

**VERMONT**

**MEDICAID:  
A High-Level Overview**

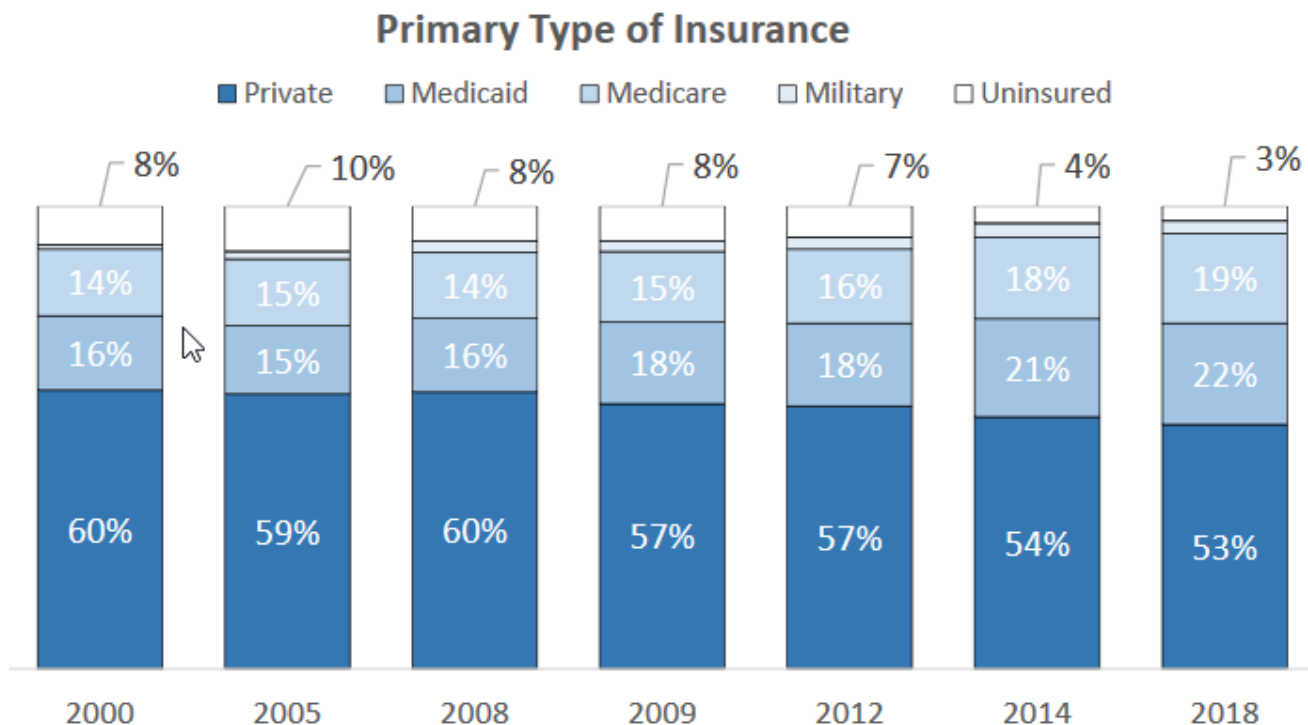
Nolan Langweil  
Joint Fiscal Office  
April 2021

## **A quick note about the DATA in this presentation**

**We attempted to use the most up to date data available at the time of creating this presentation.**

**Most of the data are from BEFORE THE COVID-19 PUBLIC HEALTH EMERGENCY and do not reflect spending, coverage changes, additional assistance, etc. that may have occurred due to COVID-19.**

# Context: Insurance Coverage

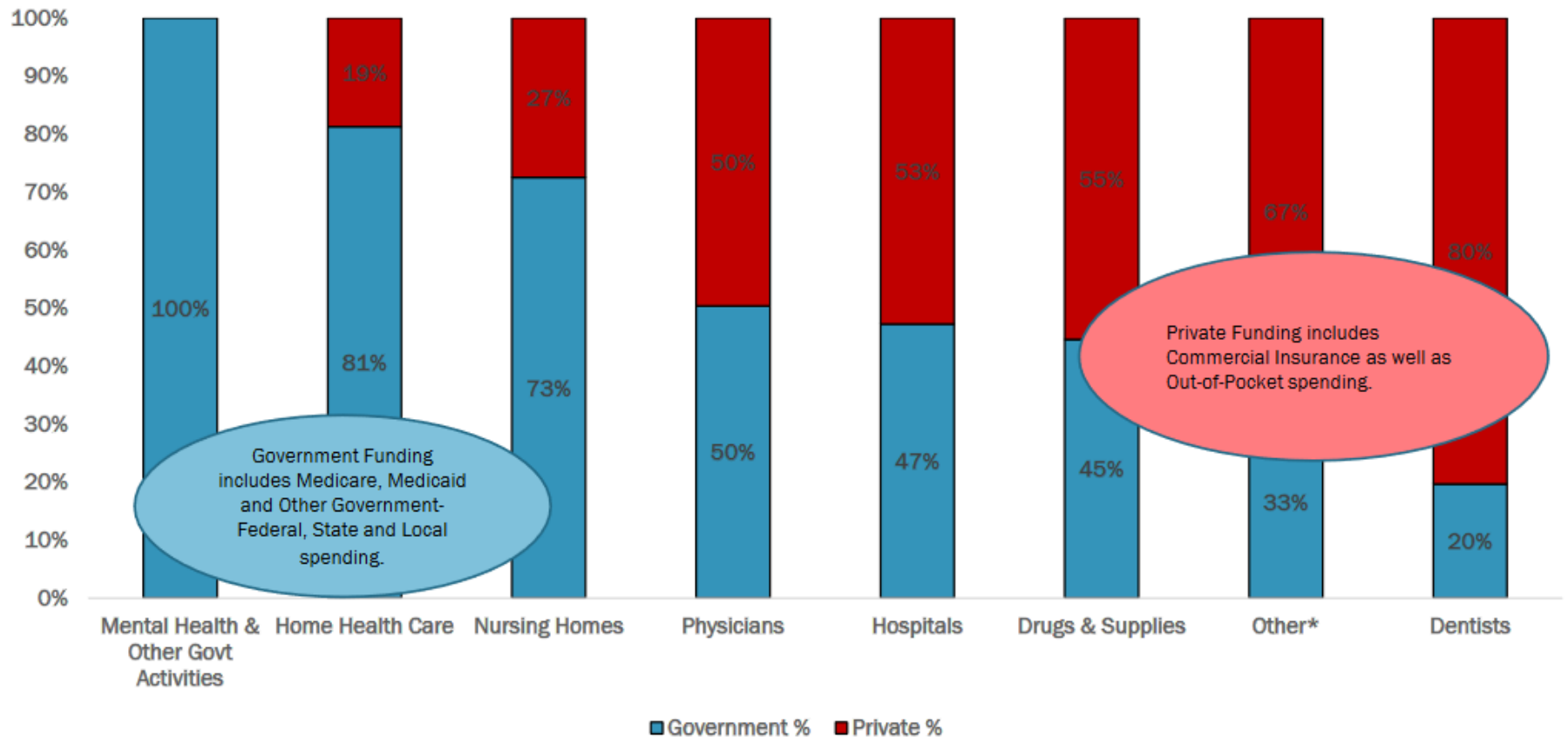


Between 2000 and 2018:

