Medicaid
&
Global Commitment

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Medicaid Background

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

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 a major 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
  - Families with low-income
  - People with disabilities
  - Other individuals added

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

www.greenmountaincare.org

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

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.

Vermont Premium Assistance (VPA) up to 300% FPL

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**

Expansions

- **Expansion through 1115 waiver - *Vermont has utilized waivers to expand coverage of kids and adults. For many programs federal matching funds would not be available in the absence of a waiver.***
- ***ACA Expansion - Under the ACA (Obamacare) enhanced federal matching is the incentive for states to expand coverage of adults***

Covered Medicaid Services

Inpatient hospital services	Transportation to medical care	Private duty nursing services
Outpatient hospital services	Tobacco cessation counseling for pregnant women (for all Medicaid)	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

Mandatory Optional

Medicaid Trends

Medicaid Usage

NATIONWIDE

71.5 million individuals enrolled nationwide in Medicaid and CHIP (as of Sept. 2015, Kaiser Family Foundation).

- 22% of Americans.

VERMONT

207,000 Vermonters enrolled in a Medicaid or CHIP as primary or secondary source of coverage in **2015**.

- Medicaid was the primary source of coverage for **155,000** Vermonters.

Average Yearly Enrollment by Eligibility Type, Vermont Medicaid, FY 2012 to FY 2015 and FY16 Projected

PROGRAM ENROLLMENT	FY '12	FY '13	FY '14	FY '15	Proj. FY'16
MEDICAID IS PRIMARY PAYER					
Aged, Blind, or Disabled (ABD)/Medically Needy (Adults & Children)	17,689	18,080	19,011	19,420	20,011
General Adults	11,235	11,454	12,840	17,412	18,772
VHAP*	36,991	37,669	36,617		
New Adult**			44,197	53,124	58,292
Children (General & CHIP)	59,183	59,399	59,735	65,219	67,111
TOTAL - MEDICAID IS PRIMARY PAYER	**125,098**	**126,602**	**135,783**	**155,175**	**164,185**
MEDICAID IS SECONDARY/SUPPLEMENTAL PAYER					
Adults					
Dual Eligibles & Choices for Care	20,525	21,055	21,411	22,197	24,744
Underinsured Children (w/ ESI)	1,068	955	1,196	927	865
Catamount*	10,713	11,296	13,326		
Employer Sponsored Insurance Assistance (ESIA) Programs*	1,551	1,536	1,408		
VPA Premium Assistance***			14,013	16,906	17,244
CSR Cost-sharing subsidies***			*4,452*	*5,322*	*5,481*
Pharmacy Only Programs	12,655	12,659	12,663	12,005	11,761
TOTAL - MEDICAID IS SECONDARY/SUPPLEMENTAL PAYER	**46,512**	**47,501**	**49,283**	**52,035**	**54,614**
TOTAL - ALL	**171,610**	**174,103**	**185,066**	**207,210**	**218,799**

Notes:

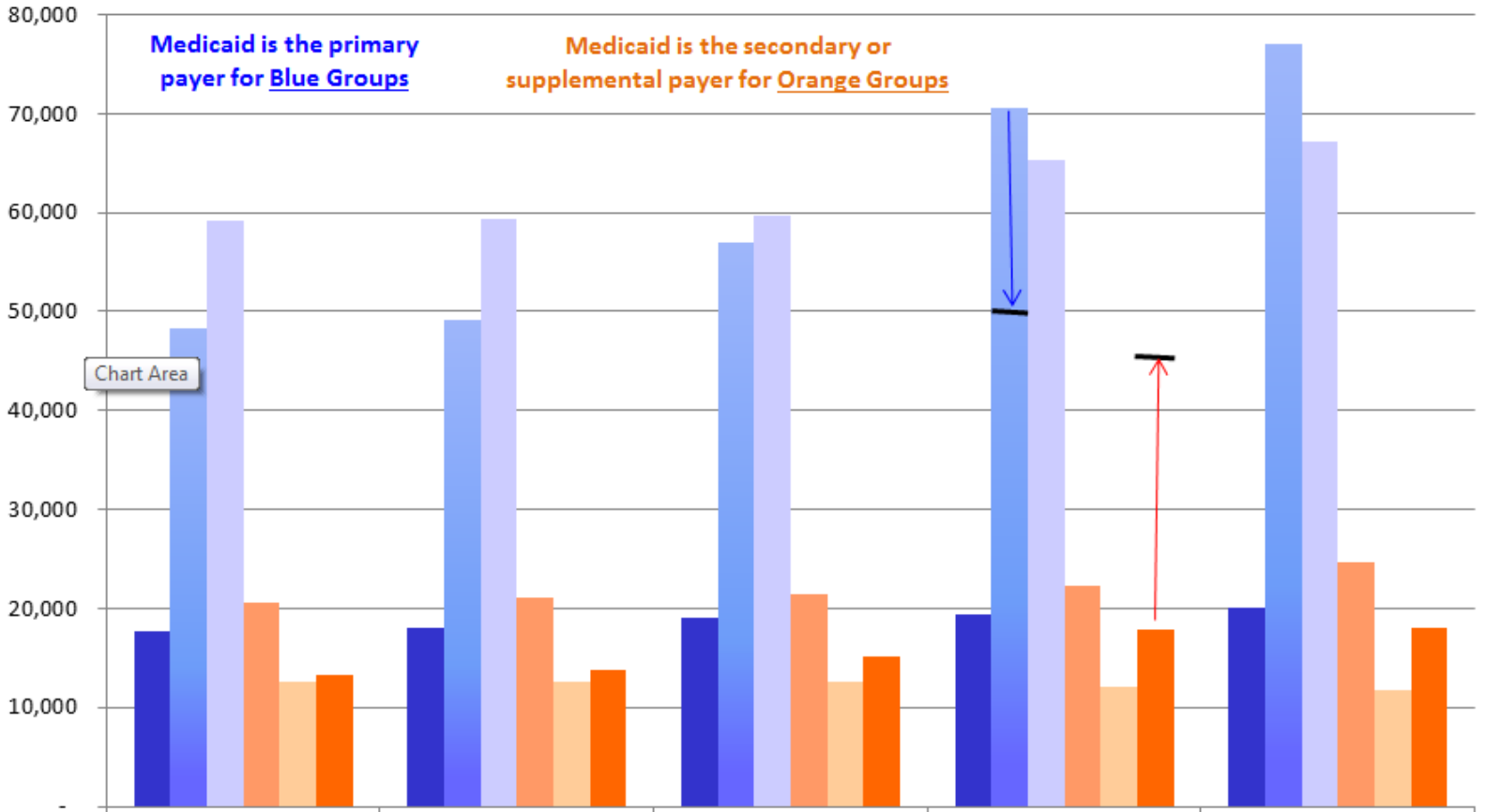
* VHAP, VHAP ESI, Catamount, and ESIA ended during SFY'14, the FY14 subtotals & totals have been adjusted so as not to double count caseload.

