
Cost Sharing Reduction Program

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Vermont Subsidies

Two components to health insurance:

Premiums

- What it costs to have coverage— which is made more affordable through Vermont Premium Assistance

Cost Sharing

- What it covers—which is made more affordable through Vermont Cost Sharing Reduction
 - Co-pays
 - Coinsurance
 - Deductible

Level of Cost Sharing

- Different levels of cost sharing are called actuarial value (AV)
- Actuarial value means the total average costs of covered services that your plan will cover
 - In a plan with a high AV, you will pay less in co-pays, co-insurance, and deductibles
 - A plan with a low AV, you will pay more in co-pays, co-insurance, and deductibles

Vermont Cost Sharing Reductions

The ACA cuts off cost sharing assistance at 250% FPL.

Vermont subsidies target households at 200%-300% FPL to try to maintain affordability levels under Catamount

Actuarial Value (AV) of Cost Sharing Reduction Plans

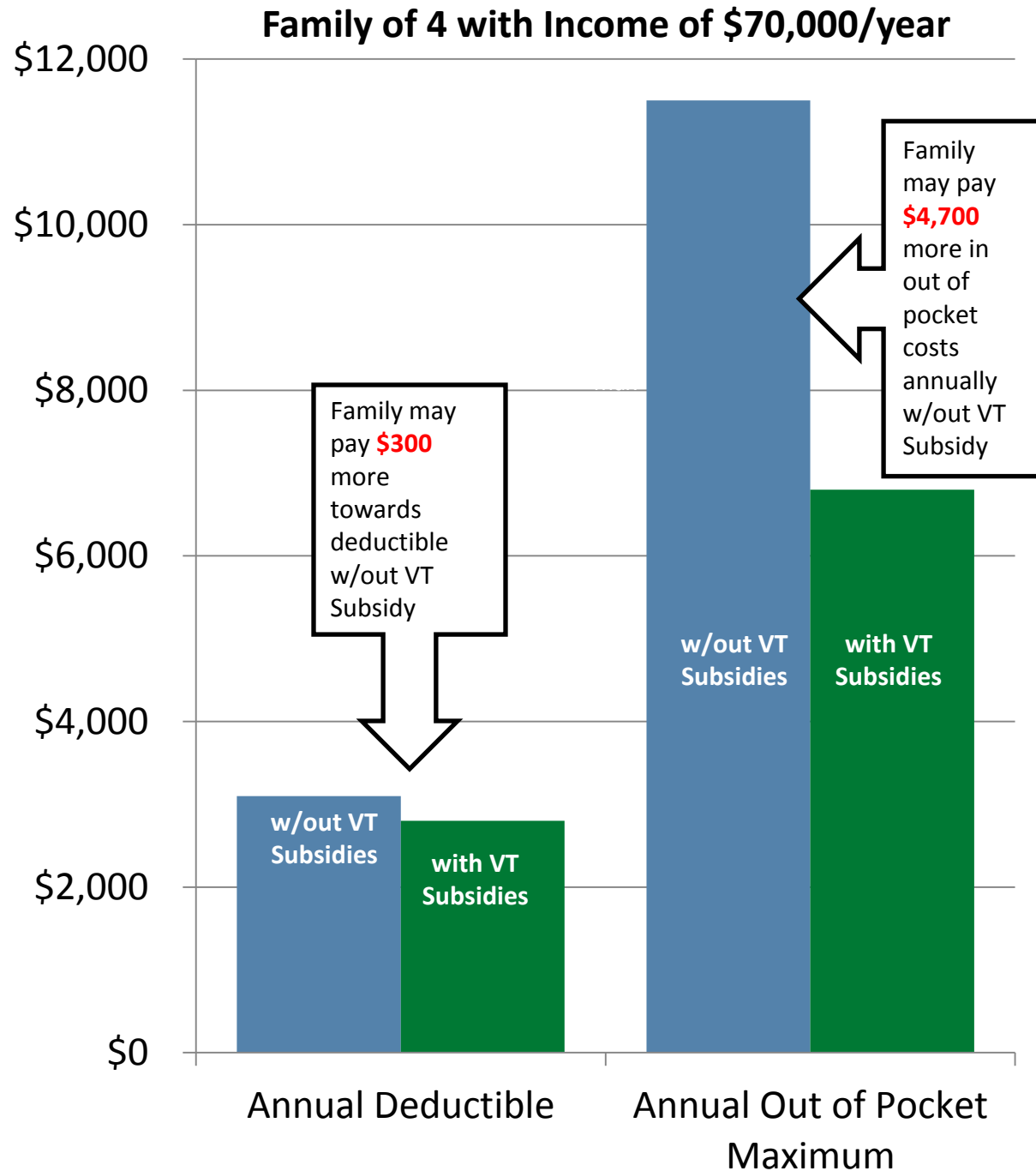
FPL	AV - ACA	AV - Current VT Subsidy
133-150%	94%	94%
150-200%	87%	87%
200-250%	73%	77%
250-300%	70%	73%