- The rate of uninsured and commercially insured has decreased
- The number of Vermonters with government insurance (Medicare and Medicaid) has increased

# Context: Types of Spending on Services

## Government vs. Private Funding by Provider Category



\*"Other" includes services rendered by other professionals, durable medical equipment suppliers, vision providers, and other miscellaneous providers.

**A quick note about  
Medicaid vs. Medicare**

**CAUTION**

**Medicaid &  
Medicare  
are not the same!**

# A quick note about Medicaid vs. Medicare

## Medicaid

- State-federal program
- Low-income
  - Children and adults
  - 65 or older, blind, or disabled

## Medicare

- Federal program
- All incomes
  - 65 or older
  - Any age with end-stage renal disease
  - Under 65 with certain disabilities

# What is Medicaid?

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- **Created in 1965 as Title XIX of Social Security Act**
- **Public health benefit program for low-income individuals and families and individuals with disabilities**
- **Financed through a federal-state partnership and administered by 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.”*

# Vermont Medicaid

**VT Medicaid is administered by the  
Department of Vermont Health Access (DVHA)**



*Green Mountain Care is the “umbrella” name  
of all the State-sponsored health programs  
under Vermont Medicaid.*



**★** *Not to be confused with Green Mountain Care as laid out in  
Act 48 (aka “single payer”) or with the Green Mountain  
Care Board*



# Context: Medicaid Coverage

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## NATIONWIDE

- **75.5 million** individuals nationwide have coverage through Medicaid (as of June 2020, Medicaid.gov).
  - Approximately 23% of all Americans

## VERMONT

- **Approximately 182,000** (1/3) of Vermonters receive some form of assistance through Medicaid
  - Primary source of coverage:
    - Between **133,000** (DHVA) and **137,000** (VHHIS, VDH) Vermonters (approx. 22%)
  - Partial or supplemental assistance for approximately **48,000** Vermonters (approx. 7%)
    - e.g. premium assistance, Rx assistance, underinsured kids, etc.

# Medicaid Coverage

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## **Eligibility** – *who is covered*

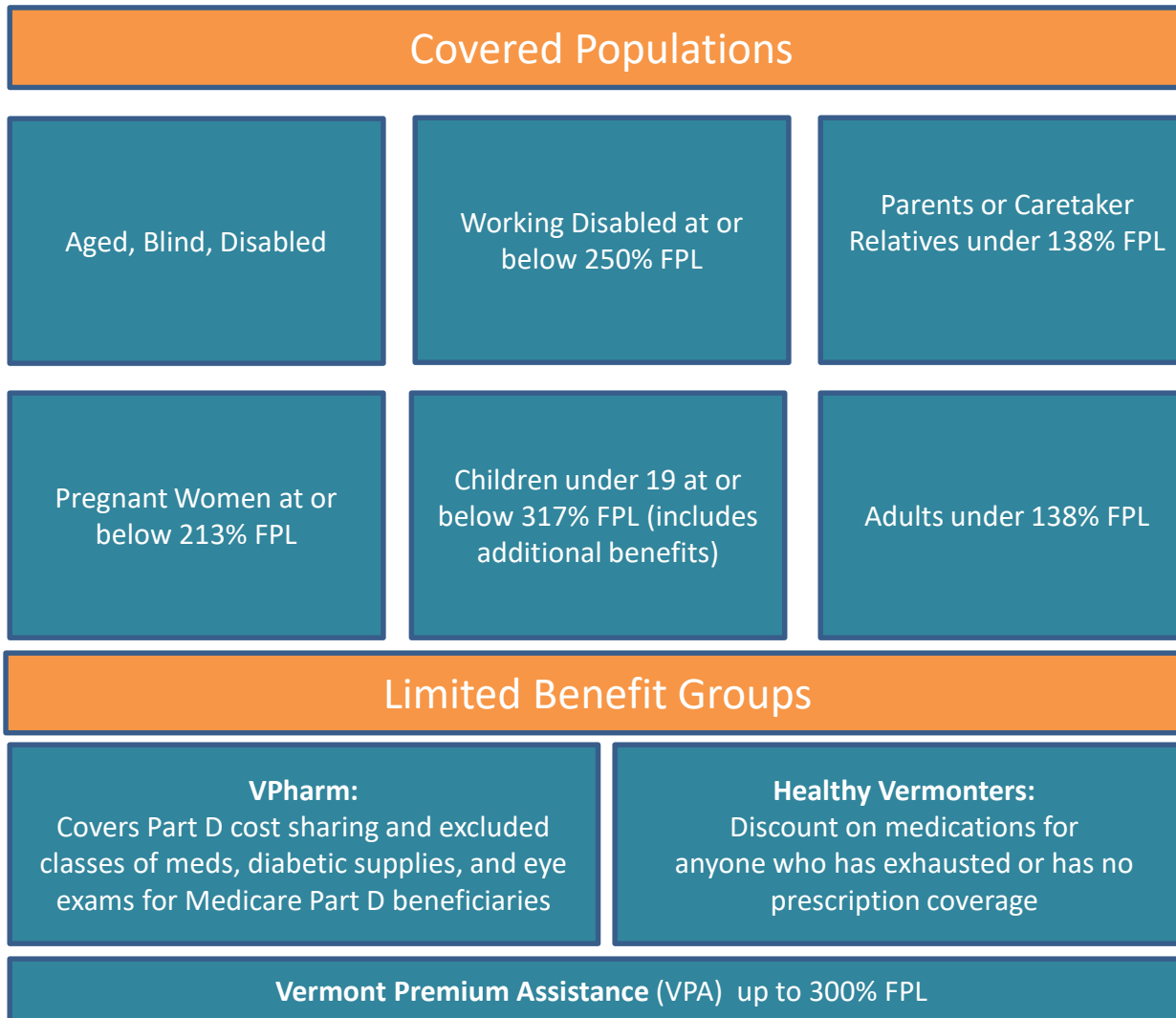
- **In order to qualify, beneficiaries must be:**
  - Vermont resident
  - U.S. citizen, permanent resident, or non-citizen with lawful presence
  - Financial situation would be characterized as low income or very low income and be one of the following:
    - Pregnant
    - Responsible for a child 18 years old or younger
    - Blind
    - Have a disability or a family caretaker of someone with a disability
    - 65 years of age or older

## **Benefits (Services)** – *what is covered*

- Under Medicaid, states are required to cover mandatory benefits and may choose to cover optional benefits.

