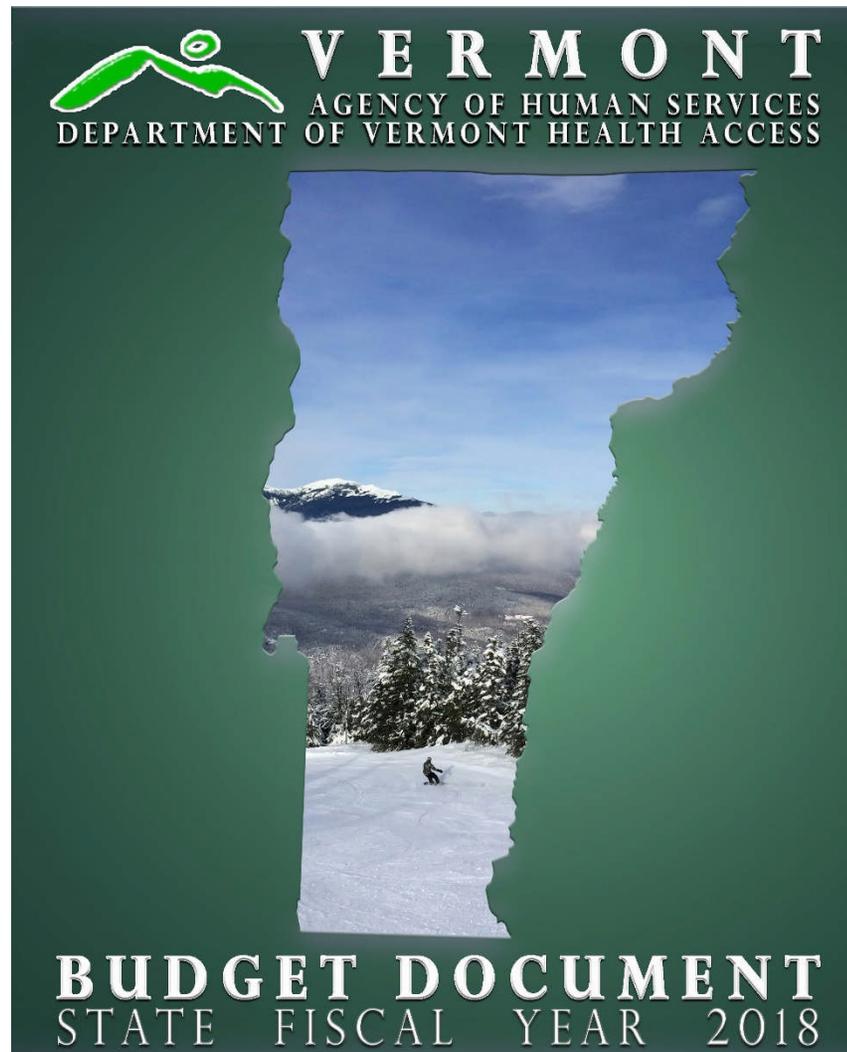


DEPARTMENT OF VERMONT HEALTH ACCESS

State Fiscal Year 2018
Budget Presentation



DVHA's Mission

Assist Medicaid beneficiaries in accessing clinically appropriate health services.

Administer Vermont's public health insurance system efficiently and effectively.

Collaborate with other healthcare system entities in bringing evidence-based practices to Vermont Medicaid beneficiaries.

Provide leadership for Vermont stakeholders to improve access, quality and cost-effectiveness of healthcare.

Who DVHA Serves: 203,758 Vermonters

- **Categorical Eligibility**

- Aged
- Blind
- Disabled
- Medicare Eligible

- ✓ Aged, Blind, or Disabled Adult
- ✓ ABD Dual Eligible for Medicare
- ✓ Blind or Disabled Child
- ✓ ABD Dual Enrolled in Choices for Care

- **Modified Adjusted Gross Income**

- Income Eligible
- Eligibility Grouping Varies Based Upon Federal Poverty Levels (FPL)

- ✓ General Adult (income below Protected Income Level)
- ✓ New Adult With Child (income up to 133% FPL)
- ✓ Childless New Adult (income up to 133% FPL)
- ✓ General Child (income up to Protected Income Level)
- ✓ Optional/Underinsured Child (up to 312% FPL)
- ✓ Children's Health Insurance Plan (CHIP) (up to 312% FPL)

- **Limited Benefit Programs**

- Some Individual Specific
- Some Provider Specific
- Some Federally Driven

- ✓ VPharm (Medicare Enrolled with income up to 225% FPL)
- ✓ Healthy Vermonters (between 350% - 400% FPL)
- ✓ Vermont Premium Assistance (income btwn 133% & 300% FPL)
- ✓ Cost Sharing Reduction (income btwn 133% & 300% FPL)
- ✓ Disproportionate Share Hospital Payments
- ✓ Buy-In
- ✓ Clawback

See Fast Facts on Page 7 for high level information on who DVHA serves. For more information on specific coverage programs, caseload, utilization, and expenditures see Chapter 4 of the DVHA Budget Book starting on Page 64.