** 'New Adult' eligibility type began in Jan'14 (Medicaid expnasion under the ACA)

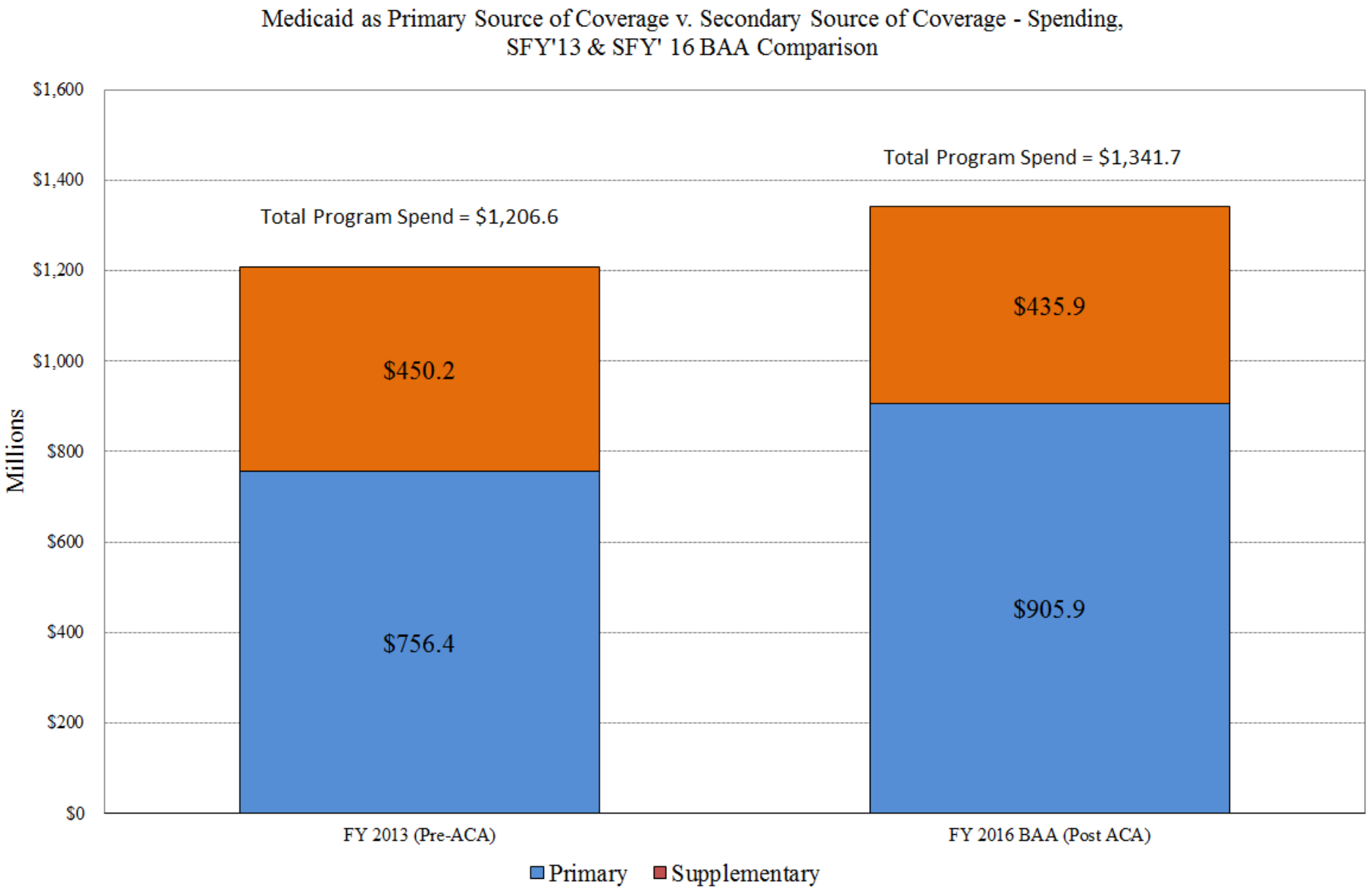
*** Vermont premium assistance (VPA) & cost-sharing subsidies for eligible beneficiaries who purchase QHP through the exchange began January SFY'14. Totals do not double count the caseolad for the CSR subset of VPA

