Health Care Finance Overview

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Context: Medicaid Coverage

NATIONWIDE

73.2 million individuals nationwide have coverage through Medicaid and CHIP (as of September 2016, Medicaid.gov).

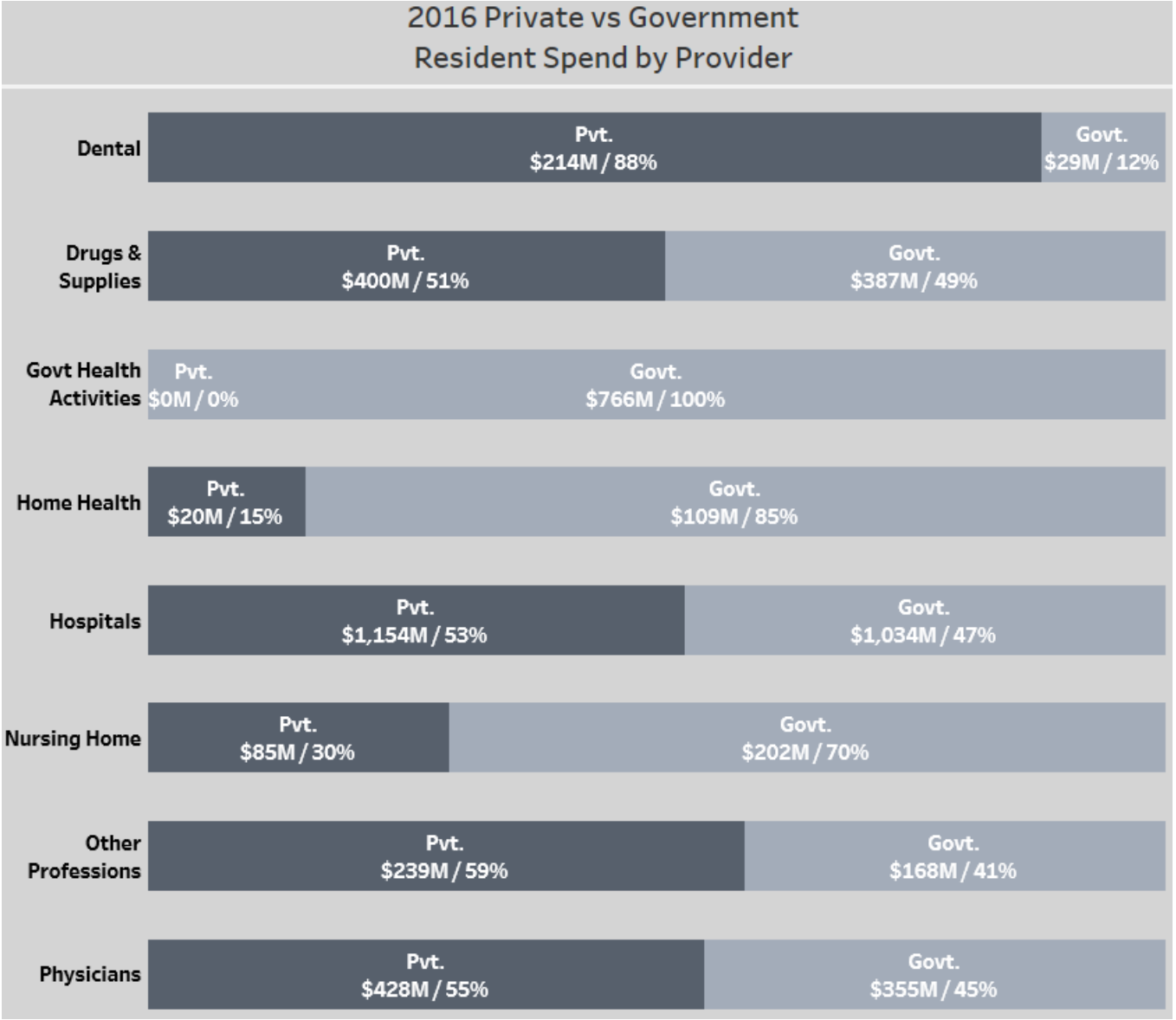
- Approx. 22% of Americans.

VERMONT

Approx. 198,000 (32%) of Vermonters receive some form of assistance through Medicaid (as of July 18).

- Primary source of coverage for approx. **163,000** Vermonters (approx. 26%)
- Partial or supplemental assistance for approx. **35,000** Vermonters (approx. 6%)
  - e.g. premium assistance, Rx assistance, etc.

