

# Agency of Human Services – Vermont's Global Commitment Waiver

Joint Fiscal Committee

November 4, 2019

# Serious Mental Illness (SMI) Institution for Mental Disease (IMD) 1115 Waiver Amendment

## What

SMI IMD waiver amendment request to CMS, submitted 9/9/19. This is similar to the SUD IMD waiver amendment VT received in 2018.

## Objective

- FFP for services in psychiatric IMDs when statewide average length of stay is  $\leq 30$  days and maximum  $< 60$  days.
- No FFP is available for forensic mental health patients under this waiver\*, including individuals who:
  - are awaiting a psychiatric evaluation as part of a trial.
  - have been found incompetent to stand trial.
  - have been found to be insane at the time of the crime were tried and found not guilty by reason of insanity.
  - are pre-adjudication or have been convicted and are in DOC custody who develop the need for acute psychiatric care on either a voluntary or involuntary basis.

## Fiscal Impact

- Current projections value this waiver amendment at **\$12M/CY**, based on FFP that will be available under this opportunity (moved over from investment). THIS DOES NOT REPRESENT NEW FEDERAL FUNDING.
- AHS is actively engaged in negotiations with CMS and anticipates having an approved SMI IMD waiver amendment by January 2020.

\*Following phasedown of investment authority, any individual who has a forensic status must be paid for exclusively with state dollars.

# Timeline for 1115 Waiver Renewal

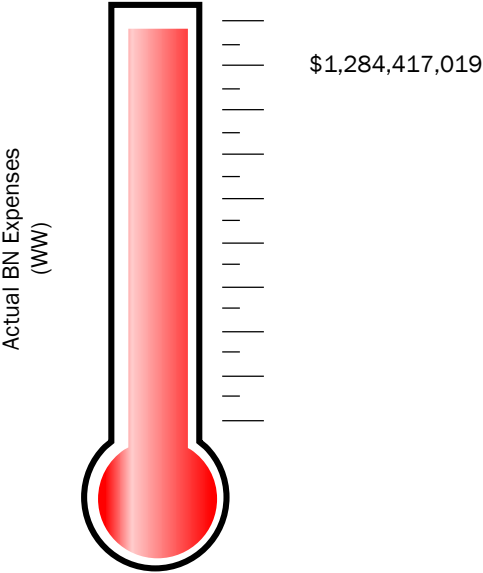
- Current Waiver expires on 12/31/2021
- AHS is currently in the planning phases and will be requesting legislative authority in FY21 Big Bill
- Negotiations with CMS will begin in January 2021
- New waiver should be in effect on 1/1/2022

# Considerations for 2022

- Budget Neutrality Cap
  - Longstanding CMS policy requires that Medicaid Section 1115(a) demonstrations be budget neutral to the federal government; meaning that federal Medicaid expenditures for a state cannot be allowed to exceed what would have occurred without the waiver.
  - For a waiver to be budget neutral, actual Medicaid service expenditures – plus the cost of any expenditure authorities authorized under the demonstration – cannot be greater than the projected “without waiver” expenditures.
- Rebasing
  - CMS plans to rebase Vermont’s budget neutrality in 2020. This will result in a lower overall budget neutrality limit.
  - In order to continue to receive FFP on with waiver programs in 2022, Vermont will need to find additional savings in without waiver costs.
- Federal Administration

# Budget Neutrality

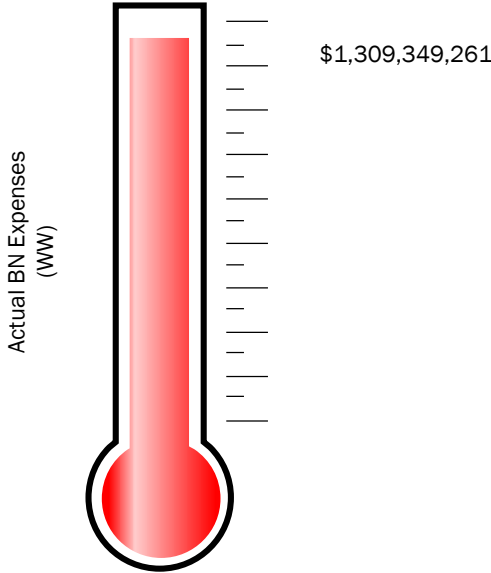
\$1,405,628,349 (Actual BN Limit WOW)



JAN - DEC 2018

(Difference) Savings:  
**\$121,211,330 or 9%**

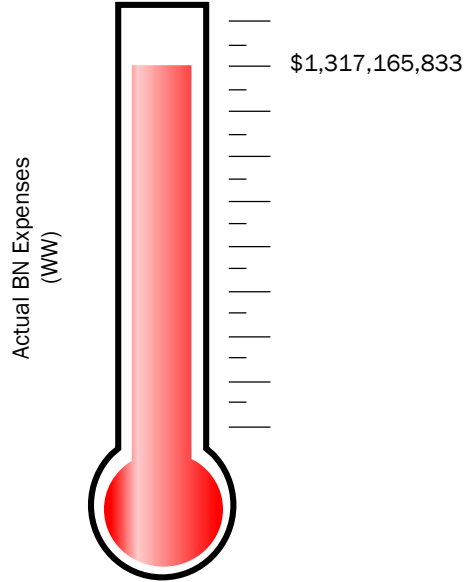
\$1,424,229,672 (Projected BN Limit WOW)



JAN - DEC 2019

(Difference) Savings:  
**\$114,880,411 or 8%**

\$1,486,493,929 (Projected BN Limit WOW)



JAN - DEC 2020

(Difference) Savings:  
**\$169,328,096 or 11%**

# Investments Summary

- Within the Budget Neutrality limit is a sub-limit for Investment spending
- Amounts cannot be rolled over from DY to DY
- Accounts for the following known changes:
  - Brattleboro Retreat rate increase
  - Brattleboro additional bed capacity
  - Delivery System Reform Investments
  - SUD IMD expenses to be claimed as GC Program
- Still negotiating % of Mental Health IMD phasedown in CY2021 (assumes 5% beginning in CY2021)

	CY2017	CY2018	CY2019	CY2020	CY2021
Annual Investment Limit	\$ 142,500,000	\$ 148,500,000	\$ 138,500,000	\$ 136,500,000	\$ 136,500,000
Projected Spending	\$ 142,332,671	\$ 148,500,000	\$ 138,195,371	\$ 131,177,478	\$ 115,144,971
Balance	\$ 167,329	\$ 0	\$ 304,269	\$ 5,322,522	\$ 21,355,029