

Medicaid and the Children's Health Insurance Program (CHIP) provide health and long-term care coverage to more than 166,000 low-income children, pregnant women, adults, seniors, and people with disabilities in Vermont. Medicaid is a major source of funding for safety-net hospitals and nursing homes. Federal policy proposals could fundamentally change the scope and financing of the program.

Snapshot of Vermont's population

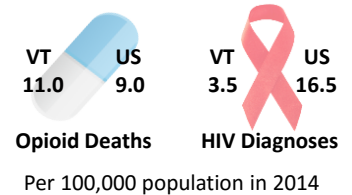
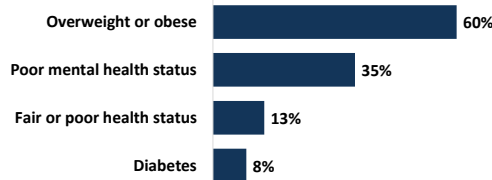


27% of VT's population is low-income



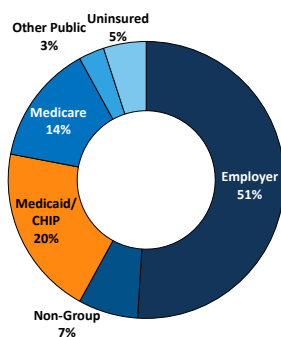
Low-income: <200% FPL or \$40,320 for a family of 3 in 2016

Adults in VT reporting:

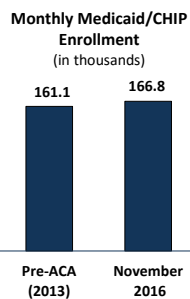


How has Medicaid affected coverage and access?

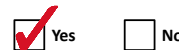
In 2015, 20% of people in VT were covered by Medicaid/CHIP.



Since implementation of the Affordable Care Act (ACA), Medicaid/CHIP enrollment has increased in VT.



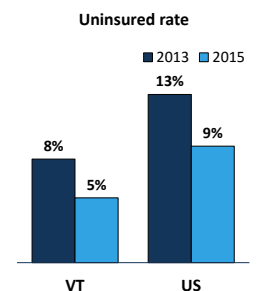
Did VT expand Medicaid through the ACA?



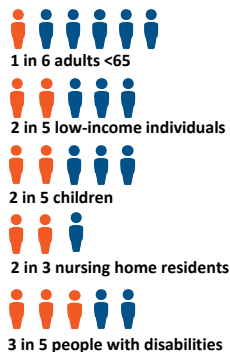
63,300 adults in the expansion group in Q1 of 2016



The uninsured rate in VT has decreased.

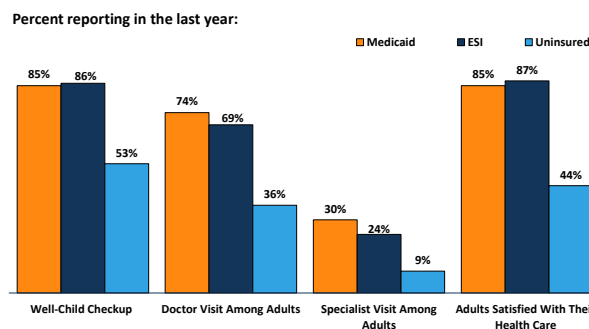


In VT, Medicaid/CHIP covers:



78% of adult and child Medicaid enrollees in VT are in families with a worker.

Nationally, Medicaid is comparable to private insurance for access and satisfaction – the uninsured fare far less well.



Medicaid coverage contributes to positive outcomes:

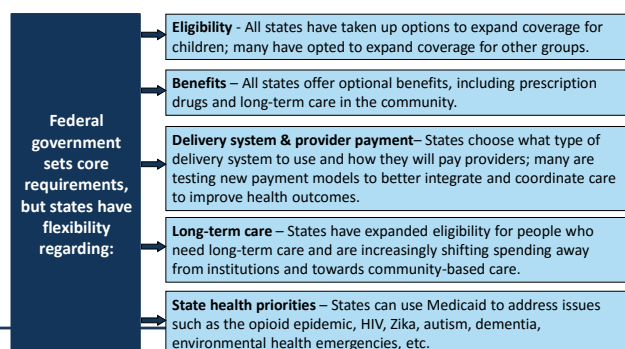
- Declines in infant and child mortality rates
- Long-term health and educational gains for children
- Improvements in health and financial security

And...

>85% of the public would enroll themselves or a child in Medicaid if uninsured.

