



Georgetown University
Health Policy Institute
CENTER FOR CHILDREN
AND FAMILIES

The Role of Government in Promoting Health and Well-being through Coverage

NHFPI Conference

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The Government Plays a Critical Role in Improving Coverage, Quality of Care, Cost-Effectiveness, Efficiency and Health Outcomes and in Eliminating Disparities.

Medicaid and Medicare: Key Sources of Coverage for Seniors, Children, Pregnant Women and People with Disabilities

Since the Social Security Act was enacted in 1965, Medicare and Medicaid have played an increasing critical role in coverage, largely responsible for our nation achieving a **99% coverage rate for seniors** and **92% coverage for children**.

Medicaid: Basic Background

- Enacted in 1965 as companion legislation to Medicare
- Originally focused on the welfare population:
 - Single parents with dependent children
 - Aged, blind, disabled
- Guarantees entitlement to individuals and federal financing to states
- Includes mandatory services and groups but gives states options for broader coverage

Important Roles of Medicaid



Medicaid: Federal-State Partnership

	Federal Gov't	States
Admin	Oversight	Direct administration
Financing	Pays 50%* to 73% of costs, with no cap	Pays a the share of cost
Program Rules	Minimum standards; Strong benefit/cost sharing standards for children (EPSDT)	Sets provider payment rates and decides coverage beyond minimums
Coverage Guarantee	Required, if eligible	Cannot freeze or cap enrollment; can often implement enrollment barriers except when restricted by MOEs

Who Gets Medicaid in NH Today?



Seniors needing long term care and people with disabilities qualify if monthly income is less than \$591 for a single person; \$683 if in for family of three. Also assistance with Medicare costs is available at slightly higher income levels.



Parents/caretaker relatives qualify if monthly income is less than \$965 for a family of three



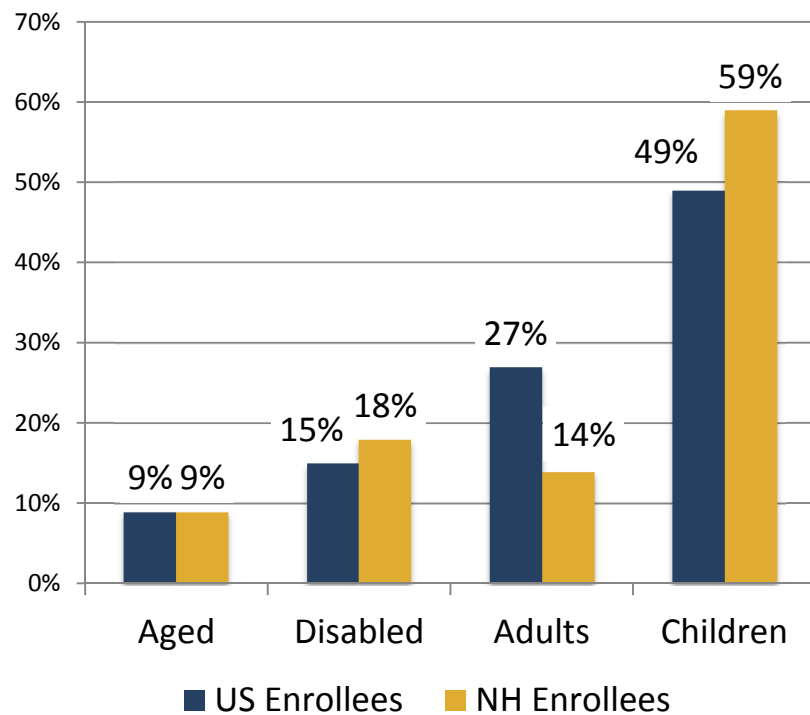
Pregnant women qualify for coverage until 60 days post-partum if monthly income is less than \$3,190 for a family of three (counting unborn child)

Children qualify in families if monthly income is less \$5,176 for a family of three