# Covered Medicaid Populations

(Who is covered)



# Vermont Covered State Plan Services

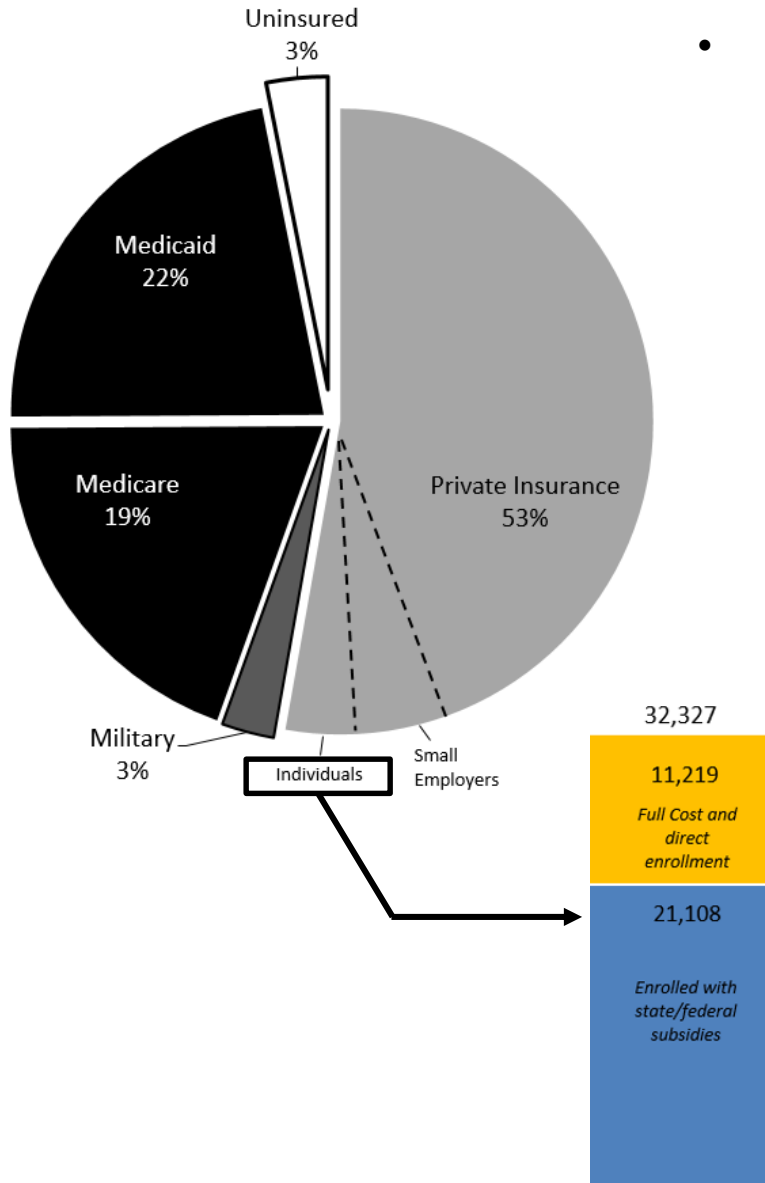
## (What is covered)

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 an 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)	<p><b>NOTE: Under Medicaid, states are required to cover MANDATORY benefits and may choose to cover OPTIONAL benefits.</b></p>	
Transportation to medical care		

## A quick note on the 'Dual-Eligibility'

- Eligible for both Medicare and Medicaid
  - Medicare payer of first resort
  - Counted in Medicare totals on previous slide
- Approx. 17-18,000 lives (2018)
- The Vermont Agency of Human Services (AHS) spends over \$220 million per year on “duals” for health care and other support services agency-wide

# A quick note regarding insurance subsidies



- Approx. 5% of Vermonters have individual plans
  - Approx. 65% (21,108) of those with individual plans receive state and federal subsidies
- Those with subsidies can only purchase through Vermont Health Connect (which is part of DVHA)
- Federal advanced premium tax credits (APTC) available for those up to 400% FPL (pre-APRA, 2021)
  - *With APRA it will be up to approx. 740% FPL depending on household size.*
- Additional State tax credits available up to 300%FPL
  - Utilizes federal matching dollars
- State & Federal cost-sharing assistance also available up to 300% FPL
  - State cost sharing reductions do not receive federal match.
  - Funded with state general funds.

SFY '20

- ❖ VT Premium Assistance = \$5.86 million
- ❖ VT Cost Sharing Reduction = \$1.17 million