What DVHA Does

In order to accomplish its mission, DVHA focuses on five key areas:

General Administration

- Commissioner's Office
- Business Office
- Data
- Outreach/Education
- Operational Support
- Medicaid Support

Claims Services

- Clinical Operations
- MMIS – Claims Processor
- MMIS – Misc. Contracts
- Provider and Member Relations
- Reimbursement Unit

Projects

- EHRIP
- HIT/HIE
- MMIS

Eligibility

- Assistant Operations (Aops)
- Call Center
- Health Access Eligibility & Enrollment
- Long-Term Care
- Premium Processing

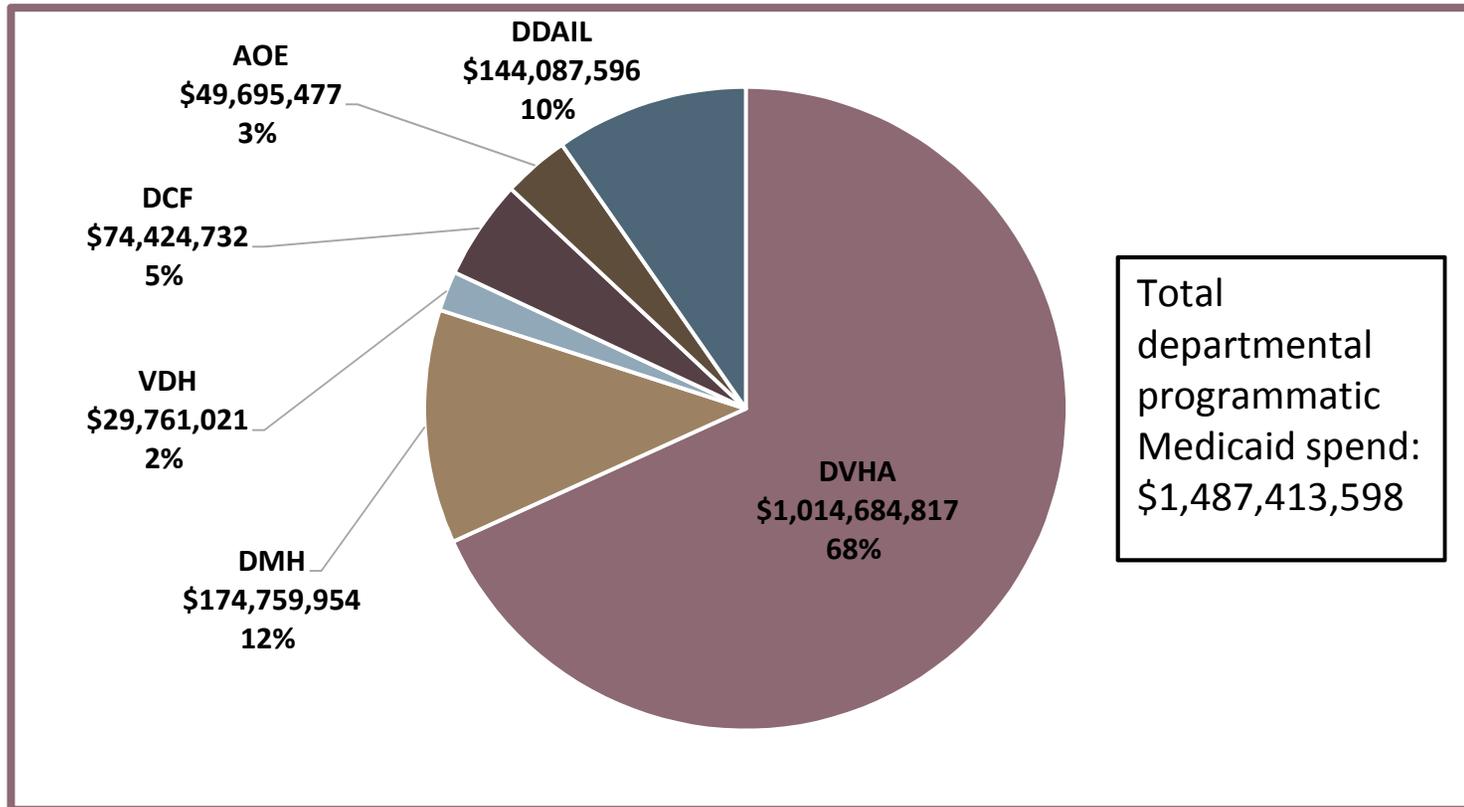
Quality

- Blueprint
- Coordination of Benefits
- Managed Care & Compliance
- Payment Reform
- Pharmacy
- Program Integrity
- Quality Improvement
- Vermont Chronic Care Initiative

Please see page 26 of the DVHA Budget Book.