Average Caseload

Adults & Children Combined

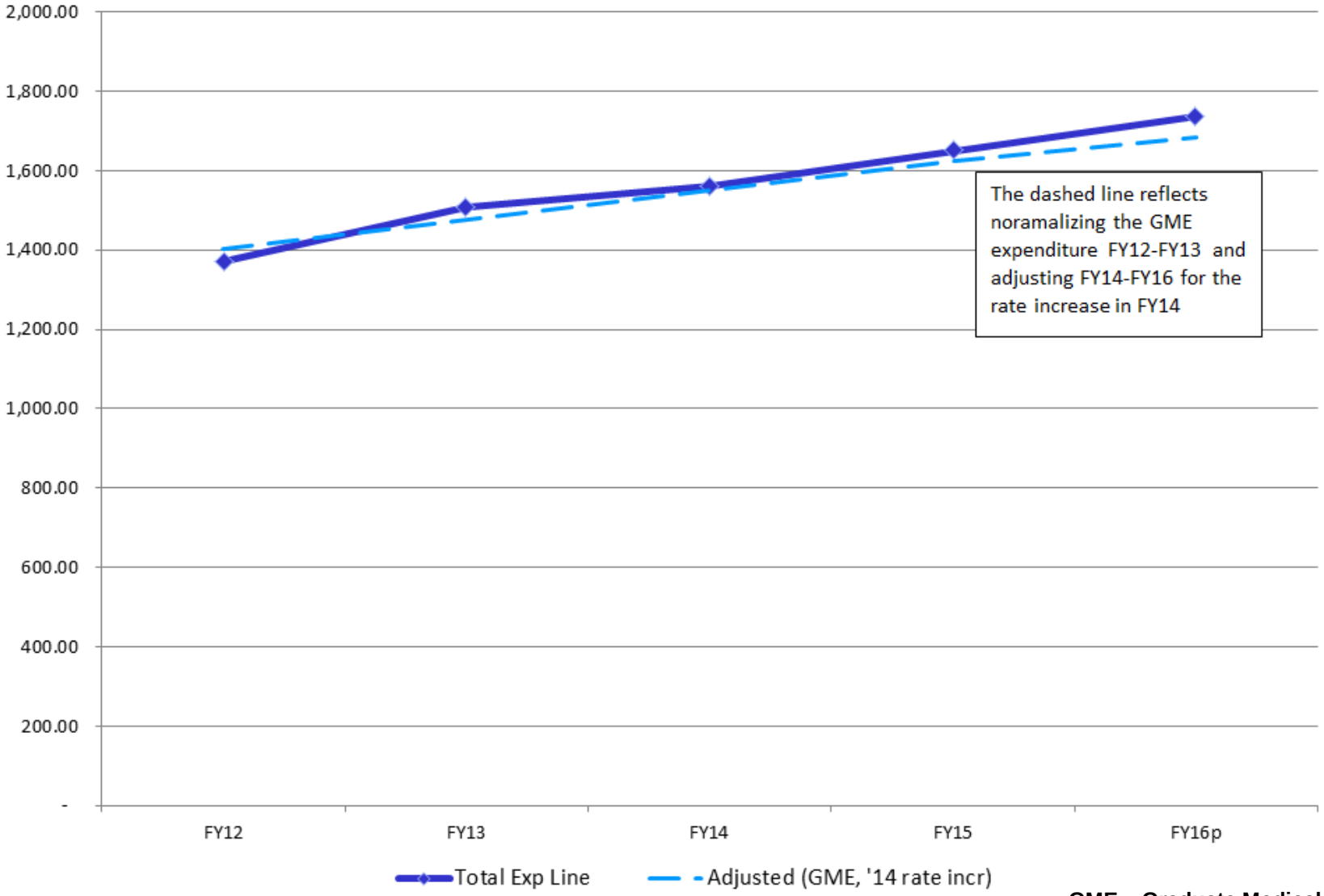


	FY12	FY13	FY14	FY15	FY16p
ABD/Med Need	17,689	18,080	19,011	19,420	20,011
Adults (Gen'l & New)	48,226	49,123	57,037	70,536	77,064
Kids	59,183	59,399	59,735	65,219	67,111
Duals & CFC	20,525	21,055	21,411	22,197	24,744
Rx Only	12,655	12,659	12,663	12,005	11,761
VPA(cat), UnderIns	13,332	13,787	15,209	17,833	18,109