# A quick note about the UNINSURED

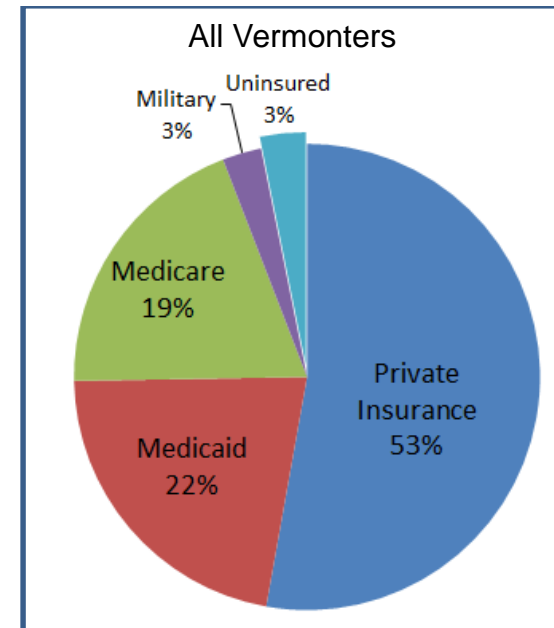
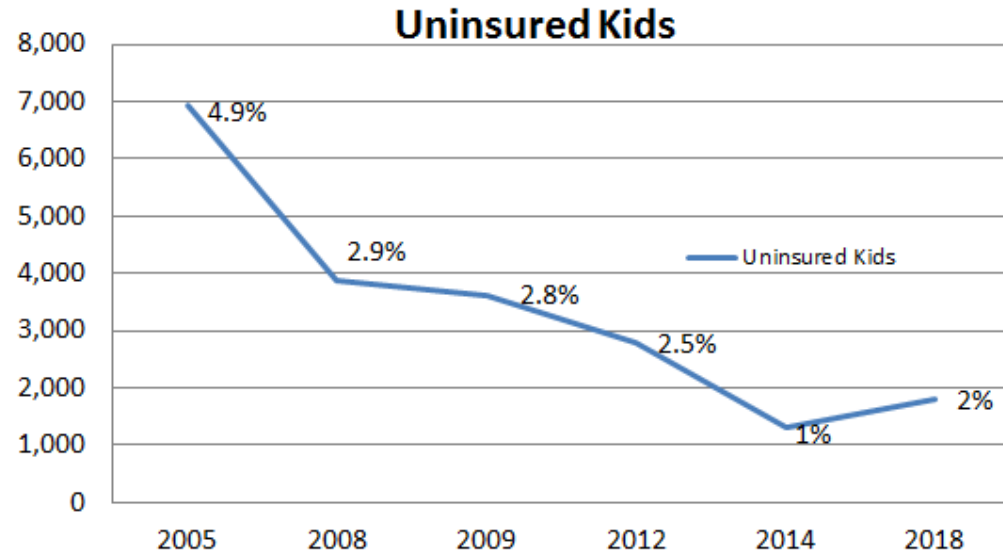
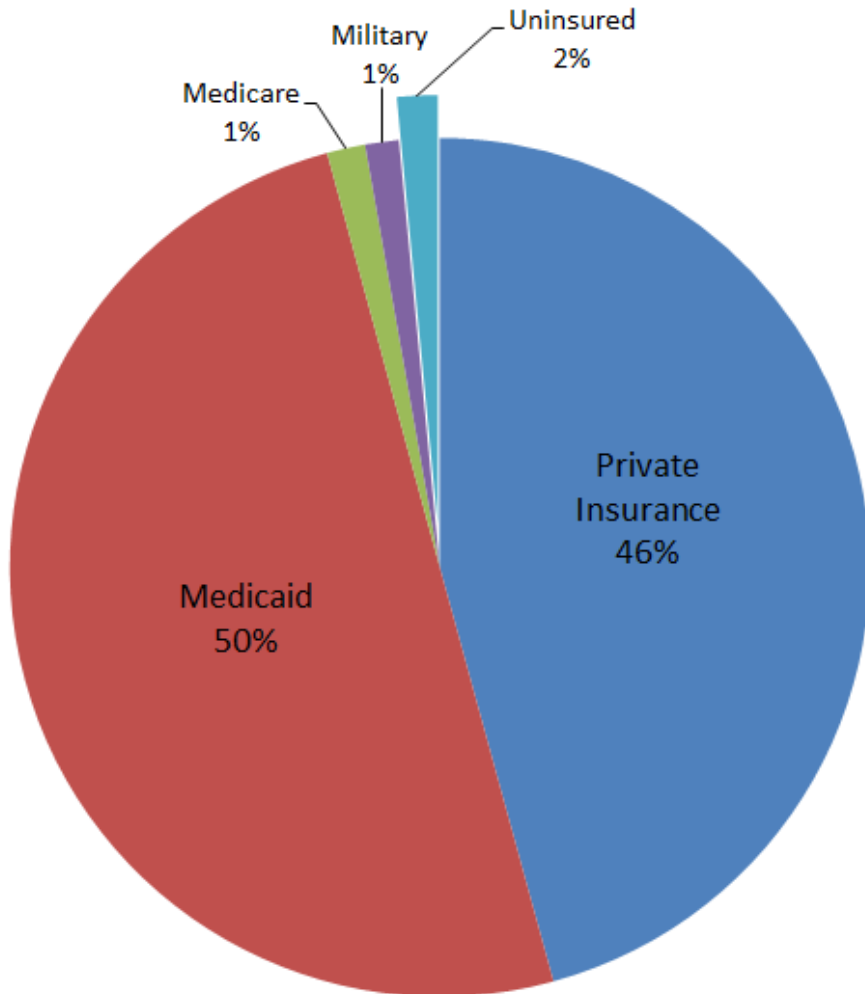
## According to the 2018 Vermont Household Health Insurance Survey (VHHIS):

- 19,800 (3.2%) people were uninsured.
  - This is a decrease of 3,400 (0.5%) people from 2014.

### Of the uninsured:

- 3,000 (17%) were eligible for **Medicaid**.
- 7,500 (43%) were eligible for both state and federal subsidies through the VT Health Connect (prior to APRA, 2021)
- 5,500 (28%) worked for employers who offers health insurance.
  - Most cite cost as the reason they did not have insurance.

