

Medicaid Financing Overview

(with FMAP 101)

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Context: Medicaid Coverage

NATIONWIDE

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

- Approx. 22% of Americans.

VERMONT

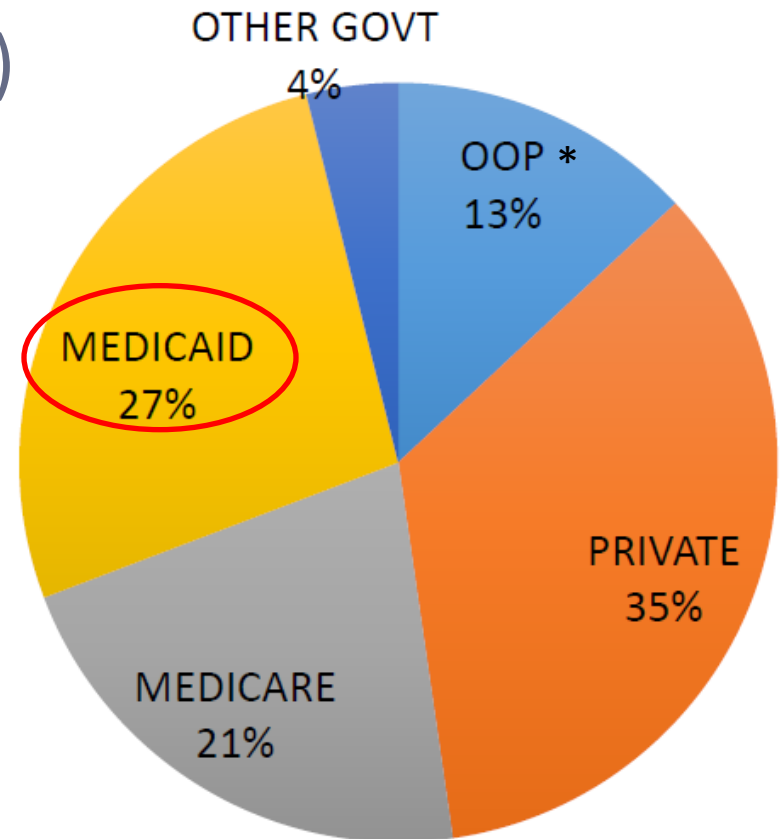
Approx. 203,000 Vermonters receive some form of assistance through Medicaid (as of 9/16).

- 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.)

Context: Overall Health Spending

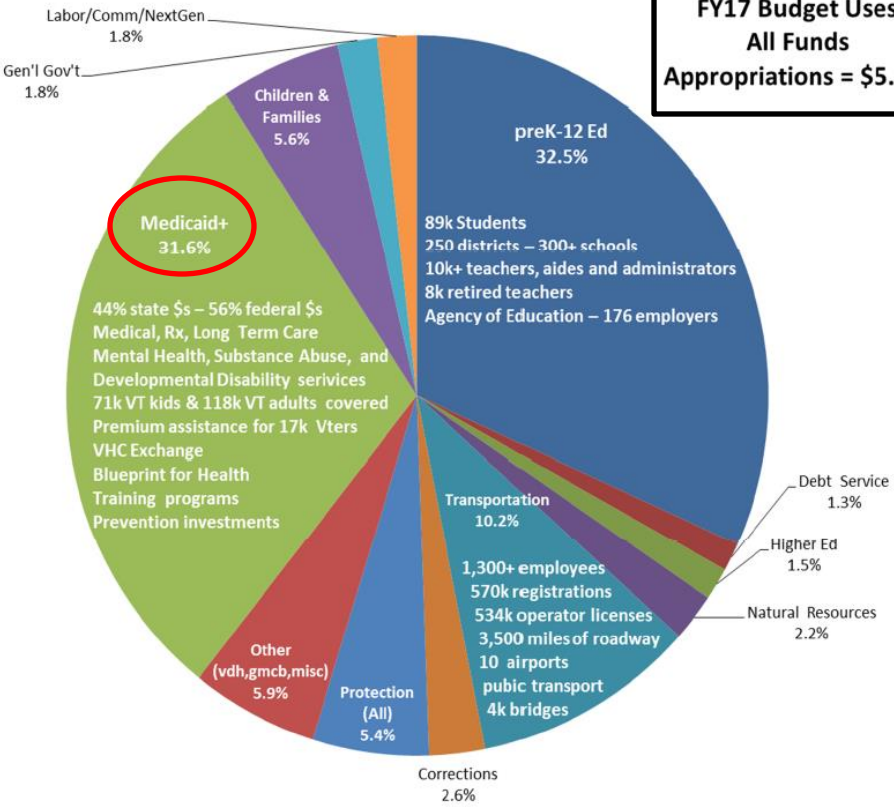
TOTAL HEALTH CARE SPENDING
IN VERMONT = \$5.5 Billion (2014)

