



**STATE OF VERMONT**  
GENERAL ASSEMBLY  
HOUSE COMMITTEE ON APPROPRIATIONS

REP. CATHERINE TOLL, CHAIR  
REP. PETER J. FAGAN, VICE CHAIR  
REP. KATHLEEN C. KEENAN, RANKING MEMBER  
REP. MATTHEW TRIEBER, CLERK  
REP. MAUREEN DAKIN  
REP. MARTY FELTUS  
REP. BOB HELM  
REP. MARY S. HOOPER  
REP. BERNARD JUSKIEWICZ  
REP. DIANE LANPHER  
REP. DAVID YACOVONE

**MEMORANDUM**

To: Representative Bill Lippert, Chair, House Committee on Health Care

From: Representative Kitty Toll, Chair, House Committee on Appropriations 

Date: January 11, 2017

Subject: Provisions in the Governor's Proposed FY 2017 Budget Adjustment

The House Appropriations Committee has started work on the Governor's proposed FY 2017 Budget Adjustment bill and would like to inform you about proposals related to appropriations from the Department of Vermont Health Access, the Department of Health, the Department of Mental Health, the Department of Disabilities, Aging and Independent Living, and the Green Mountain Care Board. In addition, there is language on a fund transfer from the Agency of Human Services Central Office earned federal receipts in section 60, and a reversion from the Green Mountain Care Board in section 61, to support the FY2017 Budget Adjustment bill from sources related to health care; position authorizations within the Executive Branch in section 69; conversion of limited service positions to classified permanent status in the Green Mountain Care Board in section 70; annual language to establish certified state fund match in Global Commitment that includes updated revenue estimates in section 75; an extension of authority for the Green Mountain Care Board to review Medicaid's Accountable Care Organizations payment arrangement in section 77; and a repeal of the All Payer Model language to add funding through the FY2017 Budget Adjustment in section 78.

The House Appropriations Committee welcomes and appreciates your input and would like to give you the opportunity to comment on any of the proposals; however, it is not necessary to respond to all of the proposals unless you have concerns or recommendations. If you do not wish to comment on any of the issues sent to your committee, please send a quick e-mail or note to the Committee through Theresa Utton-Jerman at [tutton@leg.state.vt.us](mailto:tutton@leg.state.vt.us). If you would like to respond it would be helpful if you could do so by the end of the day on January 19<sup>th</sup>.

There are several House Appropriations Committee budget reporters for these subject areas, please refer to the key sent earlier from our Committee. Please let her know your committees budget liaison for coordination and communications between the two committees.

**Numbers Sections:**

B.306 – B.310 – Department of Vermont Health Access – Medicaid Trend Savings. Please review the attached spreadsheet.

B.311 – B.313 – Department of Health – Global Commitment Waiver changes. Please review the attached spreadsheet.

B.314 – Mental Health – Vocational rehabilitation funding to sustain program despite federal funding reduction in FY2017 (\$1.4M). *Note: this section has also been sent to the House Committee on Human Services.*

B.327 – Mental Health – Woodside Rehabilitation Services – Increased vacancy savings; Loss of Medicaid funding due to change in the 1115 Waiver; one-time Global Commitment earnings from FY16 to offset lost Medicaid eligibility of the facility – \$43,383.00 General Funds.

B.329 – B.333 – Department of Disabilities, Aging and Independent Living – Various waiver changes. Please review the attached spreadsheet.

B.345 – Green Mountain Care Board – Additional funding for All Payer Model analytics and modeling contracts.

**Language Sections:**

**Sec. 60. FUND TRANSFERS**

**(a) Notwithstanding any provision of law to the contrary, in fiscal year 2017:**

**(1) The following amounts shall be transferred to the General Fund from the funds indicated:**

<u>21054</u>	<u>Misc. Fines &amp; Penalties</u>	<u>442,849.77</u>
<u>21065</u>	<u>Financial Institute Supervision</u>	<u>728,499.86</u>
<u>21405</u>	<u>Bond Investment Earnings</u>	<u>161,100.90</u>
<u>21550</u>	<u>Land &amp; facilities Trust Fund</u>	<u>450,000.00</u>
<u>21641</u>	<u>AG – Administrative Special Fund</u>	<u>30,848.02</u>
<u>21638</u>	<u>AG -Fees &amp; reimbursements -Court order</u>	<u>2,400,000.00</u>
<u>22005</u>	<u>AHS Central Office earned federal receipts</u>	<u>28,040,542.00</u>
<u>50300</u>	<u>Liquor Control Fund</u>	<u>955,000.00</u>
	<u>Caledonia Fair</u>	<u>5,000.00</u>
	<u>North Country Hospital Loan</u>	<u>24,250.00</u>

**EXPLANATION:** Funds available to be transferred to the General Fund.

\*\*\*

**(4) The following amount shall be transferred to the General Fund from the Agency of Human Services earned federal receipts and reserved in the Human Services Caseload reserve established in 32 V.S.A. § 308b and amended by this Act.**

<u>22005</u>	<u>AHS Central Office earned federal receipts</u>	<u>10,000,000.00</u>
--------------	---	----------------------

**EXPLANATION:** There is sufficient onetime earned federal receipts held by the Agency of Human Services to transfer part of the unallocated balance to the Human Services caseload reserve for unanticipated caseload needs in FY 2017 or a future fiscal year. *Note: this section has also been sent to the House Committee on Human Services.*

**Sec. 61. REVERSIONS**

(a) Notwithstanding any provision of law to the contrary, in fiscal year 2016:

(1) The following amounts shall revert to the General Funds from the Accounts indicated:

