

OVERVIEW OF MEDICAID

Medicaid is a government-funded health insurance plan for income-eligible people and people who are categorically eligible. It is structured as a partnership between individual states and the federal government. The rules of this partnership address eligibility (who is covered), services (what is covered), and financing (how funding is shared between the state and federal governments). At the federal level, Medicaid is overseen by the Centers for Medicare and Medicaid Services (CMS). In Vermont, the Medicaid program is administered by the Department of Vermont Health Access (DVHA), which is part of the Agency of Human Services (AHS). Approximately 151,000 Vermonters rely on Medicaid as their primary source of health coverage and another 46,000 people access partial or supplemental coverage through the program.

Medicaid funding is shared between the states and the federal government through a matching process known as the Federal Medical Assistance Percentage (FMAP). While states may have different FMAP rates for different programs, for most of Vermont’s Medicaid programs in SFY’25, the base FMAP rate was 57.83% meaning the federal government paid approximately 57 cents of almost every dollar spent for Medicaid in Vermont. CMS determines specific FMAP rates for each state.

As a condition for receiving federal matching funds, states must cover certain populations (e.g. low-income families and elderly poor receiving Supplemental Security Income) and certain services (e.g. hospital care and physician services). These are referred to as “mandatory” eligibility groups and “mandatory” services, respectively. States may also receive federal matching funds for the costs of covering other “optional” populations (e.g. disabled and elderly poor not eligible for SSI and other low-income children and adults within specified federal poverty levels) and “optional” services (e.g. prescription drugs and dental services) as allowed by federal law. Optional eligibility factors usually are age (e.g., covering older children) or income (e.g., covering to a higher percent of the federal poverty level or FPL). In Vermont, Medicaid eligibility has been expanded throughout the years.

2025 Federal Poverty Levels (FPLs)

Monthly							
Household Size	100%	138%	150%	200%	250%	300%	400%
1	\$1,304	\$1,800	\$1,956	\$2,608	\$3,260	\$3,913	\$5,217
2	\$1,763	\$2,432	\$2,644	\$3,525	\$4,406	\$5,288	\$7,050
3	\$2,221	\$3,065	\$3,331	\$4,442	\$5,552	\$6,663	\$8,883
4	\$2,679	\$3,697	\$4,019	\$5,358	\$6,698	\$8,038	\$10,717
5	\$3,138	\$4,330	\$4,706	\$6,275	\$7,844	\$9,413	\$12,550
6	\$3,596	\$4,962	\$5,394	\$7,192	\$8,990	\$10,788	\$14,383

Annually							
Household Size	100%	138%	150%	200%	250%	300%	400%
1	\$15,650	\$21,597	\$23,475	\$31,300	\$39,125	\$46,950	\$62,600
2	\$21,150	\$29,187	\$31,725	\$42,300	\$52,875	\$63,450	\$84,600
3	\$26,650	\$36,777	\$39,975	\$53,300	\$66,625	\$79,950	\$106,600
4	\$32,150	\$44,367	\$48,225	\$64,300	\$80,375	\$96,450	\$128,600
5	\$37,650	\$51,957	\$56,475	\$75,300	\$94,125	\$112,950	\$150,600
6	\$43,150	\$59,547	\$64,725	\$86,300	\$107,875	\$129,450	\$172,600

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

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Global Commitment

Global Commitment to Health (aka Global Commitment) is the name of the agreement between the State of Vermont and the federal Centers for Medicare and Medicaid Services (CMS) used to administer the majority of Vermont's \$2.3 billion Medicaid program. It is what is known as a Section 1115 Demonstration, referring to the section of the Social Security Act that permits the federal government to approve experimental pilots or demonstrations (often referred to as "waivers") that waive certain provisions of Medicaid law to give states flexibility and encourage state innovation in designing and improving state Medicaid programs while remaining budget neutral to the federal government (meaning federal Medicaid expenditures will not exceed what federal spending would've been in the absence of the waiver). As of September 2024, at least 47 states operate at least one 1115 waiver, each of which are unique to each specific state's identified needs and priorities.