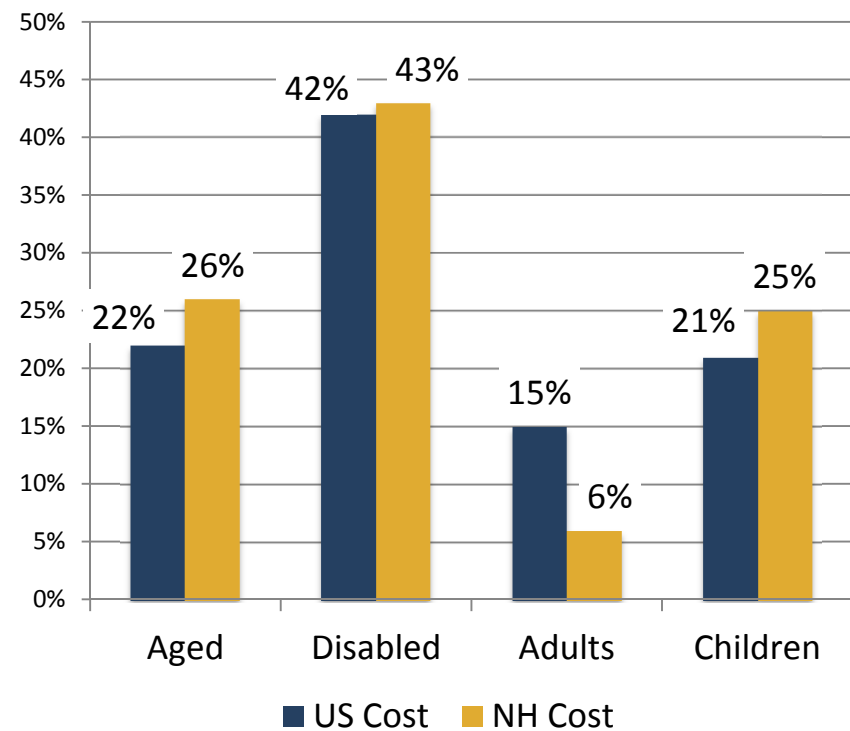


Medicaid in NH

Distribution of Enrollees by Group

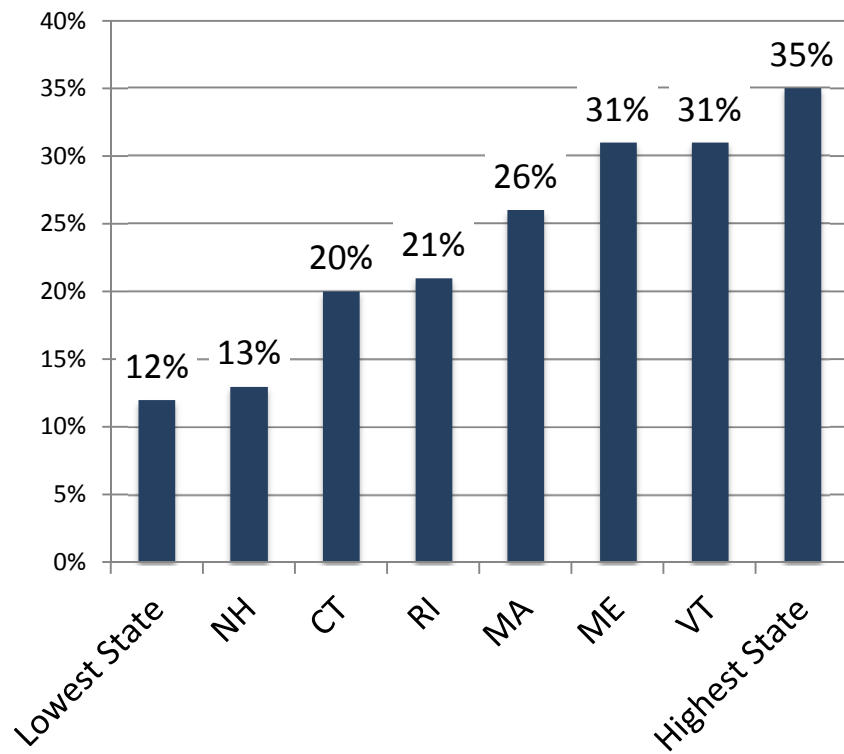


Distribution of Medicaid Expenditures Across Groups

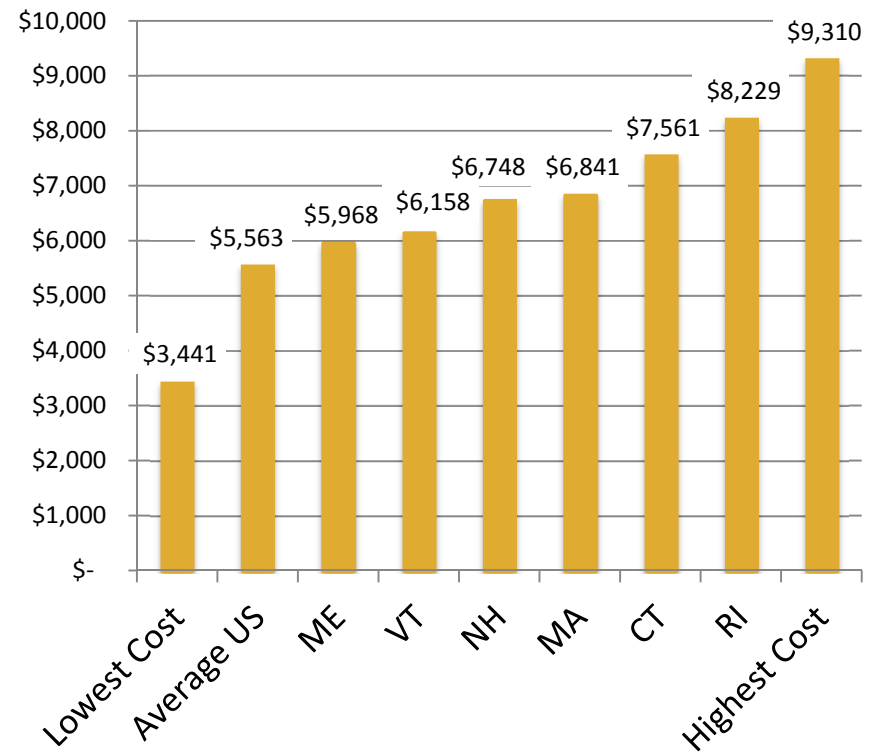


Medicaid in NH

% of State Population Enrolled in Medicaid



Average Per Enrollee Costs Across All Groups



Medicaid Expansion: One Component of ACA's Continuum of Coverage

Strengthens Private Insurance

- Young adults < age 26 remain on parent's plan
- Guaranteed issue & renewability
- No annual or lifetime limits
- Health status, gender not factor in setting premiums
- No cost for preventive health services

Creates New Health Insurance Marketplaces

- Opened October 1, 2013; coverage effective January 1, 2014
- Qualified Health Plans (QHPs) with comprehensive benefits
- Premium tax credits for Individuals with incomes 138%-400% FPL
- Lower Cost-sharing for Individuals with incomes 138-250% FPL

Improves and Expands Medicaid

- Expands eligibility to 138% FPL for low-income adults
- Invests in technology to simplify enrollment and allow for coordination with the Marketplaces
- Maintains children's coverage through September 2019

What else has the ACA done for NH?

- 10,000 young adults remain on parent's plan
- Nearly 600,000 Granite Staters, including 70,000 children, cannot be denied covered for their pre-existing conditions
- Closing the donut hole for senior's prescriptions
- No ban lifetime or annual limits or bans on coverage
- Preventive health services require no co-payment
- Insurers must spend at least 80% of premiums collected on health care
 - Almost \$1.2 million refunded to 15,000
- Investments
 - \$16 million in NH community health centers
 - \$4.5 million for public health
 - Bump-up in primary care workforce bump-up from National Health Services

Medicaid Expansion: An Historic Opportunity



A path to coverage for nearly 50,000 of the lowest income Granite Staters with generous federal funding

