

# Vermont Medicaid: Global Commitment to Health Waiver

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# Big Picture

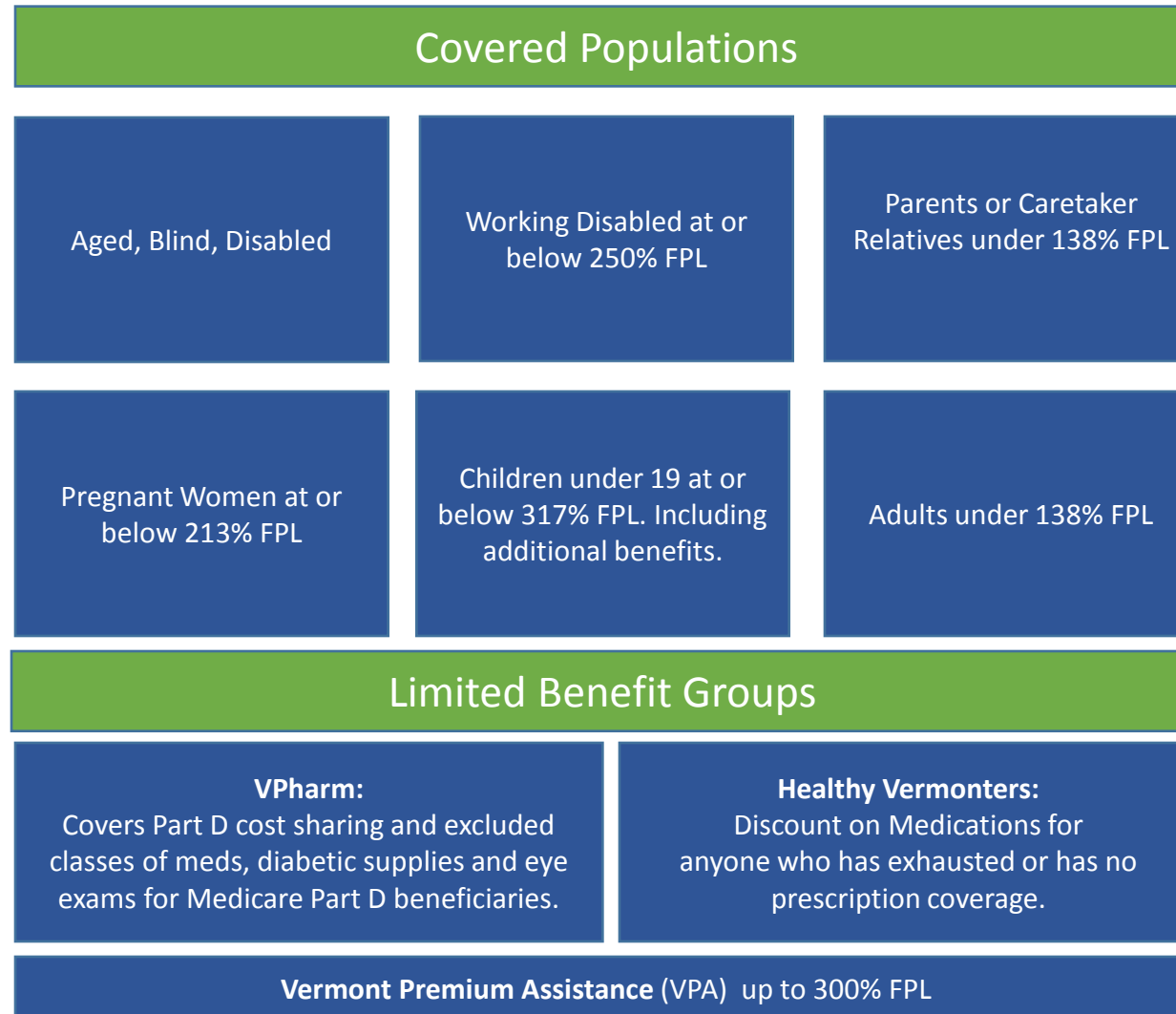
# What is Medicaid?

- Created in 1965 as Title XIX of the Social Security Act
- Medicaid is a public health insurance program for low-income individuals and families and those with disabilities.
- Financed through a federal-state partnership and administered through the states.
- Each state designs and operates its own program within broad federal guidelines.

