

# Medicaid & Global Commitment



*Nolan Langweil, Joint Fiscal Office  
&  
Ashley Berliner, Vermont Agency of Human Services*

January 13, 2015

# Outline of Presentation

- **Medicaid Basics**
- **Medicaid in Vermont**
- **Medicaid Waivers**
  - **Global Commitment**
  - **Choices for Care**

# What is Medicaid?

- **Medicaid is the main public health insurance program for low-income people.**
  - **Most Medicaid beneficiaries lack access to private insurance.**
  - **Many Medicaid beneficiaries have extensive needs for care.**
  - **Medicaid is the dominant source of long-term care coverage.**
- **Medicaid is financed through a federal-state partnership.**
- **Each state designs and operates its own program within broad federal guidelines.**
  - **This structure enables program evolution and innovation.**

# Medicaid Background

- **Created in 1965 as Title XIX of the Social Security Act**
- **Partnership between states and federal government**
- **Original focus**
  - **Low-income families**
  - **People with disabilities**
  - **Other individuals added**

# Medicaid vs. Medicare

## Medicaid

- State-federal program
- Low-income
- Pregnant women
- Children under 19
- Blind or disabled
- Nursing home care

## Medicare

- Federal program
- All incomes
- 65 or older
- Of any age and have End Stage Renal Disease
- Under 65 with certain disabilities

# Usage

## NATIONWIDE

**68,529,576:** Individuals enrolled nationwide in Medicaid and CHIP in October 2014.

- With approximately 318,000,000 people living in the United States, approximately 21% of Americans receives Medicaid.

## VERMONT

**184,867:** Vermonters enrolled in Medicaid and CHIP in October 2014.

- With approximately 625,000 people living in Vermont, approximately 30% of Vermonters receive Medicaid.

# Covered Medicaid Populations

## Covered Populations

Aged, Blind, Disabled

Working Disabled at or below 250% FPL

Parents or Caretaker Relatives under 138% FPL

Pregnant Women at or below 213% FPL

Children under 19 at or below 317% FPL. Including additional benefits.

Adults under 138% FPL

## Limited Benefit Groups

### Vpharm:

Covers Part D cost sharing and excluded classes of meds, diabetic supplies and eye exams for Medicare Part D beneficiaries.

### Healthy Vermonters:

Discount on Medications for anyone who has exhausted or has no prescription coverage.

# Covered Medicaid Services

Inpatient hospital services	Transportation to medical care	Private duty nursing services
Outpatient hospital services	Tobacco cessation counseling	Eyeglasses
Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) services	Prescription Drugs	Chiropractic Services
Home health services	Clinic Services	Personal Care
Physician services	Physical Therapy	Hospice
Rural health clinic services	Occupational Therapy	Case Management
Federally qualified health center services	Speech, hearing and language disorder services	Services for Individuals Age 65 or Older in an Institution for Mental Disease (IMD)
Medical and surgical services performed by a dentist	Respiratory care services	Home and Community Based Services
Laboratory and X-ray services	Other diagnostic, screening, preventive and rehabilitative services	Self-Directed Personal Assistance Services
Family planning services	Podiatry services	Other Practitioner Services
Nurse Midwife services	Optometry Services	TB Related Services
Certified Pediatric and Family Nurse Practitioner services	Dental Services	Inpatient psychiatric services for individuals under age 21
Freestanding Birth Center services (when licensed or otherwise recognized by the state)	Prosthetics	Health Homes for Enrollees with Chronic Conditions



# Other programs

- **Medicaid also funds:**
  - **Mental Health Programs,**
  - **Long Term Care**
  - **Some school based programs**
  - **Etc.**



Green Mountain Care is the “umbrella” name of all the State-sponsored health programs in Vermont.

[www.greenmountaincare.org](http://www.greenmountaincare.org)

 *Not to be confused with Green Mountain Care as laid out in Act 48.*

# Medicaid Basics: Mandatory, Optional, & Expansion

For both eligibility (who's covered) and benefits (what's covered), certain categories are:

- Mandatory – must be covered by the state,
- Optional – each state may choose to cover or not

