

Governor's FY 2016 Health Care Reform Proposal (in Millions)

0.7% Payroll Tax - 5.5 Months of Collections			
	41.44		
FY 2016 Health Care Reform Related Expenditures	State Funds	Federal Funds	Total
<i>One-time Costs</i>			
Tax Department Implementation ²	3.47	-	3.47
<i>Costs Starting July 1, 2015</i>			
Nursing Home Statutory Rate Increase	1.44	1.76	3.20
Caseload & Utilization Increase for New Adults	4.48	9.21	13.70 *
Caseload & Utilization Incr. for ABD, Kids, Gen. Adults	6.89	8.44	15.33 *
GMCB All Payer Waiver and Utility Analysis Costs ³	1.08	0.43	1.51
<i>Costs Starting in January 1, 2016</i>			
State Payroll Tax Liability	1.94	-	1.94
Strengthening the Blueprint	2.03	2.48	4.51
Home Health Increase	0.56	0.69	1.25
Increased Reimbursement Rates ⁴	11.44	14.06	25.50 *
2.5% Medicaid Provider Increase ⁵	2.55	3.12	5.66
Health Home Expansion ⁶	0.50	4.50	5.00
Increase Cost Sharing Reduction Program	2.00	-	2.00
Total Health Care Reform Proposal	38.39	44.68	83.07
Other Caseload and Utilization Pressures	3.06		

Investments Available to Impact Private Premiums (Cost Shift) *			
Caseload & Utilization Increase for New Adults	4.48	9.21	13.70
Caseload & Utilization Incr. for ABD, Kids, Gen. Adults	6.89	8.44	15.33
Increased Reimbursement Rates	11.44	14.06	25.50
Total Available to Impact Private Premiums	22.82	31.70	54.53

Steady State Budget Pressures	
Nursing Home Statutory Rate Increase	1.44
Caseload & Utilization Increase for New Adults	4.48
Caseload & Utilization Incr. for ABD, Kids, Gen. Adults	6.89
Remaining Revenue for Other Budget Pressures	3.06
Total	15.87
GMCB All Payer Waiver and Utility Analysis Costs ³	1.08
Total Including Funding GMCB All Payer Waiver	16.95

Estimated Annualized Health Care Reform Proposal (in Millions)¹

0.7% Payroll Tax - 12 months of Collections			
	90.42		
Annualized Health Care Reform Proposal	State Funds	Federal Funds	Total
Tax Department On-going Expenses	0.59	-	0.59
Nursing Home Statutory Rate Increase ⁷	1.48	1.81	3.30
Caseload & Utilization Increase for New Adults ⁷	4.61	9.49	14.10 *
Caseload & Utilization Incr. for ABD, Kids, Gen. Adults ⁷	7.10	8.69	15.79 *
GMCB All Payer Waiver and Utility Analysis Costs ³	1.15	0.43	1.57
State Payroll Tax Liability	4.24	-	4.24
Strengthening the Blueprint	4.06	4.96	9.02
Home Health Increase	1.12	1.38	2.50
Increased Reimbursement Rates ⁴	23.42	27.58	51.00 *
2.5% Medicaid Provider Increase ⁵	5.09	6.23	11.32
Health Home ⁶	1.00	9.00	10.00
Increase Cost Sharing Reduction Program	4.00	-	4.00
Continued Cost Shift investments ⁸	29.49	29.52	59.01 *
Total Annualized Health Care Reform Proposal	87.36	99.08	186.44
Other Caseload and Utilization Pressures	3.06		

Investments Available to Impact Private Premiums (Cost Shift) *			
Caseload & Utilization Increase for New Adults ⁶	4.61	9.49	14.10
Caseload & Utilization Incr. for ABD, Kids, Gen. Adults ⁶	7.10	8.69	15.79
Increased Reimbursement Rates ³	23.42	27.58	51.00
Continued Cost Shift investments ⁸	29.49	29.52	59.01
Total Available to Impact Private Premiums	64.62	75.27	139.90

1 - Annualized assumptions; not the FY2017 Budget Proposal

2 - Includes ongoing annual operating cost of \$592K

3 - GMCB State funds include the match for GC, the Bill back fund, and other non-matchable GF needs; total only includes Federal and General funds

4 - Reimbursement rates include in-state outpatient, primary care services, Dartmouth-Hitchcock, and professional services (included psychologists, specialists, and chiropractors across all settings of care)

5 - Medicaid provider increase for providers not reimbursed through the Department of Vermont Health Access Global Commitment, State Only, and Non-DVHA Waiver Appropriations

6 - 10/90 Match rate

7 - Assume 3% Medicaid Growth and the FY2016 FMAP assumptions for New Adults and traditional Medicaid

8 - Investments could include further reduction in the uninsured, Medicaid/Vermont Premium Assistance/Cost Sharing Reduction, additional investment in rates, and Provider Reimbursement Inflation