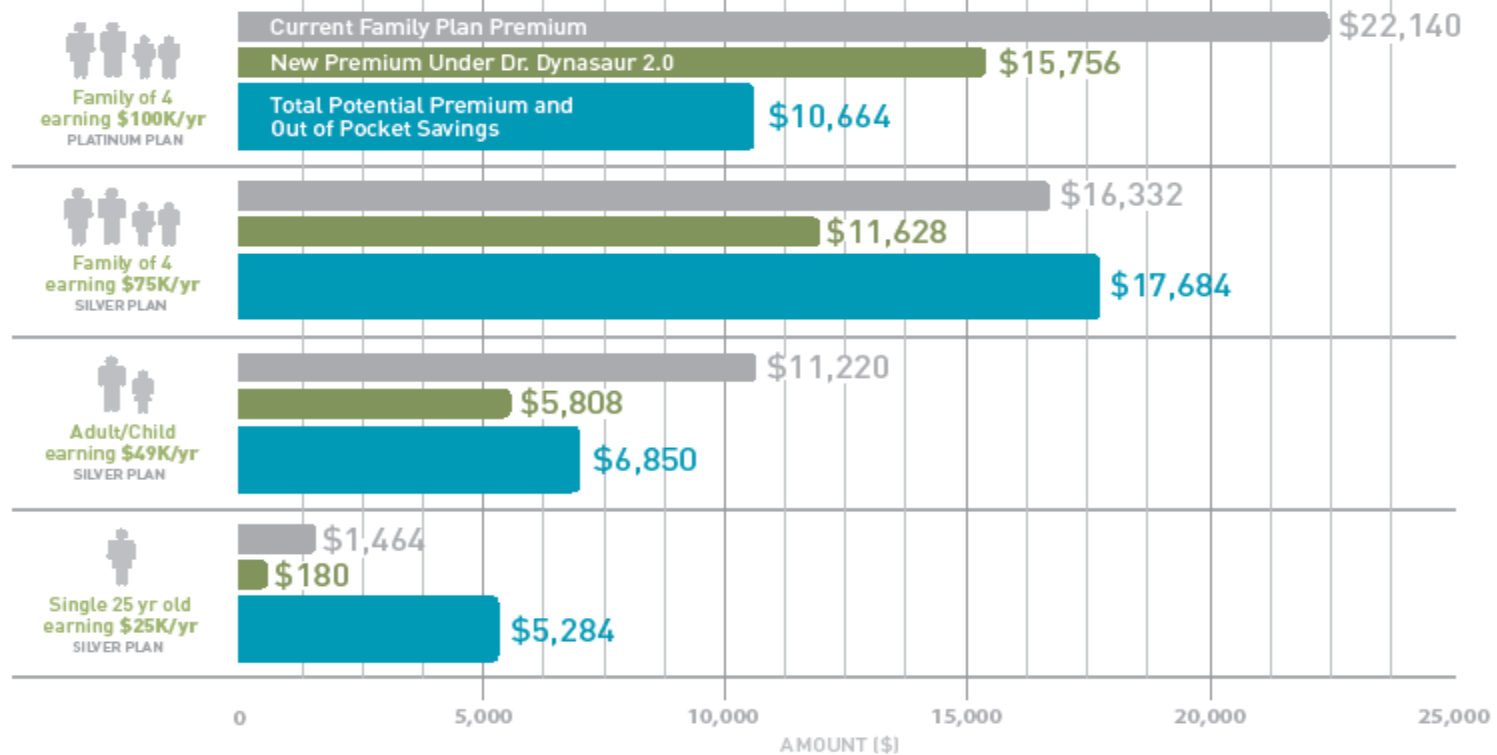
- No out of pocket cost coverage for dental care, primary care, mental health treatment and prescription drugs to approximately 120,000 more Vermonters
- Relief for employers who pay the high cost of family plans now that everyone age 26 and under will be covered by Dr. Dynasaur
- Employers offering low cost insurance to their employees may be able to reduce or avoid the ACA's excise tax
- Decreasing the number of underinsured Vermonters by moving them from high out of pocket cost private insurance plans into Dr. Dynasaur
- Decreasing the uninsured rate for the "young and invincibles" aged 19-26
- Increased Dr. Dynasaur's reimbursement rates will pay providers fairly
- Making life more affordable for young people starting their lives in Vermont



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# Potential Savings for Families in Vermont Under Dr. Dynasaur 2.0



# 19-26 year old on Private Insurance

FPL	# on Private Insurance (non VHC)
< 139%	20,048
139-200%	3,272
201-300%	4,752
301-350%	4,286
>400%	8,610

➤ plus 4,567 uninsured



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# Potential Tax Relief From Dr Dynasaur 2.0

- State savings from reduced exposure to Excise Tax for VEHI, VSC, state and municipal employees in 2025 up to \$24m/\$36m
- Decreased state spending on Exchange subsidy programs Vermont Premium Assistance and Cost Sharing Reduction. Current annual state expenditure is \$6.7m
- Decreased state spending for state employees coverage
- \$31m/yr in property tax relief from decreased cost of school and municipal employees coverage.
- The Green Mountain Care study estimated that in 2021 Vermont businesses would pay \$38 million due to the ACA's Excise Tax



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# Addressing the Medicaid Cost Shift

- We believe it is impossible to expand eligibility for Dr Dynasaur without addressing the cost shift.
- Based on conversations with health care providers and others, we believe raising the Medicaid reimbursement rate to 130% of Medicare is necessary.
- This would also give a “raise” for the rates for the existing 59,000 children on Dr Dynasaur



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# Federal Participation in Dr Dynasaur 2.0

- State of Vermont would need to pursue an 1115 Waiver to receive the FMAP match for the 35,453 people who are 0-300%FPL and ages 19-26.
- This is roughly the size of the population Vermont received a waiver for to implement Catamount Health
- This would bring in \$193m federal dollars



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# Timeline for Dr Dynasaur 2.0

May 2016

- Legislature passes budget bill with funding for a detailed actuarial and economic study.

July 2016

- Funding for the study becomes available .

August 2016

- Consultants are hired and begin work.

January 2017

- Report is presented to Vermont Legislature at beginning of 2017/18 Biennium



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