

HCA Testimony on DVHA Budget, MSP Expansion and Budget Request



The Office of the Health Care Advocate

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Agenda



- HCA testimony on DVHA's recommended FY27 budget
- Vermont's Medicare Savings Program (MSP) Expansion
- HCA budget request

DVHA's FY2027 Budget Request



- **HCA supports:**
 - Funding for 12 new positions at DVHA
- **HCA opposes:**
 - Increase Rx Co-Pays (-\$0.461m GF / -\$1.10m Gross)
 - Family Planning rate change cannot be implemented (-\$.085 GF / - \$.85 Gross)



HCA – Support for new DVHA positions



- **DVHA proposal:** Fund 12 new positions at DVHA to implement HR.1 requirements, including:
 - “Changes to health care eligibility based on immigration status,
 - More frequent redeterminations (every 6 months) for new adults,
 - Community engagement (work requirements) for new adults.”*
- **HCA supports**
 - H.R.1 will significantly increase the workload of DVHA staff.
 - Vermonters will suffer if DVHA’s eligibility unit is understaffed. Understaffing could lead to longer wait times for application processing, eligibility errors, unnecessary gaps in coverage and/or terminations.

HCA – Oppose increases to RX Co-pays



- DVHA proposal: Increase Rx Co-Pays (-\$0.461m GF / -\$1.10m Gross)
- Described as “a requirement coming out of HR1” during the AHS Leadership Team’s testimony to HHC on 2/5/26 and on page 51 in [DVHA’s 2025 Annual Report, Governor’s Recommended Budget for State Fiscal Year 2027](#):

Increase Rx Co-Pays

H.R.1 mandates cost sharing requirements in the Medicaid program. DVHA recommends an increase in copays to \$4 for per preferred and \$8 for non-preferred drugs. Current co-pays of \$1 to \$3 have been in place for many years without change.

- HCA opposes
 - **H.R.1 does not require Vermont to increase Medicaid copays.**
 - H.R.1 requires co-pays to be more than \$0 for the Medicaid expansion population with income 100 – 138% FPL. Vermont’s co-pays already meet this requirement.
 - Vermonters will face significant barriers to accessing Medicaid in the future due to the actual federal requirements of H.R.1. State government should not create additional barriers.

HCA – Oppose increases to RX Co-pays



- HCA opposes
 - To save the state \$461,000 in FY27, DVHA's proposal would forfeit \$639,000 in federal funding.
 - DVHA's proposal would transfer \$1.1M in costs onto low-income Vermonters. This would play out at the pharmacy counter with many Vermonters choosing to ration or skip necessary medications.
 - Overall, DVHA's pharmacy costs are decreasing. DVHA's 2025 Annual Report notes a \$4 million decline in net prescription spending by the State for Medicaid enrollees between FY24 and FY25 (p. 31).

HCA – Oppose inaction on Family Planning



- **DVHA proposal:** Family Planning rate not implementable
(-\$.085 GF / -\$.850 Gross)
- HCA opposes
 - States have been able to access the 90/10 match for family planning services for Medicaid since 1972.
 - The inability to implement a basic coding change is costing family planning providers in Vermont \$765,000 in federal dollars this year.
 - The St. Johnsbury Planned Parenthood clinic closed in June 2025.
- HCA recommend implementation of Family Planning rate
 - HCA supports every opportunity to draw down allowable federal participation.
 - HHC should ensure that DVHA has the resources necessary to implement this change.

Medicaid Family Planning



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Questions



Medicare Savings Program (MSP) Expansion



- Vermont's MSP expanded on January 1, 2026.
- Thank you, legislators!
 - Act 113 of 2024
 - Act 27 of 2025
- Estimated 14,000 Vermonters will be newly eligible.

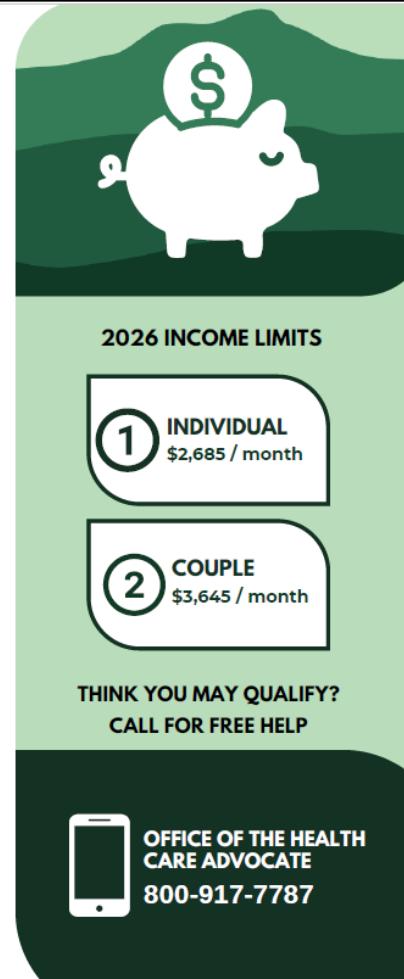
GET HELP WITH MEDICARE COSTS

A Medicare Savings Program (MSP) can help you save at least \$2,500 per year in health care costs.

If your income is below or near the limit, you may qualify for a MSP. The MSP can pay your Medicare Part B premium & lower your Part D prescription costs.