- **Medicaid** accounts for **27%** of TOTAL overall statewide health spending

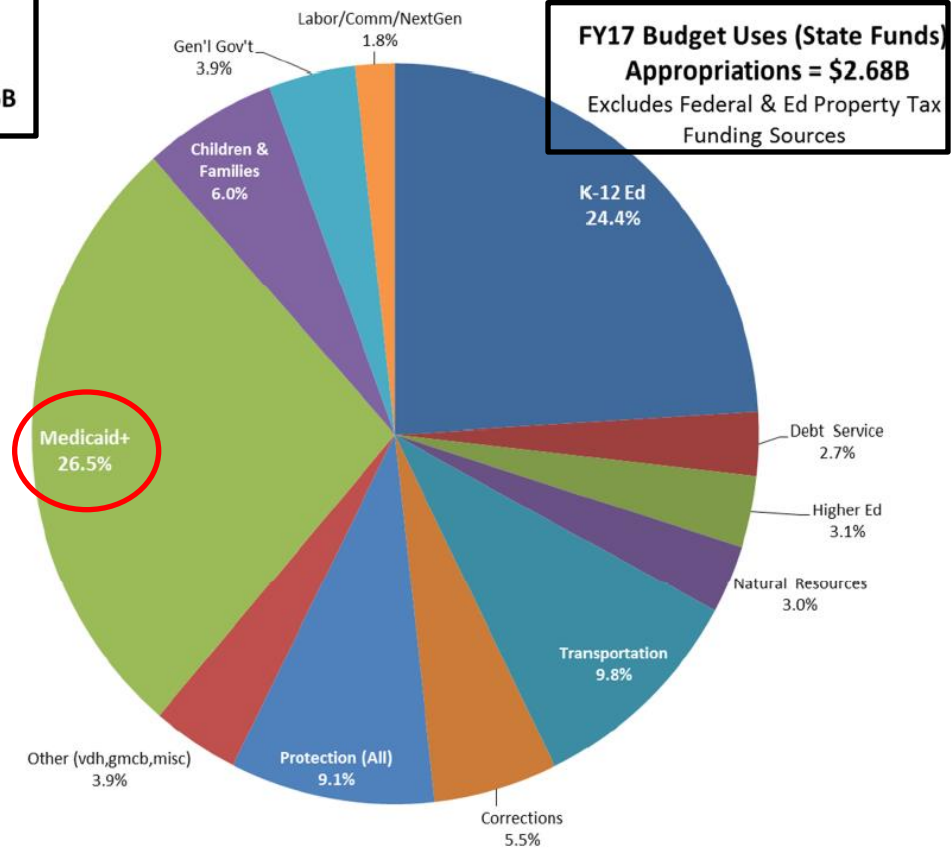


Context: Overall State Budget

**FY17 Budget Uses
All Funds
Appropriations = \$5.76B**



**FY17 Budget Uses (State Funds)
Appropriations = \$2.68B
Excludes Federal & Ed Property Tax
Funding Sources**

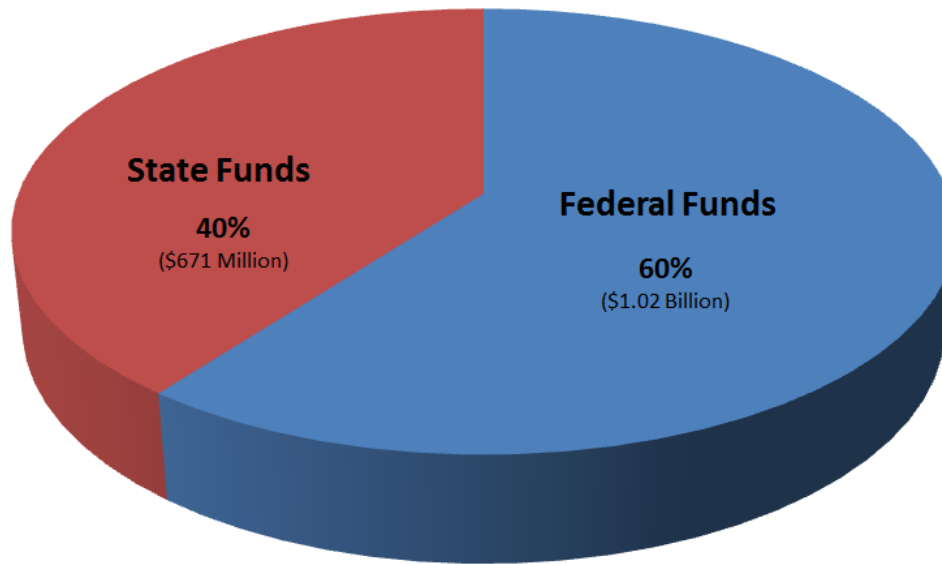


- Medicaid accounts for :
- **31.6%** of the total budget (all funds)
 - **26.5%** of state funds appropriation

Note: This slide uses FY17 as passed. The rest of the presentation uses FY16 actuals.

