

Crosswalk

Fiscal Year 2020 Budget Development Form - Green Mountain Care Board

| | General \$\$ | Transp \$\$ | Special \$\$ | Tobacco \$\$ | Federal \$\$ | Interdept'l Transfer \$\$ | Global Commitment \$\$ | Total \$\$ |
|--|--------------|-------------|--------------|--------------|--------------|------------------------------|---------------------------|------------|
| Green Mountain Care Board: FY 2019 Approp | 2,032,469 | 0 | 3,446,789 | 0 | 70,000 | 0 | 2,495,518 | 8,044,776 |
| Other Changes: (Please insert changes to your base appropriation that occurred after the passage of Act 11) | | | | | | | | 0 |
| FY 2019 After Other Changes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Approp. After FY 2019 Other Changes | 2,032,469 | 0 | 3,446,789 | 0 | 70,000 | 0 | 2,495,518 | 8,044,776 |
| Reduced contracts as Cycle IV Rate Review grant ends in FY19 | | | | | (70,000) | | | (70,000) |
| Health Information Technology (HIT) Funds to AHS | | | (60,000) | | | | | (60,000) |
| Health Care Advocate level funded FY19 As Passed (\$510k) | | | | | | | | 0 |
| Salary changes | 24,037 | | 34,812 | | | | 24,037 | 82,886 |
| Benefits (retirement rate increase, health ins plan changes, etc) | 46,271 | | 86,079 | | | | 27,205 | 159,555 |
| Vacancy savings to 2% | 20,721 | | 30,009 | | | | 20,721 | 71,451 |
| Operating expenses (primarily FFS) | 1,265 | | 1,827 | | | | 1,593 | 4,685 |
| Contract changes - ACO development & current VHCURES savings | (73,290) | | (105,719) | | | | (73,556) | (252,565) |
| Remove all Global Commitment dollars 01/18/19 | | | 2,495,518 | | | | (2,495,518) | 0 |
| Subtotal of Increases/Decreases | 19,004 | 0 | 2,482,526 | 0 | (70,000) | 0 | (2,495,518) | (63,988) |
| FY 2020 Governor Recommend | 2,051,473 | 0 | 5,929,315 | 0 | 0 | 0 | 0 | 7,980,788 |
| Green Mountain Care Board FY 2019 Appropriation | 2,032,469 | 0 | 3,446,789 | 0 | 70,000 | 0 | 2,495,518 | 8,044,776 |
| Reductions and Other Changes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SFY 2019 Total After Reductions and Other Changes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL INCREASES/DECREASES | 19,004 | 0 | 2,482,526 | 0 | (70,000) | 0 | (2,495,518) | (63,988) |
| Green Mountain Care Board FY 2020 Governor Recommend | 2,051,473 | 0 | 5,929,315 | 0 | 0 | 0 | 0 | 7,980,788 |
| | 0.9% | | 72.0% | | -100.0% | | -100.0% | -0.8% |

Bill Back Allocations: Administration's Proposal

Bill Back Allocations (%'s)

| | <u>Current</u> | <u>Proposed</u> | <u>Difference</u> |
|-----------|----------------|-----------------|-------------------|
| State | 40% | 26% | -14% |
| Hospitals | 30% | 37% | 7% |
| Insurers | 24% | 30% | 6% |
| ACO | 6% | 7.4% | 1% |

Est. Bill back Allocations (\$'s)

| | <u>Other Bill Back</u> | <u>Bill Back w/ Former GC \$'s</u> | <u>Difference</u> |
|-----------|------------------------|--|-------------------|
| Hospitals | \$1,716,899 | \$2,964,658 | \$1,247,759 |
| Insurers | \$1,373,519 | \$2,371,726 | \$998,207 |
| ACO | \$343,380 | \$592,932 | \$249,552 |
| | \$3,433,797 | \$5,929,315 | \$2,495,518 |

GC = Global Commitment

Global Commitment

At a Glance

- Most of the Medicaid program is administered through what is known as “**Global Commitment**” which is an 1115 waiver.

‘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
- States identify ways to save Medicaid funds and permitted to use the savings for identified priorities/goals.
 - Some of these goals are written into the terms and conditions. Others are achieved through what are known as “Investments.”
- **1115 waivers must be budget neutral to the federal government**

Global Commitment

Investments

- GC gives Vermont the expenditure authority (within limits) to invest in some program/services not typically eligible for federal financial participation.
- These funds are referred to as “investments”.
- The state currently invests about \$140 million in total funds under this authority.
 - Under the most recent agreement, many of these investments are to be reduced or phased out by CY 2021.
- Without this waiver, these investments would require new general fund appropriation (no federal match) or elimination.

Global Commitment

Investments

INVESTMENTS MAY BE USED TO:

- Reduce the rate of uninsured and/or underinsured
- Increase access of quality health care to the uninsured, underinsured, and Medicaid beneficiaries
- Fund public health and other innovative programs that improve health outcomes, health status and quality of life for uninsured, underinsured, and Medicaid-eligible individuals
- 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