**Expansion** – federal matching funds would not be available in the absence of a Waiver

# Medicaid Financing

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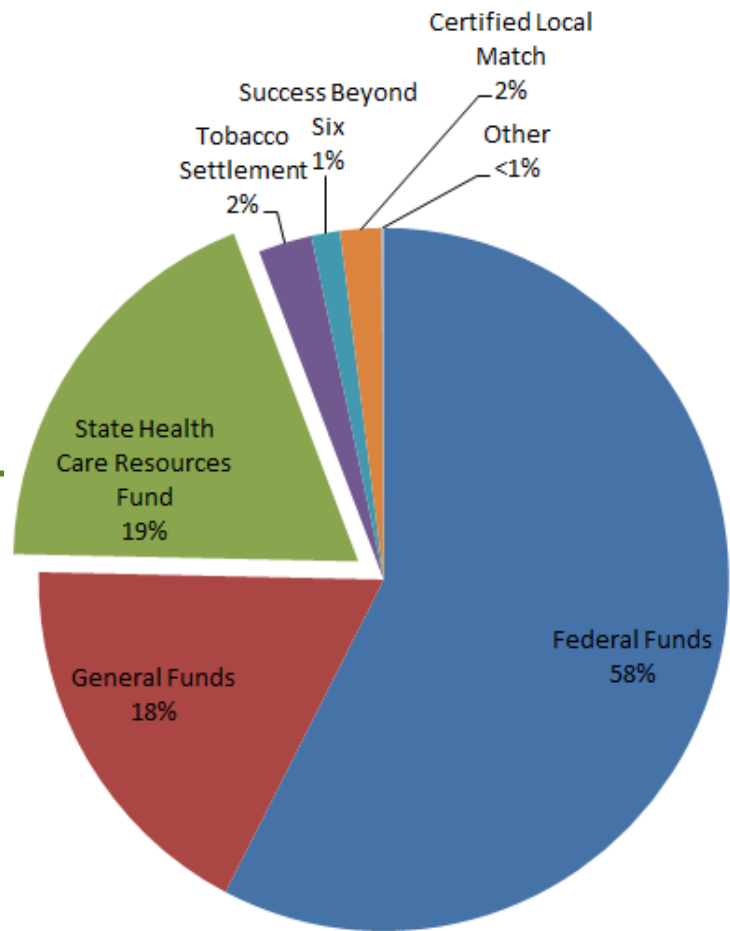
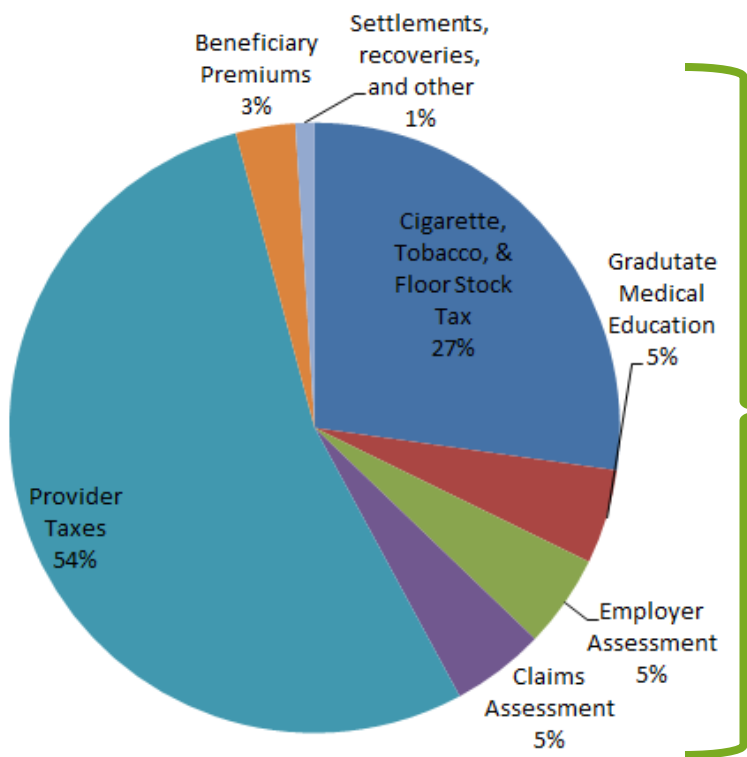
- **SFY 2014:** Medicaid spending was \$1.43 billion.
  - Of this, approx. \$608 million were state funds.
- Funding comes from a combination of general funds, cigarette and tobacco taxes, provider taxes, and other sources.