Medicaid Financing

- **SFY 2016:** Medicaid spending was \$1.69 billion.



- State funding comes from a combination of general funds, cigarette and tobacco taxes, provider taxes, certified funds and other sources

Medicaid Financing

SFY'16 = \$1.695 billion

TOTAL Medicaid Funding Sources

All funds: Federal + State

Federal Funds 1,024,340,615

State Funds 671,219,329

General Funds 301,198,469

State Health Care Resources Fund 282,647,700

Tobacco Settlement 29,579,458

Success Beyond Six 21,663,688

Certified Local Match 33,022,148

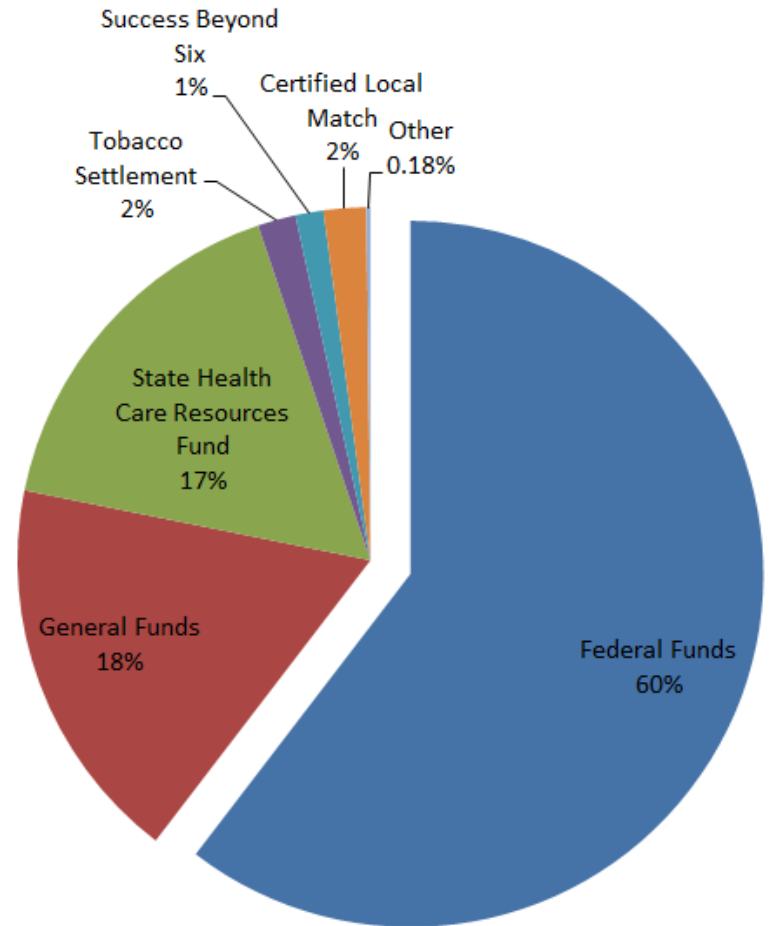
Other 3,107,866

Insurance Regulatory & Supervision 883,847

Agriculture Mosquito Control 56,276

HIT Fund 2,167,743

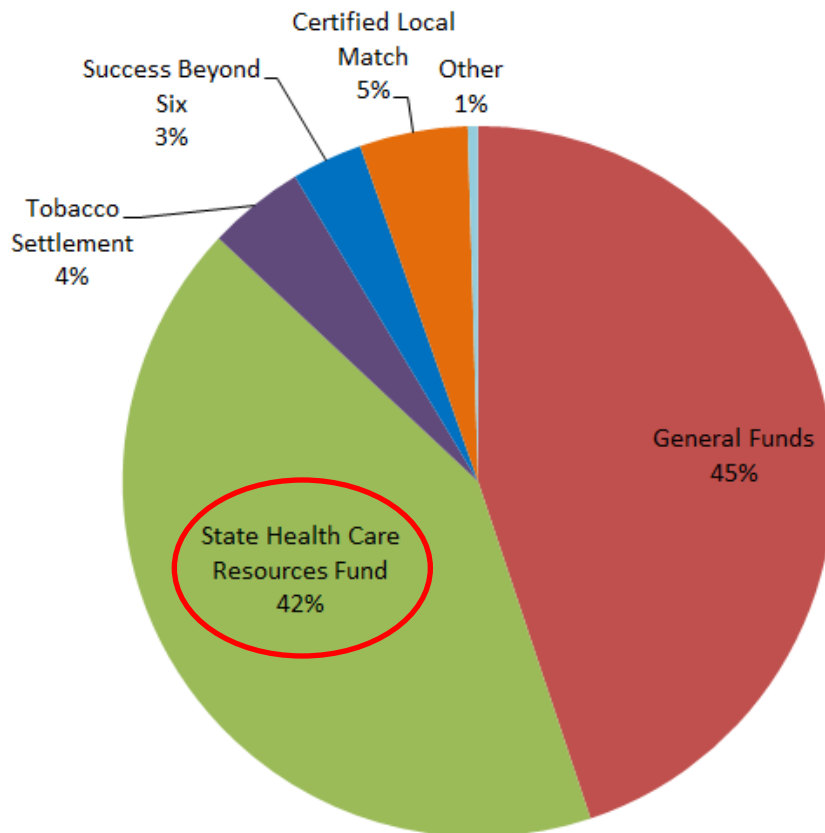
TOTAL 1,695,559,944



Medicaid Financing

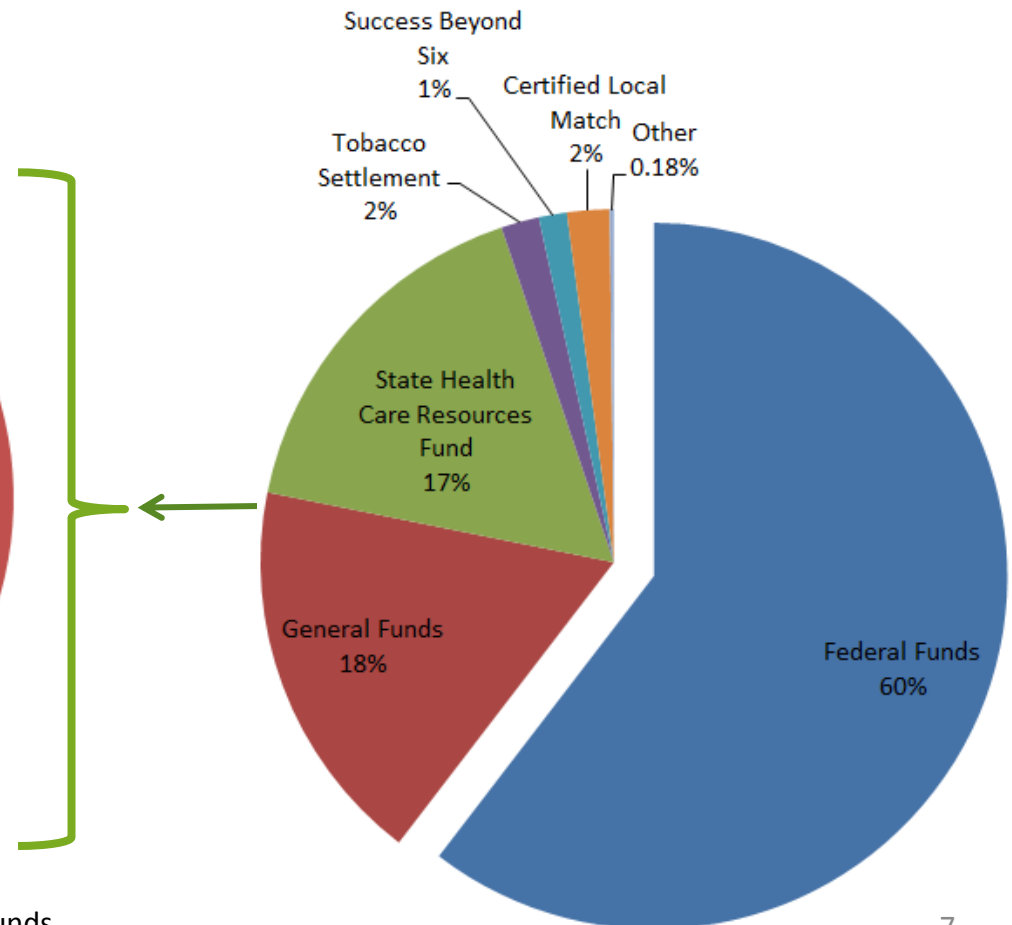
SFY'16 = \$1.695 billion

State Funds Only



TOTAL Medicaid Funding Sources

All funds: Federal + State



- State Health Care Resources fund accounts for 42% of state funds used to fund the Medicaid program.

