

State of Vermont
Disability & Long Term Services
and Supports (DLTSS)
Medicaid Expenditures
Calendar Year 2012

April 24, 2014

Revised April, 2015*

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for the VHCIP DLTSS Work Group

* Text revised on Slides 2 and 11

Introduction

■ Purpose of Discussion

- Review role of Medicaid related to funding of both “traditional” health services as well as specialized programs and services (Slides 4 through 10)
- Review Medicaid expenditures on behalf of individuals receiving specialized services versus all other Medicaid program participants (Slides 11 & 12)
- Review Medicaid expenditures on the basis of eligibility (Slides 13 & 14)

■ *Data Notes*

- *Dates of service between 1/1/12 and 12/31/12*
 - ⇒ *While the claims data used for the analysis are more than two years old, the purpose of this presentation is to review the types of services available within Vermont’s specialized programs and the relative amount of resources used to support programs and services. PHPG has conducted annual data analyses of DVHA claims for over twenty years and has observed that relative trends across specialized service categories exhibit very little variation from year-to-year.*
- *Includes individuals eligible for full Medicaid benefits*
- *Pharmacy includes rebate factor of 44%*
- *Claims only; excludes Managed care investments, Medicare Buyin, and Other Payments made outside the claims system (e.g., PACE capitation payments)*
- *For Planning Only – Data have not been validated against secondary sources*

Role of the Vermont Medicaid Program

The Vermont Medicaid program essentially has two roles. The Medicaid program's policies related to both service coverage and eligibility reflect these two roles. Medicaid provides coverage for:

“Traditional Services”

Like commercial health insurance policies, the Vermont Medicaid program provides coverage for traditional services, such as hospital, physician, pharmacy, and dental services

“Specialized Programs and Services”

The Vermont Medicaid program is the primary funding source for several specialized health programs, including long-term care, Developmental Services, and the public mental health and substance abuse treatment systems; these programs receive limited financial support outside of the Vermont Medicaid program. Medicaid also is an important financial resource for supporting public care systems, including Department for Children and Families (DCF) and school-based health services.

Expenditure Summary by Program

In recognition of the Medicaid program's two roles, services were categorized as follows:

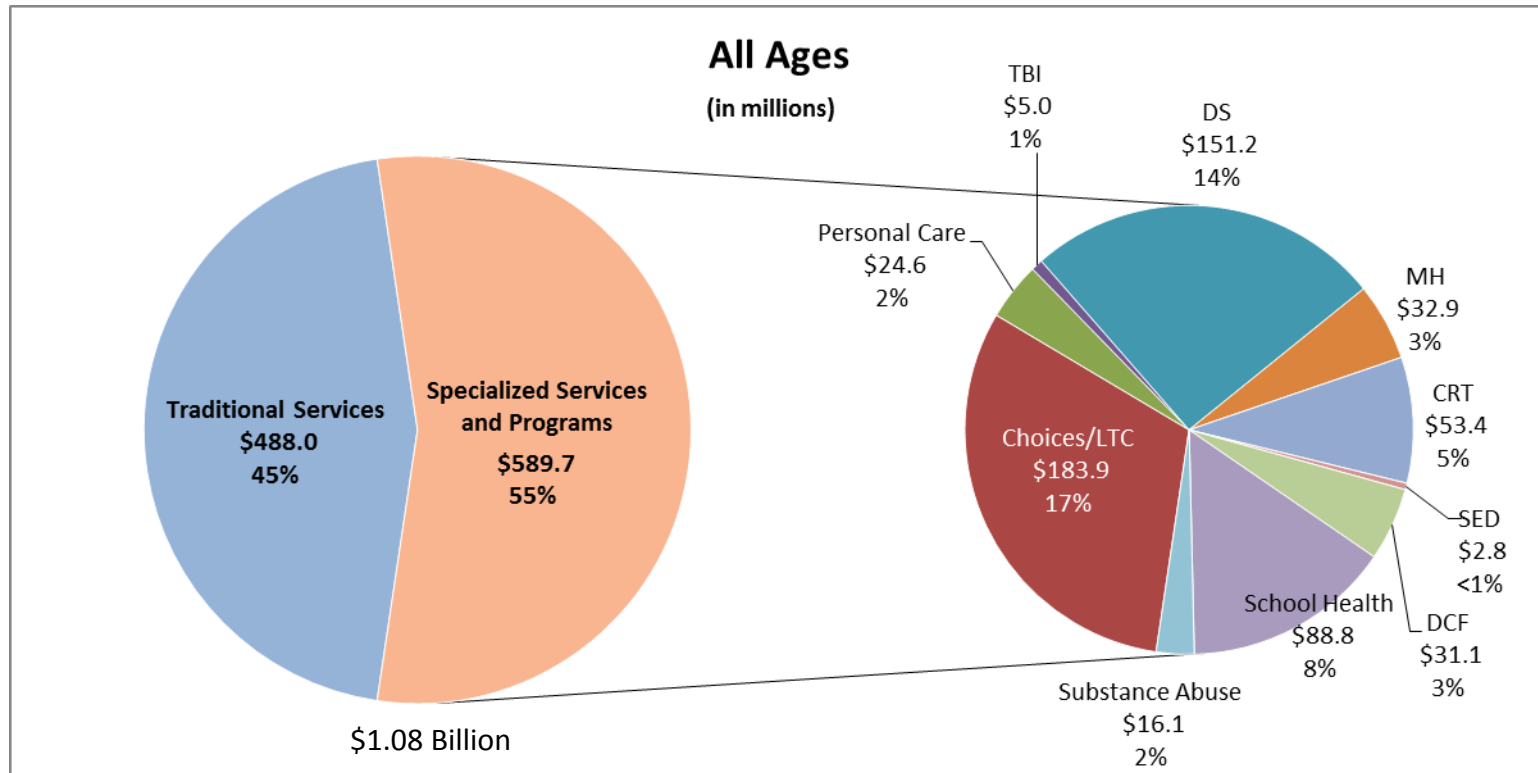
Traditional

- Ambulance
- Dental
- Durable Medical Equipment
- Federally Qualified Health Center (FQHC)/Rural Health Clinic (RHC)
- Home Health
- Hospice
- Independent Lab
- Inpatient Hospital
- Medical Supplies
- Other
- Other Practitioner
- Outpatient Hospital
- Pharmacy
- Physician
- Prosthetic/Orthotic
- Therapy Services
- Transportation

Specialized Services and Programs

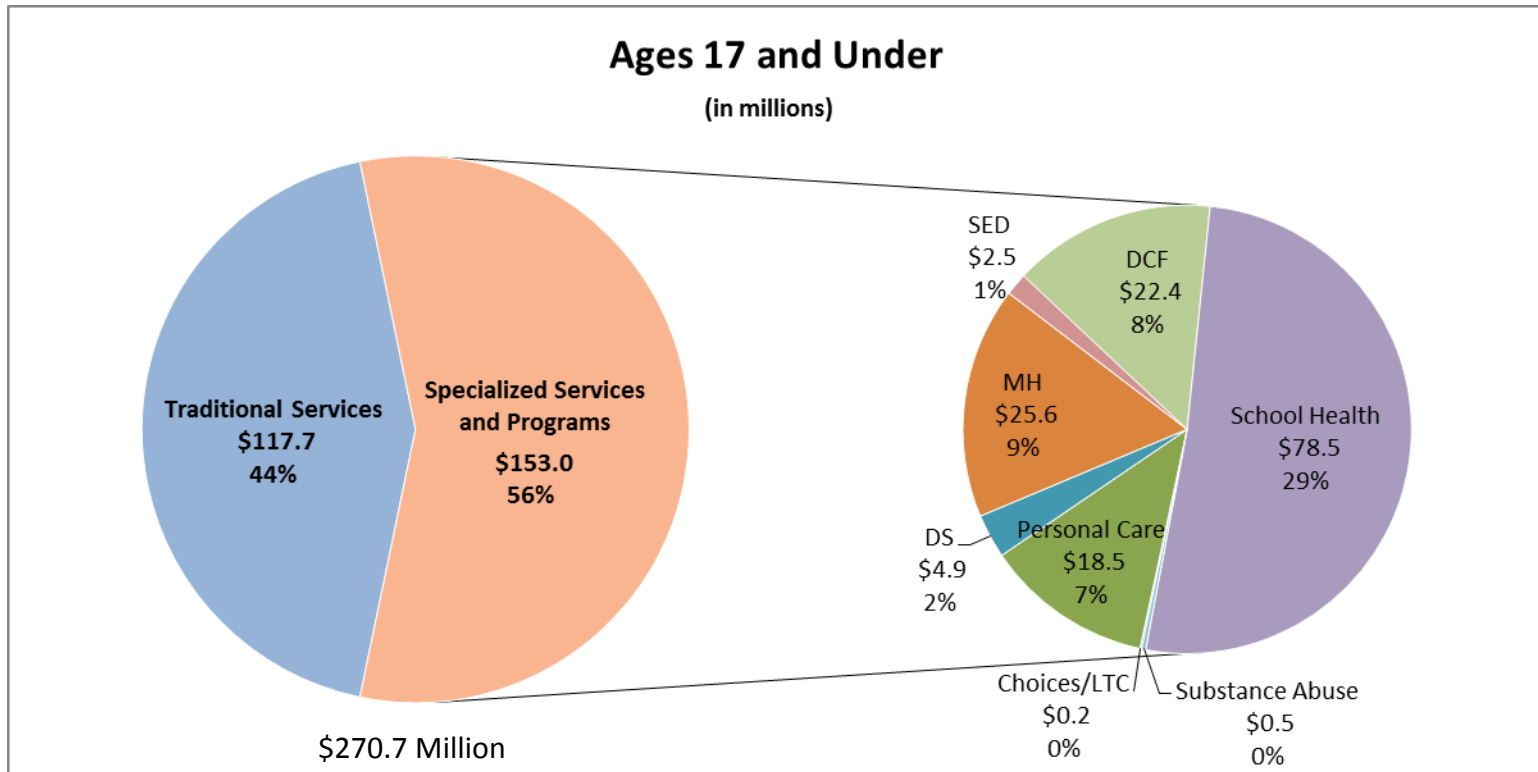
- Choices for Care/Long-Term Care
Assistive Community Care, Choices for Care Home and Community Based Services (HCBS), Nursing Home
- Personal Care
- Traumatic Brain Injury (TBI) Program
- Developmental Services
Developmental Services, Intermediate Care Facility/Intellectual Disabilities (ICF/ID)
- Mental Health Treatment
Community Rehabilitation Treatment, Day Treatment, Day Treatment/Private Non-Medical Institution (PNMI), Children and Adolescents with Serious Emotional Disturbances (SED), Mental Health Facility, Targeted Case Management
- Department for Children and Families - Case Management
- School Health
Department of Health, School-Based Health Services (DOE), Success Beyond Six
- Substance Abuse Treatment