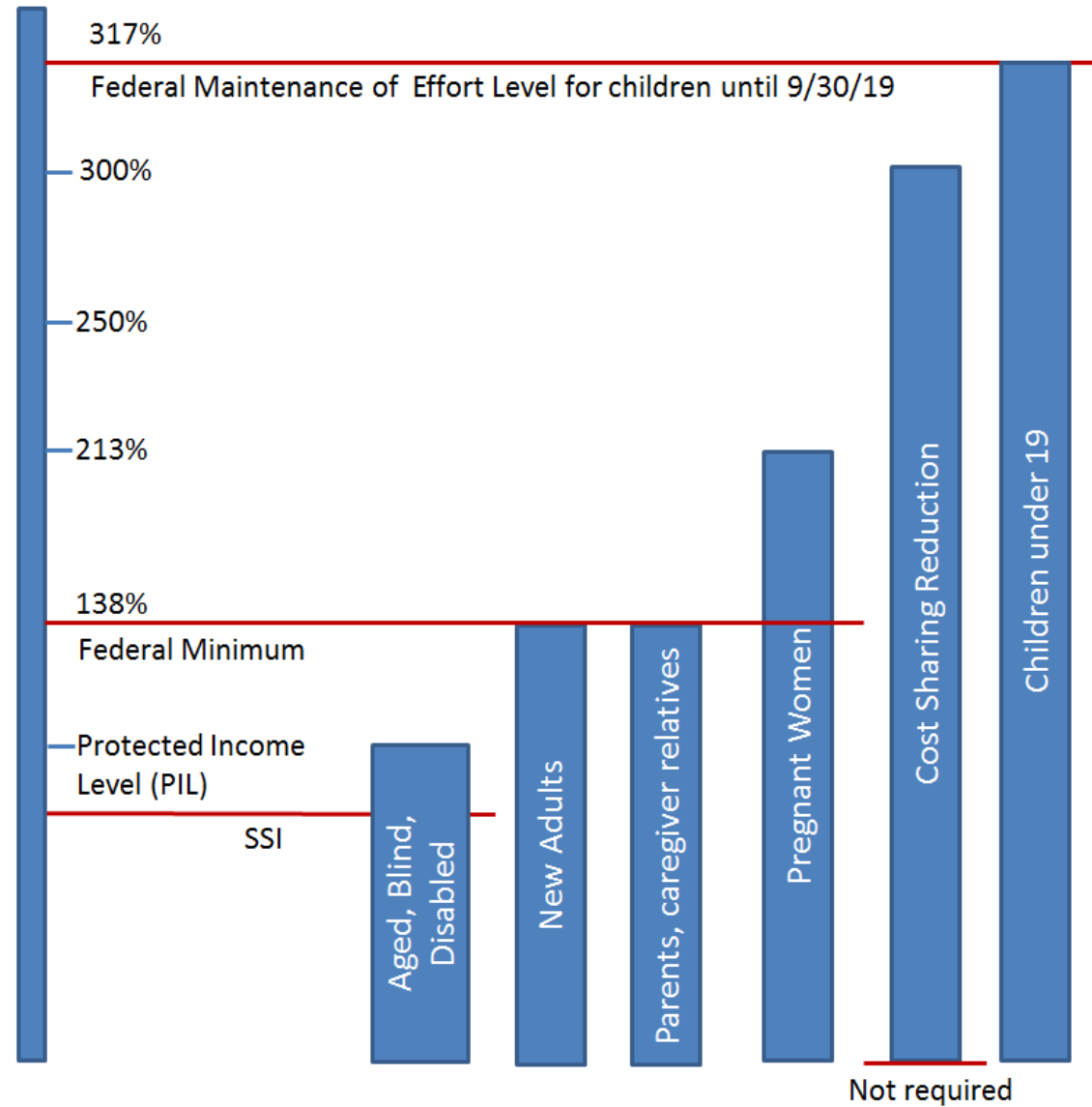


*“If you’ve seen one Medicaid Program, then you’ve seen one Medicaid program.”*

# Covered Medicaid Populations



# Medicaid Eligibility



# Medicaid Usage

## NATIONWIDE

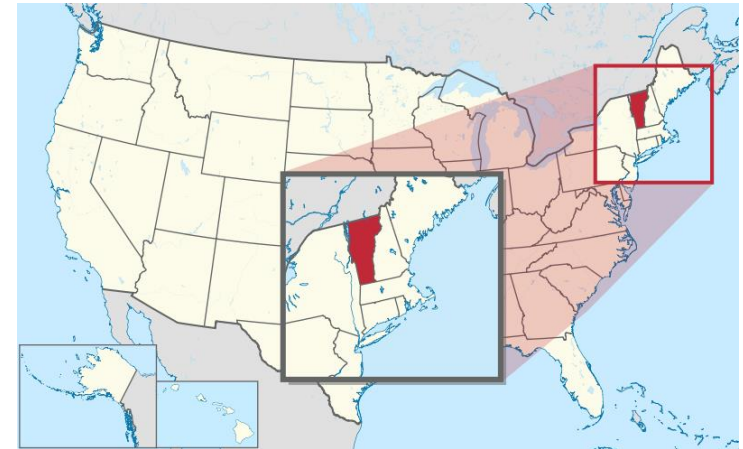
73 million individuals nationwide in have coverage through Medicaid and CHIP (as of September 2016, Medicaid.gov).

- Approx. 22% of Americans.

## VERMONT

Approx. 203,000 Vermonters receive some form of assistance through Medicaid (as of 9/16).

- Primary source of coverage for approx. 151,000 Vermonters.
- Partial or supplemental assistance for approx. 52,000 Vermonters (e.g. premium assistance, Rx assistance, etc.)



# Medicaid State Plan





# Medicaid State Plan

- All States must have an approved Medicaid State Plan.
- The State Plan is Vermont's foundational contract with the federal government for how Medicaid will be administered and paid for.
- State Plan Amendments (SPAs) may be submitted for review and approval by CMS to update Vermont policy related to:
  - Medicaid administration
  - Eligibility
  - Coverage
- Public notice required before some SPAs.

# Vermont Covered State Plan Services

Mandatory Services	Optional Services	
Inpatient hospital services	Prescription Drugs	Chiropractic services
Outpatient hospital services	Clinic Services	Other Practitioner services
Rural health clinic services	Physical Therapy	Private duty nursing services
Nursing Facility services	Occupational Therapy	Personal Care
Home health services	Eyeglasses	Hospice
Physician services	Respiratory care services	Case Management
Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) services	Other diagnostic, screening, preventive and rehabilitative services	Services for Individuals Age 65 or Older in an Institution for Mental Disease (IMD)
Federally qualified health center services	Podiatry services	Services in an intermediate care facility for Individuals with Intellectual Disability
Laboratory and X-ray services	Optometry Services	Health Homes for Enrollees with Chronic Conditions
Family planning services	Dental Services	Speech, hearing, and language disorder services
Nurse Midwife services	Tobacco cessation counseling	Inpatient psychiatric services for individuals under age 21
Certified Pediatric and Family Nurse Practitioner services	Prosthetics	Self-Directed Personal Assistance Services
Freestanding Birth Center services (when licensed or otherwise recognized by the state)		
Transportation to medical care		