State Health Care Resources Fund

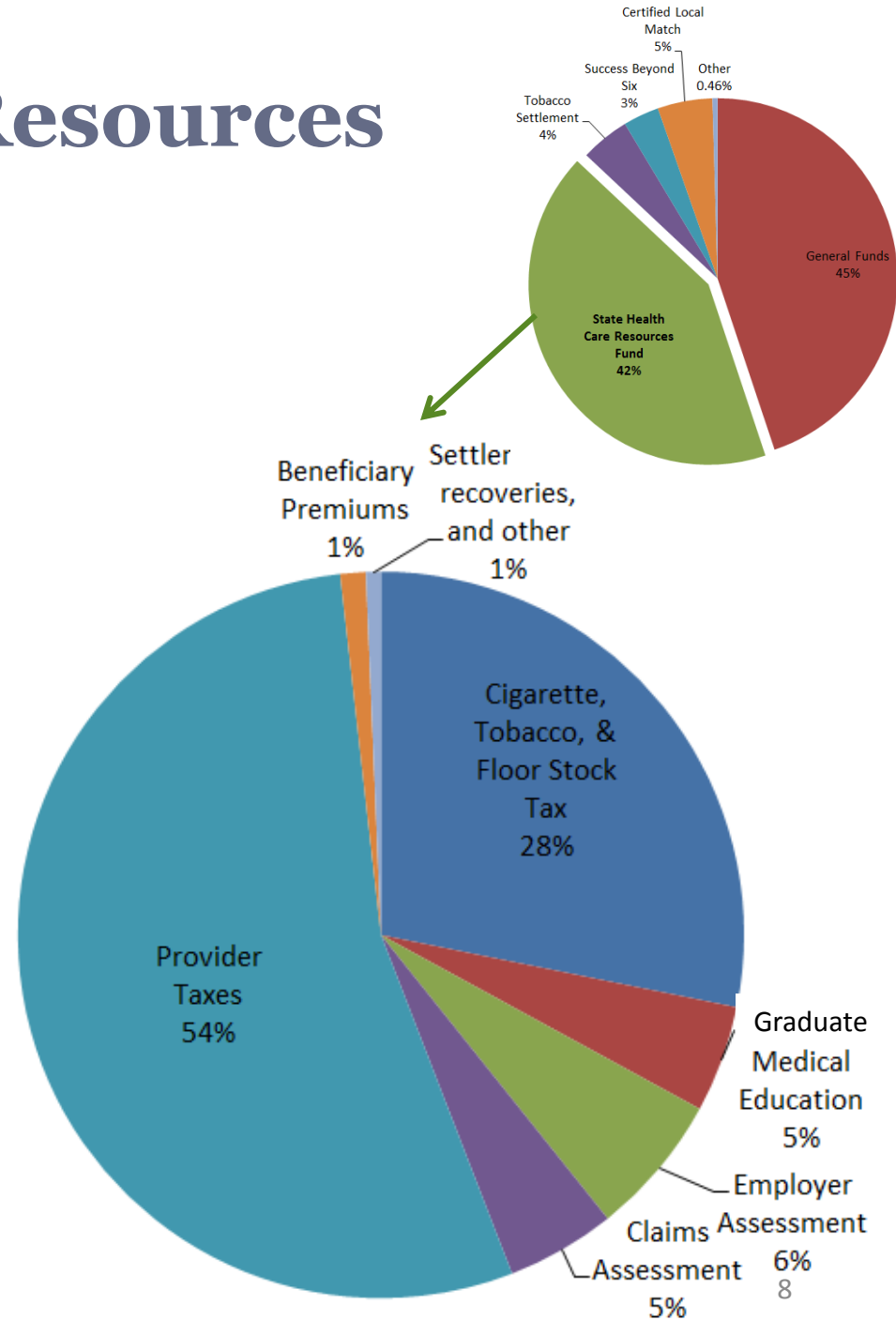
The SHCRF is:

- 17% of TOTAL Medicaid funding
- 42% of STATE SHARE of Medicaid funding

Note: See previous slide

State Health Care Resources Fund

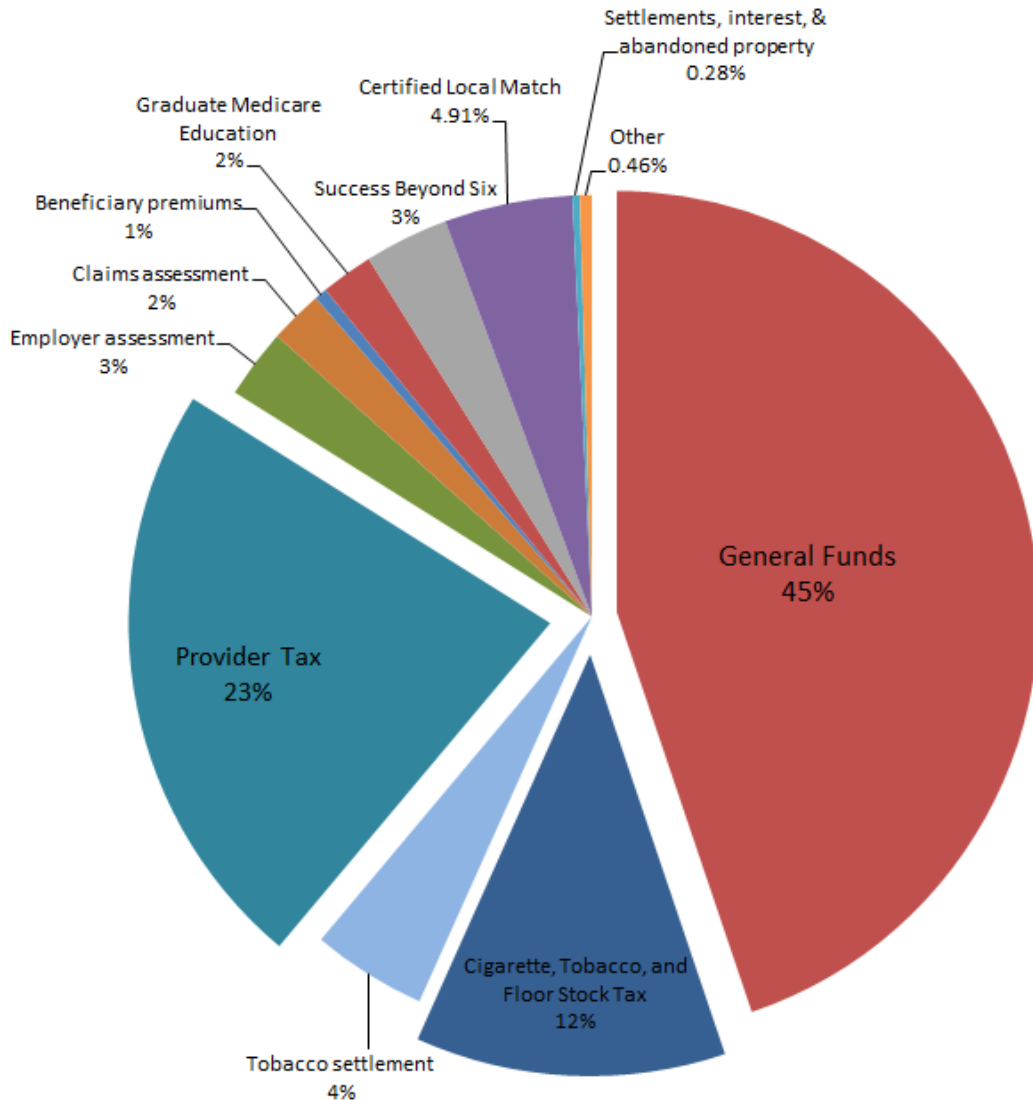
SFY'16	\$	%
Cigarette, Tobacco, & Floor Stock Tax	79,917,862	28%
Graduate Medical Education	13,491,750	5%
Employer Assessment	17,896,335	6%
Claims Assessment	13,767,674	5%
Provider Taxes	153,332,318	54%
Beneficiary Premiums	3,213,299	1%
Settlements, recoveries, and other	1,869,283	1%
TOTAL	282,647,700	



State Funds

(High level view regardless of special fund)

SFY'16 = \$671 million



- Provider taxes and Cigarette, Tobacco, and Floor Stock Taxes account for 35% of total state funds used to fund Medicaid

Federal Medical Assistance Percentage (FMAP)

- FMAP is the share of state Medicaid benefit costs paid by the federal government
- FMAP is calculated based on a 3 year average of state per capita personal income compared to national average
- No state can receive less than 50% of more than 83%
- States also received “enhanced FMAPs” for expansion populations under the ACA and for the *Children’s Health Insurance Program (CHIP)*

Federal Medical Assistance Percentage (FMAP)

	2017		2018		% Δ
	State	Federal	State	Federal	
Base FMAP	45.68%	54.32%	46.28%	53.72%	-0.60%
Enhanced FMAP (ACA)	13.43%	86.57%	11.63%	88.37%	1.80%
CHIP	8.98%	91.02%	9.40%	90.60%	-0.42%

Impact of FY'17 to '18 FMAP changes

- Base FMAP = - \$9.7 million
- E-FMAP (childless “new adults”) = \$5.85 million

FMAP History (with Enhancements)

State Fiscal Year
(as used in state budget)

Year	State Share
1991	37.83%
1992	38.48%
1993	39.75%
1994	40.37%
1995	39.50%
1996	39.14%
1997	39.00%
1998	38.10%
1999	37.98%
2000	37.83%
2001	37.64%
2002	37.11%
2003	36.57%
2004	34.48%
2005	39.58%
2006	41.11%
2007	41.18%
2008	41.00%
2009	33.90%
2010	30.04%
2011	31.93%
2012	42.14%
2013	43.58%
2014	43.56%
2015	43.51%
2016	44.97%
2017	45.68%
2018	46.28%