Medicaid Expenditure Summary by Program: All Ages



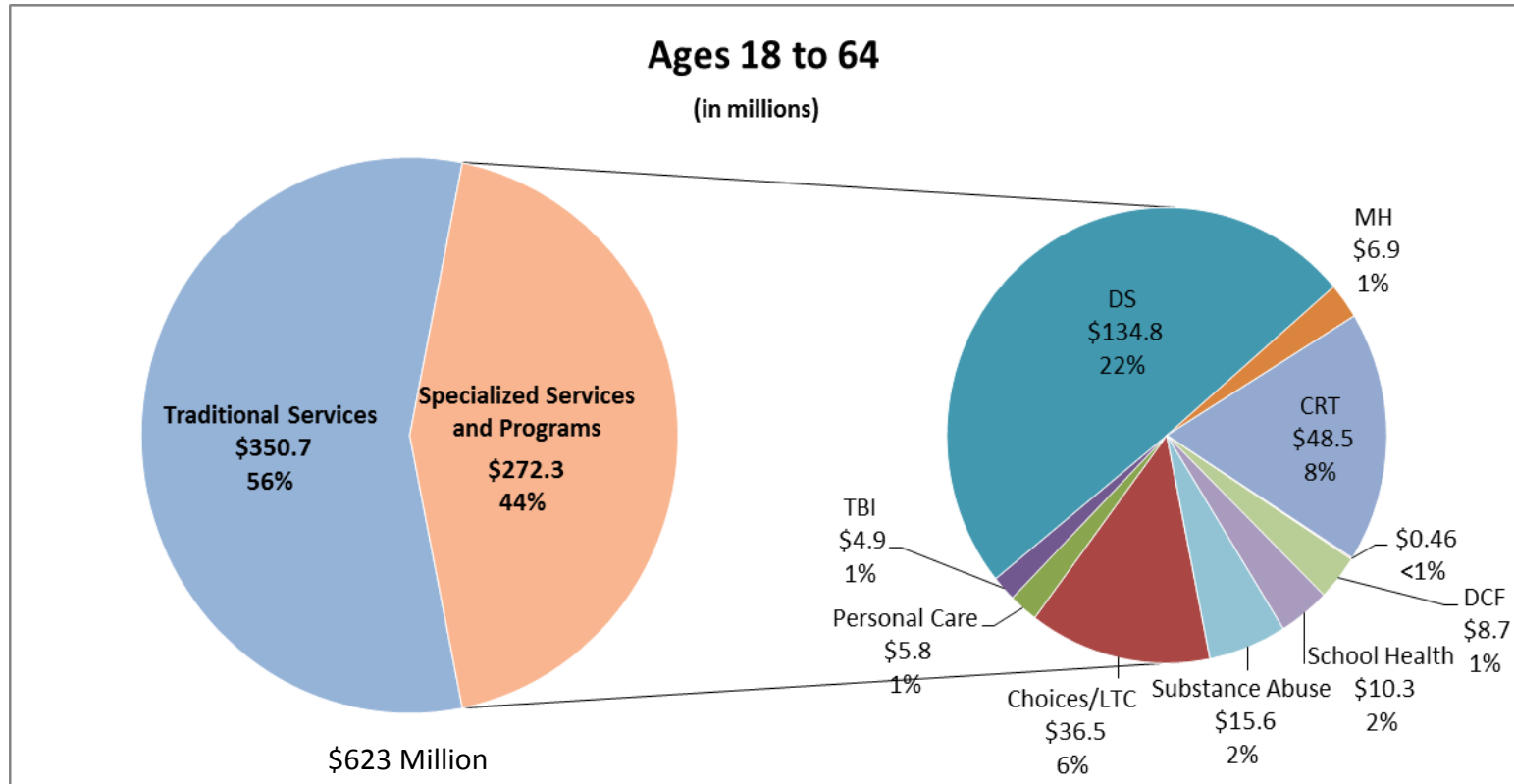
The Vermont Medicaid program spends approximately \$488 million (**45%**) for coverage of traditional services and approximately \$590 million (**55%**) to support specialized services and programs