- 100% 2014-16; phasing down to 90%

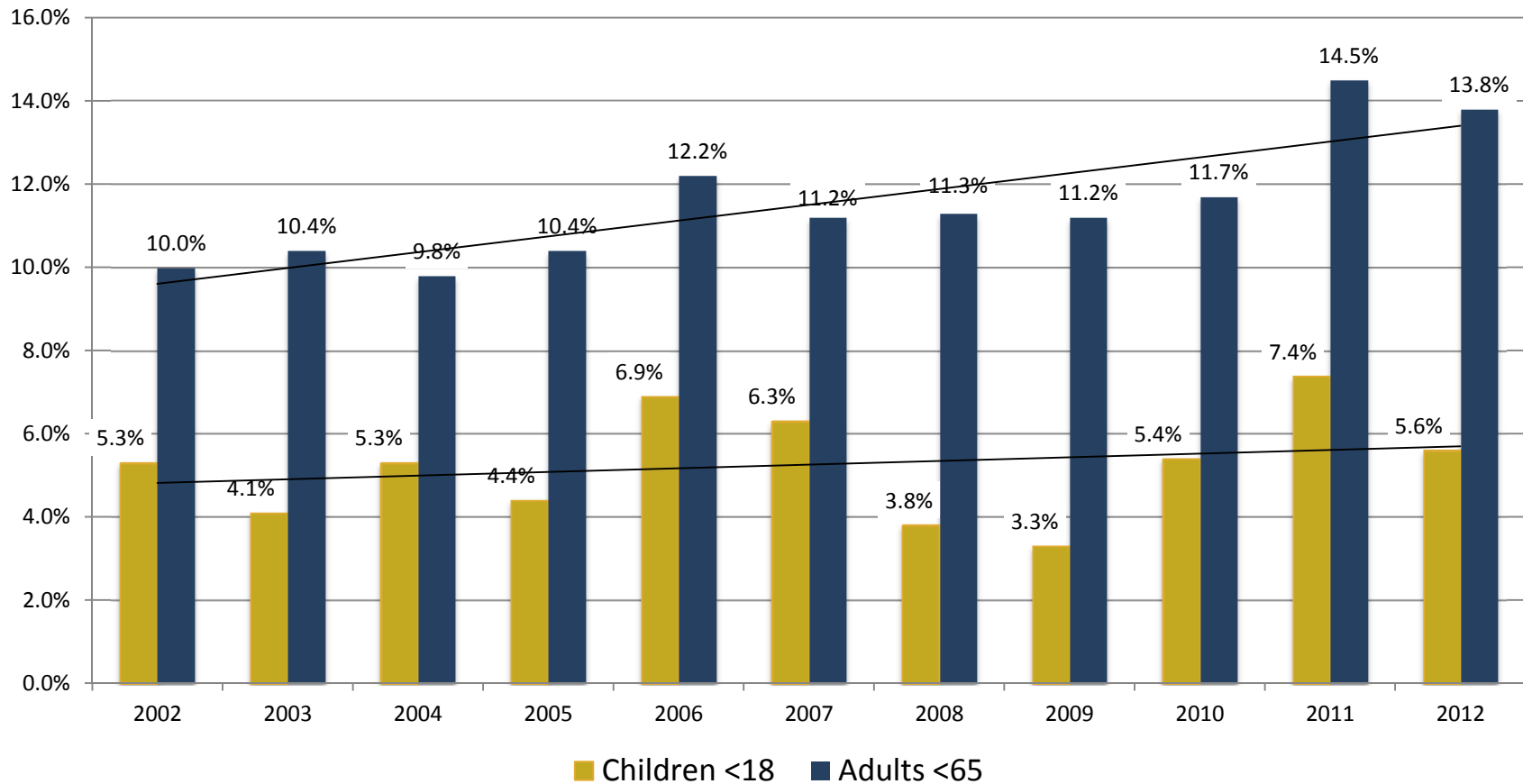


Fair compensation to hospitals as disproportionate share payments decline

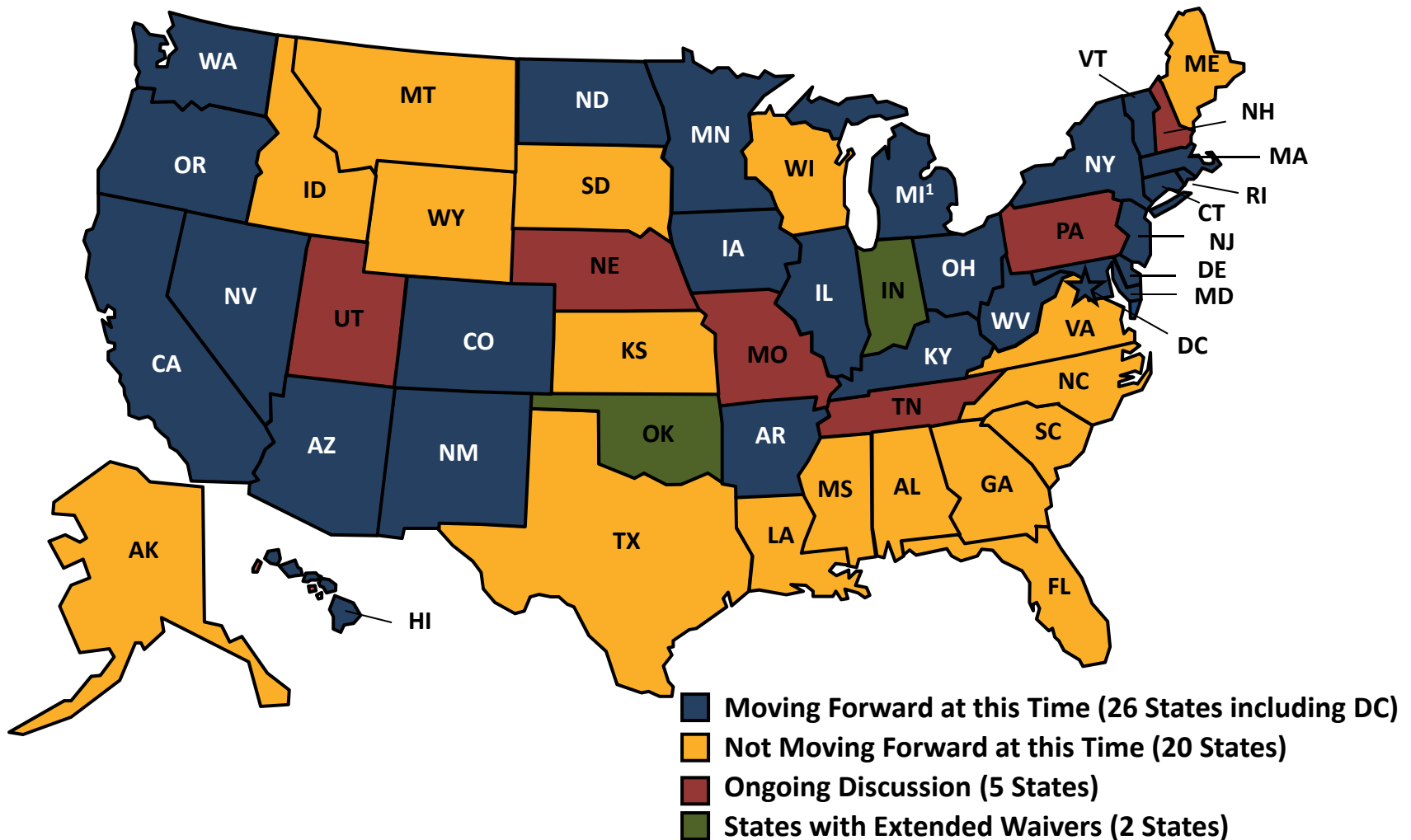


5,100 new jobs, \$45 million in state budget savings and \$2.4 billion federal funds boosting economic activity

Coverage Trends in NH



Status of Medicaid Expansions (1/1/31)



SOURCES: State decisions on the Medicaid expansion as of October 21, 2013. Based on data from the Centers for Medicare and Medicaid, Kaiser Family Foundation and state legislative scan by Georgetown CCF.

Who gets premium tax credits in NH?