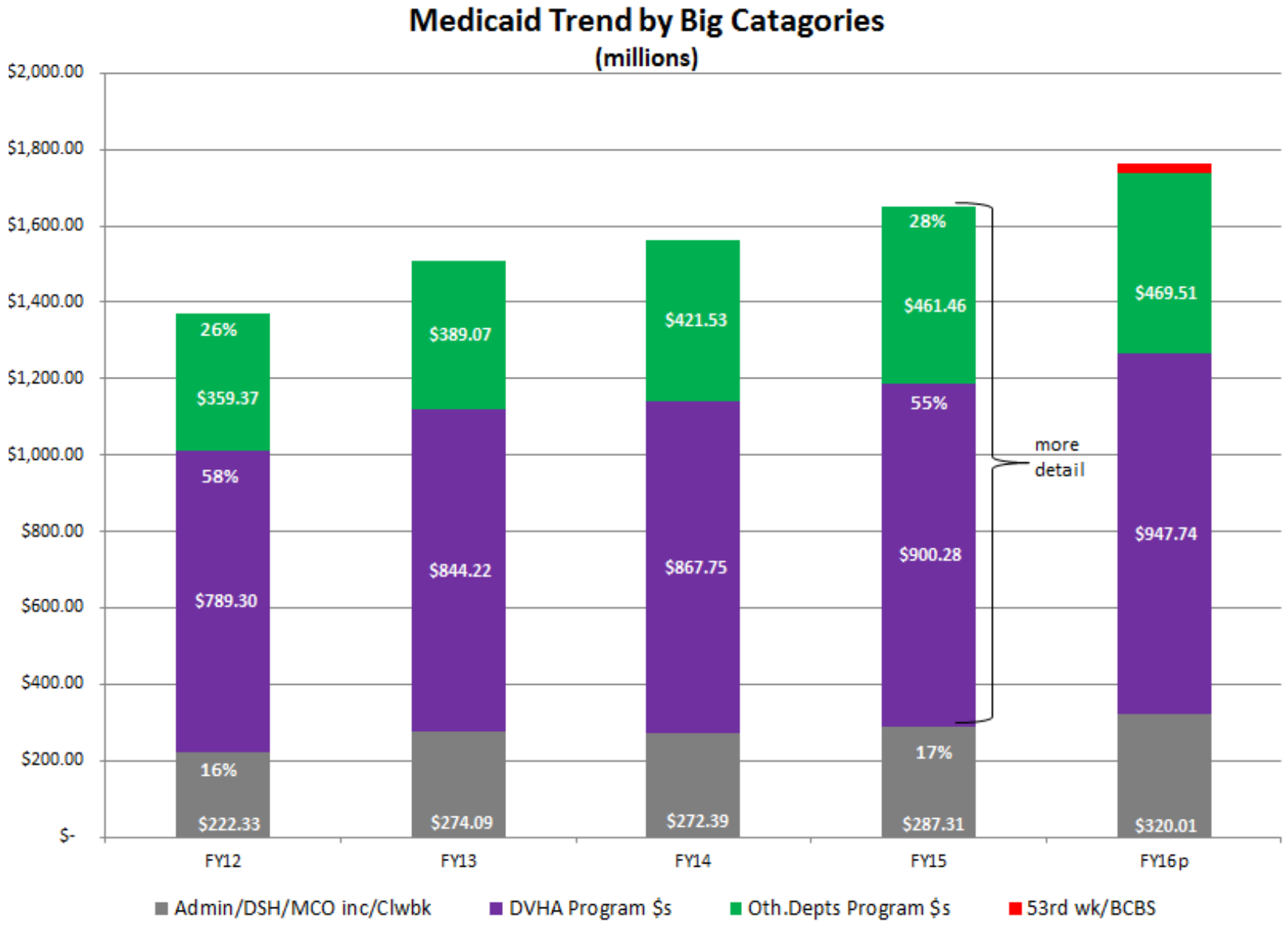

Medicaid as Primary Source of Coverage v. Secondary Source of Coverage - Spending,
SFY'13 & SFY' 16 BAA Comparison
$1,600
$1,400
$1,200
$1,000
$800
$600
$400
$200
$0
Millions
Total Program Spend = $1,206.6
$450.2
$756.4
Total Program Spend = $1,341.7
$435.9
$905.9
FY 2013 (Pre-ACA)
FY 2016 BAA (Post ACA)
Primary
Supplementary

Vermont Total (state & federal $s) Medicaid Spending

does not include 53rd week in FY16



GME = Graduate Medical Education


Medicaid Trend by Big Catagories
(millions)
$2,000.00
$1,800.00
$1,600.00
$1,400.00
$1,200.00
$1,000.00
$800.00
$600.00
$400.00
$200.00
$-
26%
$359.37
58%
$789.30
16%
$222.33
$389.07
$844.22
$274.09
$421.53
$867.75
$272.39
28%
$461.46
55%
$900.28
17%
$287.31
more
detail
$469.51
$947.74
$320.01
FY12
FY13
FY14
FY15
FY16p
Admin/DSH/MCO inc/Clwbk
DVHA Program $s
Oth.Depts Program $s
53rd wk/BCBS

DVHA vs. Other Depts

(Millions)

DVHA Program $s

FY15 Expenditure Detail

Inpatient	142.9	15.9%
Outpatient	128.8	14.3%
Physicians	117.0	13.0%
Rx	185.6	20.6%
Rx Rebate	-93.4	-10.4%
Nursing Home	122.2	13.6%
HCBS/HH/PCS etc	102.3	11.4%
Dental	27.1	3.0%
Psychologist	24.6	2.7%
FQHC/RHC	31.4	3.5%
Net All Other	111.8	12.4%
	900.3	100%

Payment Models

Fee for Service
DRG

Initiatives - mgt, perf, budget

Blueprint
Chronic Care Coordination
State Innovation Model

TBD All Payer Model

Oth. Depts Program $s

FY15 Breakdown by Dept.