Medicaid Expenditure Summary by Program: Ages 17 and Under



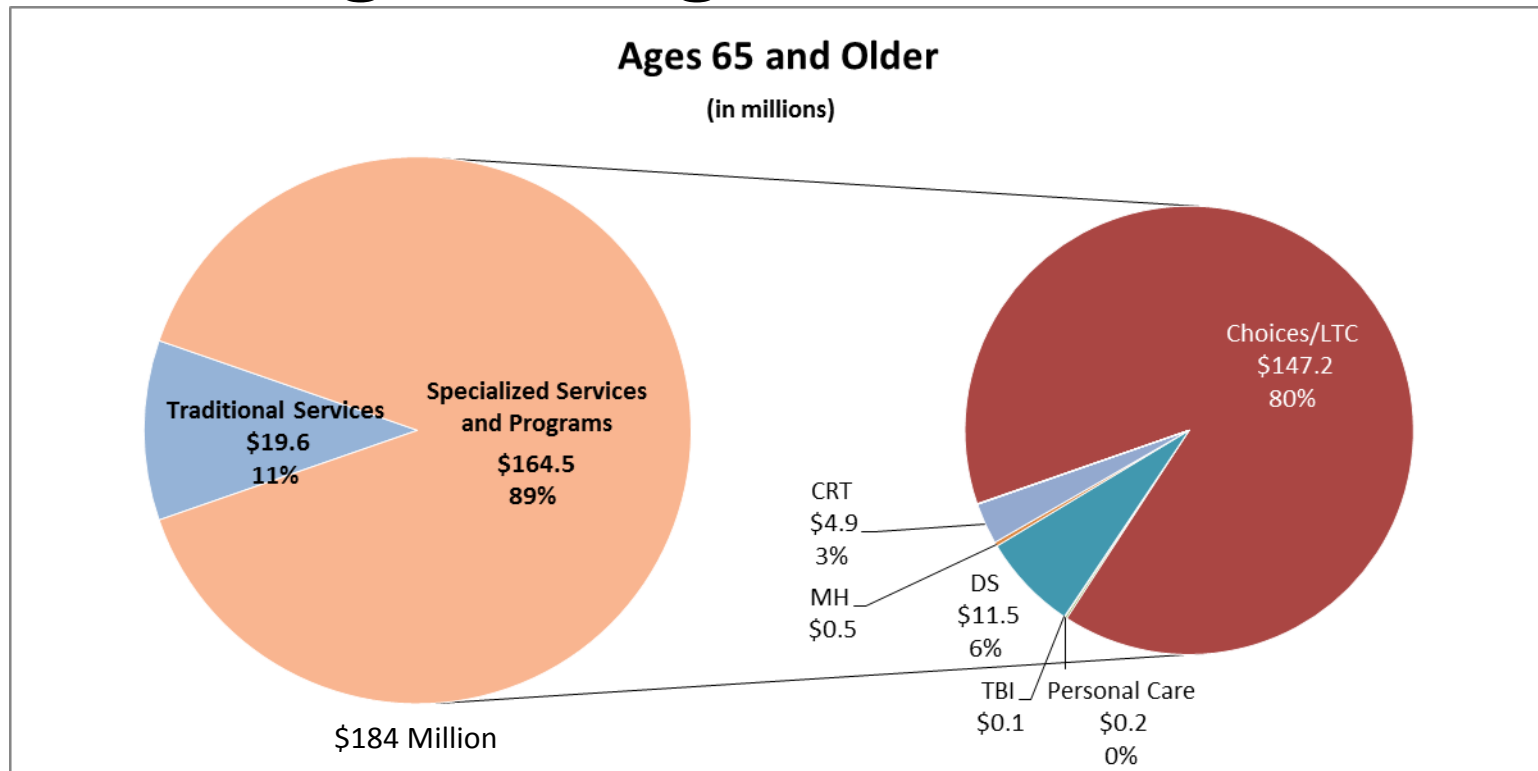
Specialized services for children and adolescents represent more than one-half of total program spending on behalf of children