Not Eligible for Medicaid and over 100% FPL



In families with income > 323% FPL



With income > 201% FPL



With income > 100% FPL

Not Eligible for Affordable, Minimum Value Employer Coverage



Plan has actuarial value of $\geq 60\%$

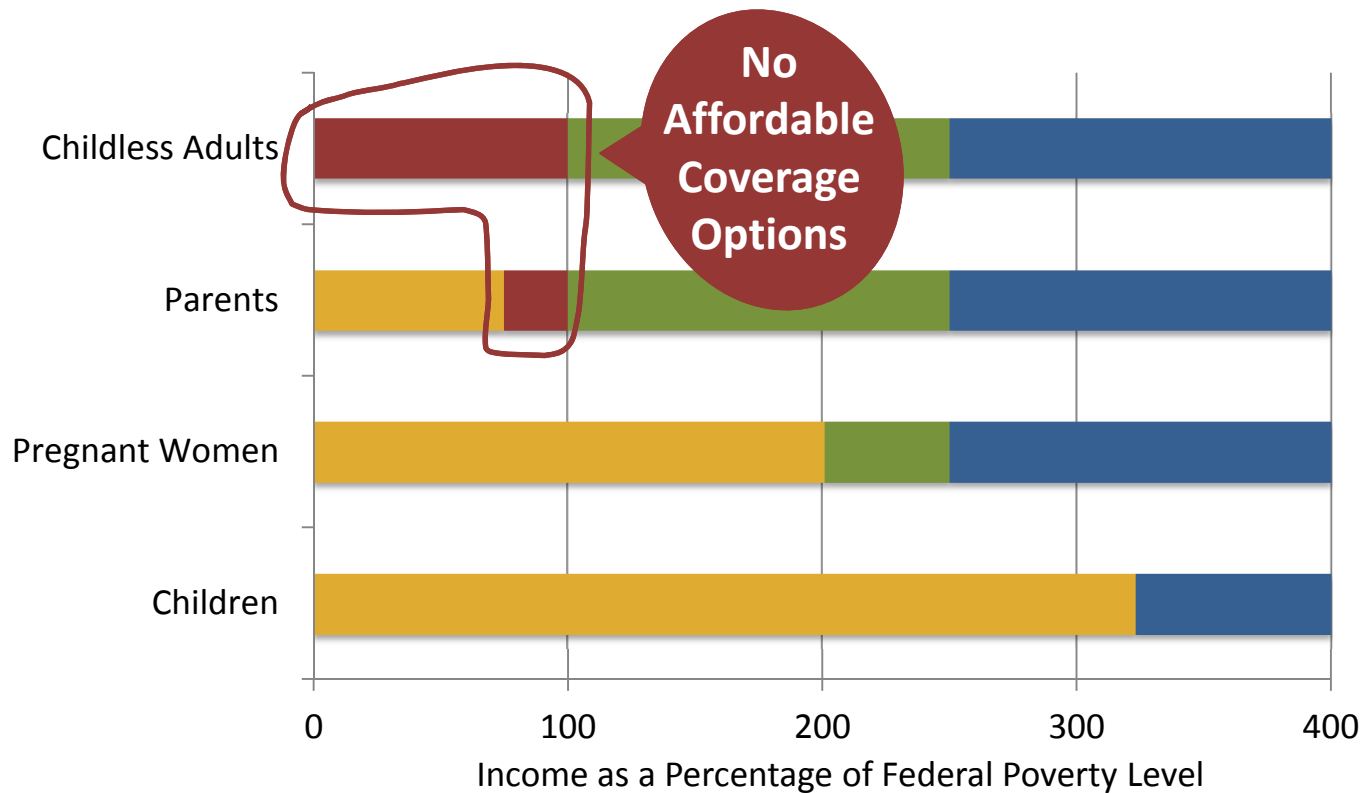
Cost for ***Employee Only*** is less than 9.5% of ***Household*** Income

Income less than 400% of the federal poverty level

Individual – \$45,960
Family of 4 - \$94,200

Lawfully-residing immigrants who do not qualify for Medicaid are eligible for PTCs at any income <400% FPL.

