

Vermont Cost-Sharing Reductions



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Other Proposed Health Care Budget Issues



The HCA Supports:

- **Preventative dental for children and new mothers**
- **Ceasing DVHA premium processing responsibilities**

The HCA opposes:

- **HCA budget cut of \$110,833**
- **Elimination of VT CSR**
- **Elimination of Primary Care Case Management Fee,**
- **Elimination of GMCB positions**
- **DSH Reductions**



Vermont Cost-Sharing Reductions



33 V.S.A. § 1812

- (A)** for households with income at or below 150 percent of the federal poverty level (FPL): 94 percent actuarial value;
- (B)** for households with income above 150 percent FPL and at or below 200 percent FPL: 87 percent actuarial value;
- (C)** for households with income above 200 percent FPL and at or below 250 percent FPL: 77 percent actuarial value;
- (D)** for households with income above 250 percent FPL and at or below 300 percent FPL: 73 percent actuarial value.



Federal and VT Cost-Sharing Reductions



FPL	Federal CSR	Vermont CSR
100-150%	94% AV	94% AV
150-200%	87% AV	87% AV
200-250%	73% AV	77% AV
250-300%	N/A	73% AV



Federal Cost-Sharing Reductions



- **Under the ACA only^{1,2}:**
 - Households over 250% FPL do not receive any cost-sharing assistance
 - Households over 200% FPL and at or below 250% FPL receive CSR to 73% AV instead of 77% AV
 - **200% FPL (2017, used for 2018 plans)³:**
 - Individual: \$24,120
 - Family of 2: \$32,480
 - Family of 4: \$49,200



¹ <https://www.kff.org/health-reform/issue-brief/explaining-health-care-reform-questions-about-health/>

² <https://obamacarefacts.com/insurance-exchange/cost-sharing-reduction-subsidies-csr/>

³ <http://info.healthconnect.vermont.gov/Thresholds2018>

Example: Vermont Family



- **Family of 4 with \$50,000 income**
- **Over 200% FPL and below 250% FPL (2017, used for 2018 plans)**
- **BCBSVT Silver Plan**
- **Kids on Dr. Dynasaur**



BCBSVT Silver Plan



	With VT CSR	Without VT CSR
Actuarial Value	77%	73%
Deductible	\$4000 + \$400 Rx	\$5,100 + \$600 Rx
PCP Copay	\$20	\$25
Specialist Copay	\$40	\$65
Out of Pocket Maximum	\$9000	\$11,400



Example: Vermont Family



- **Even with VT CSR, this family is underinsured (deductible >5% of household income)⁴**
 - With VT CSR: $\$4,400/\$50,000 = 8.8\%$
 - Without VT CSR: $\$5,700/\$50,000 = 11.4\%$



⁴ Robertson & Noyes, Market Decisions, Comprehensive Report, 2014 Vermont Household Health Insurance Survey (2015). <http://hcr.vermont.gov/sites/hcr/files/pdfs/survey/2014-VHHIS-Comprehensive-Report.pdf>