Medicaid Expenditure Summary by Program: Ages 18 to 64



Developmental Services funding on behalf of adults between the ages of 18 and 64 accounts for approximately one-half of specialized service expenditures for this age group and approximately 90 percent of total Developmental Services spending on behalf of all ages (see Slide 10)

Medicaid Expenditure Summary by Program: Ages 65 and Over



Most Vermonters who are 65 years and older have Medicare coverage for traditional services. For individuals who are dually eligible, Medicaid provides financial assistance to meet Medicare cost sharing obligations and provides coverage for some services not covered by Medicare. Long term care represents eighty percent of total Medicaid expenditures on behalf of individuals ages 65 and older. *(Note: Figures do not include Medicaid payments for Medicare premiums)*

Medicaid Expenditure Detail: Traditional Services

(\$ millions)

Traditional Services	Age Range			
	Less than 18	18 to 64	65 and Older	Total Paid
Ambulance	\$ 0.5	\$ 2.7	\$ 0.7	\$ 3.9
Dental	\$ 12.2	\$ 7.1	\$ 0.4	\$ 19.6
Durable Medical Equipment	\$ 1.5	\$ 5.1	\$ 1.2	\$ 7.8
FQHC/RHC	\$ 7.2	\$ 16.0	\$ 0.7	\$ 23.9
Home Health	\$ 1.8	\$ 4.2	\$ 1.3	\$ 7.3
Hospice	\$ 0.0	\$ 0.3	\$ 0.5	\$ 0.8
Independent Lab	\$ 0.3	\$ 5.0	\$ 0.0	\$ 5.3
Inpatient Hospital	\$ 26.8	\$ 90.4	\$ 3.0	\$ 120.2
Medical Supplies	\$ 0.2	\$ 0.5	\$ 0.1	\$ 0.8
Other	\$ 0.1	\$ 1.3	\$ 0.3	\$ 1.7
Other Practitioner	\$ 9.9	\$ 16.3	\$ 0.5	\$ 26.7
Outpatient Hospital	\$ 15.8	\$ 78.8	\$ 5.3	\$ 99.9
Pharmacy	\$ 16.3	\$ 59.1	\$ 0.6	\$ 76.0
Physician	\$ 22.8	\$ 56.5	\$ 2.8	\$ 82.1
Prosthetic/Orthotic	\$ 1.3	\$ 1.5	\$ 0.0	\$ 2.9
Therapy Services	\$ 0.7	\$ 2.2	\$ 0.2	\$ 3.1
Transportation	\$ 0.3	\$ 3.9	\$ 2.1	\$ 6.2
Total	\$ 117.7	\$ 350.7	\$ 19.6	\$ 488.0

Coverage of traditional services on behalf of non-elderly (ages 18 to 64) adults accounts for approximately 70 percent of Medicaid spending for traditional services. Payments for inpatient and outpatient hospital services total approximately \$220 million for all age groups, approximately 45 percent of total spending for traditional services.

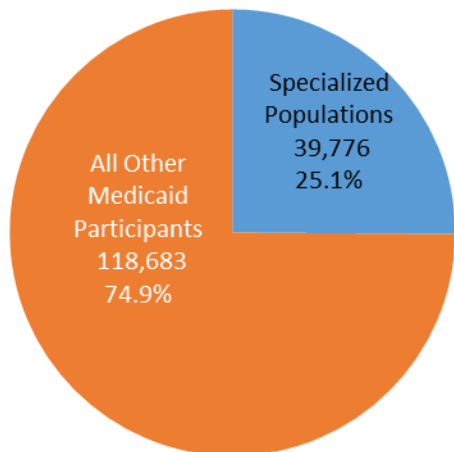
Expenditure Detail: Specialized Services and Programs

(\$ millions)