VDH	26.6	5.8%
DMH	164.5	35.6%
DCF	50.7	11.0%
DDAIL	177.3	38.4%
AOE	42.4	9.2%
	461.5	100%

Payment Models

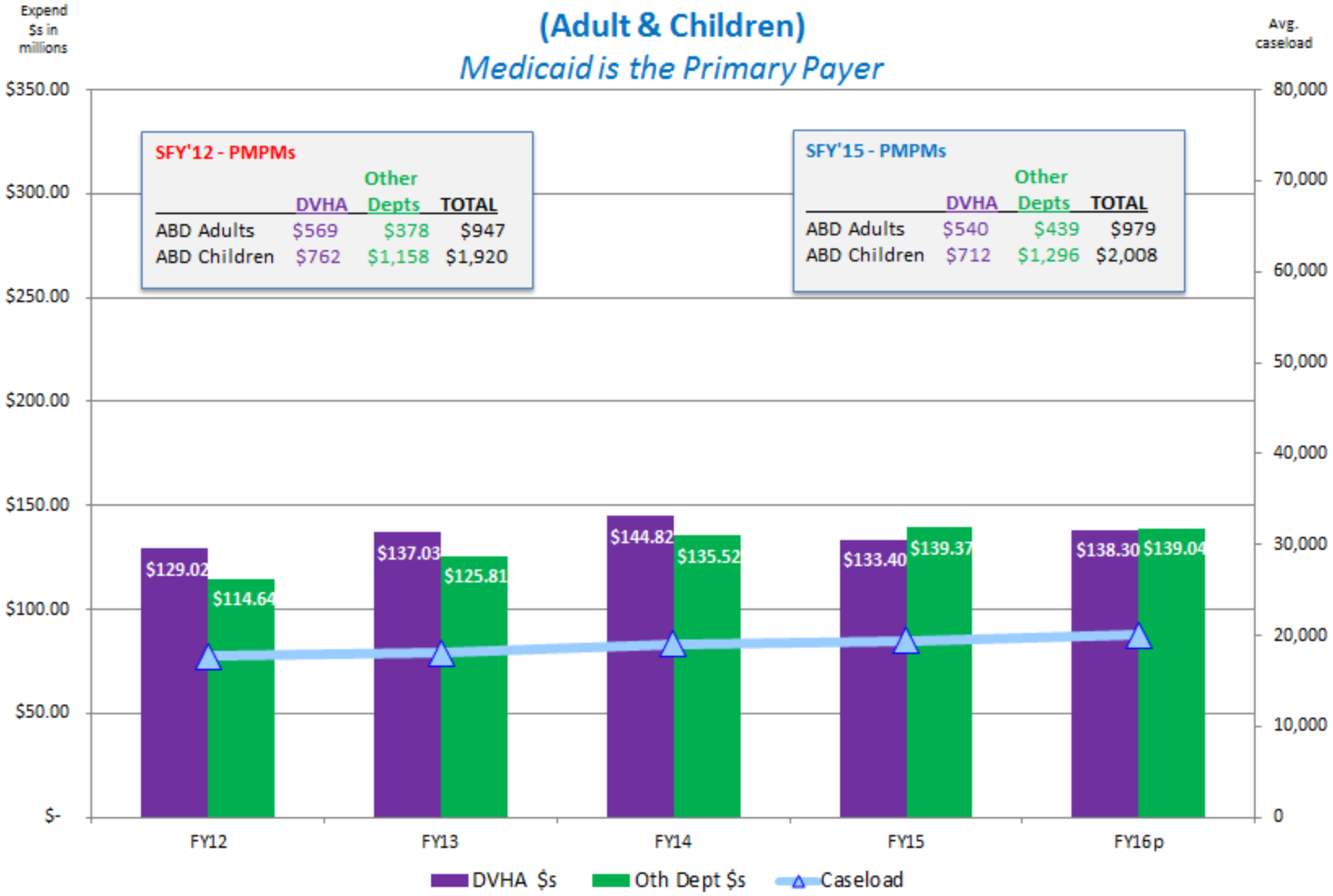
Master Grants
Bundled Rates

Initiatives - mgt, perf, budget

Revised Master Grant
RBA - Results First

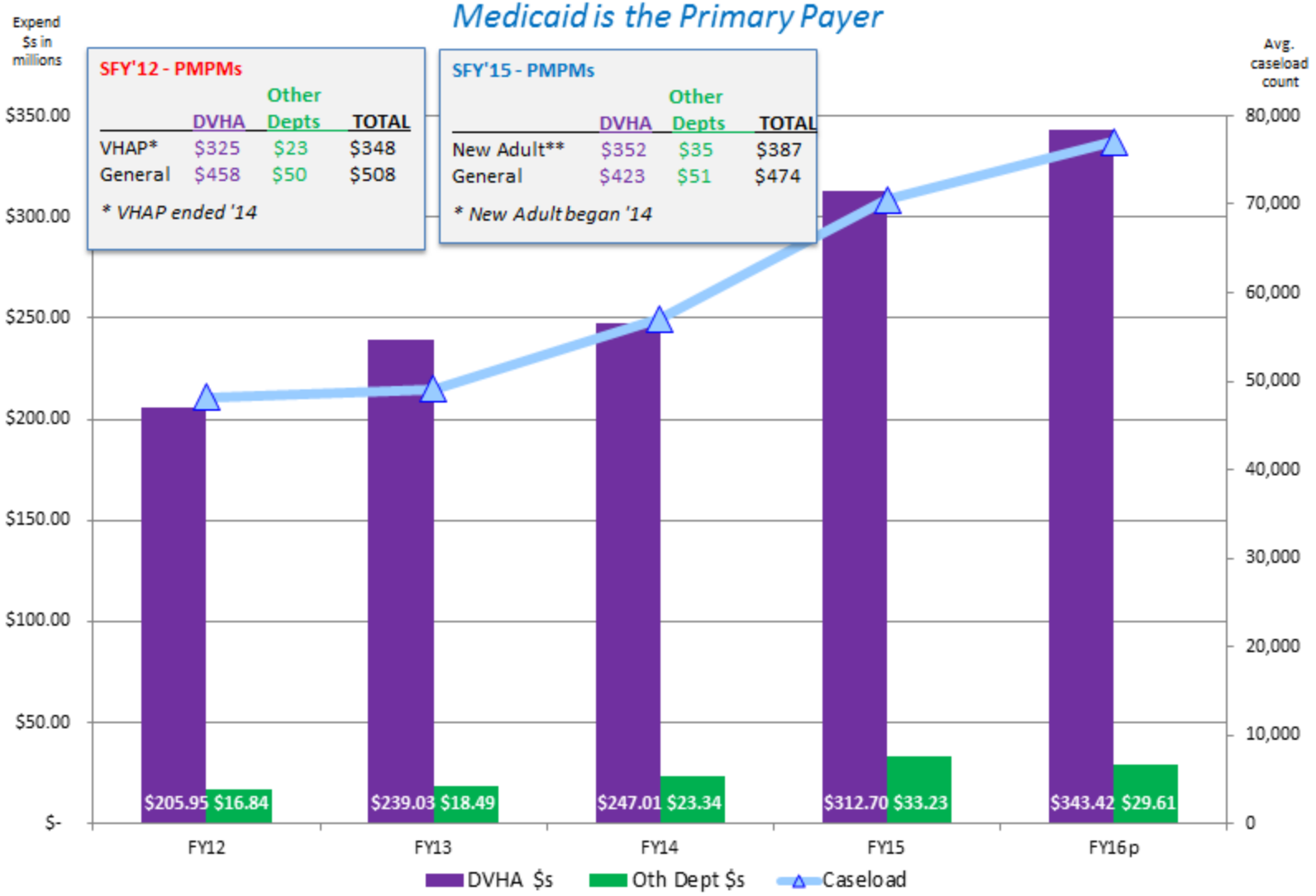
Aged, Blind, or Disabled (ABD) / Medically Needy (Adult & Children)