The Global Commitment waiver has enabled Vermont to fund and implement many programs and initiatives that would not exist or would not be eligible for federal matching dollars in the absence of the Waiver. These include but are not limited to the Choices for Care program, the VPharm program, Vermont Premium Assistance, Mental Health Community Rehabilitation and Treatment (CRT), and a supportive housing assistance pilot program.

While the Global Commitment waiver has been renewed four times since its inception in 2005, the terms and conditions have evolved significantly as have the priorities and goals of policy and decision makers at both the State and federal levels. More recently, it was renewed effective July 1, 2022, through December 31, 2027.

Children's Health Insurance Program (CHIP)

The Children's Health Insurance Program (CHIP) is a joint federal and state program that provides health coverage to uninsured children in families with incomes too high to qualify for Medicaid, but too low to afford private health insurance coverage. The program is managed by states according to federal requirements. While CHIP is technically under a separate federal title than Medicaid, in Vermont, CHIP is integrated with Medicaid as part of the Dr. Dynasaur program which provides coverage for children from low-income families or have disabilities. Vermont's CHIP program covers approximately 4,400 children up to 317% FPL and has a monthly sliding scale family premium of up to \$60 per month based on income. The program also has an enhanced FMAP rate of 70.48% in SFY 2025.

The Affordable Care Act

In March 2010, President Obama signed the Patient Protection and Affordable Care Act (ACA) which included a major expansion of Medicaid beginning in January 2014. Under the ACA, Medicaid eligibility was expanded to include caretaker and childless adults with incomes up to 138% FPL. The ACA also included the



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creation of health insurance exchanges. The State created Vermont Health Connect (VHC), which is a State-based health insurance exchange run by DVHA. The first open enrollment period began in the Fall of 2013. Under the ACA, cost-sharing reductions (CSRs) are available for individuals and families up-to 250% FPL and advanced premium tax credits (APTC) are available for those up to 400% FPL. In addition, Act 50 of 2013 provided for additional State-based cost sharing reductions and premium tax credits for individuals and families with incomes up to 300% FPL, who purchase insurance directly through VHC. In March 2021, COVID-19 relief legislation known as the American Rescue Plan Act (ARPA), temporarily extended eligibility for federal premium subsidies to those with incomes greater than 400% FPL and increased financial assistance for people with lower incomes already eligible under the ACA for two years (2021 and 2022). The Inflation Reduction Act (2022) continued this assistance through 2025.

Figures

The tables on the next several pages summarize Vermont's Medicaid program in different ways. One way is by looking at Medicaid by eligibility category. Information is presented on Medicaid caseloads and a comparison of spending where Medicaid is the primary source of coverage versus a secondary (or supplementary) source of coverage.

Another way of looking at Medicaid spending in Vermont is by State services by department. Several departments administer services that are paid for through the Medicaid program, including the DVHA; the Department of Disabilities, Aging, and Independent Living (DDAIL); the Department for Children and Families (DCF); the Department of Health (VDH); the Department of Mental Health (DMH); and the Agency of Education (AOE). Apart from AOE, all the departments are part of the Vermont Agency of Human Services. Finally, also included is a chart summarizing Global Commitment and other Medicaid related expenditures for fiscal year 2021 to fiscal year 2024.