Types of Spending on Services



Private = Commercial Insurance + OOP spending

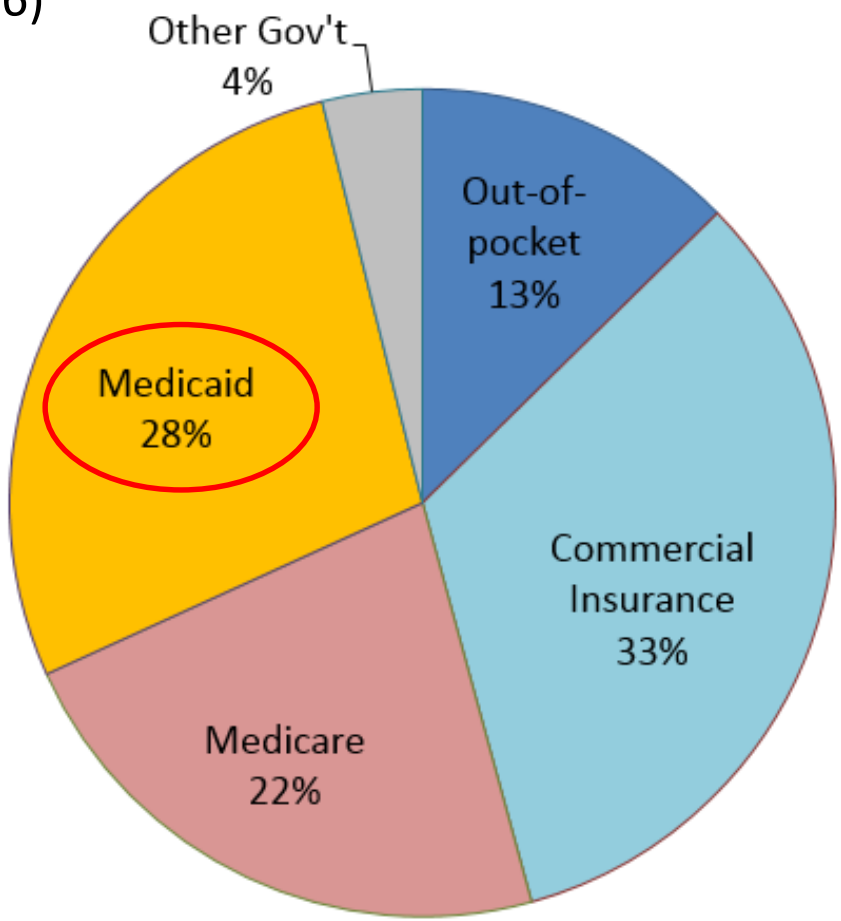
Government = Medicare, Medicaid, and other government-federal, state, and local spending.

Source: Green Mountain Care Board, Expenditure Analysis, Released 2018.

Context: Overall Health Spending

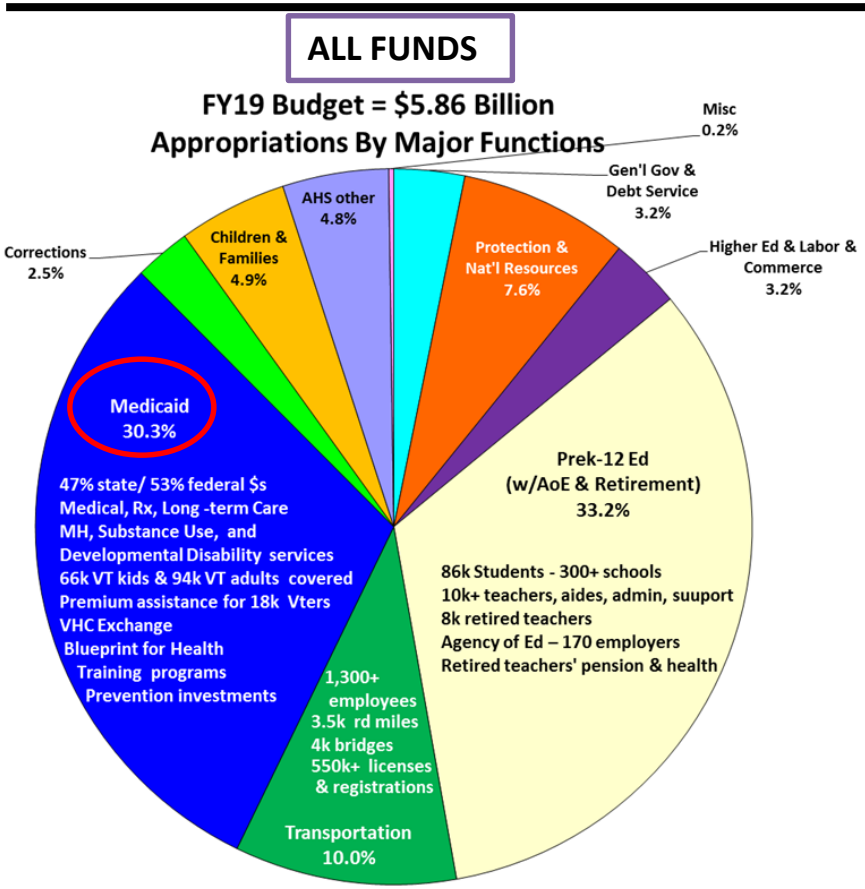
TOTAL HEALTH CARE SPENDING
IN VERMONT = **$5.96 Billion** (2016)