# A quick note about source of Coverage for Kids (ages 0-17)



\* Vermont Household Health Insurance Survey, 2018



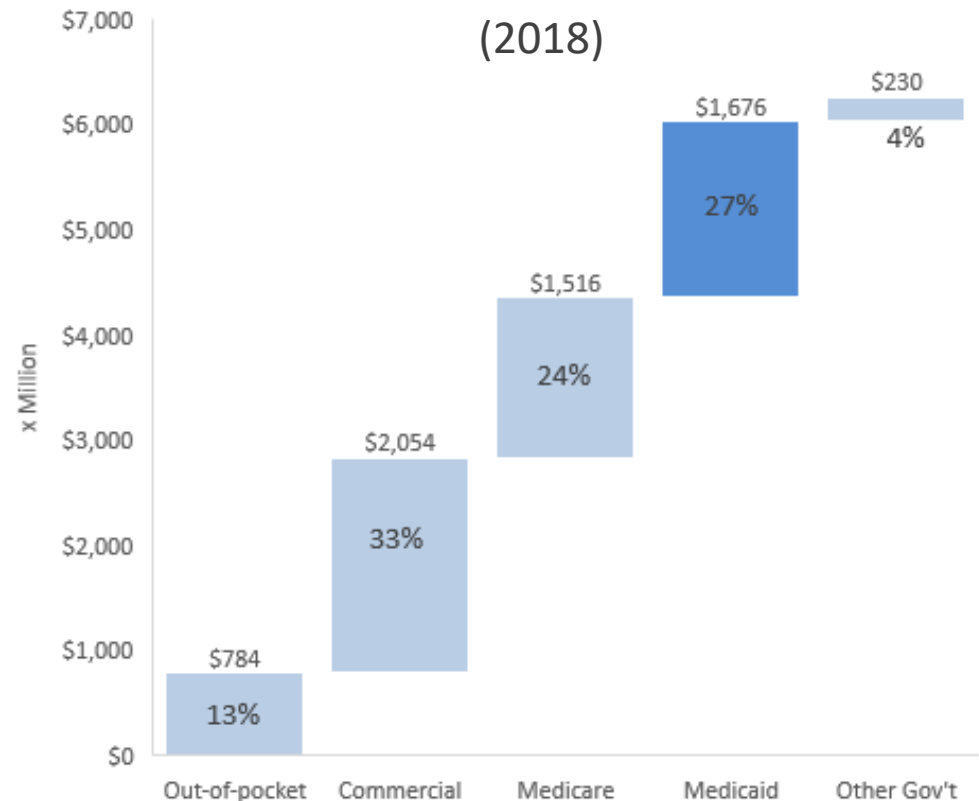
**VERMONT**

**MEDICAID  
SPENDING**

# Context: Overall Health Spending

**IN 2018, VERMONTERS SPENT \$6.26 BILLION ON HEALTH CARE**

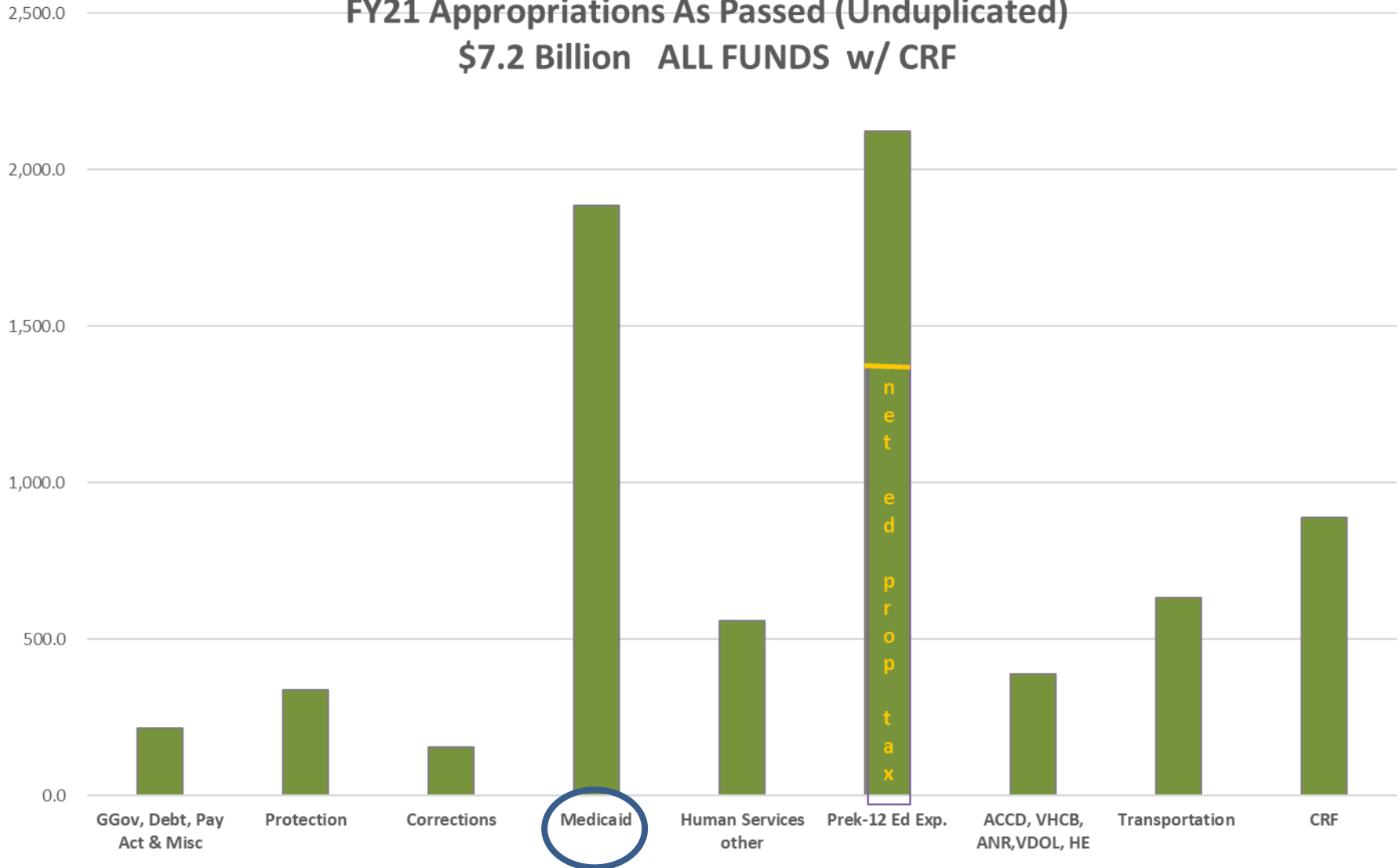
- Projected to have increased to \$6.65 billion in 2020
- **Medicaid** accounted for **27%** of Vermonters' health spending
  - This has State budget implications



