

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



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 Public Interest Research Group



Dr. Dynasaur 2.0

More Care for More Vermonters

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 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



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.



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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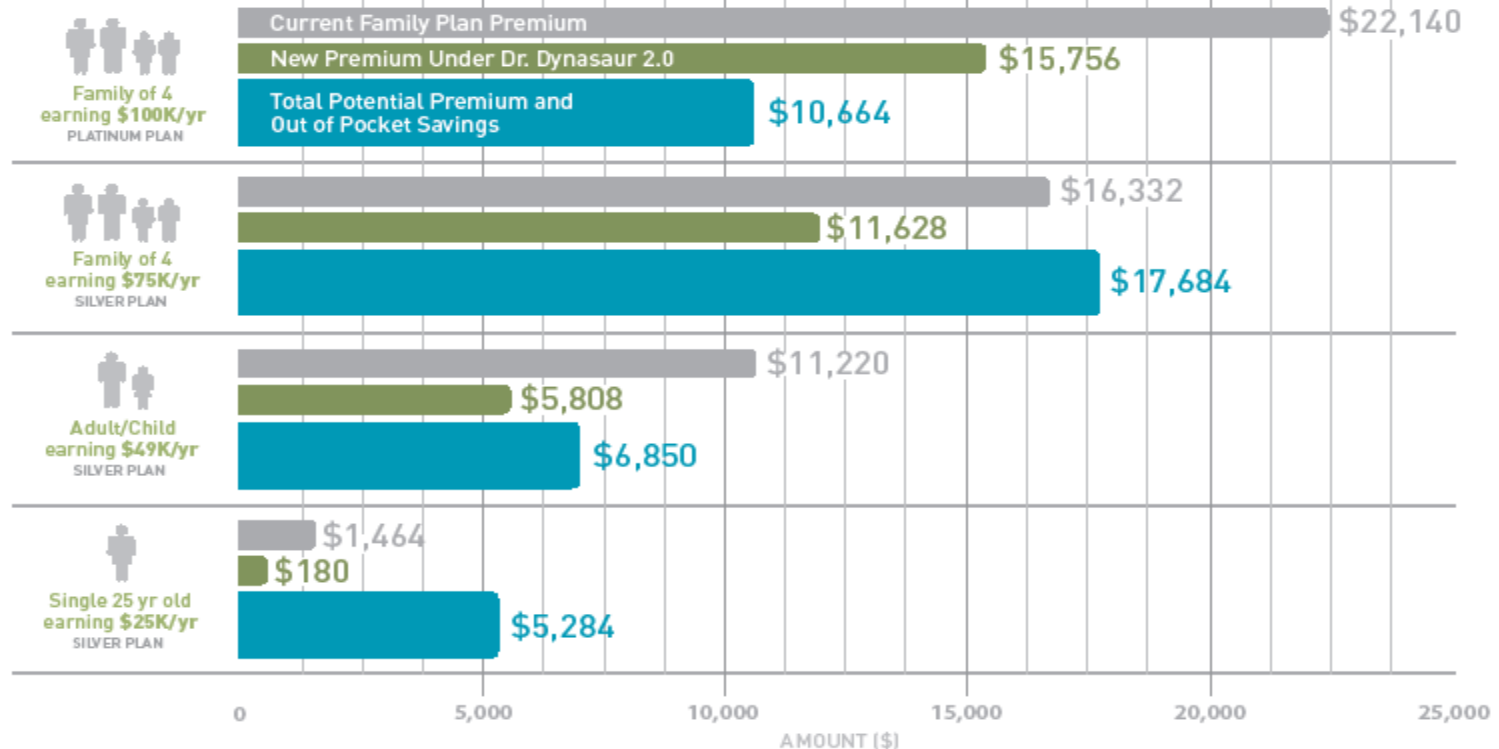
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Potential Benefits of Dr. Dynasaur 2.0

- Low or no 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 will be able to 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



Potential Savings for Families in Vermont Under Dr. Dynasaur 2.0



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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: 2025= \$24m/\$36m
- Decreased state spending on Exchange subsidy programs Vermont Premium Assistance and Cost Sharing Reductions
- 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



Dr Dynasaur 2.0 and ACA Excise Tax

- By eliminating the need to offer family plans, employers will face reduced exposure to the Excise tax
- According to Public Employees Health Benefits Report, in 2025 this would amount to a savings for the State of Vermont of \$24 or \$36m, depending on how the federal government implements the tax
- The Green Mountain Care study estimated that in 2021 Vermont businesses would pay \$38 million due to the ACA's Excise Tax



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



Federal Participation in Dr Dynasaur 2.0

- State of Vermont would need to pursue an 1115 Waiver to receive the FMAP match for the 29,000 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 \$350m federal dollars



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