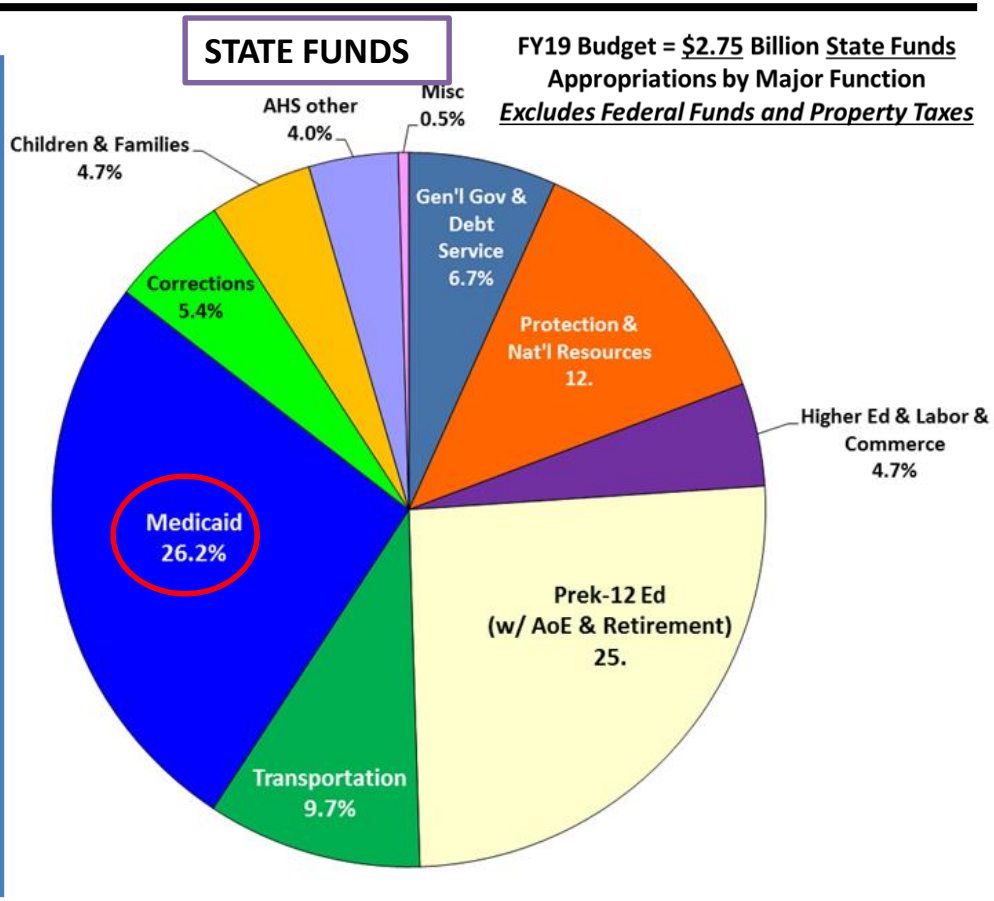
- **Medicaid** accounts for **28%** of TOTAL overall statewide health spending



Source: Green Mountain Care Board, Expenditure Analysis

Context: State Budget





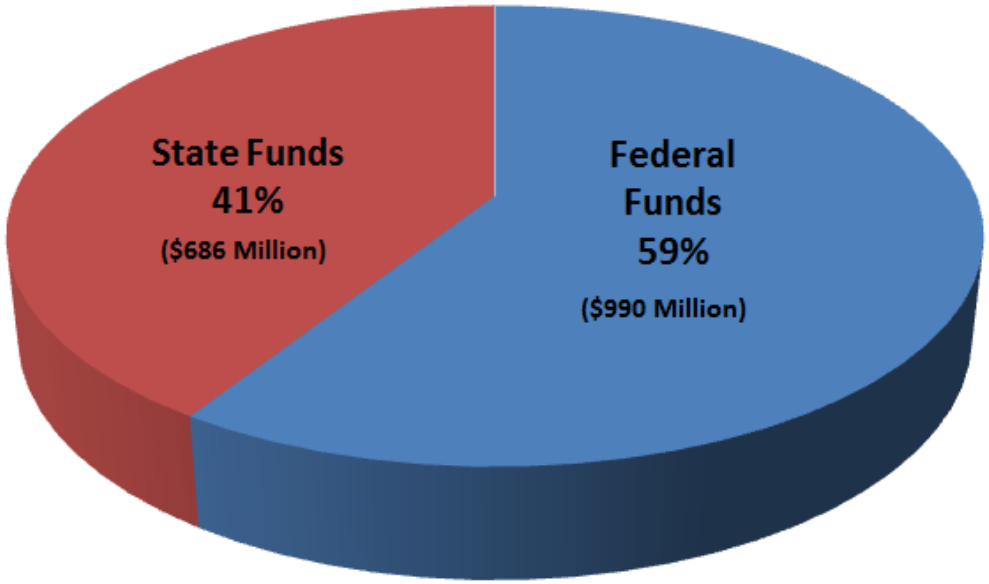
Medicaid accounts for :

- **30.3%** of the total budget (all funds)
- **26.2%** of state funds appropriation

Note: This slide uses FY19 as passed. The rest of the presentation uses FY18 actuals.

Medicaid Financing

- **FY 2018:** Medicaid spending was $1.68 billion.



- State funding comes from a combination of general funds, cigarette and tobacco taxes, provider taxes, certified funds and other sources