Source: Green Mountain Care Board Expenditure Analysis

# Context: State Budget

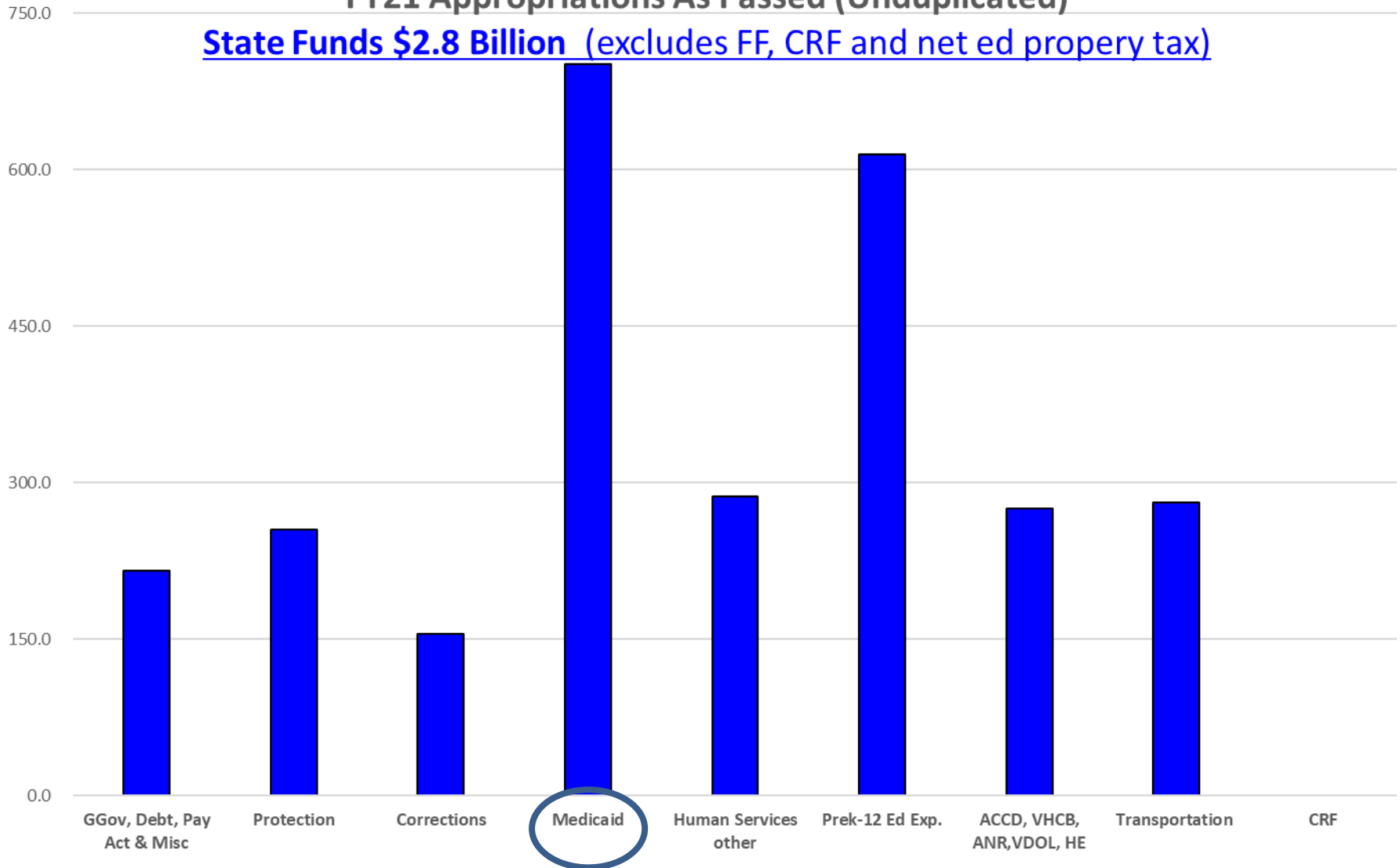
How Is The Money Spent? Budget Frame By Program or Function  
FY21 Appropriations As Passed (Unduplicated)  
\$7.2 Billion ALL FUNDS w/ CRF



# Context: State Budget

How Is The Money Spent? Budget Frame By Program or Function  
FY21 Appropriations As Passed (Unduplicated)

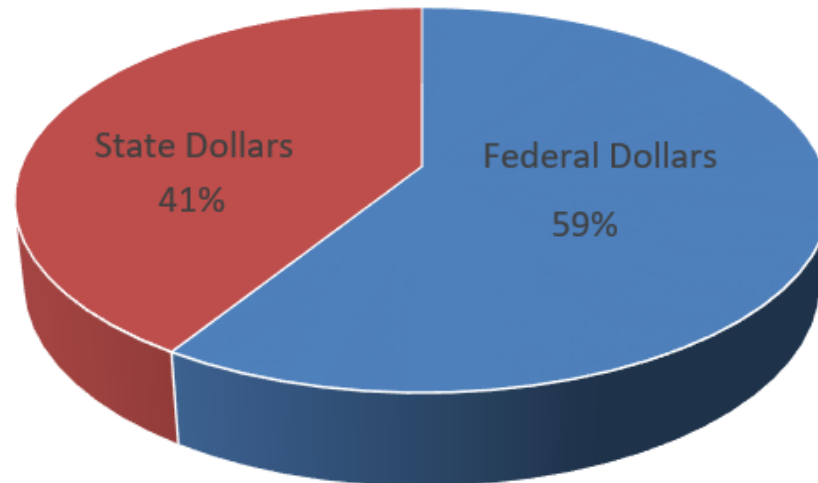
State Funds \$2.8 Billion (excludes FF, CRF and net ed property tax)



# Medicaid Financing

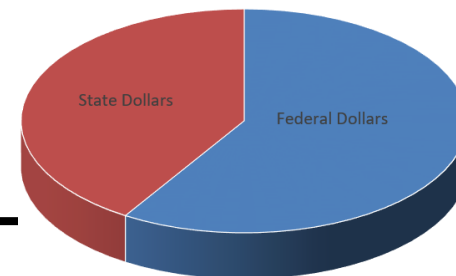
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- FY 2020 Medicaid expenditures = \$1.83 billion (gross)
  - *This does not include the infusion of federal dollars to the State due to the COVID-19 public health emergency.*
- The pre-COVID 19 split between State and federal dollars for the State's Medicaid program has traditionally been roughly 40% State / 60% federal dollars



- Most (not all) of the federal funds are matching dollars from what is known as FMAP (Federal Medical Assistance Percentage)

# Federal Medical Assistance Percentage (FMAP)



- FMAP is the share of state Medicaid benefit costs paid by the federal government
- Most of the federal funds for the State’s Medicaid program are from FMAP
- 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% or more than 83%