Connecting DVHA With AHS

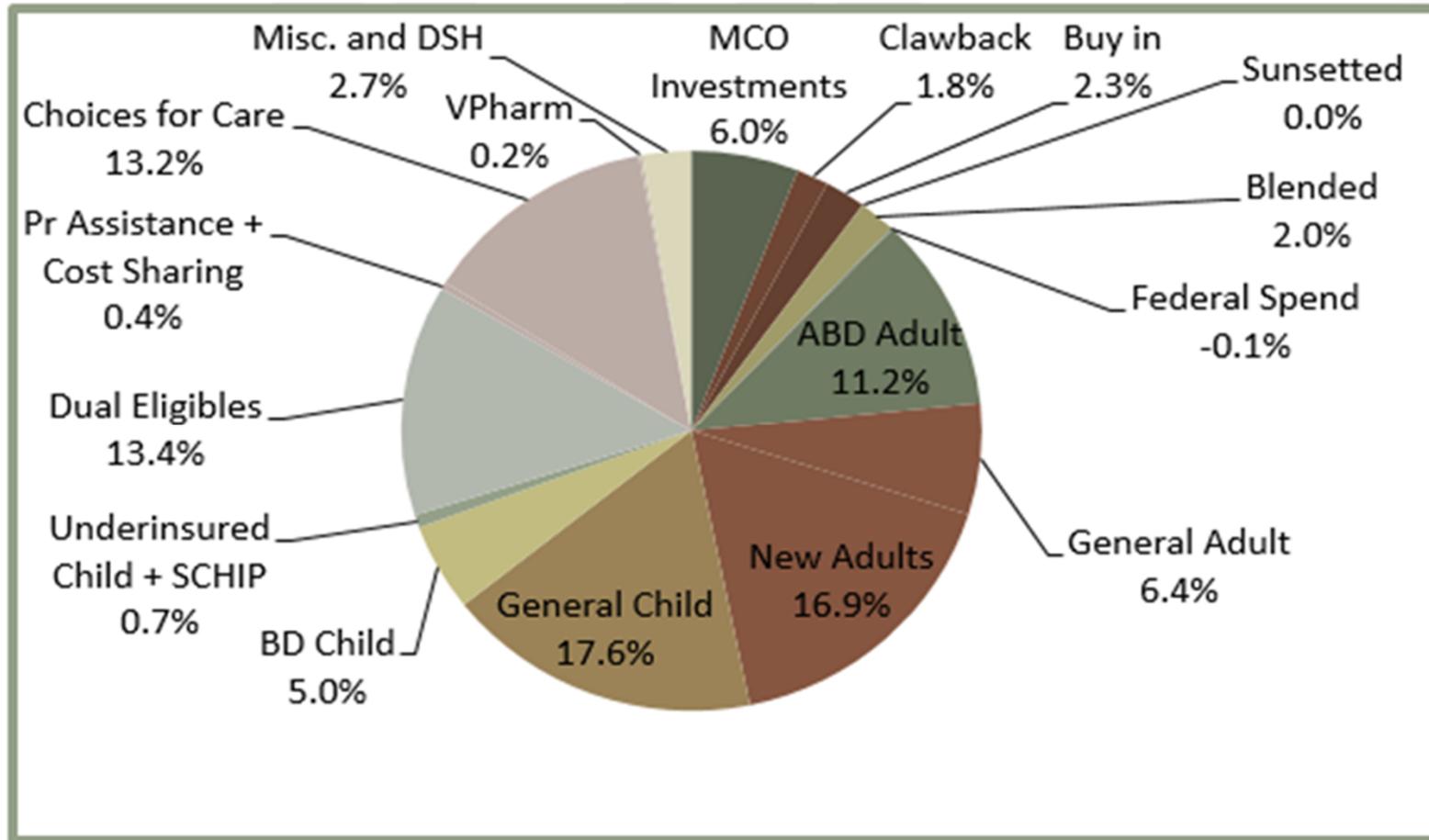
Within the Agency of Human Services, DVHA accounted for nearly two-thirds of Medicaid program expenses in SFY 2016.



Please see page 22 of the DVHA Budget Book for more information regarding the distribution of Medicaid spending within AHS.

How AHS Connects to Enrollees

Medicaid spending at AHS is distributed across 15 Medicaid Eligibility Groups (MEGs)/category areas.



Please see page 22 of the DVHA Budget Book for more information regarding the distribution of Medicaid spending within AHS.