Even if your income is close to the limit, it is often worth applying.

Office of the Health Care Advocate
Helpline: 800-917-7787
Online: vtlawhelp.org/health
Learn More: <https://bit.ly/VTMSP>



MSP Overview



- Medicaid funded program that helps people with Medicare lower their costs.
- People with Medicare are typically over age 65 or under 65 with a recognized Social Security disability (2+ years of receiving SSDI).
- For many years, VT has offered three levels of MSP:
 - QMB, SLMB, and QI-1
- In 2025, the income eligibility for MSP was capped at 135% FPL.



MSP Expansion



- Effective Jan. 1, 2026
- Two levels of MSP: QMB and QI-1
- Income eligibility limit increased:
 - QMB capped at 150% FPL and QI-1 capped at 202% FPL

Household Size	QMB to 150% FPL	QI-1 to 202% FPL
1	\$1,994	\$2,685
2	\$2,707	\$3,645
3	\$3,419	\$4,604
4	\$4,132	\$5,564

QMB (0 – 150% FPL)



- **Premiums:** Pays your monthly Medicare Part A* and Part B premiums (\$202.90 / month).
- **Cost-sharing:** Pays for your deductibles, copayments and coinsurance for Medicare Parts A (hospital insurance) and B (medical/outpatient insurance). (Most costs = \$0)
- **SEP:** Allows you to enroll in Medicare Parts A & B outside of Open Enrollment.
- **Waives late penalties:** Permanently waives late penalties associated with enrolling late in Parts A and/or B.
- **LIS:** Automatically deems you eligible for the Low-Income Subsidy (LIS) / Extra Help program. LIS benefits:
 - Lowers your Part D premium and cost-sharing;
 - SEP - Allows you to enroll in Part D outside of Open Enrollment;
 - Permanently waives late penalties associated with enrolling late in Part D.



**Note: QMB will pay your Medicare Part A premium if you or your spouse did not work and pay taxes for 40 quarters and are otherwise eligible.*

QI-1 (151 – 202% FPL)



- **Premiums:** Pays your monthly Part B premium (\$202.90 / month).
- **SEP:** Allows you to enroll in Medicare Part B outside of Open Enrollment.
- **Waives late penalties:** Permanently waives penalties associated with enrolling late in Part B.
- **LIS:** Automatically deems you eligible for the Low-Income Subsidy (LIS) / Extra Help program. LIS benefits:
 - Lowers your Part D premium and cost-sharing;
 - SEP - Allows you to enroll in Part D outside of Open Enrollment;
 - Permanently waives late penalties associated with enrolling late in Part D.

QI-1 does **NOT** help with Part A & B cost-sharing



DVHA Implementation



DVHA automatically moved many current health care program enrollees newly income eligible for QMB/QI-1 onto those programs.

- Around 8,600 people transitioned to QMB in December with 1/1/2026 start date.
- Nearly 3,000 VPharm enrollees transitioned in January – most to QI-1 with 1/1/2026 start date.
- Notices were sent to everyone who was automatically moved.

MSP Expansion Trainings



- HCA's Advocate Team – Part I (12/18/25)
- State Health Insurance Program (SHIP) Counselors (1/12/26)
- V4A / VT Aging Network Consortium (VANC) (1/22/26)
- Medicaid & Exchange Advisory Committee (MEAC) (1/26/26)
- DVHA Assisters (2/4/26)
- VT Worker's Center (2/2/26)
- HCA's Advocate Team – Part II (2/5/26)
- Champlain Valley Office of Economic Opportunity (CVOEO) Conference (April 2026)



Help spread the news!



We need your help spreading the word. Vermonters can now apply for Medicare Savings Programs using the new income limits, but many eligible Vermonters may not realize they qualify. Help us share this information with your constituents!

Ways you can help:

- Share our [Facebook post](#).
- Help circulate the flyer / poster.
- Post language on Front Porch Forum, Reddit, newsletters, or other platforms to communicate with your community.



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2026 INCOME LIMITS

- 1 INDIVIDUAL**
\$2,685 / month
- 2 COUPLE**
\$3,645 / month

**THINK YOU MAY QUALIFY?
CALL FOR FREE HELP**

 **OFFICE OF THE HEALTH CARE ADVOCATE**
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MSP Expansion – Value of Investment



- **Estimated GF: \$5.7m / year**
- **Estimated value for Vermonters: \$67.8m**
 - Cost-Sharing Savings: \$2.6m
 - Part B Premium Savings: \$34.9m
 - Average Low Income Subsidy (LIS) Value: \$30.3m

Annualization of MSP expansion (7 months)

\$2.851m GF / \$17.37m Gross



Questions



HCA Budget Request



- **HCA requests \$450,000 increase to base funding for SFY27.**
- **Vermonters need us now more than ever.**
- **The HCA is an incredible return on investment.**

HCA is estimated to save Vermonters over \$120 million in 2026

- MSP expansion is estimated to have a value of **\$65 million each year** for low income older and disabled Vermonters. This investment greatly improves their access to care and supports their providers.
- Silver Loading is estimated to improve Vermonters' purchasing power in the exchange by **\$53 million per year**.
- The HCA's Direct helpline support saves Vermonters about **\$3 million** each year.



Thank you!
From the Office of the Health Care Advocate

Help Line: 1-800-917-7787

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