Average Medicaid Caseload - FY 2021 to FY 2024
(Based on Monthly Enrollment)

	actual FY21	actual FY22	actual FY23	actual FY24
Full/Primary Coverage¹				
Adult				
Aged, Blind, or Disabled (ABD) Adult	6,229	6,108	6,401	7,116
General Adults	11,308	16,837	18,626	14,100
New Adult - (<i>ACA Expansion</i>)	66,473	72,337	76,521	65,643
Adult Subtotal	84,010	95,282	101,548	86,859
Children				
Blind or Disabled (BD) Kids	1,636	1,542	1,619	1,930
General Kids	60,658	61,895	62,070	57,734
CHIP (Uninsured) Kids	4,356	4,687	4,635	4,462
Children Subtotal	66,650	68,124	68,324	64,126
Subtotal -Full/Primary	150,660	163,406	169,872	150,985
Partial/Supplemental Coverage				
Choices for Care	4,476	4,510	4,600	4,709
ABD Dual Eligibles	18,031	18,320	18,663	18,230
Rx -Pharmacy Only Programs	9,965	9,586	9,096	9,192
Vermont Premium Assistance ²	15,187	12,471	10,842	13,272
<i>Cost Sharing Reduction³</i>	<i>3,044</i>	<i>3,041</i>	<i>3,106</i>	<i>3,074</i>
Underinsured Kids (ESI upto 312% F)	569	618	664	517
Partial/Supp Subtotal	48,228	45,505	43,865	45,920
Total Medicaid Enrollment	198,888	208,911	213,737	196,905

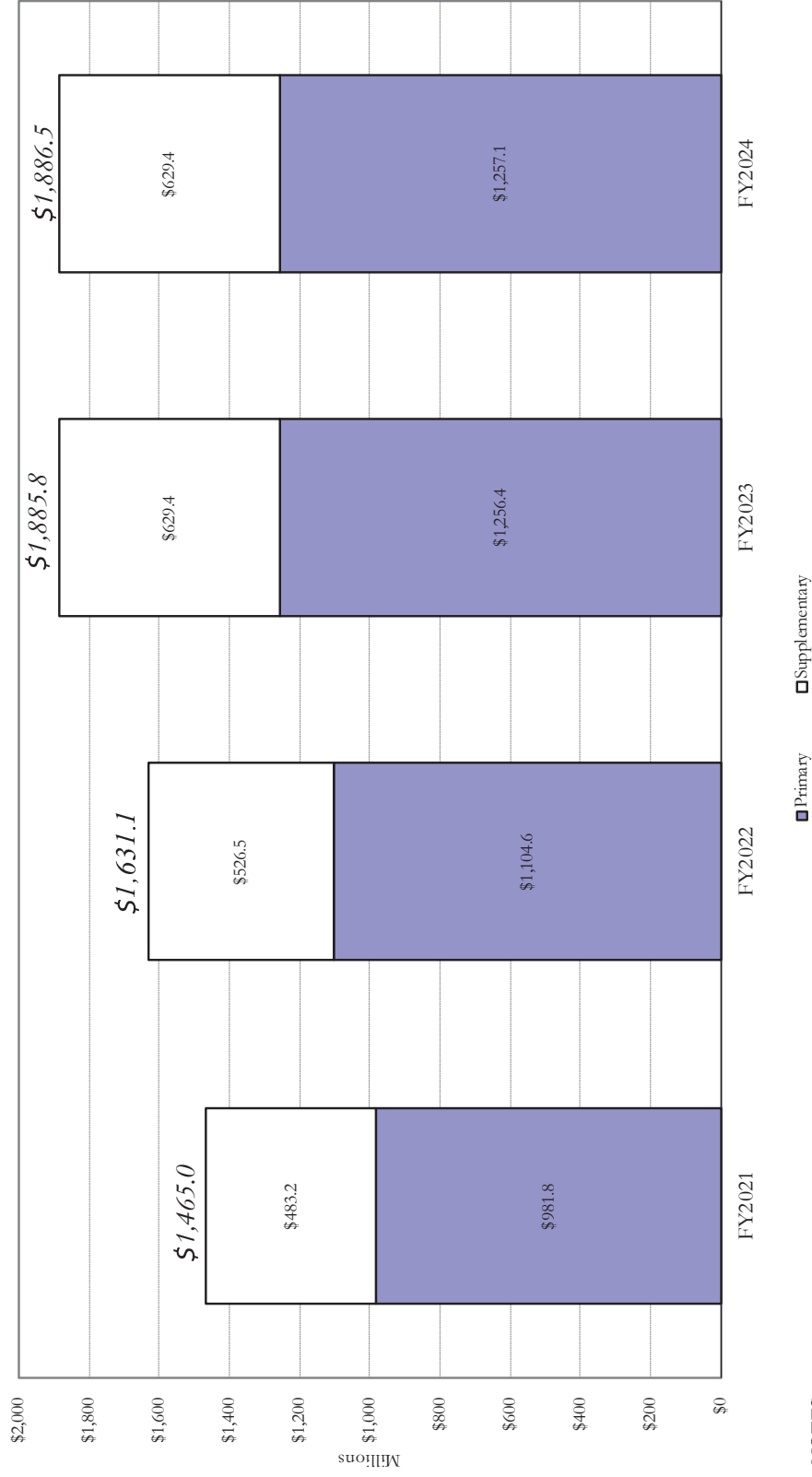
1 Some Full Coverage enrollees may have other forms of insurance.

