

Emergency Board Minutes
January 19, 2016, Called for 11:00 a.m.

Pursuant to notice, the Emergency Board met in the 5th Floor Conference Room in the Pavilion Office Building, 109 State Street, Montpelier, Vermont on Tuesday, January 19 at 11:07 a.m.

Members present: Governor Peter Shumlin, Chair; Senator Tim Ashe, Senator Jane Kitchel, Representative Janet Ancel and Representative Mitzi Johnson.

The items presented for Emergency Board action were as follows:

Item 1: 2016 Private Activity Bond Allocation (32 VSA Sec. 992 (b))

Following presentation by Treasurer Beth Pearce and discussion, Senator Ashe made the following motion, seconded by Representative Johnson:

Moved: Pursuant to 32 VSA Sec. 992 (b) the Emergency Board allocates Vermont's Private Activity Bond Allocation of \$302,875,000 for calendar year 2016 as follows:

Vermont Economic Development Authority (VEDA):	\$42,500,000
Vermont Municipal Bond Bank (VMBB):	\$20,000,000
Contingency:	\$240,375,000
TOTAL:	\$302,875,000

The allocation to the Vermont Municipal Bond Bank includes such governmental units as defined in 24 V.S.A. § 4551, that are recipients of proceeds issued by VMBB during calendar year 2016, to which the VMBB assigns any portion of such 2016 volume cap.

It is further moved that discussion of the allocations, including the contingency, and delegation of reallocation authority to the Governor, as provided for in 32 V.S.A. Sec. 992(b), be placed on the July, 2016 Emergency Board meeting agenda.

The motion was passed unanimously.

Item 2: Insurance Reserve Fund Transfer (32 V.S.A. Sec. 135)

Following presentation by Finance Commissioner Andy Pallito and discussion, Representative Ancel made the following motion, seconded by Senator Kitchel:

Moved: Pursuant to 32 V.S.A. Sec. 135, the Emergency Board authorizes the transfer of \$21,063,625.02 from the Insurance Reserve Fund to the following Departments and funds in the amounts indicated:

Agency/Department	Fund	Amount
BGS - Facilities Operations	58800 Facilities Operations Fund	\$ 4,706,815.75
BGS – Capital Construction	31100 General Government Projects Fund	\$ 15,769,377.84
Dept. of Information & Innovation	58100 Communications and Information Tech Fund	\$ 393,385.32
Forest, Parks, & Recreation	21270 State Forest Parks Fund	\$ 43,001.23
Agency of Transportation	20105 Transportation Non-Dedicated	\$ 151,044.88
Total Transfer Request:		<u>\$ 21,063,625.02</u>

The motion was passed unanimously.

Item 3: Medicaid Report and Official State Revenue Estimate (32 VSA Sec. 305a)

Following presentation by Emily Byrne, Budget Director of Vermont’s Department of Finance and Management, and Stephanie Barret of the Joint Fiscal Office, Senator Kitchel made the following motion, seconded by Representative Johnson:

Moved: That the Vermont Medicaid Program estimated caseloads and estimated per member per month expenditures for FY 2016 and FY 2017 are as follows:

Projected Enrollment and Per Member Per Month Expenditures

Eligibility Category ^{1,4}	Enrollment		PMPM Expenditures ²	
	SFY '16 Projected	SFY '17 Projected	SFY '16 Projected	SFY '17 Projected
Full Coverage/Primary				
Aged, Blind, or Disabled (ABD)/Medically Needy	16,508	17,229	\$ 984.47	\$ 967.00
General Adults	20,228	22,041	\$ 461.81	\$ 453.60
New Adult - began 1/1/2014	58,292	59,021	\$ 376.17	\$ 373.00
Blind or Disabled (BD)/Medically Needy Kids	3,503	3,417	\$ 2,155.12	\$ 2,226.01
General Kids	62,462	64,846	\$ 378.18	\$ 371.18
SCHIP (Uninsured) Kids	4,649	4,874	\$ 162.21	\$ 165.18
Caseload Subtotal -Full/Primary	165,641	171,428		
Partial Coverage/Supplemental				
Choices for Care	4,516	4,623	\$ 3,904.01	\$ 3,835.31
Dual Eligibles	18,772	19,153	\$ 1,013.44	\$ 997.64
Rx -Pharmacy Only Programs ³	11,761	11,026	\$ 37.00	\$ 49.29
VPA-Vermont Premium Assistance	17,244	17,588	\$ 28.21	\$ 28.21
CSR-Cost Sharing Reduction - subset of VPA	5,481	5,646	\$ 18.19	\$ 18.19
Underinsured Kids (ESI)	865	820	\$ 282.74	\$ 301.51
Caseload Subtotal -Partial/Supplemental	53,158	53,211		
Caseload Total	218,799	224,640		
Buy In			\$38,162,835	\$42,585,842
Disproportionate Share Hospital (DSH)			\$37,448,781	\$37,448,781
Clawback (Medicare Part D provision)			\$29,404,521	\$32,946,564

NOTES

¹ Excludes Federal Only Ladies First Program (approx. 700)

² PMPMs do not include administration or Global Commitment MCO Investment expenditures.

³ Pharmacy Only includes both Global Commitment and State Only spending and is net of rebates

⁴ Since these consensus estimates were established caseload has continued to increase and expenditures year to date are tracking with the revisions proposed for FY16.

Reimbursement rate increase estimated cost

32 V.S.A. § 305a(c) was amended to include the requirement that information on health care inflation be provided for Emergency Board consideration each January. The estimated cost of a one percent (1%) increase in Medicaid payment rates effective July 1, 2016 for SFY2017 is \$12 million, of this total \$5.48 million would be the state match requirement. This estimate excludes nursing homes which have a rate setting process and statutory inflation factor, and school based services which are determined by the schools.

Following presentation by Jeff Carr, Consulting Economist for the Administration, and Tom Kavet, Consulting Economist for the Legislature, Representative Ancel made the following motion, seconded by Representative Johnson:

Moved: That the state revenue estimates pursuant to 32 VSA Sec. 305a (a) for FY 2016, FY 2017 and FY 2018 are as follows:

	Fiscal 2016 Estimate (Millions)	Fiscal 2017 Estimate (Millions)	Fiscal 2018 Estimate (Millions)
General Fund	\$ 1,428.6	\$ 1,473.5	\$ 1,512.8
Transportation Fund	\$ 266.7	\$ 271.3	\$ 275.0
Transportation Infrastructure Bond (TIB) Fund	\$ 15.1	\$ 14.7	\$ 14.7
Education Fund	\$ 190.2	\$ 196.7	\$ 202.3
State Health Care Resource Fund	\$ 278.6	\$ 284.7	\$ 282.8
Global Commitment Fund	\$ 1,533.7	\$ 1,615.4	----
Federal Funds	\$ 1,928.6	----	----

The motion was passed unanimously.

The meeting adjourned at 11:50 a.m.

A true record,

ATTEST:



 Susan Allen
 Secretary of Civil and Military Affairs

cc: Board Members
State Treasurer
State Auditor of Accounts
Other interested parties