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HOUSE COMMITTEE ON HEALTH CARE

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MEMORANDUM

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

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

Date: January 11, 2018

Subject: House Committee on Health Care FY 2018 BAA recommendations

Thank you for the opportunity to review provisions of the Governor's FY 2018 budget adjustment proposal. The House Committee on Health Care has recommendations on the Department of Mental Health's proposal regarding street outreach workers, the Department of Health's proposal regarding the Vermont Household Health Insurance Survey, and a consensus proposal from interested stakeholders to address the cessation of federal cost-sharing reduction payments to health insurers.

Department of Mental Health: Street Outreach

The Department of Mental Health is requesting \$199,985 in FY 2018 budget adjustment for street outreach workers to be placed in six towns in Chittenden County and in Rutland, Barre/Montpelier, and Brattleboro. These areas were selected based on their elevated rates of individuals using hospital emergency departments, their considerable numbers of individuals experiencing homelessness, and their significant numbers of individuals receiving General Assistance.

The Committee was pleased to learn that the participating communities are interested in cooperating and would be matching the State's contributions in order to fund these outreach worker positions. The Committee believes that the mental health outreach services the workers will provide mend a hole in the safety net, which is why it is crucial that these services will be made available to anyone who needs them and not be provided on a fee-for-service basis. The Department of Mental Health's proposal, combined with the local matching funds, would support the cost of these positions in their entirety for the remainder of FY 2018. The proposal is consistent with the intent of 2017 Acts and Resolves No. 82 to address the difficulties that emergency departments experience in meeting the needs of individuals who present with symptoms of a mental health crisis.

On a vote of 8-0-3, the Committee supports this concept as an important first step in addressing the urgent need for crisis services. Because the six towns in Chittenden County are prepared to fully implement the street outreach worker initiative at this time, including initial financial commitments from those towns, the Committee endorses immediate funding through the FY 2018 budget adjustment act for four positions to serve

those communities. The Committee recommends that funding to implement this initiative statewide should be included in the FY 2019 budget as long as the Department of Mental Health has confirmed the interest and financial support of communities across the State and believes that statewide implementation is consistent with the Department's overall action plan to increase access to mental health services in Vermont. And, as health care reform initiatives move forward, the Committee also wants to ensure that the General Assembly does not lose sight of the goal of health care payment and delivery systems that are fully integrated across the entire continuum of health care services.

Department of Health: Vermont Household Health Insurance Survey

The Department of Health is requesting \$375,000 in FY 2018 budget adjustment to conduct the Vermont Household Health Insurance Survey early in 2018. Pursuant to 18 V.S.A. § 9410(i), the Commissioner of Health must submit a recommendation to the General Assembly by January 15, 2018 and every three years thereafter for conducting a survey of the health insurance status of Vermont residents. The survey was last conducted in 2014; responsibility for the survey was transferred from the Commissioner of Financial Regulation to the Commissioner of Health the following year. The survey has historically collected information on health insurance coverage in Vermont and on the demographic, economic, health status, and employment-related characteristics of Vermont's population to support the State's analytical needs for measuring changes in the population, in insurance coverage, and in the affordability of and financial access to health insurance and health care over time. On a vote of 8-0-3, the Committee supports the Department of Health's proposal to conduct the survey again in 2018. It is important not only to collect updated information about Vermonters generally and as a measure of the State's progress in reducing the number of uninsured, but also to serve as a baseline against which to measure the implementation and outcomes of the All-Payer Model and other health care reform initiatives.

Cost-Sharing Reductions and "Silver Loading"

Cost-sharing reductions (CSRs) under the Affordable Care Act reduce the amount of out-of-pocket exposure for individuals with incomes up to 250 percent of the federal poverty level (FPL) by reducing the amounts of their co-payments, coinsurance, deductibles, and out-of-pocket limits. In addition, the ACA created advance premium tax credits (APTCs) for individuals with incomes up to 400 percent FPL. Until October 2017, the federal government provided payments to health insurers for providing CSRs to eligible individuals who purchased silver-level plans through the Vermont Health Benefit Exchange. On October 12, 2017, the Trump Administration announced that it would no longer make these CSR payments to health insurers, though the insurers are still required under federal law to provide CSRs to their eligible enrollees.

States and health insurers have several options for responding to the cessation of CSR payments, including spreading the CSR-related premium increases across all plans, focusing those premium increases on only the silver-level plans, and loading the CSR-related premium increases on silver-level Exchange plans only while allowing for nearly identical plans with lower premiums to be offered off the Exchange. A group of stakeholders organized by the Green Mountain Care Board and the Department of

Financial Regulation has offered a consensus proposal to implement the third option. The ACA determines the amount of APTC available to each individual who is at or below 400 percent FPL based on a sliding scale percentage of income. Because the amount of the APTC is based on the difference between the premium for the second-lowest cost silver-level Exchange plan and the applicable percentage of the individual's household income, premium increases for silver-level Exchange plans will be absorbed by the federal government for APTC-eligible individuals. Allowing similar silver-level plans without the CSR-related premium increases to be offered off the Exchange for employees of small businesses and individuals who are not eligible for APTCs will keep coverage affordable for those Vermonters, as well. At least 37 other states have used a comparable approach for the 2018 plan year, and their experiences may serve as useful models for successful implementation in Vermont for the 2019 plan year.

The Committee supports this "silver loading" proposal on a vote of 8-0-3. The Committee recommends that the following language be included in the FY 2018 budget adjustment act to enable the new plans to be available for purchase during open enrollment for the 2019 plan year:

[Insert language here]

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