# Medicaid Financing

**SFY'14 = \$1.4 billion**

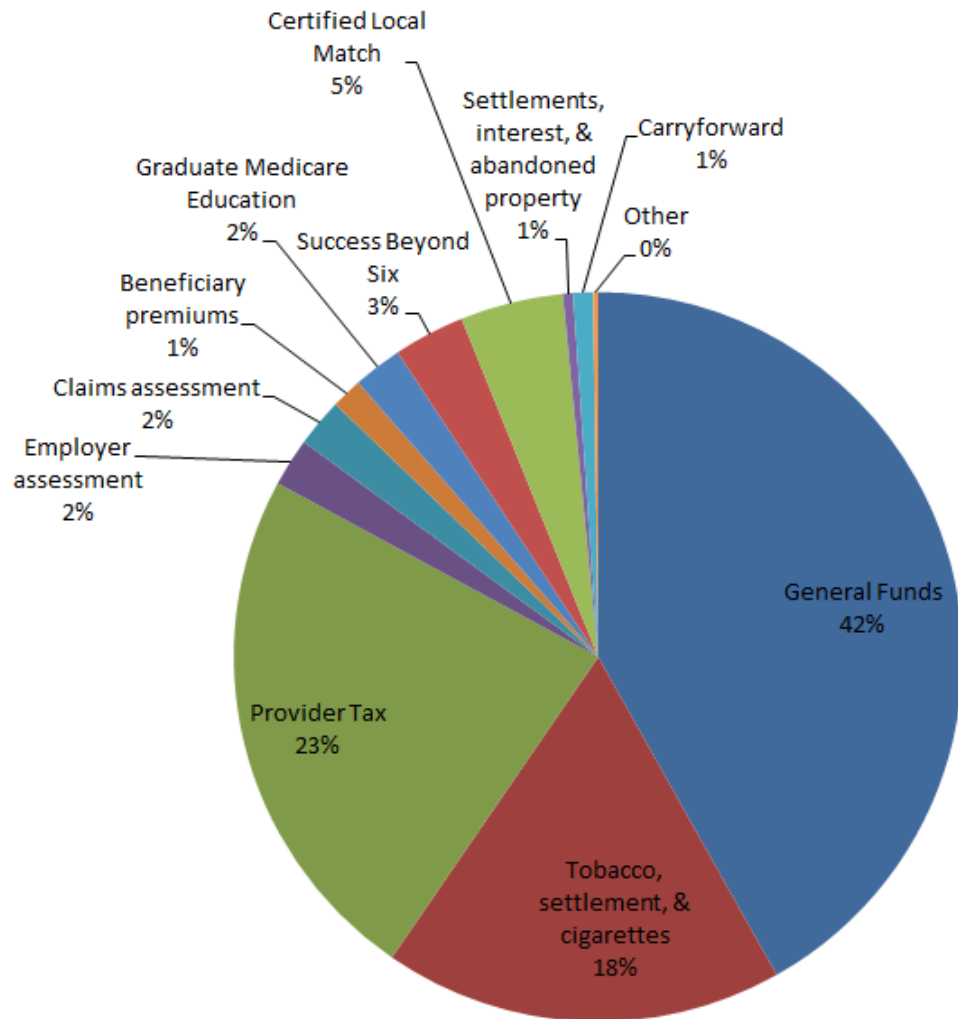
## Total Medicaid Funding Sources

### State Health Care Resources Fund



# Medicaid Financing

## *State funds only*



- State health care resources funds make up 44% of the state dollars used to fund Medicaid
  - More than half of which are provider taxes
- General funds account for 42%
- Cigarette & tobacco related revenues account for 18%

# 1115 Waivers

- Federal government can “waive” many, but not all, of the laws governing Medicaid, including eligible people and services.
- Section 1115 waiver authority is intended to encourage state innovation in the Medicaid program.
- Often, states identify ways to save Medicaid funds and are permitted to use the savings to expand coverage
- The federal government approves Section 1115 Demonstrations for five-year terms, but Demonstrations can be extended.
- Section 1115 waivers must be budget neutral

# Vermont's two Medicaid Waivers

## Global Commitment

- Designed to provide the state with the financial and programmatic flexibility to help Vermont maintain it's broad public health coverage and provide more effective services
- Applies managed care concept