Vermont Cost Sharing Reductions

- Caseload
 - FY '14: 3,929
 - FY '15: 6,067
- Cost
 - FY '14: \$332,623
 - FY '15: \$1,138,775

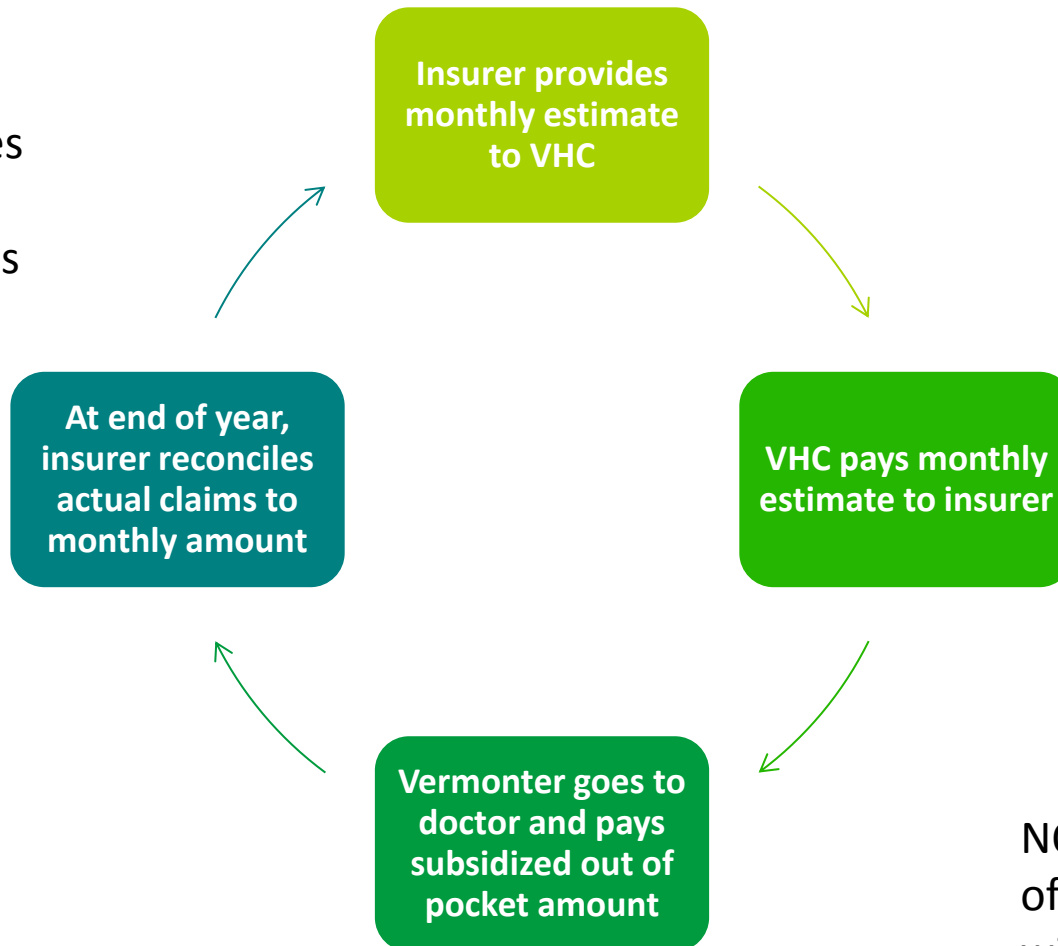
Vermont CSR

- Cost is the #1 reason Vermonters are uninsured
- Since Vermont Health Connect and VT subsidies, uninsured rate has been cut in half



How Vermont Cost Sharing Reductions Work

Vermont cost sharing subsidies pay for actual health care costs



NOTE: Reconciliation of 2014 CSR payments will begin in 2016

Targeted Benefits

- The current cost sharing process is set up to closely match the federal process for ease of administration
- Vermont receives federal Medicaid match for premium assistance, but not for cost sharing
 - federal government has not matched cost sharing in any other state doing state premium assistance and cost sharing reductions
- Although no federal match for Vermont Cost Sharing Reductions, increased funding would target people who are experiencing high costs RIGHT NOW

Questions?