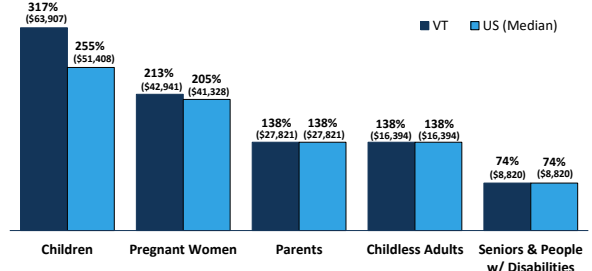
How does Medicaid work and who is eligible?

Each Medicaid program is unique:



Medicaid/CHIP eligibility levels are highest for children and pregnant women.

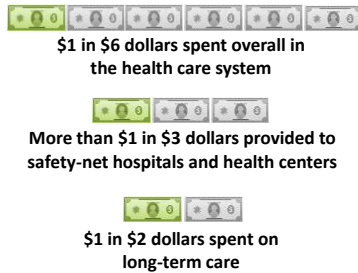
Eligibility Level as a Percent of FPL, as of January 1, 2017



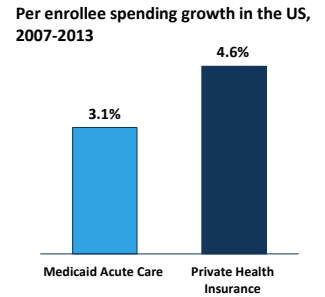
Eligibility levels are based on the FPL for a family of three for children, pregnant women, and parents, and for an individual for childless adults and seniors & people w/ disabilities. Seniors & people w/ disabilities eligibility may include an asset limit.

# How are Medicaid funds spent and how is the program financed?

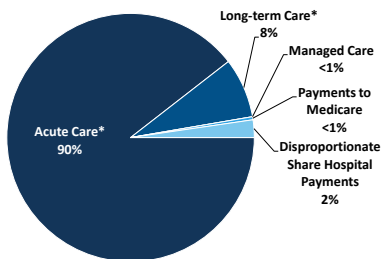
Medicaid plays a key role in the U.S. health care system, accounting for:



On a per enrollee basis, Medicaid spending growth is slower than private health care spending, in part due to lower provider payments.

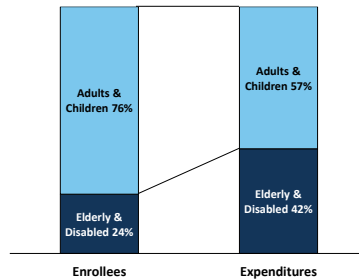


In FY 2015, Medicaid spending in VT was \$1.6 billion.



\*Fee-for-service;  
NOTE: Due to the structure of Vermont's Medicaid program, much of the state's Medicaid spending is categorized as "acute care" and cannot be disaggregated by service.

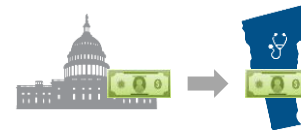
In 2011, most Medicaid beneficiaries in VT were children and adults, but a disproportionate share of spending was for the elderly and people with disabilities.



Federal funding to states is guaranteed with no cap and fluctuates depending on program needs.

In VT the federal share (FMAP) is 54.5%. For every \$1 spent by the state, the Federal government matches \$1.20.

Expansion states receive an increased FMAP for the expansion population. VT received \$330.0 million in federal funds for expansion adults from Jan 2014 – Sept 2015.



**0.80** is the Medicaid-to-Medicare physician fee ratio in VT.

**68%** of long-term care spending in VT is for home and community-based care.

**>90%** of beneficiaries in VT are in primary care case management.

**30,000** Medicare beneficiaries (26%) in VT rely on Medicaid for assistance with Medicare premiums and cost-sharing and services not covered by Medicare, particularly long-term care.

**21%** of Medicaid spending in VT is for Medicare beneficiaries.

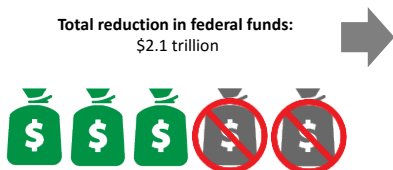
**21%** of state general fund spending in VT is for Medicaid.

**48%** of all federal funds received by VT is for Medicaid.

## What are the implications of reduced federal financing in a Medicaid block grant or a per capita cap?

Congress may soon debate proposals to reduce federal Medicaid funding through ACA repeal and federal caps.

The March 2016 Budget Resolution would reduce federal Medicaid spending by 41% nationally over the 2017-2026 period.



The impact of a block grant or per capita cap will depend on funding levels, but could include:

- Increases in the number of uninsured
- Reduced access and service utilization, decreased provider revenues (to hospitals, nursing homes, etc.), and increased uncompensated care costs
- Increased pressure on state budgets
- Decreased economic activity

A per capita cap could lock in historical state differences or redistribute federal funds across states.