Medicaid is the Primary Payer



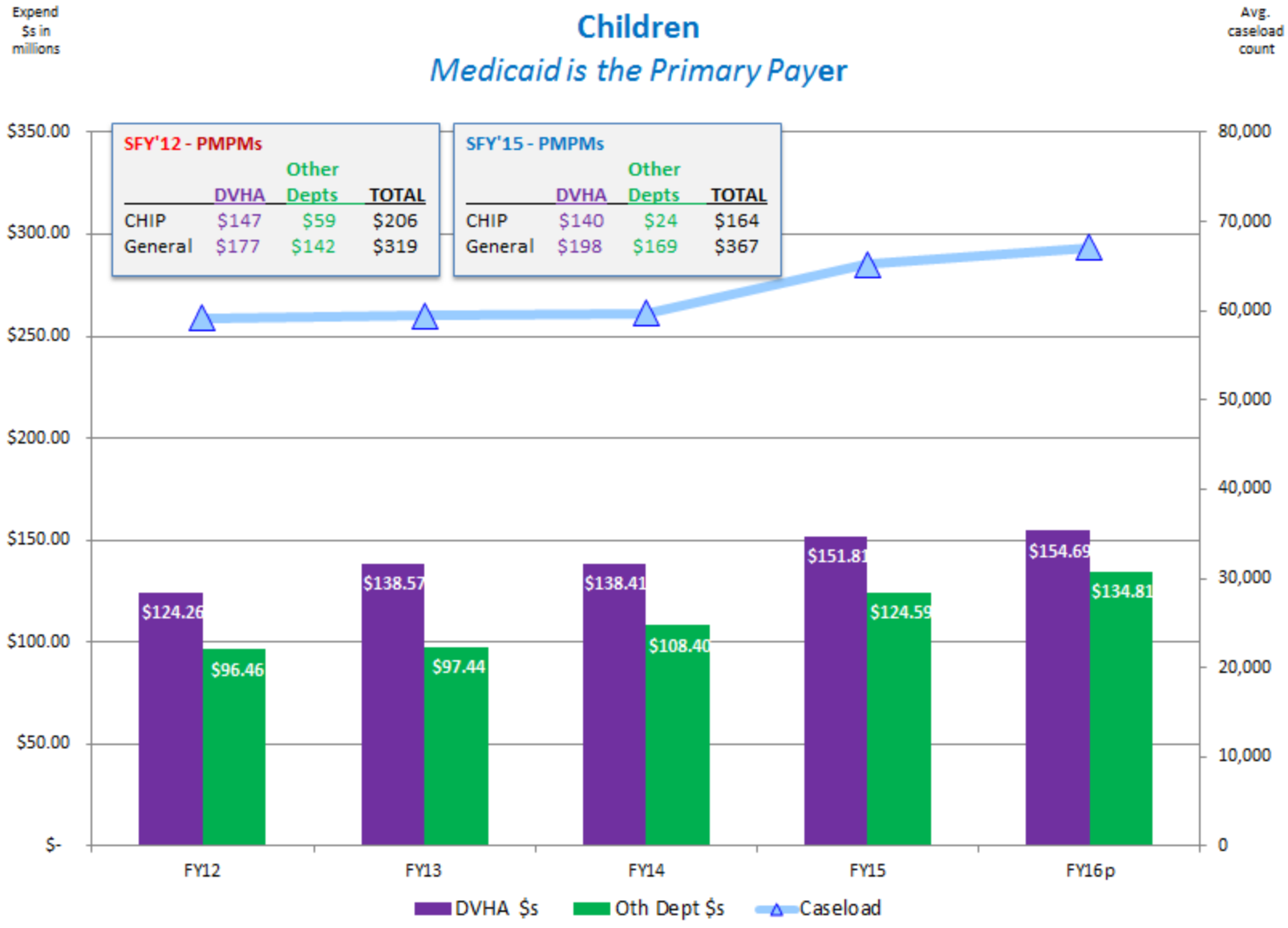
Adults (General & New Adult)