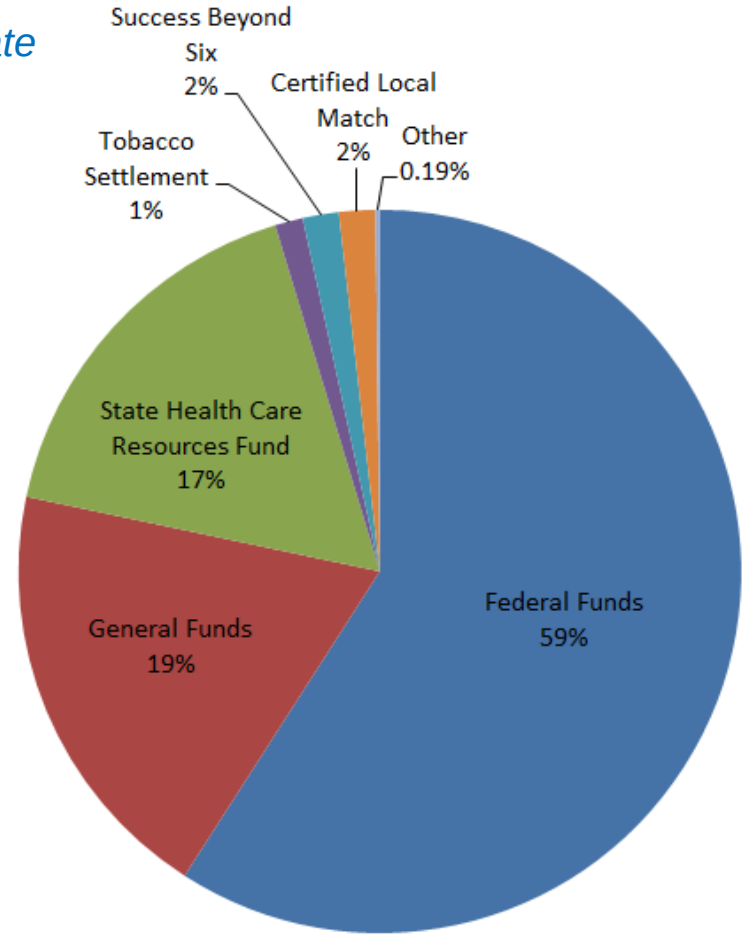
Medicaid Financing

SFY'18 = $1.68 billion

MEDICAID
ALL FUNDS

All funds: Federal + State

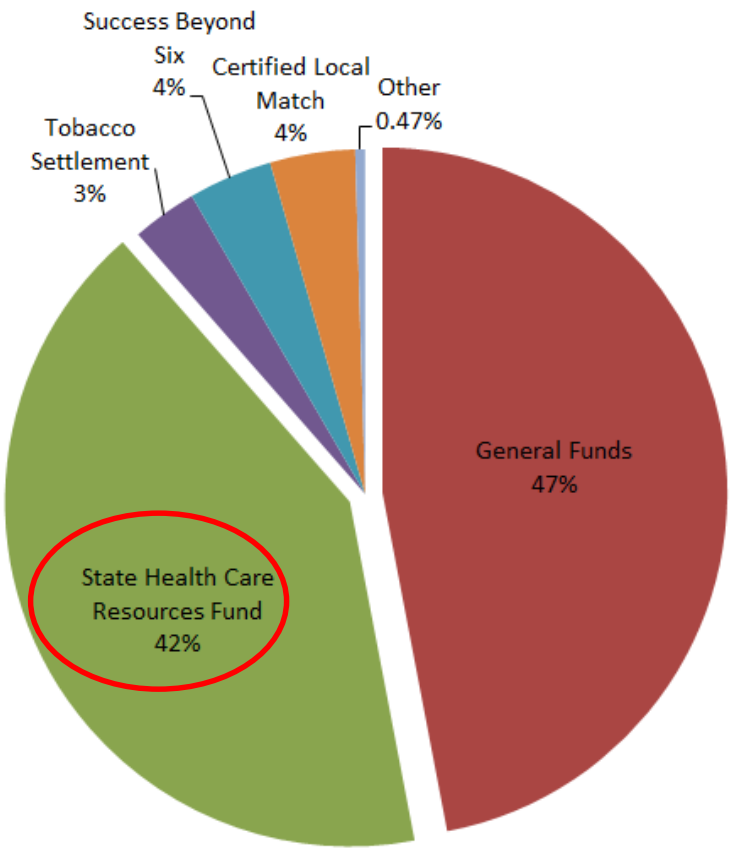
Federal Funds	**990,494,629**
State Funds	**685,807,701**
General Funds	322,252,357
State Health Care Resources Fund	285,073,161
Tobacco Settlement	20,969,651
Success Beyond Six	26,985,240
Certified Local Match	27,307,277
Other	3,220,015
Insurance Regulatory & Supervision	*883,847*
HIT Fund	*2,336,168*
TOTAL	**1,676,302,330**