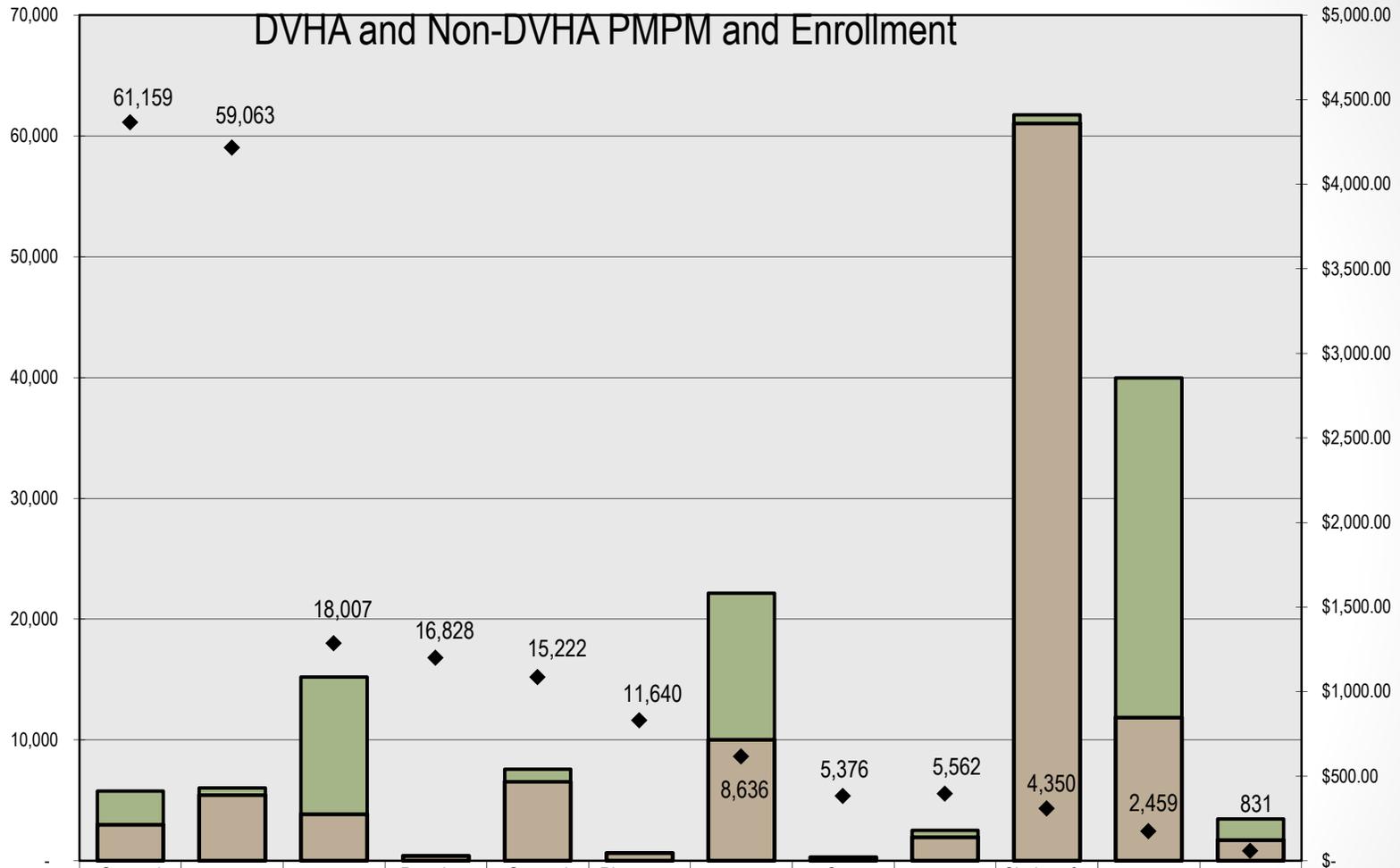
Connecting AHS to Services Provided

AHS Medicaid Spending is distributed across multiple departments & agencies and 15 Medicaid Eligibility Groups (MEGs)/category areas.

Please see page 23 of the DVHA Budget Book for more information regarding the distribution of Medicaid spending within AHS.

SFY 2016 Medicaid Spend - Global Commitment, CHIP, & CFC - BY CATEGORY OF SERVICE							
Category of Service	DVHA	DMH	VDH	DCF	AOE	DDAIL	Total AHS
Inpatient	\$ 142,551,542	\$ 4,276,698	\$ -	\$ -	\$ -	\$ -	\$ 146,828,240
Outpatient	\$ 143,456,449	\$ 611	\$ -	\$ 10,373	\$ -	\$ -	\$ 143,467,433
Physician	\$ 123,330,113	\$ 3,730	\$ -	\$ 216,749	\$ 245,434	\$ -	\$ 123,796,026
Pharmacy	\$ 208,281,067	\$ -	\$ -	\$ 13,370	\$ -	\$ -	\$ 208,294,437
Nursing Home	\$ 121,227,892	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 121,227,892
ICF/MR Private	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 777,843	\$ 777,843
Mental Health Facility	\$ 645,746	\$ 14,805	\$ -	\$ -	\$ -	\$ -	\$ 660,551
Dental	\$ 29,229,900	\$ -	\$ -	\$ 168,178	\$ -	\$ -	\$ 29,398,078
MH Clinic	\$ 194,888	\$ 104,993,212	\$ -	\$ -	\$ -	\$ 394,723	\$ 105,582,824
Independent Lab/Xray	\$ 11,705,155	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,705,155
Home Health	\$ 6,789,547	\$ -	\$ -	\$ 311,606	\$ 250	\$ -	\$ 7,101,403
Hospice	\$ 4,058,563	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,058,563
FQHC & RHC	\$ 36,121,371	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,121,371
Chiropractor	\$ 1,365,792	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,365,792
Nurse Practitioner	\$ 1,038,466	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,038,466
Skilled Nursing	\$ 2,633,311	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,633,311
Podiatrist	\$ 236,072	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 236,072
Psychologist	\$ 27,906,070	\$ 6,203	\$ -	\$ 5,918	\$ -	\$ -	\$ 27,918,191
Optometrist/Optician	\$ 2,534,042	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,534,042
Transportation	\$ 12,682,079	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,682,079
Therapy Services	\$ 5,887,648	\$ -	\$ -	\$ 1,381,940	\$ -	\$ -	\$ 7,269,589
Prosthetic/Ortho	\$ 3,507,216	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,507,216
Medical Supplies & DME	\$ 11,556,374	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,556,374
H&CB Services	\$ 59,240,530	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,240,530
H&CB Services Mental Service	\$ 697,455	\$ 1,570,670	\$ -	\$ -	\$ -	\$ -	\$ 2,268,126
H&CB Services Development Services	\$ (650)	\$ -	\$ -	\$ -	\$ -	\$ 129,148,935	\$ 129,148,285
TBI Services	\$ -	\$ 176,834	\$ -	\$ -	\$ -	\$ 3,282,469	\$ 3,459,303
Enhanced Resident Care	\$ 9,054,265	\$ -	\$ -	\$ -	\$ -	\$ 183	\$ 9,054,448
Personal Care Services	\$ 13,216,268	\$ -	\$ -	\$ -	\$ -	\$ 1,091,613	\$ 14,307,882
Targeted Case Management (Drug)	\$ 45,453	\$ 4,935,586	\$ -	\$ -	\$ -	\$ 357,894	\$ 5,338,933
Assistive Community Care	\$ 14,036,662	\$ 4,756,090	\$ -	\$ 12,367,911	\$ -	\$ -	\$ 31,160,663
Day Treatment MHS	\$ 169	\$ 53,389,672	\$ -	\$ -	\$ -	\$ 1,653,611	\$ 55,043,452
OADAP Families in Recovery	\$ 3,088,695	\$ -	\$ 27,352,443	\$ -	\$ -	\$ 6,773,539	\$ 37,214,678
Rehabilitation	\$ 778,552	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 778,552
D & P Dept of Health	\$ 306,463	\$ 638,684	\$ 2,420,764	\$ 40,127,598	\$ 49,449,793	\$ 718,875	\$ 93,662,177
PcPlus Case Mgmt and Special Program Payments	\$ 1,542,550	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,542,550
Blue Print & CHT Payments	\$ 14,762,160	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,762,160
PDP Premiums	\$ 1,503,221	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,503,221
VPA Premiums	\$ 5,266,242	\$ -	\$ -	\$ 356,753	\$ -	\$ -	\$ 5,622,995
Ambulance	\$ 4,448,037	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,448,037
Dialysis	\$ 1,456,654	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,456,654
ASC	\$ 61,095	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,095
Total Other Expenditures	\$ 113,467,538	\$ -	\$ -	\$ 19,464,336	\$ -	\$ (101,517)	\$ 132,830,357
Total Offsets	\$ (125,225,848)	\$ (2,841)	\$ (12,186)	\$ -	\$ -	\$ (10,574)	\$ (125,251,448)
Total All Program Expenditures	\$ 1,014,684,817	\$ 174,759,954	\$ 29,761,021	\$ 74,424,732	\$ 49,695,477	\$ 144,087,596	\$ 1,487,413,598