Medicaid is the Primary Payer



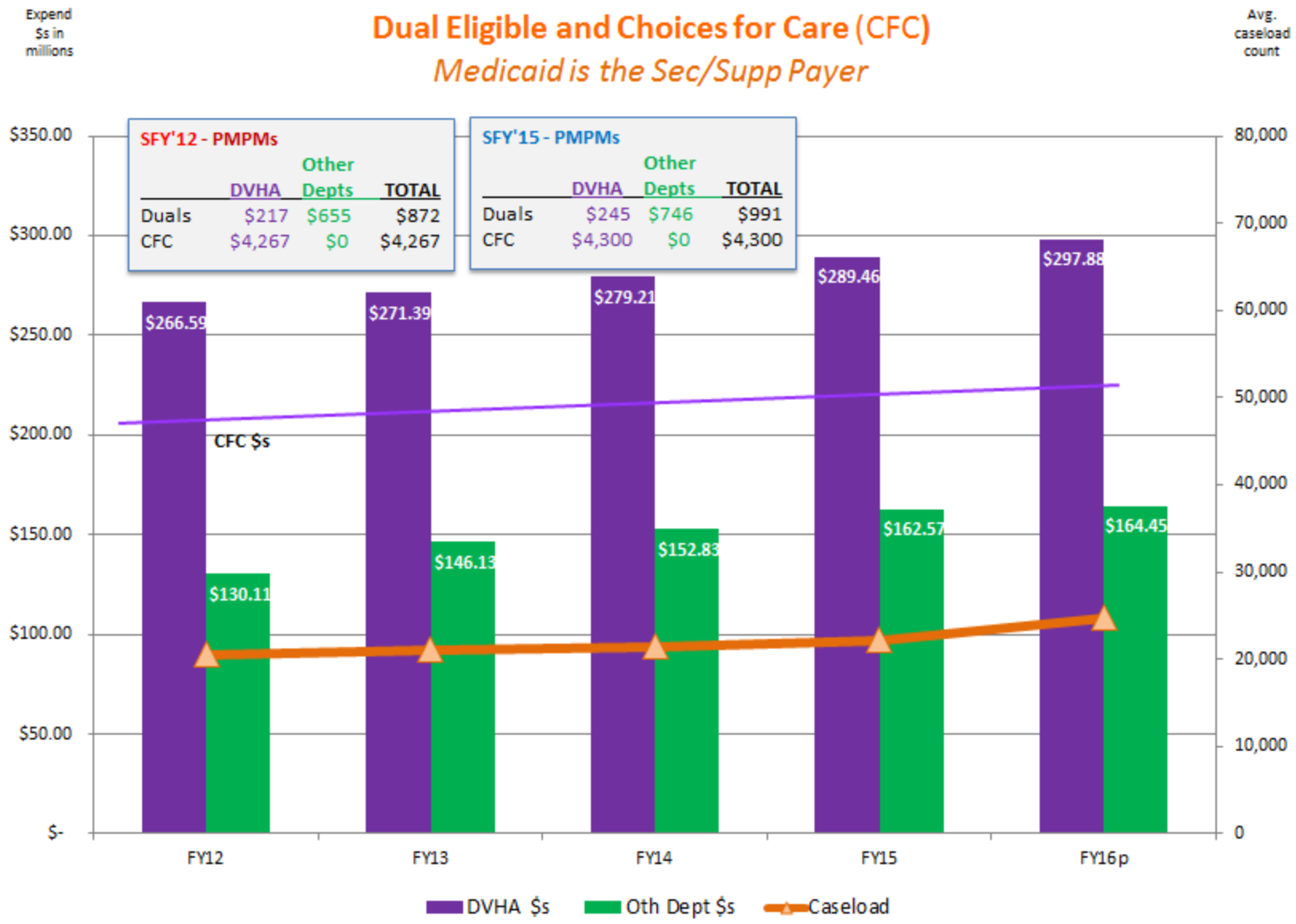
Children

Medicaid is the Primary Payer



Dual Eligible and Choices for Care (CFC)

Medicaid is the Sec/Supp Payer



Medicaid Financing

Medicaid Financing

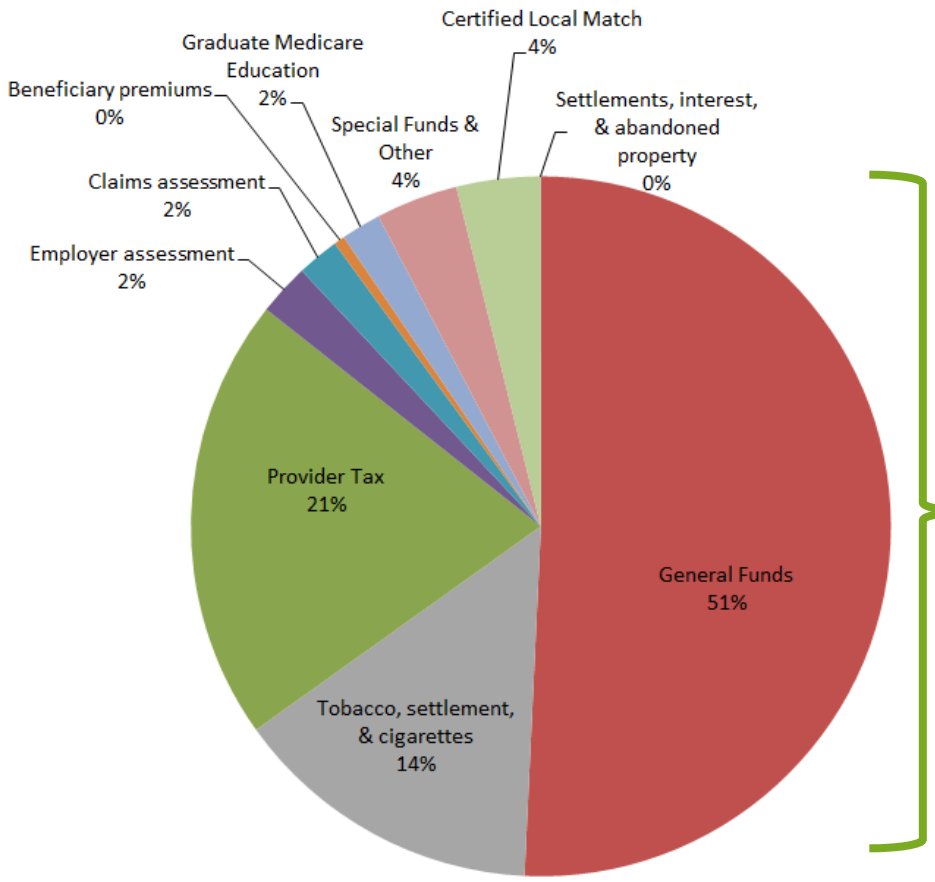
- **SFY 2016(BAA):** Medicaid spending was $1.74 billion.
  - Federal Funds = $1,001 million
  - State Funds = $738 million

- State funding comes from a combination of general funds, cigarette and tobacco taxes, provider taxes, certified funds and other sources

Medicaid Financing

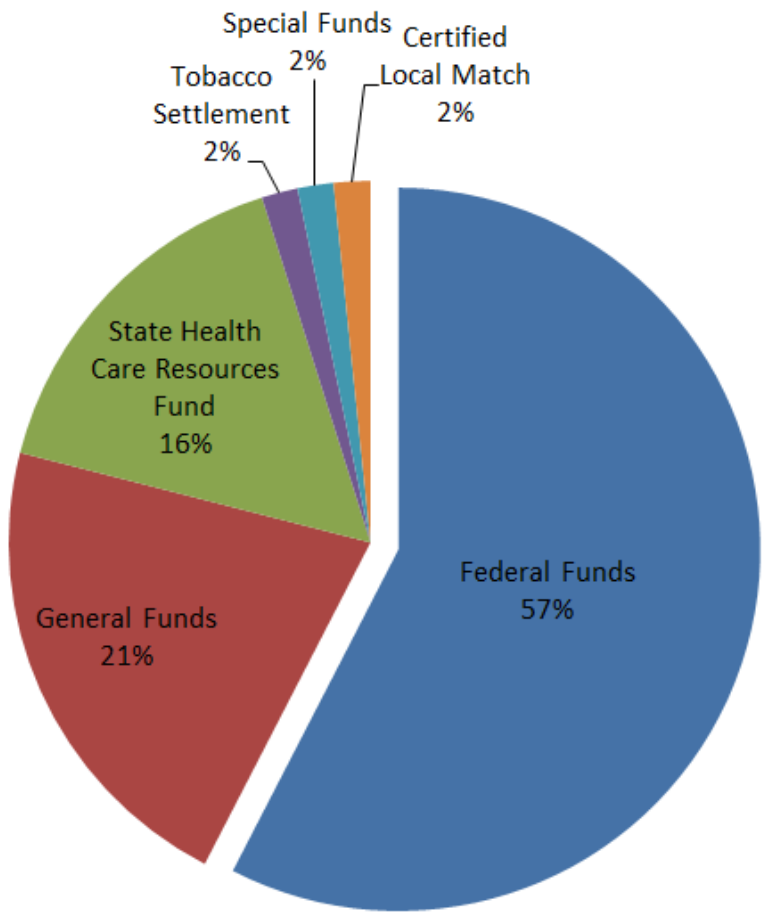
SFY'16 BAA = $1.74 billion

State Fund Only



TOTAL Medicaid Funding Sources

All funds: Federal + State



- State Health Care Resources fund accounts for approx. 40% of state funds used to fund the Medicaid program.