2 Vermont Premium Assistance (VPA) counts are the number subscribers.

3 Almost all of the people with Vermont Premium Assistance (VPA) also have Cost-Sharing Reduction (CSR) subsidies. As such there may be some double-counting in the total Medicaid enrollment.



Medicaid as Primary Source of Coverage v. Secondary Source of Coverage - Spending,
FY 2021 to 2024

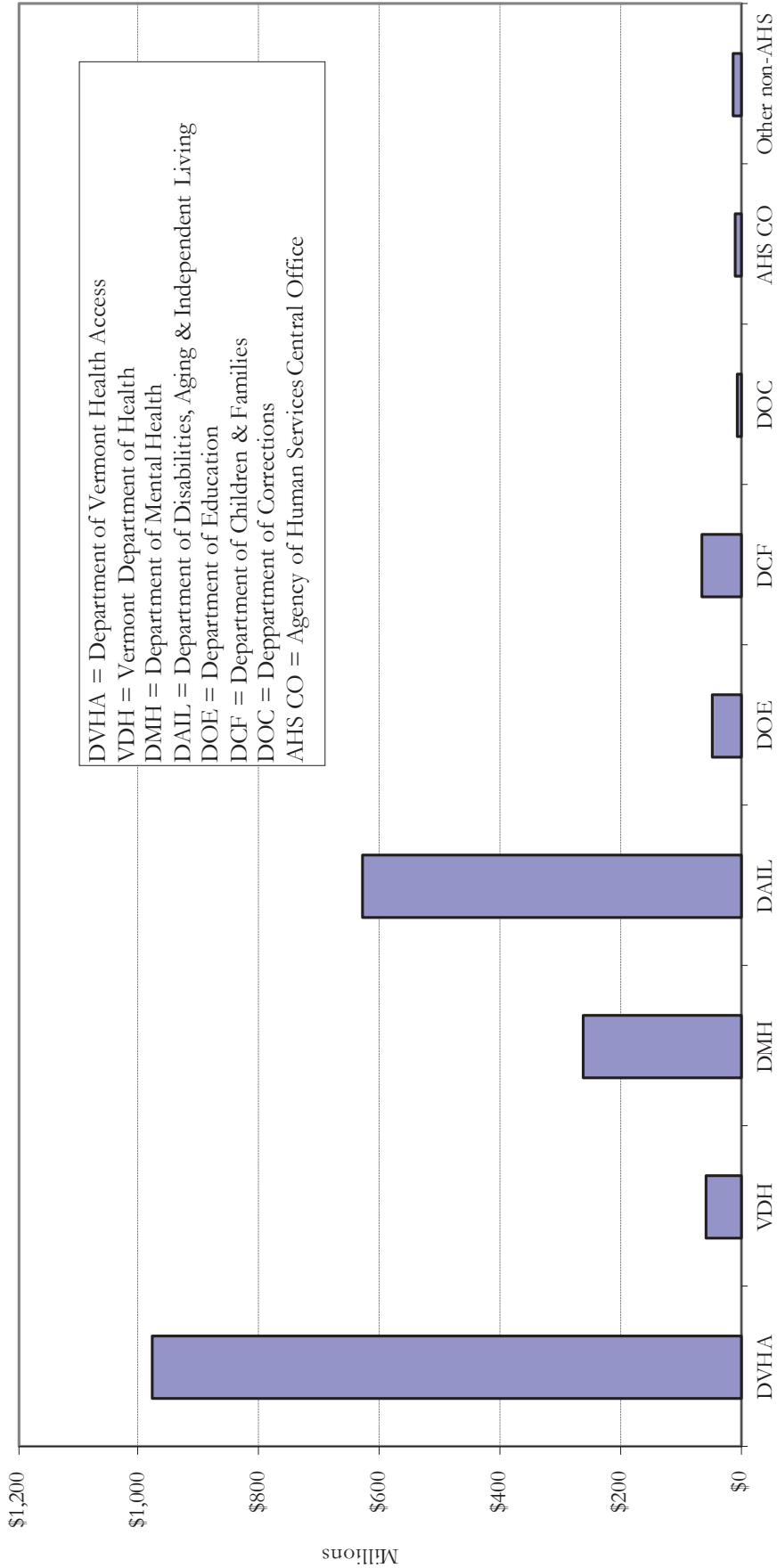


NOTES:

* Includes program costs only. Does not include admin, investments, disproportionate share hospital (DSH) payments, clawback, CRT, or Buy-In.



Estimated Medicaid Spending by Department, FY 2024



DVHA = Department of Vermont Health Access
 VDH = Vermont Department of Health
 DMH = Department of Mental Health
 DAIL = Department of Disabilities, Aging & Independent Living
 DOE = Department of Education
 DCF = Department of Children & Families
 DOC = Department of Corrections
 AHS CO = Agency of Human Services Central Office

Summary of Global Commitment and Medicaid Related Expenditures, FY 2021 to FY 2024

	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Actual
Global Commitment Waiver (GC)				
GC - Program	1,268,974,765	1,413,780,286	1,542,860,852	1,599,865,773