Spending by Department by Eligibility Group Varies



	General Child	New Adult	ABD Dual	Premium Assist.	General Adult	Pharmacy Only	ABD Adult	Cost Sharing	CHIP	Choices for Care	BD Child	Optional
■ SFY '18 Non-DVHA PMPM	\$197.41	\$41.84	\$810.22	\$-	\$73.43	\$-	\$866.26	\$-	\$40.90	\$50.36	\$2,009.12	\$122.94
■ SFY '18 DVHA PMPM	\$213.54	\$388.68	\$275.66	\$28.26	\$467.72	\$45.72	\$715.91	\$19.10	\$139.13	\$4,360.07	\$846.72	\$123.31
◆ SFY '18 Enroll	61,159	59,063	18,007	16,828	15,222	11,640	8,636	5,376	5,562	4,350	2,459	831

Please see page 88 of the DVHA Budget Book for more information regarding the Agency's Medicaid spending by category.

DVHA Budget Ask

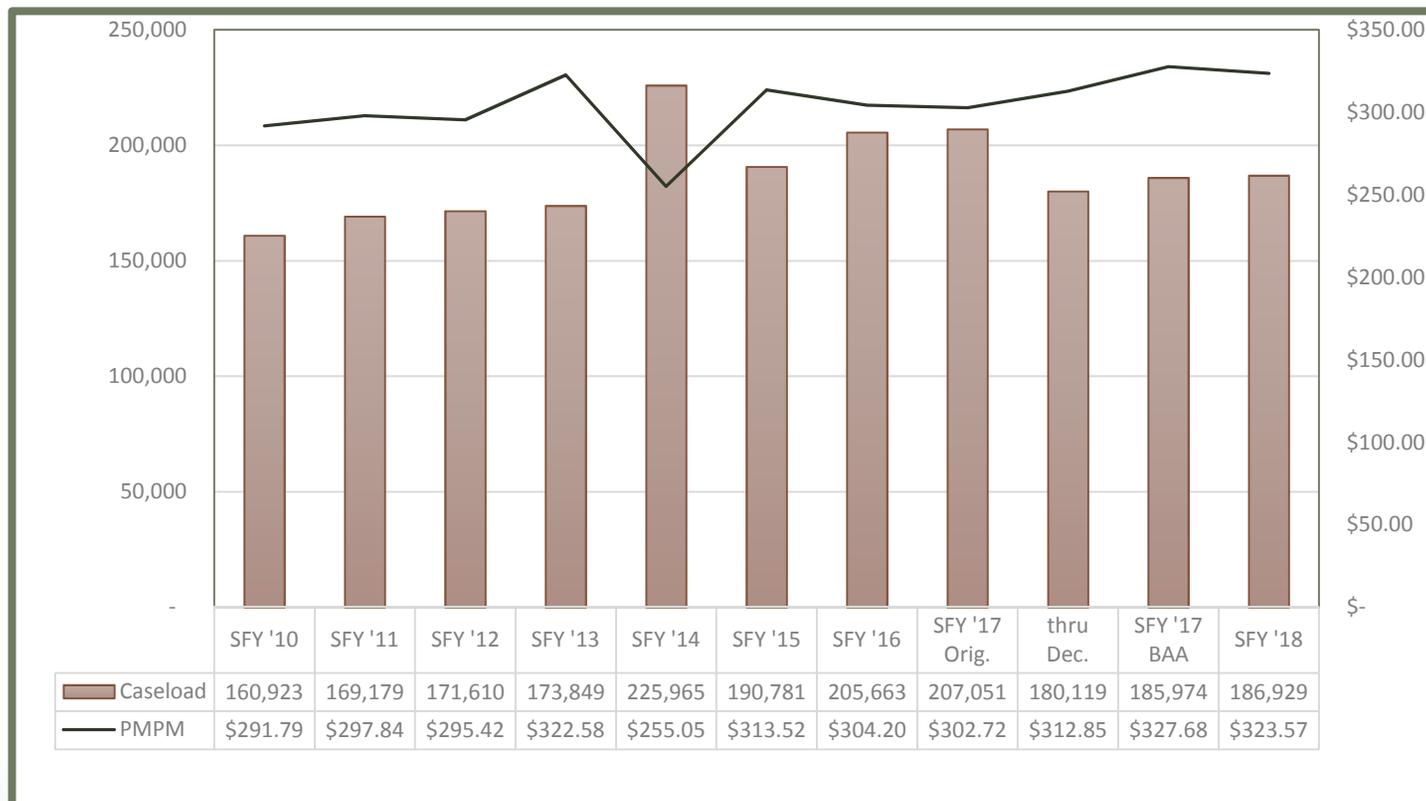
- DVHA's SFY '17 appropriation is \$1,224,947,848 gross / \$481,514,946 state
- This is comprised of:
 - \$189,714,049 gross administration / \$50,153,654 state
 - \$1,035,233,799 gross program / \$431,361,293 state
- The Governor's Recommended budget adjusts the begin appropriation by:
 - \$273,938 gross administration / (\$5,446,792) state
 - (\$11,916,670) gross program / (\$3,679,111) state
- DVHA's Governor's budget is \$1,212,757,242 gross / \$466,275,926 state