<i>COMPARISON OF FMAPs - Selected States (FFY 2021)</i>			
<u>New England States</u>	<u>Highest FMAP</u>	<u>Lowest FMAP (50% FMAP)</u>	
CT, NH, MA = 50%	Mississippi (77.76%) ↑	Alaska	New Hampshire
RI = 54.09% ↑	West Virginia (74.99%) ↑	California	New Jersey
Vermont = 54.57% ↑	New Mexico (73.46%) ↑	Colorado	New York
Maine = 63.69% ↓	Alabama (72.58%) ↑	Connecticut	Virginia
		Maryland	Washington
		Massachusetts	Wyoming
		Minnesota	
↑ = Increased from previous year ↓ = Decreased from previous year			

- States receive “enhanced FMAPs” for expansion populations under the ACA and for the Children’s Health Insurance Program (CHIP)
- States are also receiving additional 6.2% in FMAP as part of federal Families First Coronavirus Response Act (2020)

# Federal Medical Assistance Percentage (FMAP)

## FY 2021 RATES

### Federal Medical Assistance Percentage (FMAP)

- 54.39% Federal / 45.61% State
- Applied to the majority Medicaid expenditures

## STATE SHARE

\$1.00



## GROSS

\$2.20



### Children's Health Insurance Program (CHIP)

- 70.95% Federal / 29.05% State
- Applied to Medicaid expenditures for approx. 4,300 low-income children

\$1.00



\$3.44



### Childless New Adults

- 90% Federal / 10% State
- Applied to the Medicaid expenditures for approx. 35,000 childless adults

\$1.00



\$10.00



Note: These rates do not include the additional 6.2% FMAP states receive as part of the federal Families First Coronavirus Response Act

**VERMONT**

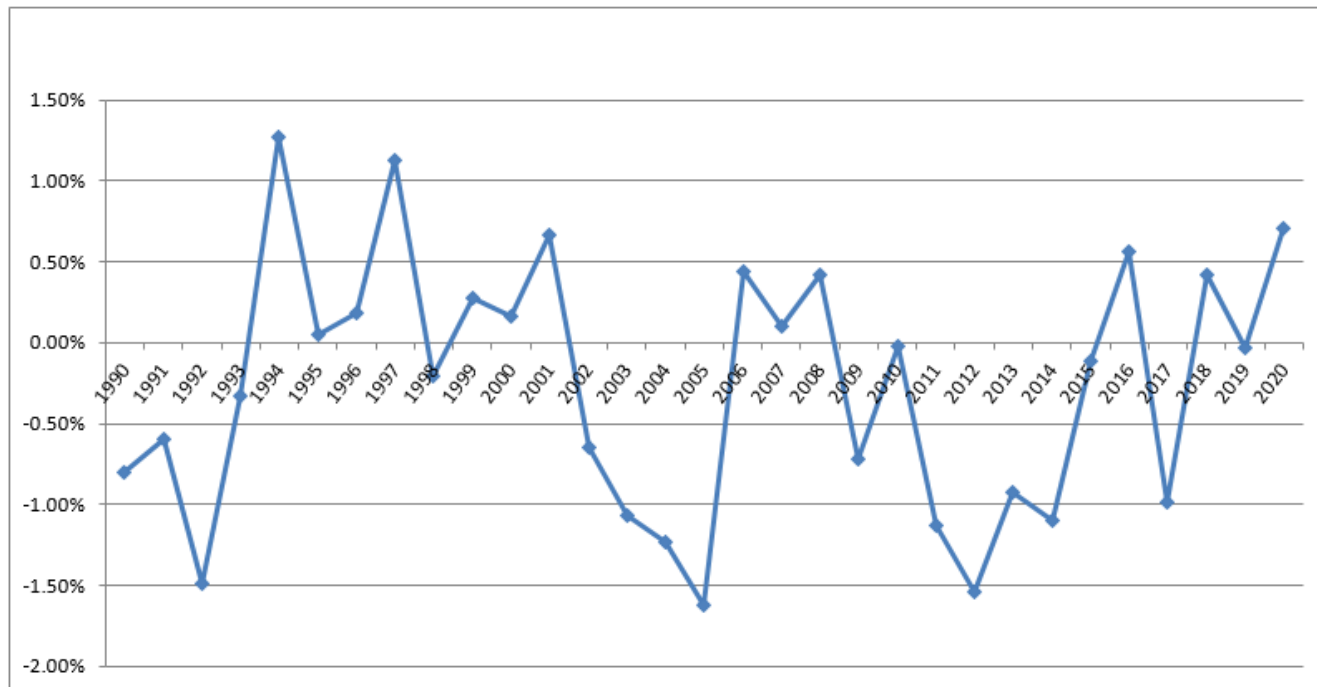
**FMAP (based on Federal Fiscal Year)**

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%
2019	53.89%	46.11%	0.42%
2020	53.86%	46.14%	-0.03%
2021	54.57%	45.43%	0.71%
2022	56.47%	43.53%	1.90%

*Preliminary*

# FMAP History: Ups & Downs

FMAP Percentage Change Federal Fiscal Years 1991-2021



**COMPARISON OF FMAPs - Selected States (FFY 2021)**

New England States		Highest FMAP	Lowest FMAP (50% FMAP)	
CT, NH, MA = 50%		Mississippi (77.76%) ↑	Alaska	New Hampshire
RI = 54.09% ↑		West Virginia (74.99%) ↑	California	New Jersey
Vermont = 54.57% ↑		New Mexico (73.46%) ↑	Colorado	New York
Maine = 63.69% ↓		Alabama (72.58%) ↑	Connecticut	Virginia
			Maryland	Washington
			Massachusetts	Wyoming
			Minnesota	