Eligibility for Coverage in NH



100% FPL Equals
\$11,490 for an Individual
\$19,530 for a Family of 3

- Medicaid
- Coverage Gap
- Marketplace Coverage with Premium Tax Credits and Cost-Sharing Reductions
- Marketplace Coverage with Premium Tax Credit

What is expanding Medicaid important?

- Supports NH's small businesses, particularly in tourism, service and construction sectors
- Finishes the job in covering kids
 - NH shown strong commitment to children's health
- Is an economically-sound decision; economic boost and state budget savings
- Provides equal access to affordable coverage option for lowest income uninsured

“Straight Up” Medicaid Expansion

Simple State Plan Option May Be More Flexible Than You Think

Financing	Federal Government pays 100% in 2014 to 2016 for newly eligible under health reform, phases down to 90% in 2020.
Benefits	Commercial-like benefit design options and ability to use different benefit designs for different populations, but must provide EPSDT, non-emergency transportation and provide up to 3-month retroactive coverage (if eligible).
Cost-Sharing	Limited co-pays allowed for most adults below poverty. Additional co-pays allowed for adults above poverty. Need a <u>waiver</u> to charge premiums below 150% of the FPL.
Delivery System	Newly eligible adults can go into private managed care without a waiver but waiver is required to provide premium assistance to purchase marketplace QHP.
Infrastructure	Uses existing technology for eligibility and enrollment.

What's a Waiver?



- Waivers are used to seek federal approval to “waive” specific Medicaid requirements
 - Section 1115 waivers provide flexibility to design and improve state programs in order to “demonstrate and evaluate policy approaches”
 - Section 1916(f) waiver can be sought to waive cost-sharing rules only
- New public process and transparency rules

1115 Waiver Route to Buy Marketplace QHPs



Approved



Approved



Proposed

Comparing the Details

	Arkansas	Iowa	Pennsylvania
Overview	Use Medicaid funds to pay premiums for Marketplace QHPs		
Who's eligible?	All Newly Eligible <ul style="list-style-type: none"> • Parents 17-138% FPL • Childless Adults 0-138% FPL 	Only newly eligible with income between 100-138% FPL	All Newly Eligible <ul style="list-style-type: none"> • Parents 33-138% FPL • Childless Adults 0-138% FPL
Premiums	None	Not to exceed 2% of income; may be waived by meeting specific healthy behavior requirements	Slide scale based on income for enrollees with income >50% FPL; may be reduced by specific healthy behavior and work search requirements
Cost-Sharing	Not to exceed 5% income; required 100-138% FPL (may be extended to >50% FPL)	Not to exceed 5% income including premiums; required for non-emergency use of E.R.	Required for non-emergency use of E.R.; otherwise state covers cost of in-network QHP cost-sharing

Comparing More Details

	Arkansas	Iowa	Pennsylvania
Benefits	Medicaid Alternative Benefit Plan; QHP Drug Formulary		
Wrap-around Benefits	Provided on FFS basis: <ul style="list-style-type: none"> • 3 months retro coverage • EPSDT (19 - 20) • non-emergency transportation 	Provided on FFS basis: <ul style="list-style-type: none"> • EPSDT (19 – 20) One year waiver of transportation (to be evaluated)	Seeking waiver of all wrap-around benefits
	<ul style="list-style-type: none"> • At least 2 Silver level plans • 30 days to change if auto-assigned 	<ul style="list-style-type: none"> • At least 2 Silver level plans • Auto-assigned if no plan picked 	<ul style="list-style-type: none"> • Choice of 2 QHPs

Other

Also beefing up premium assistance program to purchase ESI if cost-effective

A Different Waiver Route



- Uses existing managed care organizations and pre-paid inpatient hospital plans in Medicaid
- Additional cost-sharing
 - Copayments into health accounts
 - Based on first six months usage
 - Can be reduced with healthy behaviors
 - Premiums (2% of income) to health savings account for 100-138% FPL
 - **Cannot be denied enrollment or eligibility due to nonpayment**

Challenges and Opportunities Looking Forward



- Consumer awareness
 - Healthcare.gov technical problems
- Coordination between NH-DHHS and FFM
 - # of Issuers participating in marketplace
 - Medicaid expansion opportunity

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