Please see pages 110 and 119 of the DVHA Budget Book for more information on DVHA's budget request.

Caseload & Utilization

53rd Week Base Funding Rescission (\$13,027,475)
(\$6,029,441) state

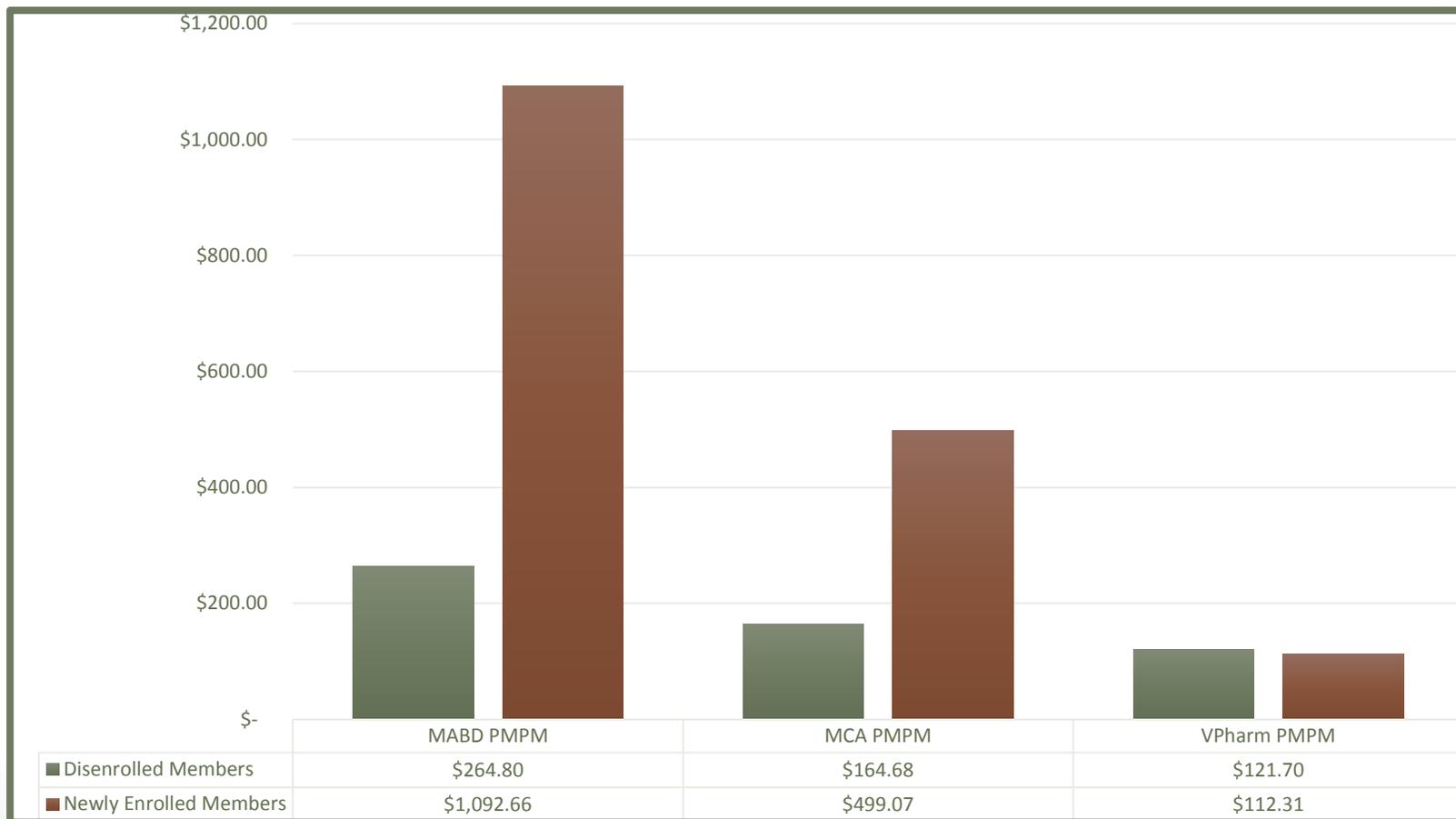
Caseload and Utilization Changes \$15,174,725
 Year-Over-Year Caseload and Utilization Comparison (see page 111) *\$7,231,130 state*



Please see page 111 of the DVHA Budget Book

Caseload & Utilization, cont'd.