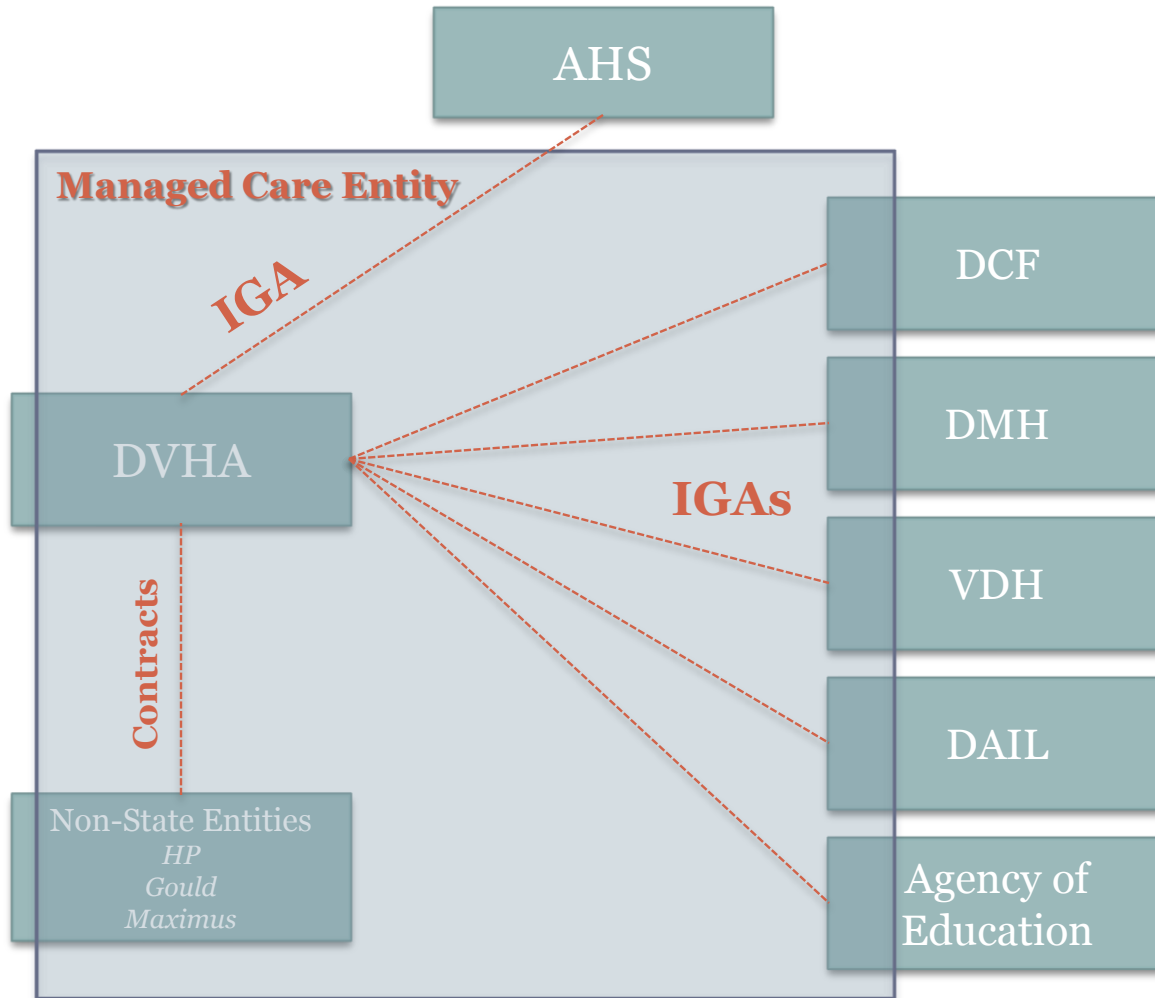
## Choices for Care

- Long term care
- Was designed to increase access to home and community based services while reducing the use of institutional services and controlling overall costs

*NOTE: Vermont is in the process of trying to combine these 2 waivers into 1.*



# Structure



# Global Commitment

## Key Concepts

- Global Commitment began October 2005
  - Latest renewal - Oct. 2013 thru Dec. 31, 2016
- OVHA (now DVHA) became a public Managed Care Entity
  - Must comply with federal regulations for MCOs
- AHS pays DVHA a fixed premium (PMPM)
  - Paid monthly. Trued up quarterly to actual expenditures
- Premium includes ALL Medicaid spending
  - except Long Term Care waiver, some administrative costs, DSH, CHIP

# Global Commitment

## Key Concepts

- According to the “Terms and Conditions” of the waiver, any premium revenue that remains after making payments for the existing Medicaid program can be used for a variety of health-related purposes.
- These funds have been referred to as “savings”.

# Global Commitment

## Key Concepts

### SAVINGS MAY BE USED TO:

- Reduce the rate of uninsured and/or underinsured
- Increase access of quality health care to the uninsured, underinsured, and Medicaid beneficiaries
- Fund public health and other innovative programs that improve health outcomes, health status and quality of life for uninsured, underinsured, and Medicaid-eligible individuals
- Support public-private partnerships in health care, including initiatives to support and improve the health care delivery system.
- *The programs these savings are put towards are referred to as “MCO Investments”.*

# Global Commitment

## Key Concepts

Examples of MCO Investments include:

- School health services
- Blueprint for Health
- VITL
- Tobacco Cessation
- Women, Infant, & Children (WIC)
- Mental Health Services
- HIV Drug Coverage
- Etc.

*Note: MCO Investments – SFY'13 = \$124 million*

# Choices for Care Waiver

- 1115 Long-Term Care Demonstration Waiver (Medicaid)
  - Renewed 2010
- Administered by DAIL
- Care and support for older Vermonters and younger adults with physical disabilities.
- Assists people with everyday activities at home, in an enhanced residential care setting, or in a nursing facility
- Provide Services and supports to over 4,000 Vermonters

# Choices for Care Waiver

## Two levels of service

### Highest and high needs

- For people with need for nursing home level of care

### Moderate needs

- For people who have lesser needs and receive homemaking and/or adult day services and case management

**Questions?**