Medicaid Financing

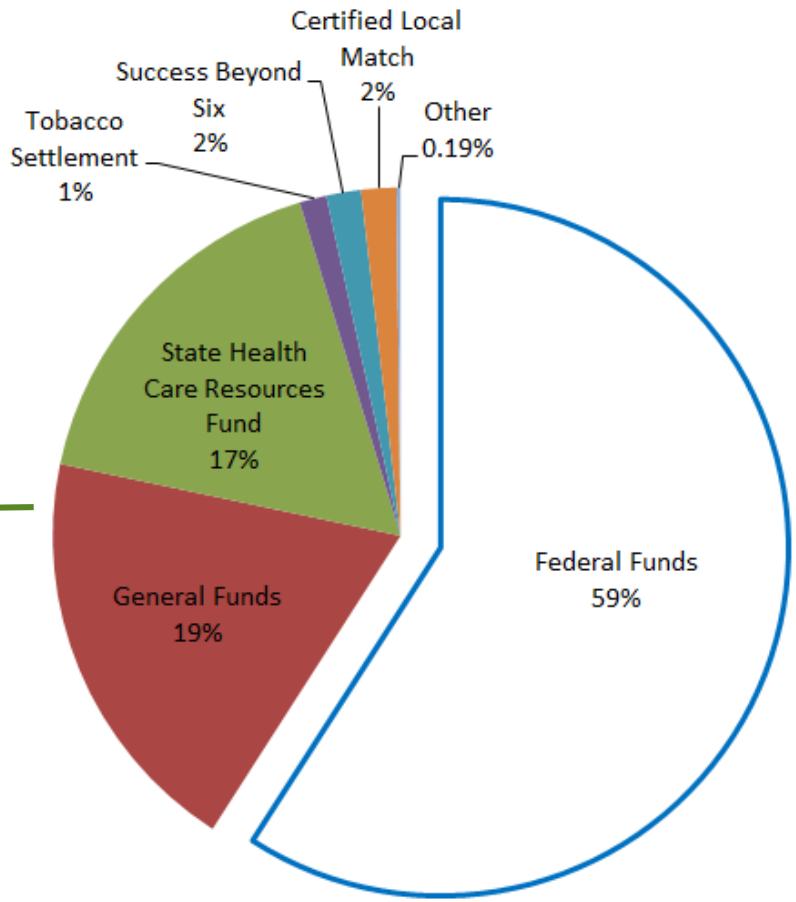
SFY'18 = $1.68 billion

MEDICAID
STATE FUNDS ONLY



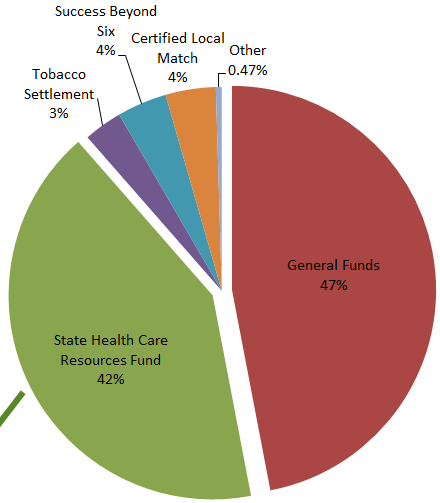
MEDICAID
ALL FUNDS

All funds: Federal + State



- State Health Care Resources fund accounts for 42% of state funds used to fund the Medicaid program.

State Health Care Resources Fund



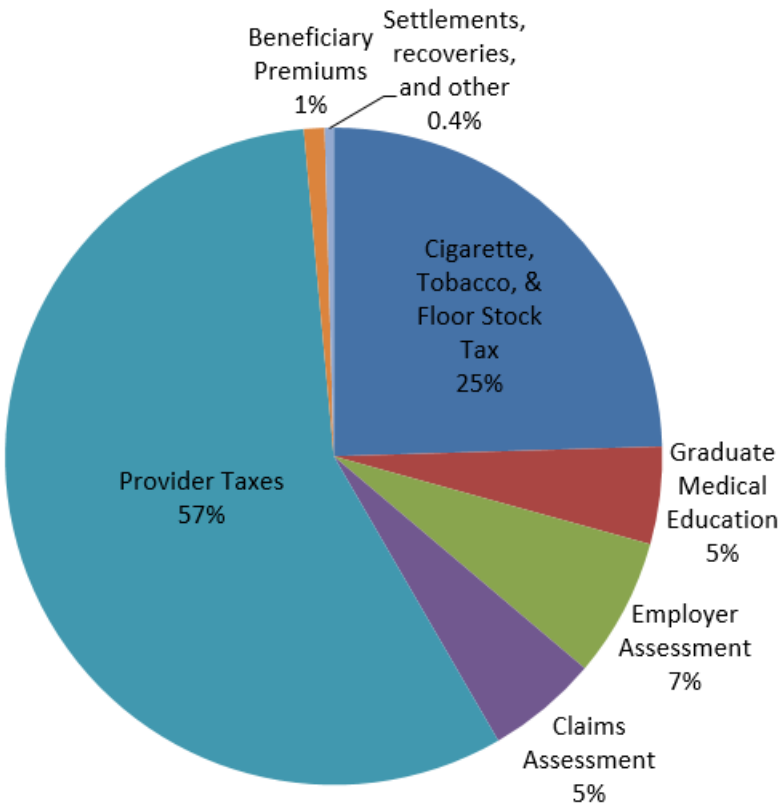
The SHCRF is:

- 17% of TOTAL Medicaid funding
- 42% of STATE SHARE of Medicaid funding

Note: See previous slide

State Health Care Resources Fund

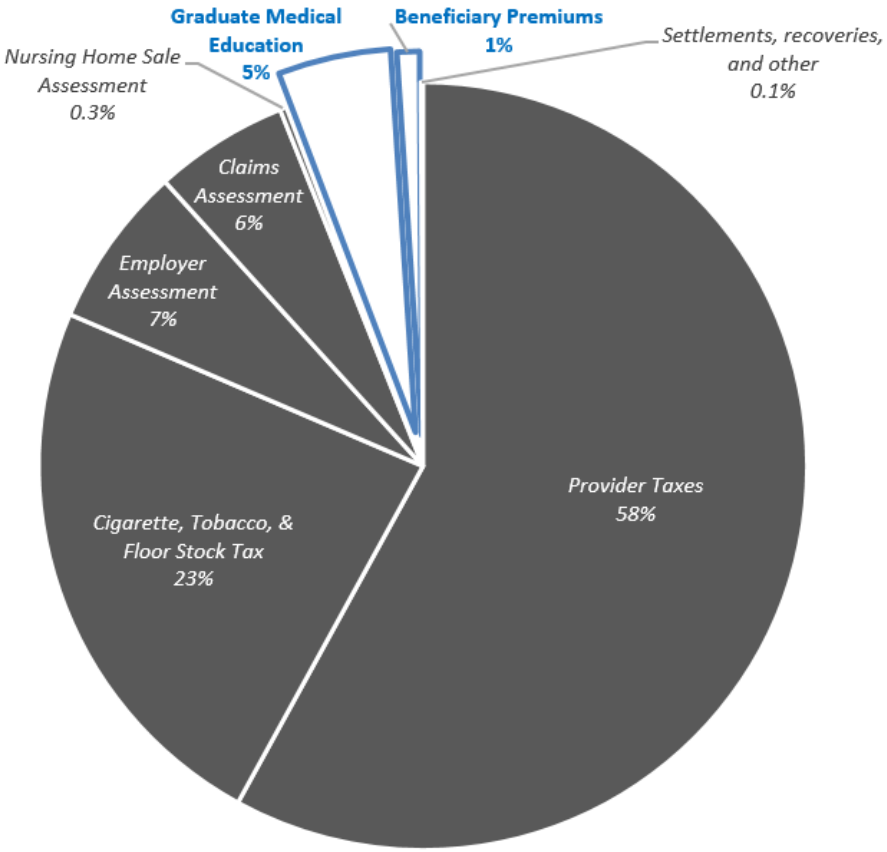
SFY'18	$	%
Cigarette, Tobacco, & Floor Stock Tax	71,072,229	25%
Graduate Medical Education	13,884,750	5%
Employer Assessment	19,843,461	7%
Claims Assessment	15,912,905	5%
Provider Taxes	164,867,654	57%
Beneficiary Premiums	2,954,875	1%
Settlements, recoveries, and other	1,273,945	0%
TOTAL	285,073,161	



SHCRF & Budget Adjustment 2019

BAA proposes to transfer most of the SHCRF to the General Fund

State Health Care Resources Fund		
Estimated Revenues FY 2019	*291,891,297*	
Transfer to GF - BAA	**274,991,829**	**94%**
Provider Taxes	169,291,829	
Cigarette, Tobacco, & Floor Stock Tax	68,500,000	
Employer Assessment	19,900,000	
Claims Assessment	16,500,000	
Nursing Home Sale Assessment	$800,000	
Remain in SHCRF	**16,899,468**	**6%**
Graduate Medical Education	13,863,000	
Beneficiary Premiums	2,760,000	
Settlements, recoveries, and other	276,468	