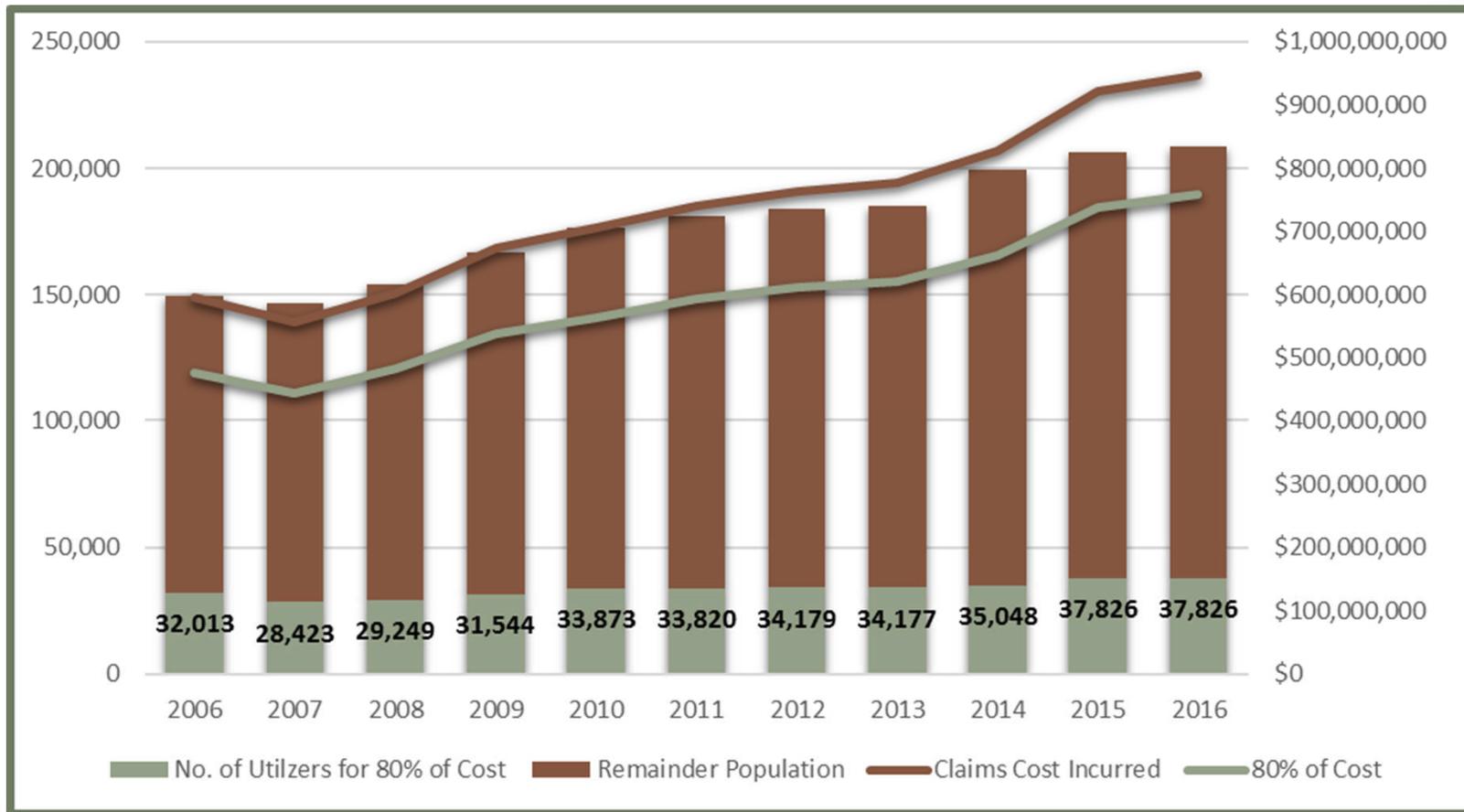
- Caseload is declining but remaining beneficiaries require more care than those no longer enrolled.



Please see page 112 of the DVHA Budget Book.

Caseload & Utilization, cont'd.

Overall Medicaid spending is driven by a small group of Medicaid beneficiaries, i.e. the 80%/20% rule.



Please see page 89 of the DVHA Budget Book.

Additional Changes

Caseload and Utilization Reserve	(\$21,207,606) <i>\$(10,000,540) state</i>
Buy-In Adjustment	\$1,413,578 <i>\$562,246 state</i>
Clawback Increase	\$2,457,530 <i>\$2,457,530 state</i>
Disproportionate Share Reduction	(\$3,700,000) <i>\$(1,712,360) state</i>
Change in Federal Match	\$0 <i>\$400,110 state</i>
DAIL Managed Policy Decisions	\$7,372,578 <i>\$3,412,213 state</i>

Please see page 112 of the DVHA Budget Book.