# Medicaid Section 1115 Waiver



# Medicaid Section 1115 Waivers

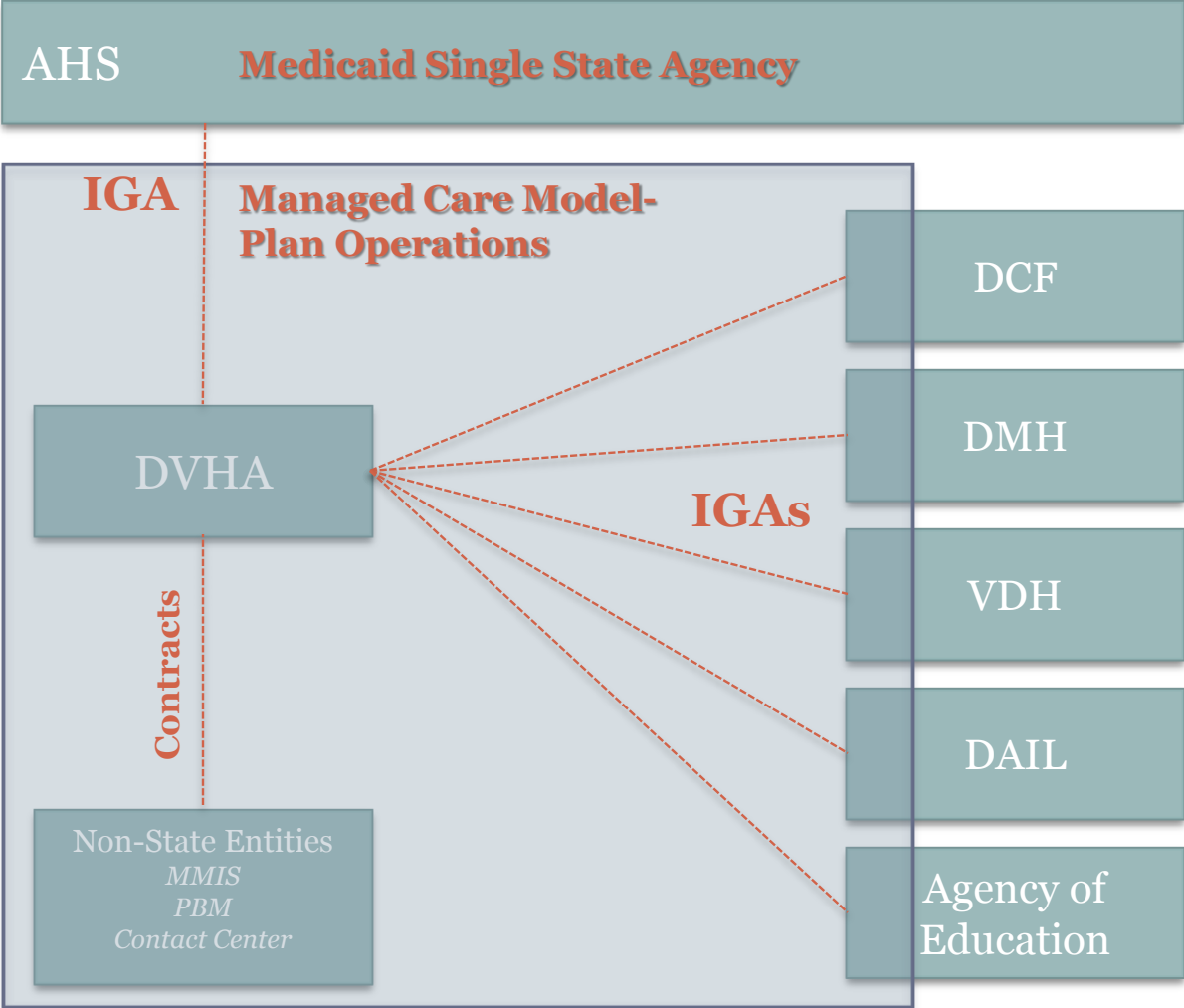
- 1115 is the section of the Federal Social Security Act that allows the federal government to “waive” many, but not all, of the laws governing Medicaid, including eligible people and services.
- 1115 waiver authority is intended to encourage state innovation in the Medicaid program
- 1115 waivers must be budget neutral
- Vermont’s 1115 waiver is called the **Global Commitment to Health**
  - Global Commitment began October 2005
  - Latest extension – 1/1/17 to 12/31/2021
- Vermont’s 1115 Waiver overlays and expands upon what is required through the Vermont Medicaid State Plan.

# Global Commitment Key Concepts

- AHS operates Medicaid using a managed care-like model:
  - Must comply with certain federal Medicaid managed care regulations
  - Requirements set through inter-governmental agreements (IGA) with AHS and DVHA.
- AHS pays DVHA a fixed premium (per member per month or PMPM).
  - Paid monthly. Trued up quarterly to actual expenditures



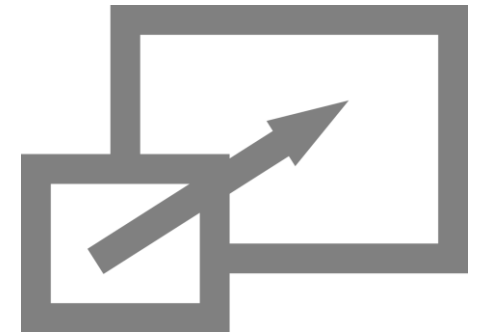
# Global Commitment Delivery Model



IGA = Intergovernmental Agreements

# Global Commitment Waiver Services

- The Global Commitment Demonstration includes the majority of Medicaid eligible people and services\* in Vermont, including:
  - Medicaid State Plan Services
  - Expanded eligibility and coverage (non-state plan services and populations):
    - Long Term Care Services & Supports
    - Traumatic Brain Injury (TBI)
    - Children's Mental Health
    - Community Rehabilitation and Treatment (CRT)
    - Developmental Disability Services (DS)



\*The Waiver spending limit excludes:

- CHIP (uninsured children with incomes between 225 and 317 percent of the Federal Poverty Level)
- Disproportionate Share Hospital (DSH) Payments
- Enhanced FFP for IT Infrastructure, Affordable Care Act initiatives