VERMONT
Global
Commitment

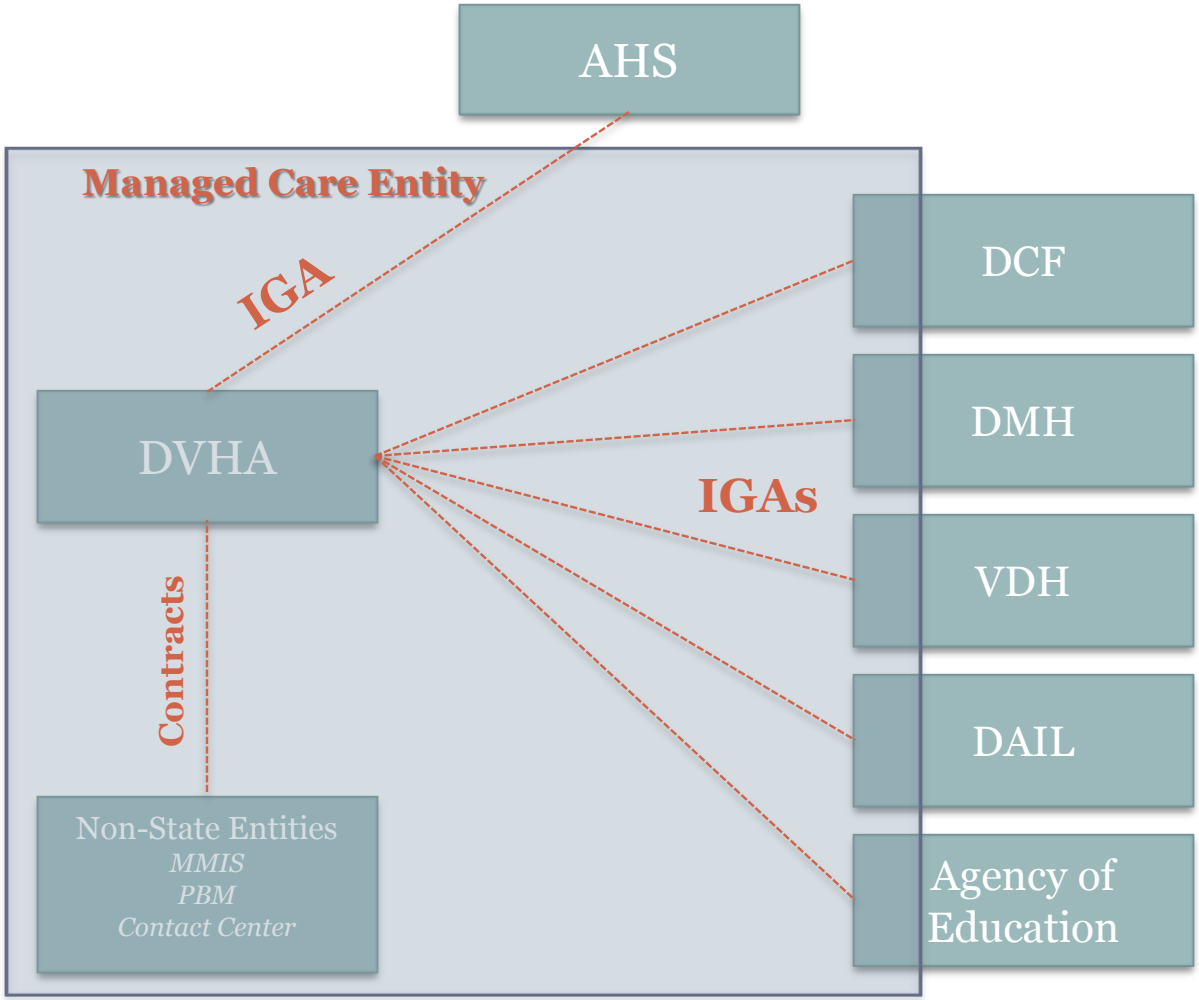
1115 Waivers

- 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

Global Commitment

- Vermont's 1115 waiver is called **Global Commitment to Health**
- 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
- In January 2015, CMS allowed Vermont to combine Global Commitment and Choices for Care into a single waiver.
- Choices for Care was designed to increase access to home and community based services for older Vermonters and younger adults with physical disabilities while reducing the use of institutional services and controlling overall costs
  - Administered by DAIL

Global Commitment
Structure



IGA = Intergovernmental Agreements

Global Commitment
Key Concepts

- Global Commitment began October 2005
  - Latest renewal - Oct. 2013 thru Dec. 31, 2016
  - AHS is currently renegotiating another extension with CMS.
- AHS Departments became a public Managed Care Entity
  - Requirements set through IGAs with AHS & DVHA
  - 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 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:

1. Reduce the rate of uninsured and/or underinsured
2. Increase access of quality health care to the uninsured, underinsured, and Medicaid beneficiaries
3. Fund public health and other innovative programs that improve health outcomes, health status and quality of life for uninsured, underinsured, and Medicaid-eligible individuals
4. 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
- Tobacco Cessation
- Emergency Medical Services
- Women, Infant, & Children (WIC)
- Mental Health Services
- Immunizations
- Etc.

Note: MCO Investments for SFY'15 = $128.9 million

A list of the Investments can be found at the following link:
http://www.leg.state.vt.us/jfo/healthcare/SFY%2015%20MCO%20investments%20for%20JFO.pdf

Questions?