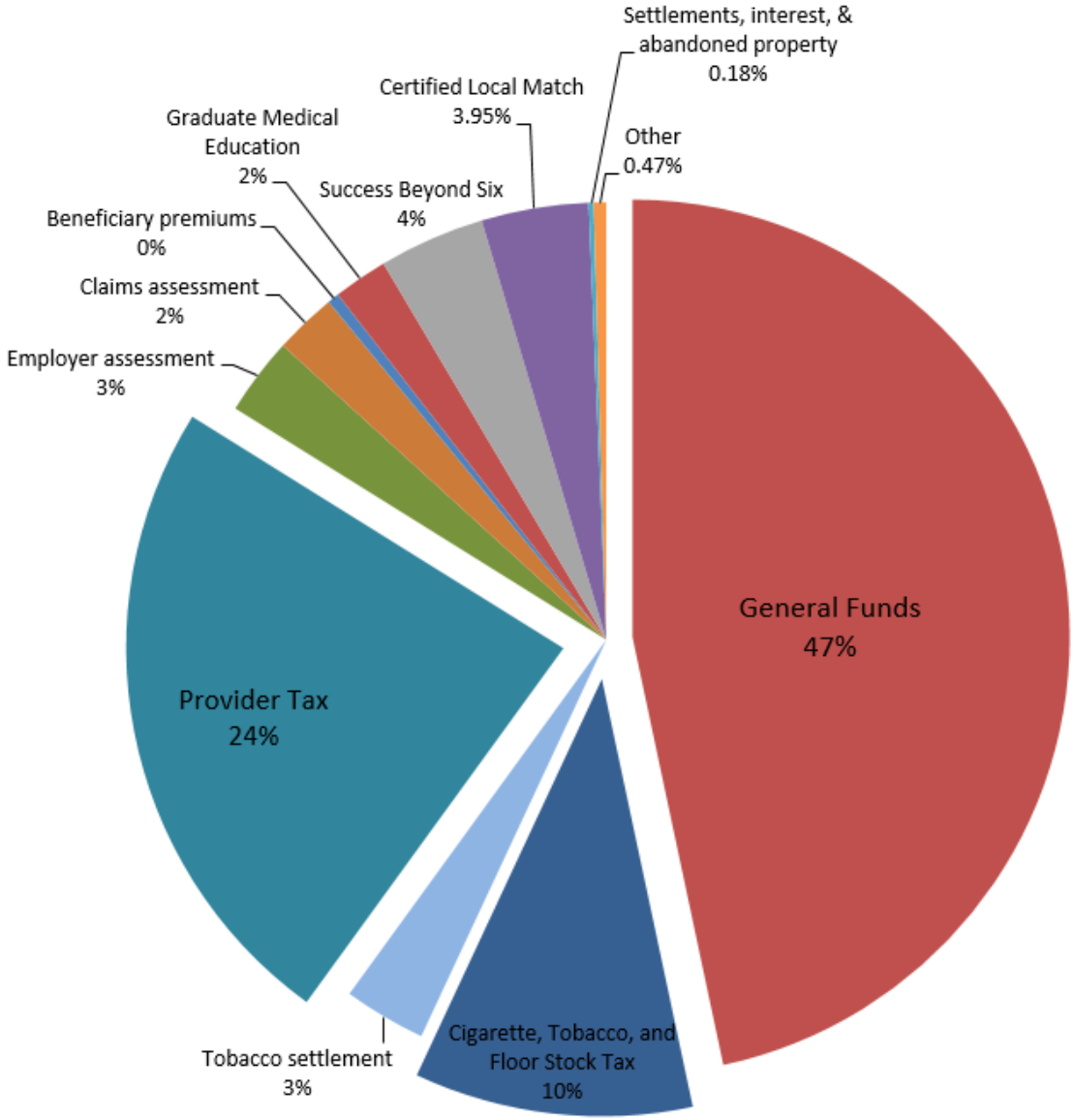


Numbers do not match "ups & downs". This does not include carryforward and other adjustments. Meant to be illustrative only.

State Funds

(High level view regardless of special fund)

SFY'18 = $686 million



- Provider taxes and Cigarette, Tobacco, and Floor Stock Taxes account for 34% of total state funds used to fund Medicaid

Federal Medical Assistance Percentage (FMAP)

- **FMAP is the share of state Medicaid benefit costs paid by the federal government**
- **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%**
- **States also received "enhanced FMAPs" for expansion populations under the ACA and for the *Children's Health Insurance Program (CHIP)***

Federal Medical Assistance Percentage (FMAP)

	FFY 2019		FFY 2020		%
	State	Federal	State	Federal	Δ
Base FMAP	46.11%	53.89%	46.14%	53.86%	-0.03%
Enhanced FMAP (ACA)	8.52%	91.48%	8.50%	91.50%	0.02%
CHIP	9.35%	90.65%	17.92%	82.08%	-8.57%

Impact of FY'19 to '20 FMAP changes

- Base FMAP = Approx. $1.1 million
- E-FMAP (childless "new adults") = Nominal
- CHIP = Approx. $500K

FMAP History

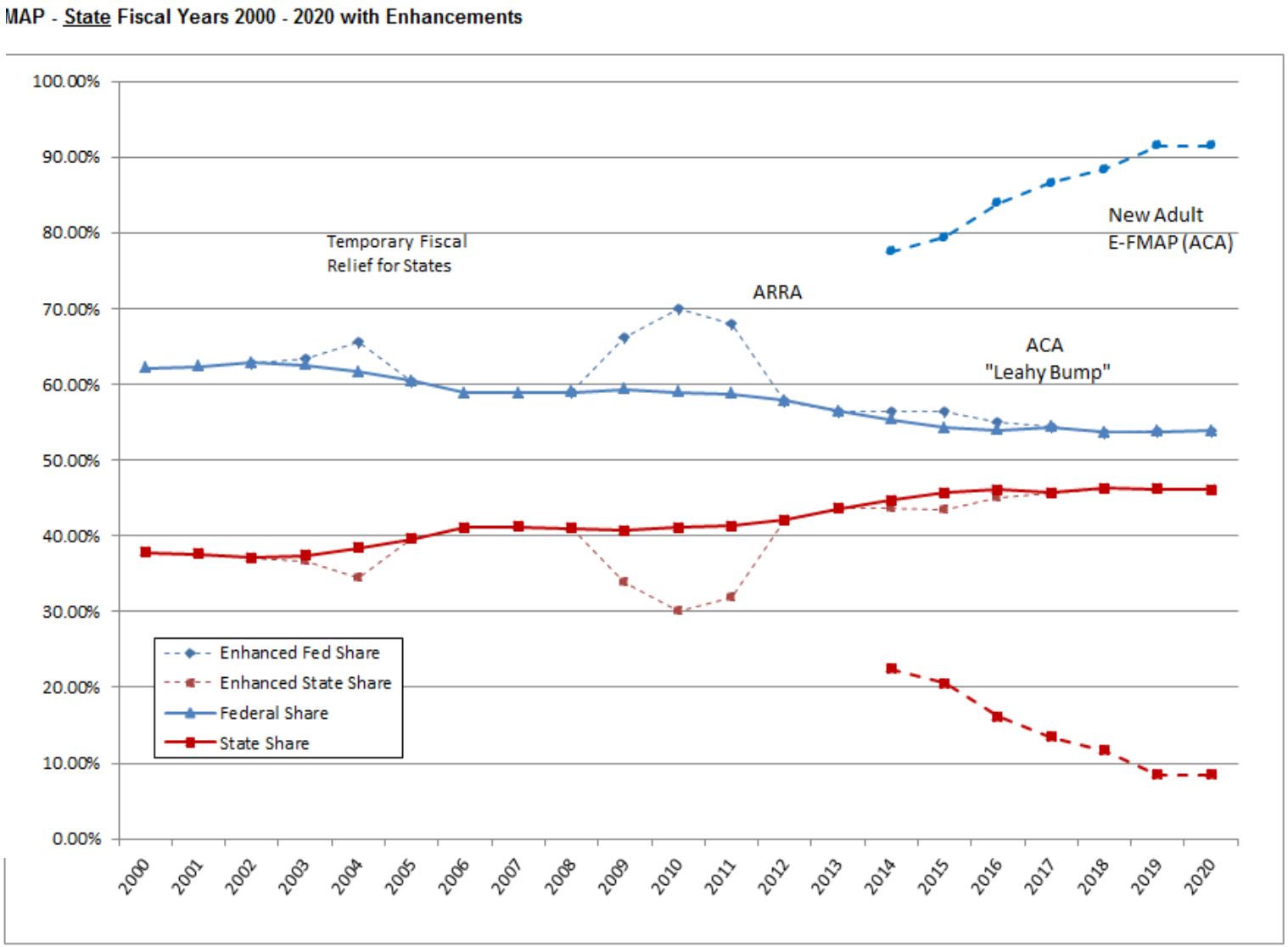
(with Enhancements)

