

MCO Investments – Overview

Under Vermont’s current Global Commitment (GC) demonstration waiver, Medicaid services are provided by a Managed Care Entity (MCE) that is – uniquely to Vermont – operated by state government. The Department of Vermont Health Access (DVHA) is the MCE for Vermont Medicaid.

The GC waiver provides the state of Vermont with expenditure authority to invest in health related services and activities, and draw federal receipts, for costs that would not otherwise be Medicaid matchable. These initiatives are known as “MCO Investments.”

The GC waiver requires that MCO Investments address one of the following purposes:

1. Reduce the rate of uninsured and/or underinsured in Vermont;
2. Increase the access of quality health care to uninsured, underinsured, and Medicaid beneficiaries;
3. Provide public health approaches and other innovative programs to improve the health outcomes, health status and quality of life for uninsured, underinsured and Medicaid-eligible individuals in Vermont; and
4. Encourage the formation and maintenance of public-private partnerships in health care, including initiatives to support and improve the health care delivery system.

Up to the end of fiscal year 2014, \$675 million of combined state and federal funding has been spent as MCO Investments. For some of the programs, MCO Investment is not the sole source of funds. MCO Investments administered by entities other than DVHA are governed by a Memorandum of Understanding or Intragovernmental Agreement with DVHA.

See Table 1 for MCO Investment spending by entity for FY 2014. Figure 1 illustrates the proportion of MCO Investments by purpose and value. Figure 2 shows the proportion of MCO Investments by purpose and number of investments.

Table 1: MCO Investment FY2014 Expenditures by State Organization

Department/Entity	Number of MCO Investments	SFY14 Actual Expenditure
Department of Mental Health	11	39,043,497
Department for Children & Families	17	17,885,475
Department of Health	25	16,576,934
Department of Vermont Health Access	8	15,879,646
Agency of Education	1	10,454,116
AHS Central Office	2	7,683,876
Department of Disabilities, Aging and Independent Living	8	6,832,417
Department of Corrections	9	5,308,263
University of Vermont	1	4,006,156
Green Mountain Care Board	1	2,360,462
Vermont Veterans' Home	1	410,986
Vermont State Colleges	1	405,407
Department of Financial Regulation	1	165,946
Agency of Agriculture, Food & Markets	1	90,278
Total	87	\$127,103,459

Figure 1: Proportion of MCO Investments by Purpose and Value

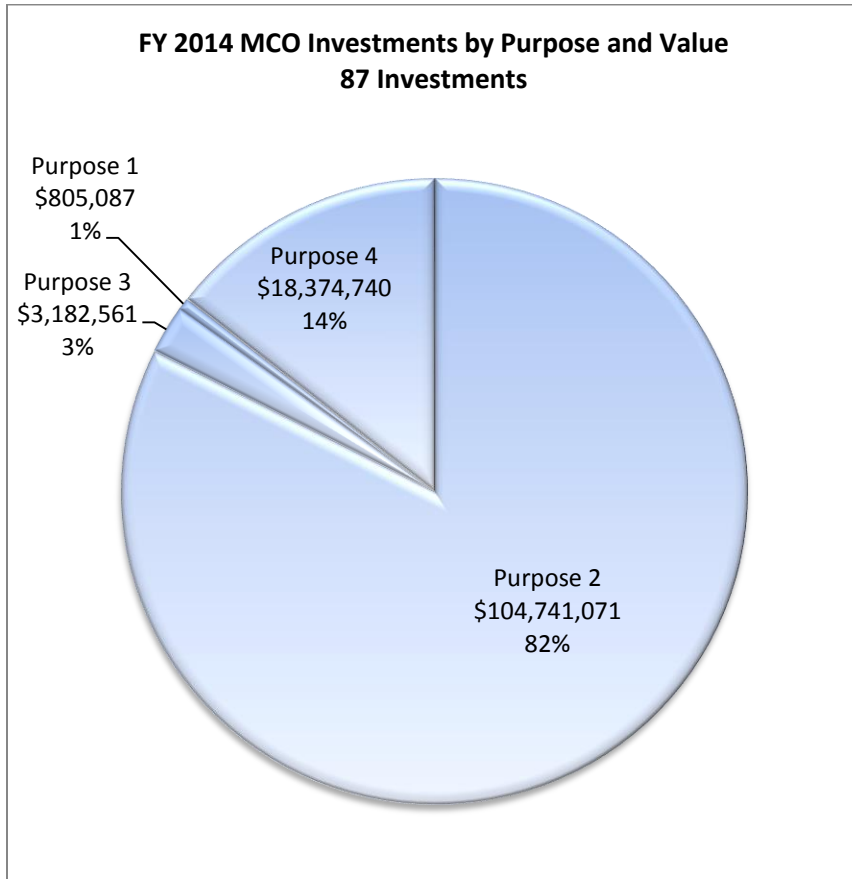


Figure 2: Proportion of MCO Investments by Purpose and Number