# Waiver Flexibilities, examples and limits

- Examples of requirements that can be “waived”:
  - Statewideness/Uniformity
  - Amount, Duration, Scope of Services
    - as long as the amount, duration and scope of covered services meets the minimum requirements under Title XIX of the Act
  - Payment to Providers
    - establish rates with providers on an individual or class basis without regard to the rates currently set forth in the approved state plan.
  - Freedom of Choice of Provider (restrict to “network”)
- Requirements that are not waived (require Medicaid State Plan approval):
  - New/changed provider types and qualifications
  - Most new benefits or services





# Global Commitment Investments

- GC gives Vermont the expenditure authority to invest in some programs/services not typically eligible for federal financial participation.
- These funds are referred to as “investments”.
- The state currently invests about \$127 million in total funds under this authority.
- Without this waiver, these investments would require new general fund appropriation (no federal match) or elimination.



# Global Commitment Investments

## Allowable Purposes-

1. Reduce the rate of uninsured and/or underinsured
2. Increase access of quality health care to the uninsured, underinsured, and Medicaid beneficiaries
3. Fund public health and other innovative programs that improve health outcomes, health status and quality of life for uninsured, underinsured, and Medicaid-eligible individuals
4. Encourage the formation and maintenance of public-private partnerships in health care, including initiatives to support and improve the health care delivery system and promote transformation to value-based and integrated models of care (*new in 2017*)

# Global Commitment Extension Updates

- Continues current Medicaid coverage of essential services for Vermont's most vulnerable populations.
- Continued flexibility in using Medicaid dollars to invest in health care priorities. Without this authority, Global Commitment investments would require new general fund appropriations or elimination.
- Aligns with and ensures Medicaid ability to participate in health care reform including additional federal financial capacity.

# Global Commitment Extension Updates

- Investments: Some investments must be phased down or use alternate federal fund sources because of CMS funding guardrails. The impact is estimated at \$64 million gross over the next 10 years.
- The following chart shows the yearly percentage of allowable spending on the investments that are required to be phased out over time. The percentages note how much of the SFY 2016 amount the state has authority to spend:

	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021
Vermont Psychiatric Care Hospital, Brattleboro Retreat, Valley Vista, Maple Leaf, Serenity House, and Lund Home (IMD)	100%	100%	100%	100%	Amount to be determined per the phase-down schedule in STC 87
HIT	100%	50%	0%	0%	0%
Non-state plan Related Education Fund Investments, Room and Board, and Physician Training Program not tied to serving in an underserved area	100%	100%	67%	33%	0%

# Global Commitment Extension Updates

- An institution of mental disease (IMD), under federal law, is a facility:
  - Primarily for mental health or substance use disorder treatment
  - Over 16 beds
  - For individuals over 21 and under 65.
- Because IMDs are not covered in other states, CMCS has required a transition of the funding for these facilities beginning in the final year of this demonstration, 2021, and continuing over 6 years (through the end of 2026).
- This timeframe allows the state time to plan appropriately for needed capacity, which could include downsizing these existing facilities so they are not over the bed limit, adding capacity elsewhere, or developing new facilities.
- Vermont to pursue a Substance Use Disorder (SUD) Demonstration Waiver Amendment:
  - CMS has encouraged Vermont to submit a waiver amendment in order to focus on the SUD continuum of care and state alignment with current federal policy frameworks for these services.
    - Permits continuation of payment for SUD institutions of mental disease. Approx. \$10M annual.

# Global Commitment Extension Updates

- Administrative Match Rate: some areas previously eligible for a program match rate of approximately 54% will now be at 50%.
- Woodside Juvenile Rehabilitation Center: new federal guidance removes federal match for approximately \$4 million gross of treatment expenditures at Woodside Juvenile Rehabilitation Center.
- Additional Capacity for Health System Transformation
  - CMS is providing Vermont with additional financial capacity to invest in healthcare reform concurrent with the All-Payer Model.
  - Requires state matching funds
  - Additional investment capacity is capped on an annual basis:

CY2016	126,882,102
CY2017	142,500,000
CY2018	148,500,000
CY2019	138,500,000
CY2020	136,500,000
CY2021	136,500,000

# Questions/Discussion

- Waiver governing documents located here:  
<http://dvha.vermont.gov/global-commitment-to-health/global-commitment-to-health-1115-waiver-2017-documents>