State Fiscal Year
(as used in state budget)

Year	State Share	
1991	37.83%	
1992	38.48%	
1993	39.75%	
1994	40.37%	
1995	39.50%	
1996	39.14%	
1997	39.00%	
1998	38.10%	
1999	37.98%	
2000	37.83%	
2001	37.64%	
2002	37.11%	
2003	**36.57%**	Temporary fiscal relief to states
2004	**34.48%**	
2005	39.58%	
2006	41.11%	
2007	41.18%	
2008	41.00%	
2009	**33.90%**	ARRA
2010	**30.04%**	
2011	**31.93%**	
2012	42.14%	
2013	43.58%	
2014	**43.56%**	Affordable Care Act (ACA) "Leahy Bump"
2015	**43.51%**	
2016	**44.97%**	
2017	45.68%	
2018	46.28%	
2019	46.21%	
2020	46.13%	

= Years where state received enhancements to FMAP

ARRA = American Recovery & Reinvestment Act
ACA = Affordable Care Act

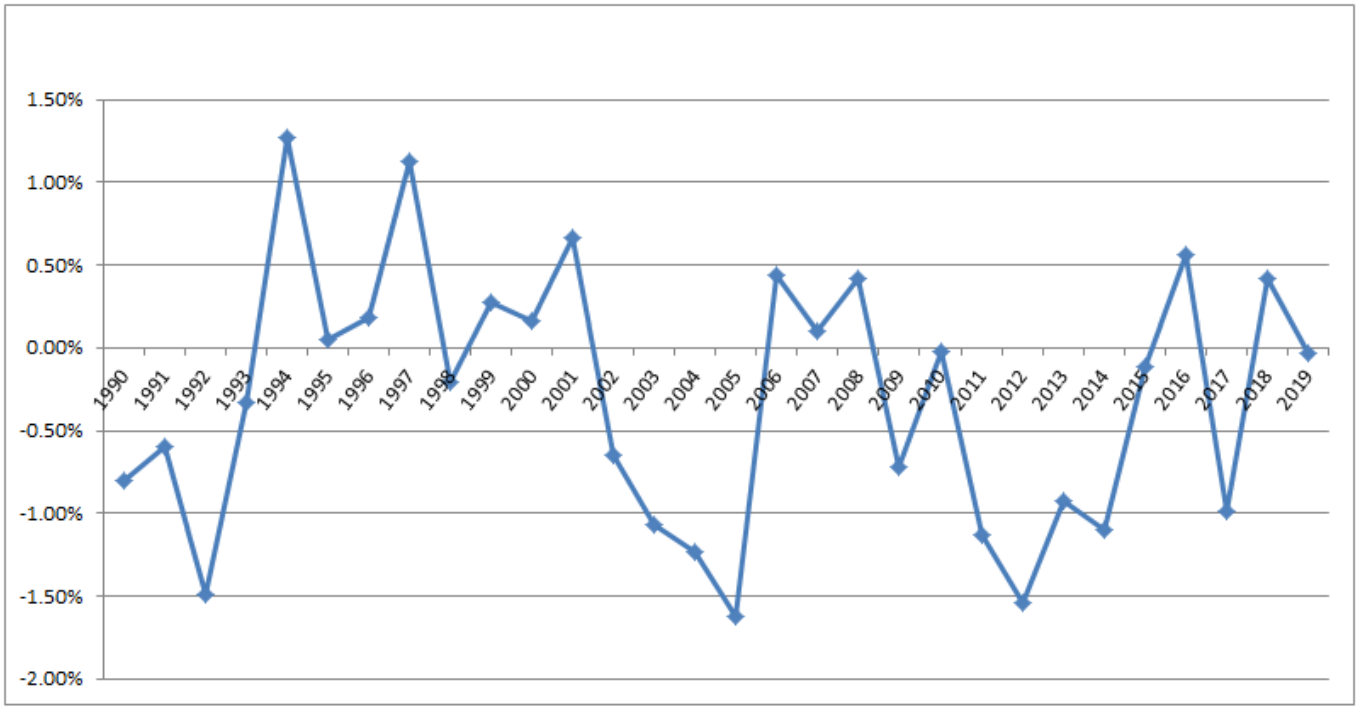


FMAP History:
Ups & Downs

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%



= *Years where FMAP decreased from previous year*

ACA = Affordable Care Act

FMAP Comparison:
Selected States FFY 2020

COMPARISON OF FMAPs - Selected States (FFY 2020)			
New England States	**Highest FMAP**	**Lowest FMAP (50% FMAP)**	
CT, NH, MA = 50%	Mississippi (76.98%) ↑	Alaska	New Hampshire
RI = 52.95% ↑	West Virginia (74.94%) ↑	California	New Jersey
Maine = 63.80% ↓	New Mexico (72.71%) ↑	Colorado	New York
Vermont = 53.86% ↓	Alabama (71.97%) ↑	Connecticut	Virginia
		Maryland	Washington
↑ = Increased from previous year		Massachusetts	Wyoming
↓ = Decreased from previous year		Minnesota	