<u>1100030000</u>	<u>Pay Act – Executive Branch</u>	<u>659,116.00</u>
<u>1240001000</u>	<u>Lieutenant Governor</u>	<u>4,603.00</u>
<u>1250001000</u>	<u>Auditor of Accounts</u>	<u>63,533.00</u>
<u>1260010000</u>	<u>State Treasurer</u>	<u>35,868.00</u>
<u>2100001000</u>	<u>Attorney General</u>	<u>25,416.00</u>
<u>3310000000</u>	<u>Commission on Women</u>	<u>10,890.00</u>
<u>3330010000</u>	<u>Green Mountain Care Board</u>	<u>296,663.00</u>
<u>5100070000</u>	<u>Agency of Education – Education services</u>	<u>245,000.00</u>

**EXPLANATION:** Funds carried forward from FY 2016 that can be reverted to the General Fund.

**Sec. 69.** 2016 Acts and Resolves No.172, Sec. E.100(a)(1) is amended to read:

**Sec. E. 100 EXECUTIVE BRANCH POSITION AUTHORIZATIONS**

(1) In the Green Mountain Care Board – one (1) ~~Health Care Statistical Information Administrator~~ Health Policy Analyst, one (1) ~~Health Facility Senior Auditor & Rate Specialist, and Financial Manager II, two (2) Reimbursement Analyst,~~ one (1) Financial Systems Analyst, and one (1) Health Policy Advisor.

**EXPLANATION:** Change in position titles created in 2016 Act 172 due the evolution of the Board's position requirements to implement the All Payer Model. *Note: this section has also been sent to the House Committee on Government Operations.*

**Sec. 70.** 2016 Acts and Resolves No.172, Sec. E.100(a) is added to read:

(2) The conversion of classified limited service positions to classified permanent status in fiscal year 2017 as follows:

(i) In the Green Mountain Care Board – one (1) Health Policy Director, one (1) Health Policy Analyst, and one (1) Board Legal Technician.

**EXPLANATION:** Base funding was allocated for these positions in FY 2017 budget; language authorizing permanent status was not included in the final bill. *Note: this section has also been sent to the House Committee on Government Operations.*

**Sec. 75.** 2016 Acts and Resolves No. 172, Sec. E.301(b) is amended to read:

(b) In addition to the State funds appropriated in this section, a total estimated sum of ~~29,633,326~~ \$28,082,571 is anticipated to be certified as State matching funds under the Global Commitment as follows:

(1) ~~18,500,400~~ \$23,068,400 certified State match available from local education agencies for eligible special education school-based Medicaid services under the Global Commitment. This amount combined with ~~\$21,999,600~~ \$27,431,600 of federal funds appropriated in Sec. B.301 of this act equals a total estimated expenditure of ~~\$40,500,000~~ \$50,500,000. An amount equal to the amount of the federal matching funds for eligible special education school-based Medicaid services under Global Commitment shall be transferred from the Global Commitment Fund to the Medicaid Reimbursement Special Fund created in 16 V.S.A. § 2959a.

~~(2) \$4,091,214 certified State match available from local education agencies for direct school-based health services, including school nurse services, that increase the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.~~

(3) ~~\$1,883,273~~ \$941,637 certified State match available from local education agencies for eligible services as allowed by federal regulation for early periodic screening, diagnosis, and treatment programs for school-age children.

(4) ~~\$2,731,052~~ \$1,716,095 certified State match available via the University of Vermont's Child Health Improvement Program for quality improvement initiatives for the Medicaid program.

(5) ~~\$2,427,387~~ \$2,356,439 certified State match available from local designated mental health and developmental services agencies for eligible mental health services provided under Global Commitment.

**EXPLANATION:** Annual language (with updated revenue estimates) to establish certified state fund match as defined in the Global Commitment waiver. School-based health services no longer eligible be claimed as Investment per the Centers for Medicaid & Medicare Services.  
*Note: this section has also been sent to the House Committee on Human Services.*

**Sec. 77.** 2016 Acts and Resolves No. 113, Sec. 13 is amended to read:

Sec. 13. MEDICAID ADVISORY RATE CASE FOR ACO SERVICES

(a) On or before December 31, ~~2016~~ 2017, the Green Mountain Care Board shall review any all inclusive population-based payment arrangement between the Department of Vermont Health Access and an accountable care organization for calendar ~~year~~ years 2017 and 2018. The Board's review shall include the number of attributed lives, eligibility groups, covered services, elements of the per-member, per-month payment, and any other nonclaims payments. The Board's review may include deliberative sessions to the same extent as allowable under insurance rate review in 8 V.S.A. §4062.

(b) The review shall be nonbinding on the Agency of Human Services, and nothing in this section shall be construed to abrogate the designation of the Agency of Human Services as the single State agency as required by 42 C.F.R. §431.10.

(c) The Board shall review the payment arrangement prior to the finalization of a contract between the Department and the accountable care organization and shall maintain the confidentiality of information necessary to preserve contract negotiations of the parties. The Board shall release its advisory opinion within 30 days of the finalization of the contract between the parties.

(d) The Department of Vermont Health Access shall provide the Board and its contractors such data and information requested by the Board for its review on the timeframe set forth by the Board.

**EXPLANATION:** The Green Mountain Care Board was provided one year of authority to review Medicaid's ACO payment arrangement in Act 113. With the finalization of the All Payer ACO Model, an extension of this authority is necessary for one year while the Board works to implement new regulatory authority. The Board expects to request statutory changes in 2018.

**Sec. 78. REPEAL**

(a) 2016 Acts and Resolves No.172, Sec. E.345.1 is repealed on upon passage of this Act.

**EXPLANATION:** All Payer Model language repealed in favor of adding funding through the FY 2017 Budget Adjustment.

Thank you for your review and consideration.