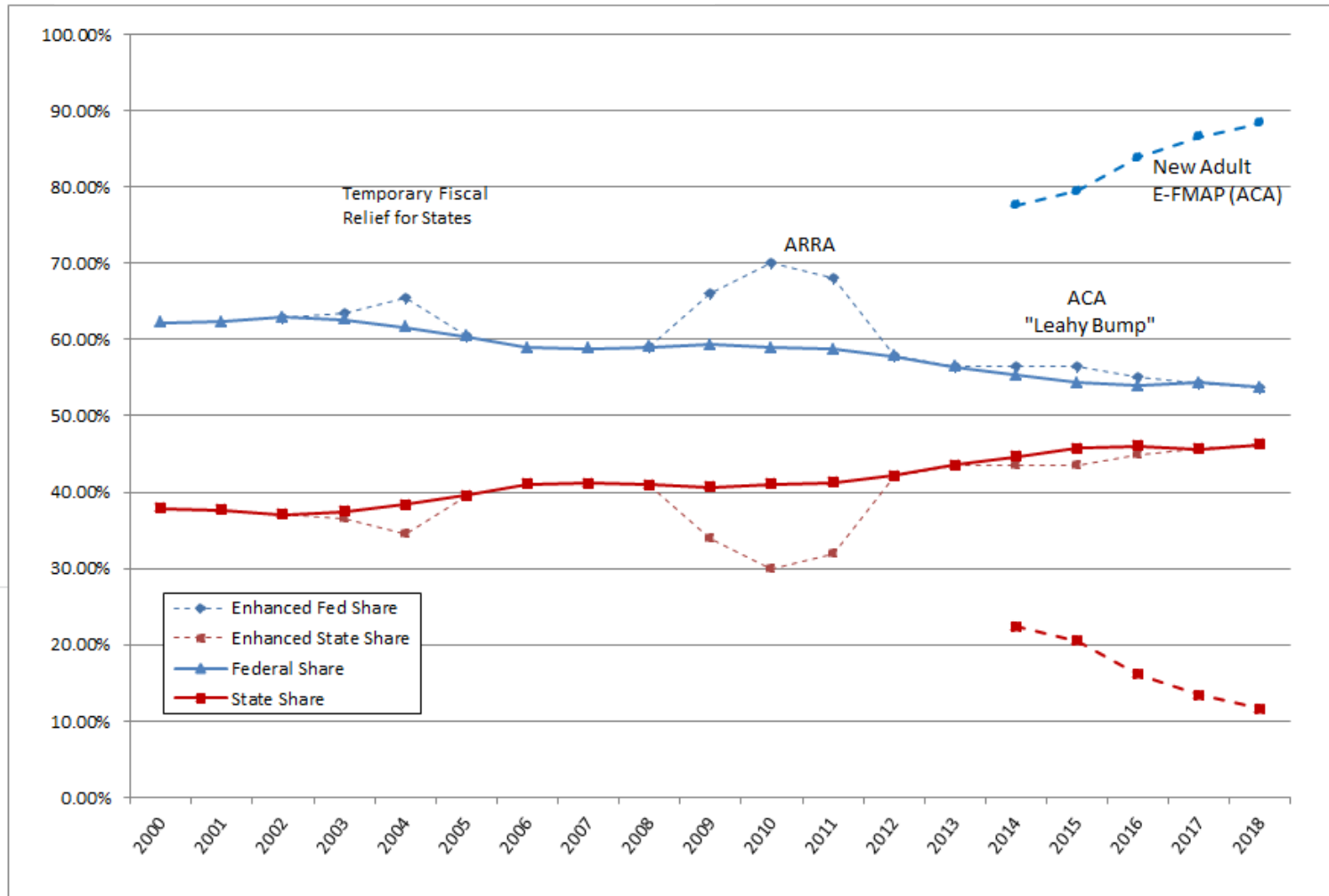
Temporary fiscal relief to states

ARRA

Affordable Care Act (ACA)
"Leahy Bump"