Administrative Considerations

Personal Services \$5,549,323

\$1,777,105 state

Pay Act and Fringe 1,738,299 gross / \$731,030 state

Elimination of Two Deputy Commissioners (\$262,283) gross / (\$105,939) state

2 Paygrade Increase for Benefits Program Specialists \$471,818 gross / \$139,182 state

52 Health Access Eligibility & Enrollment Positions \$4,234,549 gross / \$1,249,153 state

Vacancy Savings Increase due to HAEEU Positions . . (\$633,060) gross / (\$236,321) state

Operating \$202,295

\$104,394 state

The DVHA portion of shared service costs that are allocated by department, such as fee-for-space and Department of Information and Innovation (DII) costs, is rising.

Administrative Considerations, cont'd.

Grants and Contracts	(\$6,025,556) <i>(\$7,328,290) state</i>
Eligibility Unit Temporary Support	\$376,310 gross / \$200,490 state
Vermont Health Connect Contract Increases	\$1,419,417 gross / \$424,646 state
Base Contract Increases	\$2,690,157 gross / 1,245,078 state
Decrease in Project Contracts	(\$5,401,164) gross / (\$540,116) state
Transfer of LTC – AAA Senior Eligibility Grants	\$149,904 gross / \$74,952 state
Movement of Ombudsman Contract to AHS	(\$733,653) gross / (\$376,660) state
VHC Contract Savings for Improved Efficiencies	(\$3,662,223) gross / (\$2,858,000) state
Miscellaneous Administrative Contract Reductions	(\$864,304) gross / (\$400,000) state
Changes in Funding	\$0 gross / (\$5,098,680) state

DVHA Administration

The Department of Vermont Health Access (DVHA) has five key areas which are the department's administrative focus. These are:

- **General Administration**
- **Claims Services**
- **Eligibility**
- **Quality**
- **Project**

	SFY '18 Governor's Recommendation			
	# FTEs	Total \$	% of Admin Budget	% of Total Budget
General	87	\$ 9,960,991	5.26%	0.82%
Claims Services	29	\$ 18,273,537	9.65%	1.51%
Eligibility	145	\$ 48,272,806	25.48%	3.98%
Quality	90	\$ 21,733,978	11.47%	1.79%
Project	15	\$ 91,198,799	48.14%	7.52%
TOTAL ADMINISTRATIVE COSTS	366	\$ 189,440,111	100.00%	15.62%

TOTAL DVHA BUDGET	\$ 1,212,757,242
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Please see page 26 of the DVHA Budget Book.

DVHA Administration, cont'd.

Each functional area has multiple units, each with their own admin costs.

Descriptions of these units can be found on pages 27 through 50 of the DVHA budget book.

	# FTEs	Total \$	% of Admin Budget	% of Total Budget
General	87	\$ 9,960,991	5.26%	0.82%
Business Office	25	\$ 2,665,428	1.41%	0.22%
Commissioner's Office	13	\$ 1,908,652	1.01%	0.16%
Data	4	\$ 485,612	0.26%	0.04%
Outreach/Education	7	\$ 801,079	0.42%	0.07%
Operational Support	31	\$ 3,136,991	1.66%	0.26%
Medicaid Support	7	\$ 963,229	0.51%	0.08%
Claims Services	29	\$ 18,273,537	9.65%	1.51%
Clinical Operations	14	\$ 1,460,637	0.77%	0.12%
MMIS - Claims Processor		\$ 12,740,897	6.73%	1.05%
MMIS - Misc. Contracts		\$ 2,729,905	1.44%	0.23%
Provider and Member Relations	8	\$ 713,156	0.38%	0.06%
Reimbursement Unit	7	\$ 628,943	0.33%	0.05%
Eligibility	145	\$ 48,272,806	25.48%	3.98%
Assistant Operations (AOps)	16	\$ 1,806,214	0.95%	0.15%
Call Center (Maximus)		\$ 7,504,006	3.96%	0.62%
Eligibility - Misc. Contracts		\$ 1,595,526	0.84%	0.13%
Health Access Eligibility & Enrollment	104	\$ 9,132,124	4.82%	0.75%
Long-Term Care	25	\$ 2,858,990	1.51%	0.24%
Premium Processing (Benaissance)		\$ 3,940,926	2.08%	0.32%
Vermont Health Connect		\$ 21,435,020	11.31%	1.77%
Quality	90	\$ 21,733,978	11.47%	1.79%
Blueprint	9	\$ 6,031,337	3.18%	0.50%
Care Management		\$ 2,484,577	1.31%	0.20%
Coordination of Benefits	17	\$ 1,698,944	0.90%	0.14%
Managed Care and Compliance	1	\$ 159,433	0.08%	0.01%
Payment Reform	9	\$ 972,958	0.51%	0.08%
Pharmacy	6	\$ 832,417	0.44%	0.07%
Pharmacy Benefits Manager		\$ 3,750,535	1.98%	0.31%
Program Integrity	14	\$ 1,684,307	0.89%	0.14%
Quality Improvement	10	\$ 1,195,956	0.63%	0.10%
Vermont Chronic Care Initiative	24	\$ 2,923,514	1.54%	0.24%
Project	15	\$ 91,198,799	48.14%	7.52%
EHRIP		\$ 10,300,000	5.44%	0.85%
HIT/HIE		\$ 10,552,176	5.57%	0.87%
MMIS		\$ 44,206,081	23.34%	3.65%
MMIS/HSE/HIT Staff	15	\$ 1,728,628	0.91%	0.14%
IE: Healthcare Projects		\$ 24,411,914	12.89%	2.01%
TOTAL ADMINISTRATIVE COSTS	366	\$ 189,440,111	100.00%	15.62%