GC - VT Premium Assistance	5,689,738	4,524,778	4,139,283	5,627,707
GC - Choices for Care	206,345,993	226,674,507	257,115,067	308,883,285
GC - Investments	98,845,057	108,638,216	115,396,199	116,941,023
GC - Certified (non-cash program & CNOM) ¹	18,175,058	21,178,030	20,590,111	23,704,052
GC Waiver total	1,598,030,610	1,774,795,817	1,940,101,511	2,055,021,840
Other Medicaid and Related Programs				
Non-Capitated Administration	131,107,818	135,604,147	157,714,781	170,585,139
Money Follows the Person	1,388,847	4,643,428	2,434,893	2,422,983
Exchange Cost Sharing Subsidies (State Only)	1,176,262	985,102	1,151,486	1,681,009
Pharmacy (State Only)	4,998,596	2,891,746	3,538,163	3,816,693
Disproportionate Share Hospital (DSH)	22,704,470	22,704,469	46,365,645	22,704,470
Clawback (State only funded)	30,355,530	33,191,145	35,919,289	41,550,604
Children's Health Insurance Program (CHIP)	14,664,289	14,593,119	15,161,223	17,116,855
Total Non-GC Waiver spending	206,395,812	214,613,156	262,285,480	259,877,753
Total All Expenditures	1,804,426,422	1,989,408,973	2,202,386,991	2,314,899,593
	-1.4%	10.3%	10.7%	5.1%

Notes

¹ CNOM = Costs not otherwise matched (in the absence of the waiver)