↑ = Increased from previous year  
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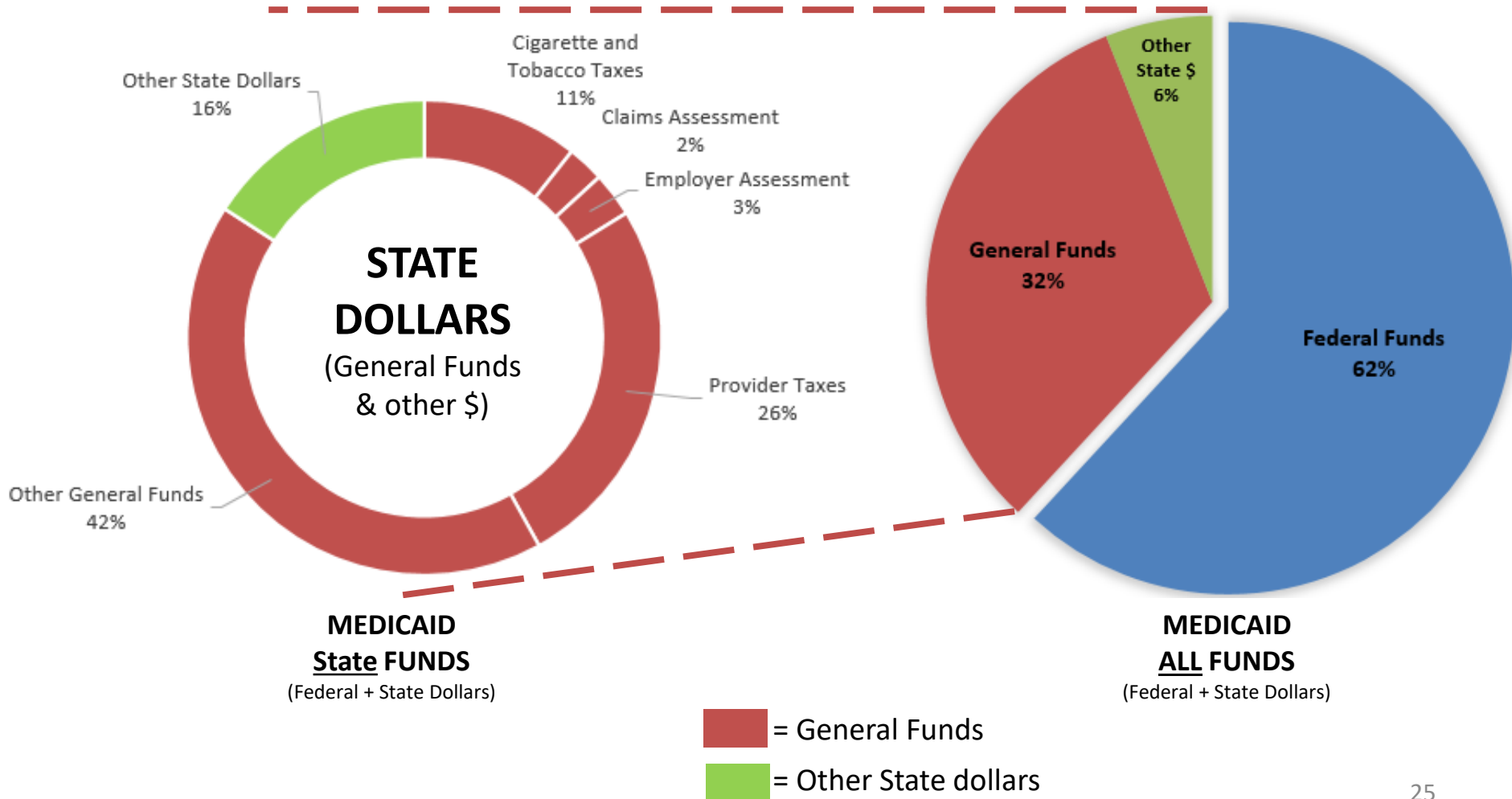
█ = Years where FMAP decreased from previous year

ACA = Affordable Care Act



# Medicaid Financing

SFY'20 = \$1.8 billion



# Highlight on Specific General Fund Taxes

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- **Provider Taxes, Cigarette & Tobacco Taxes, Claims Taxes, and the Employer Assessment** used to be deposited into a dedicated fund for Medicaid
  - known as the State Health Care Resources Fund
- In 2019, these revenues were reallocated to the General Fund
- These four taxes are equivalent to half of the General Fund contribution towards the State's Medicaid program

FY 2020		(x million)	
Provider Taxes	\$172.37	} \$280.84	42%
Cigarette and Tobacco Taxes	\$71.37		
Employer Assessment	\$20.23		
Claims Assessment	\$16.87		
Other General Funds		\$281.94	42%
Other State Dollars		\$106.29	16%
<b>Total State Funds (FY20)</b>		<b>\$669.08</b>	

# Vermont's Global Commitment to Health and Medicaid Section 1115 Demonstrations

- Much of Vermont's Medicaid program is administered through the State's **Global Commitment to Health** Medicaid Section 1115 demonstration (often referred to as a Medicaid Waiver)
  - Global Commitment began October 2005
  - Latest renewal - January 1, 2017 to December 31, 2021
- Section 1115 of the federal Social Security Act allows the federal government to waive many, but not all, of the laws governing Medicaid, including those relating to eligible individuals and services
  - Section 1115 demonstrations are agreements between the Centers for Medicare and Medicaid Services (CMS) and individual states
  - Section 1115 authority is intended to encourage state innovation in designing and improving their Medicaid programs
  - States can have more than one Section 1115 demonstration agreement with CMS

# Vermont's Global Commitment to Health and Medicaid Section 1115 Demonstrations

- The terms and conditions layout how the program will be administered including who and what are covered.
- States identify ways to save Medicaid funds and are permitted to use those savings for identified priorities/goals.
  - Some goals are written into the demonstration's terms and conditions. Others are achieved through "investments."
  - In FY2020, Vermont had 69 investments worth approx. \$124M. Without a waiver, these would require all State funds or be eliminated.
  - A list of investments can be found at this link:  
<https://legislature.vermont.gov/assets/Legislative-Reports/Annual-Report-on-the-Global-Commitment-Investments-10.1.20-Final.pdf>
- **1115 waivers must be budget neutral to the federal government**

## 2021 Federal Poverty Level (FPL)

### Monthly

Household Size	100%	138%	200%	300%	400%
1	\$1,073	\$1,481	\$2,147	\$3,220	\$4,293
2	\$1,452	\$2,003	\$2,903	\$4,355	\$5,807
3	\$1,830	\$2,525	\$3,660	\$5,490	\$7,320
4	\$2,208	\$3,048	\$4,417	\$6,625	\$8,833
5	\$2,587	\$3,570	\$5,173	\$7,760	\$10,347
6	\$2,965	\$4,092	\$5,930	\$8,895	\$11,860

### Annually

Household Size	100%	138%	200%	300%	400%
1	\$12,880	\$17,774	\$25,760	\$38,640	\$51,520
2	\$17,420	\$24,040	\$34,840	\$52,260	\$69,680
3	\$21,960	\$30,305	\$43,920	\$65,880	\$87,840
4	\$26,500	\$36,570	\$53,000	\$79,500	\$106,000
5	\$31,040	\$42,835	\$62,080	\$93,120	\$124,160
6	\$35,580	\$49,100	\$71,160	\$106,740	\$142,320

<https://aspe.hhs.gov/poverty-guidelines>