Specialized Services and Programs	Age Range			
	Less than 18	18 to 64	65 and Older	Total Paid
<i>Choices for Care/Long Term Care</i>				
Assistive Community Care	\$ -	\$ 4.9	\$ 10.6	\$ 15.4
Choices for Care HCBS	\$ -	\$ 17.8	\$ 33.7	\$ 51.5
Nursing Home	\$ 0.2	\$ 13.7	\$ 103.0	\$ 116.9
<i>Subtotal</i>	\$ 0.2	\$ 36.5	\$ 147.2	\$ 183.9
Personal Care Services	\$ 18.5	\$ 5.8	\$ 0.2	\$ 24.6
Traumatic Brain Injury (TBI) Program	\$ -	\$ 4.9	\$ 0.1	\$ 5.0
<i>Developmental Services</i>				
Developmental Services HCBS	\$ 4.9	\$ 133.6	\$ 11.4	\$ 149.9
ICF/ID (DS)	\$ -	\$ 1.2	\$ 0.1	\$ 1.3
<i>Subtotal</i>	\$ 4.9	\$ 134.8	\$ 11.5	\$ 151.2
<i>Mental Health Treatment</i>				
Community Rehabilitation and Treatment (CRT)	\$ -	\$ 48.5	\$ 4.9	\$ 53.4
Day Treatment/Private Non-Medical Institution	\$ 9.7	\$ 1.5	\$ 0.2	\$ 11.4
HCBS SED Children and Adolescents	\$ 2.5	\$ 0.3	\$ -	\$ 2.8
Mental Health Facility	\$ 11.8	\$ 4.8	\$ 0.2	\$ 16.8
Targeted Case Management -MH	\$ 4.1	\$ 0.6	\$ 0.0	\$ 4.7
<i>Subtotal</i>	\$ 28.0	\$ 55.7	\$ 5.4	\$ 89.1
<i>Department for Children and Families</i>	\$ 22.4	\$ 8.7	\$ 0.0	\$ 31.1
<i>School Health</i>				
Department of Health	\$ 1.0	\$ 0.1	\$ -	\$ 1.1
School-Based Health Services (DOE)	\$ 35.1	\$ 5.1	\$ -	\$ 40.2
Success Beyond Six	\$ 42.4	\$ 5.1	\$ -	\$ 47.5
<i>Subtotal</i>	\$ 78.5	\$ 10.3	\$ -	\$ 88.8
Substance Abuse Treatment	\$ 0.5	\$ 15.6	\$ 0.0	\$ 16.1
Total	\$ 153.0	\$ 272.3	\$ 164.5	\$ 589.7

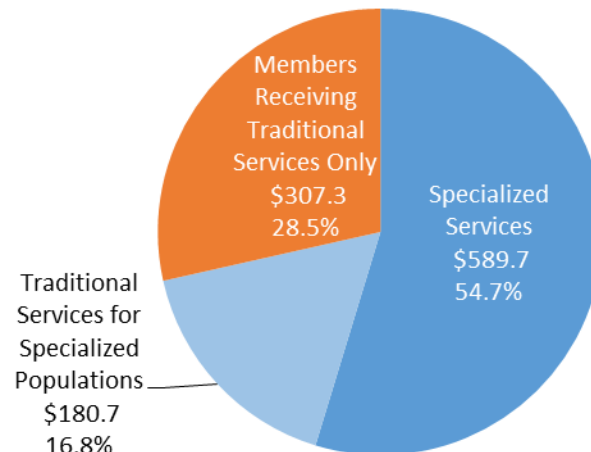
Expenditure and Enrollment Summary: Individuals Receiving Specialized Services v. All Other Medicaid Program Participants

Medicaid Participants



158,459 Service Recipients

Medicaid Claims Expenditures (Millions)



\$1.08 Billion

Individuals receiving specialized services represent approximately 25 percent of total Medicaid participants receiving services, but coverage of services to meet their DLTSS and traditional medical needs comprises 72 percent of Medicaid claims

- Expenditures for these individuals' specialized services accounts for approximately 55% of Vermont Medicaid claims.
- Expenditures for these individuals' traditional medical services accounts for approximately 17% of Vermont Medicaid claims.
- In sum, services to meet these individuals' specialized services and traditional medical needs comprise 72% of Vermont Medicaid claims expenditures.
- The remaining 28% of Vermont Medicaid claims expenditures are for traditional medical services for the enrollees (75%) who are not served by specialized services and programs.

Medicaid Expenditures: Individuals Receiving Specialized Services v. All Other Medicaid Participants

\$ millions

Program	Program Participants	Percent of Total	Traditional Services		Specialized Services		All Services	
			Expenditures	Percent of Total	Expenditures	Percent of Total	Expenditures	Percent of Total
Primary Specialized Programs								
Choices for Care/LTC	6,673	4.2%	\$ 31.2	6.4%	\$ 184.7	31.3%	215.9	20.0%
Personal Care	1,555	1.0%	\$ 10.4	2.1%	\$ 22.3	3.8%	32.7	3.0%
Traumatic Brain Injury	71	0.0%	\$ 0.4	0.1%	\$ 5.0	0.8%	5.4	0.5%
Developmental Services	2,952	1.9%	\$ 11.8	2.4%	\$ 155.8	26.4%	167.6	15.6%
MH Treatment	3,799	2.4%	\$ 15.3	3.1%	\$ 27.1	4.6%	42.4	3.9%
CRT	2,215	1.4%	\$ 17.4	3.6%	\$ 55.5	9.4%	72.9	6.8%
SED	95	0.1%	\$ 0.7	0.1%	\$ 2.8	0.5%	3.5	0.3%
Substance Abuse Treatment	5,186	3.3%	\$ 32.7	6.7%	\$ 15.9	2.7%	48.6	4.5%
<i>Subtotal</i>	22,546	14.2%	\$ 120.0	24.6%	\$ 469.1	79.5%	589.0	54.7%
Other Specialized Programs								
DCF Case Management	6,791	4.3%	\$ 32.9	6.7%	\$ 29.6	5.0%	62.6	5.8%
Department of Health	164	0.1%	\$ 1.3	0.3%	\$ 0.5	0.1%	1.8	0.2%
School-Based Health Services	7,141	4.5%	\$ 15.6	3.2%	\$ 37.6	6.4%	53.1	4.9%
Success Beyond Six	3,134	2.0%	\$ 10.9	2.2%	\$ 53.0	9.0%	63.9	5.9%
<i>Subtotal</i>	17,230	10.9%	\$ 60.7	12.4%	\$ 120.7	20.5%	181.4	16.8%
Subtotal: All Specialized Programs	39,776	25.1%	\$ 180.7	37.0%	\$ 589.7	100.0%	770.4	71.5%
All Other Medicaid Participants	118,683	74.9%	\$ 307.3	63.0%	\$ -	0.0%	307.3	28.5%
Total	158,459	100.0%	\$ 488.0	100.0%	\$ 589.7	100.0%	1,077.8	100.0%