☐ = Years where state received enhancements to FMAP

FMAP - State Fiscal Years 2000 - 2018 with Enhancements



ARRA = American Recovery & Reinvestment Act
ACA = Affordable Care Act

FMAP History: Ups & Downs

VERMONT

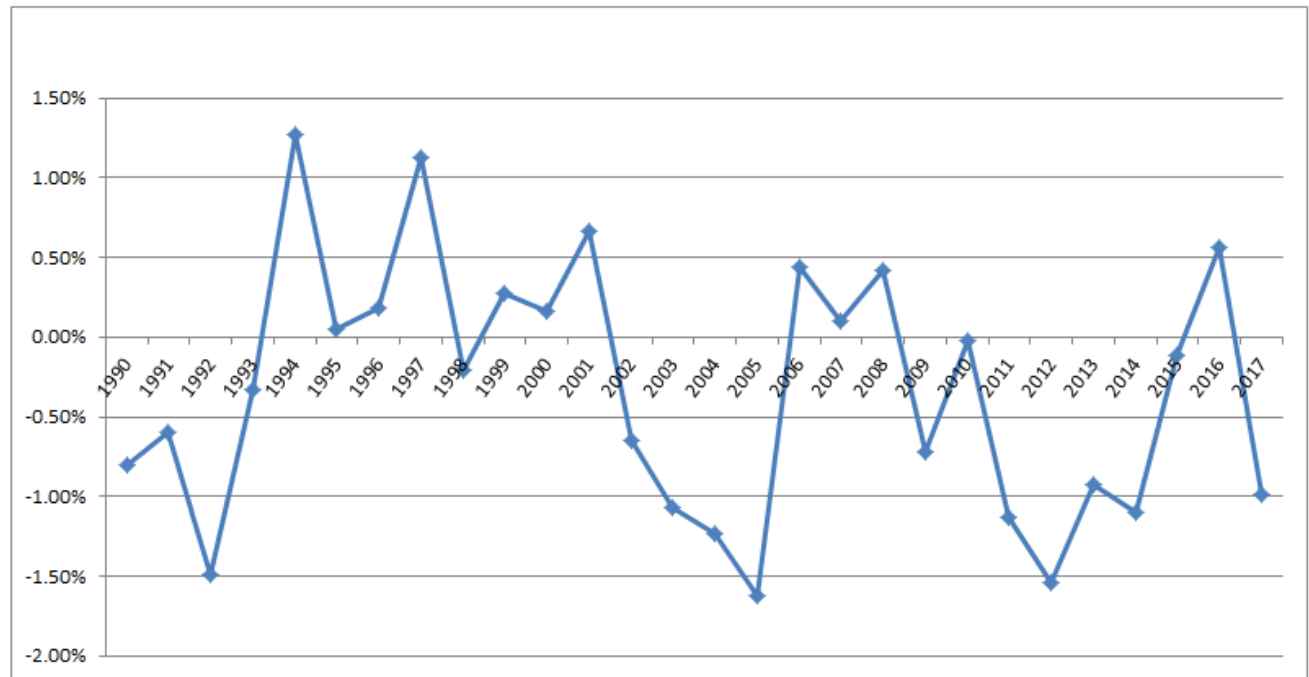
FMAP (based on Federal Fiscal Year)

Year	Federal Share	State Share	Difference
1990	62.77%	37.23%	
1991	61.97%	38.03%	-0.80%
1992	61.37%	38.63%	-0.60%
1993	59.88%	40.12%	-1.49%
1994	59.55%	40.45%	-0.33%
1995	60.82%	39.18%	1.27%
1996	60.87%	39.13%	0.05%
1997	61.05%	38.95%	0.18%
1998	62.18%	37.82%	1.13%
1999	61.97%	38.03%	-0.21%
2000	62.24%	37.76%	0.27%
2001	62.40%	37.60%	0.16%
2002	63.06%	36.94%	0.66%
2003	62.41%	37.59%	-0.65%
2004	61.34%	38.66%	-1.07%
2005	60.11%	39.89%	-1.23%
2006	58.49%	41.51%	-1.62%
2007	58.93%	41.07%	0.44%
2008	59.03%	40.97%	0.10%
2009	59.45%	40.55%	0.42%
2010	58.73%	41.27%	-0.72%
2011	58.71%	41.29%	-0.02%
2012	57.58%	42.42%	-1.13%
2013	56.04%	43.96%	-1.54%
2014	55.11%	44.89%	-0.93%
2015	54.01%	45.99%	-1.10%
2016	53.90%	46.10%	-0.11%
2017	54.46%	45.54%	0.56%
2018	53.47%	46.53%	-0.99%

 = Years where FMAP decreased from previous year

ACA = Affordable Care Act

FMAP Percentage Change Federal Fiscal Years 1991-2018



▶ Vermont receives enhanced FMAP (E-FMAP) for two Medicaid Eligibility Groups (MEGs):

- 1) New Adult (childless) - as part of the Affordable Care Act
 - SFY17 E-FMAP = 86.57% (federal share) / 13.43% (state share)
 - SFY18 E-FMAP = 88.37% (federal share) / 11.63% (state share)
 - Applied to Medicaid eligible expenditures for approximately 40,000 adults.

- 2) Children's Health Insurance Program (CHIP, formerly known as SCHIP)
 - SFY17 E-FMAP = 91.02% (federal share) / 8.98% (state share)
 - SFY18 E-FMAP = 90.60% (federal share) / 9.40% (state share)
 - Applied to Medicaid eligible expenditures for approximately 5,000 low-income children.

FMAP Comparison: Selected States FFY 2018

COMPARISON OF FMAPs - Selected States (FFY 2018)

New England States

CT, NH, MA = 50%

RI = 51.45% ↑

Vermont = 53.47% ↓

Maine = 64.34% ↓

↑ = Increased from previous year

↓ = Decreased from previous year

Highest FMAP

Mississippi (74.17%) ↑

New Mexico (72.16%) ↑

South Carolina (71.58) ↑

Alabama (71.44%) ↑

Lowest FMAP (50% FMAP)

Alaska

California

Colorado ↓

Connecticut

Maryland

Massachusetts

Minnesota

New Hampshire

New Jersey

New York

North Dakota

Virginia

Washington

Wyoming