Summary of Expenditures: Basis for Eligibility

- Medicaid eligibility rules reflect the important role of Medicaid in meeting the coverage needs of individuals with specialized needs
- Eligibility rules extend coverage to individuals with specialized needs and extensive health care needs
- Individuals enrolled on the basis of their medical needs represent approximately one-fourth of all Medicaid program participants
- Expenditures on behalf of individuals eligible due to medical needs represent 58 percent of total program expenditures (*Detail provided on next slide*)

Expenditures by Basis of Eligibility and Age (\$ millions)

Service Description	Non-Disability Related Aid Codes				Disability Related Aid Codes				Total: All Participants	Percentage of Expenditures: Disability-Related Aid Codes
	Age: Less than 18	18 to 64	65 and Older	Total	Less than 18	18 to 64	65 and Older	Total		
Program Recipients	58,429	57,500	3,512	119,441	4,326	28,056	6,636	39,018	158,459	
Percentage of Total	37%	36%	2%	75%	3%	18%	4%	25%		
Traditional Services										
Ambulance	\$ 0.4	\$ 1.1	\$ 0.2	\$ 1.8	\$ 0.1	\$ 1.5	\$ 0.5	\$ 2.1	\$ 3.9	54%
Dental	\$ 11.2	\$ 3.5	\$ 0.2	\$ 14.9	\$ 1.0	\$ 3.6	\$ 0.2	\$ 4.7	\$ 19.6	24%
Durable Medical Equipment	\$ 0.6	\$ 1.5	\$ 0.4	\$ 2.5	\$ 0.9	\$ 3.6	\$ 0.8	\$ 5.3	\$ 7.8	68%
FQHC/RHC	\$ 6.7	\$ 10.9	\$ 0.3	\$ 17.9	\$ 0.5	\$ 5.1	\$ 0.4	\$ 5.9	\$ 23.9	25%
Home Health	\$ 1.2	\$ 1.0	\$ 0.3	\$ 2.5	\$ 0.6	\$ 3.2	\$ 0.9	\$ 4.8	\$ 7.3	66%
Hospice	\$ 0.0	\$ 0.1	\$ 0.0	\$ 0.1	\$ -	\$ 0.2	\$ 0.5	\$ 0.7	\$ 0.8	89%
Independent Lab	\$ 0.2	\$ 3.9	\$ 0.0	\$ 4.1	\$ 0.0	\$ 1.1	\$ 0.0	\$ 1.1	\$ 5.3	21%
Inpatient Hospital	\$ 22.3	\$ 59.7	\$ 1.3	\$ 83.3	\$ 4.5	\$ 30.7	\$ 1.7	\$ 36.9	\$ 120.2	31%
Medical Supplies	\$ 0.1	\$ 0.2	\$ 0.0	\$ 0.3	\$ 0.1	\$ 0.3	\$ 0.0	\$ 0.5	\$ 0.8	58%
Other	\$ 0.1	\$ 0.4	\$ 0.1	\$ 0.5	\$ 0.0	\$ 0.9	\$ 0.2	\$ 1.2	\$ 1.7	68%
Other Practitioner	\$ 7.1	\$ 9.5	\$ 0.1	\$ 16.7	\$ 2.8	\$ 6.8	\$ 0.4	\$ 10.0	\$ 26.7	37%
Outpatient Hospital	\$ 14.1	\$ 50.7	\$ 2.4	\$ 67.2	\$ 1.7	\$ 28.1	\$ 2.9	\$ 32.7	\$ 99.9	33%
Pharmacy	\$ 11.4	\$ 36.1	\$ 0.1	\$ 47.6	\$ 4.9	\$ 23.0	\$ 0.5	\$ 28.4	\$ 76.0	37%
Physician	\$ 20.5	\$ 38.9	\$ 1.2	\$ 60.6	\$ 2.3	\$ 17.6	\$ 1.6	\$ 21.5	\$ 82.1	26%
Prosthetic/Orthotic	\$ 0.4	\$ 0.7	\$ 0.0	\$ 1.2	\$ 0.9	\$ 0.9	\$ 0.0	\$ 1.8	\$ 2.9	61%
Therapy Services	\$ 0.5	\$ 1.6	\$ 0.1	\$ 2.2	\$ 0.2	\$ 0.6	\$ 0.1	\$ 0.9	\$ 3.1	29%
Transportation	\$ 0.2	\$ 0.5	\$ 0.5	\$ 1.3	\$ 0.1	\$ 3.3	\$ 1.5	\$ 4.9	\$ 6.2	79%
Subtotal: Traditional Services	\$ 97.1	\$ 220.3	\$ 7.3	\$ 324.7	\$ 20.6	\$ 130.4	\$ 12.3	\$ 163.4	\$ 488.0	33%
Specialized Services										
Assistive Community Care	\$ -	\$ 0.4	\$ 3.0	\$ 3.4	\$ -	\$ 4.5	\$ 7.5	\$ 12.1	\$ 15.4	78%
Choices for Care HCBS	\$ -	\$ 0.0	\$ 4.2	\$ 4.3	\$ -	\$ 17.8	\$ 29.5	\$ 47.3	\$ 51.5	92%
Nursing Home	\$ -	\$ 0.2	\$ 3.4	\$ 3.6	\$ 0.2	\$ 13.5	\$ 99.6	\$ 113.3	\$ 116.9	97%
Personal Care Services	\$ 4.8	\$ 0.4	\$ 0.1	\$ 5.3	\$ 13.8	\$ 5.4	\$ 0.1	\$ 19.3	\$ 24.6	79%
Traumatic Brain Injury (TBI)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4.9	\$ 0.1	\$ 5.0	\$ 5.0	100%
Developmental Services HCBS	\$ 0.8	\$ 0.5	\$ 1.5	\$ 2.8	\$ 4.1	\$ 133.1	\$ 9.9	\$ 147.0	\$ 149.9	98%
ICF/ID (DS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1.2	\$ 0.1	\$ 1.3	\$ 1.3	100%
CRT	\$ -	\$ 3.1	\$ 1.4	\$ 4.5	\$ -	\$ 45.4	\$ 3.5	\$ 48.9	\$ 53.4	92%
Day Treatment/Private Non-Medical Inst (PNMI)	\$ 6.6	\$ 1.2	\$ 0.1	\$ 7.9	\$ 3.1	\$ 0.3	\$ 0.1	\$ 3.5	\$ 11.4	31%
HCBS SED Children and Adolescents	\$ 1.7	\$ 0.1	\$ -	\$ 1.8	\$ 0.8	\$ 0.2	\$ -	\$ 1.0	\$ 2.8	36%
Mental Health Facility	\$ 7.8	\$ 1.6	\$ 0.1	\$ 9.4	\$ 4.0	\$ 3.2	\$ 0.1	\$ 7.4	\$ 16.8	44%
Targeted Case Management -MH	\$ 2.9	\$ 0.2	\$ 0.0	\$ 3.1	\$ 1.2	\$ 0.3	\$ 0.0	\$ 1.6	\$ 4.7	34%
DCF - Case Management	\$ 18.9	\$ 5.4	\$ 0.0	\$ 24.2	\$ 3.5	\$ 3.3	\$ 0.0	\$ 6.9	\$ 31.1	22%
Department of Health	\$ 0.5	\$ 0.0	\$ -	\$ 0.5	\$ 0.5	\$ 0.1	\$ -	\$ 0.5	\$ 1.1	49%
School-Based Health Services (DOE)	\$ 18.3	\$ 1.0	\$ -	\$ 19.4	\$ 16.8	\$ 4.0	\$ -	\$ 20.8	\$ 40.2	52%
Day Trmt - Success Beyond Six	\$ 24.9	\$ 1.7	\$ -	\$ 26.6	\$ 17.6	\$ 3.4	\$ -	\$ 20.9	\$ 47.5	44%
Substance Abuse Treatment	\$ 0.4	\$ 11.5	\$ 0.0	\$ 11.9	\$ 0.1	\$ 4.1	\$ 0.0	\$ 4.2	\$ 16.1	26%
Subtotal: Specialized Services	\$ 87.5	\$ 27.4	\$ 13.9	\$ 128.7	\$ 65.5	\$ 244.9	\$ 150.6	\$ 461.0	\$ 589.7	78%
Total	\$ 184.6	\$ 247.6	\$ 21.2	\$ 453.4	\$ 86.1	\$ 375.4	\$ 162.9	\$ 624.4	\$ 1,077.8	58%