



Flexibility in the Affordable Care Act: A Georgia Opportunity

*Health Care Unscrambled:
A Look Ahead to the 2014 Legislative Session
Georgians for a Healthy Future
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CHCS

Center for Health
Care Strategies, Inc.

A non-profit health policy resource center dedicated to improving services for Americans receiving publicly financed care

- ▶ **Priorities:** (1) enhancing access to coverage and services; (2) advancing quality and delivery system reform; (3) integrating care for people with complex needs; and (4) building Medicaid leadership and capacity.
- ▶ **Provides:** technical assistance for stakeholders of publicly financed care, including states, health plans, providers, and consumer groups; and informs federal and state policymakers regarding payment and delivery system improvement.
- ▶ **Funding:** philanthropy and the U.S. Department of Health and Human Services.

Select CHCS National Initiatives

Enhancing Access to Coverage and Services

Technical Assistance for State Health Reform Assistance Network

Charity Care Affinity Group

Advancing Quality and Delivery System Reform

Technical Assistance for the State Innovation Model Resource Center

Medicaid and CHIP Learning Collaboratives

Advancing Medicaid Accountable Care Organizations: A Learning Collaborative

Integrating Care for People with Complex Needs

Complex Care Innovation Lab

Technical Assistance for CMS Integrated Care Resource Center

CMS Medicaid Health Homes Technical Assistance

Building Medicaid Leadership and Capacity

Medicaid Leadership Institute

Annual Medicaid Boot Camp

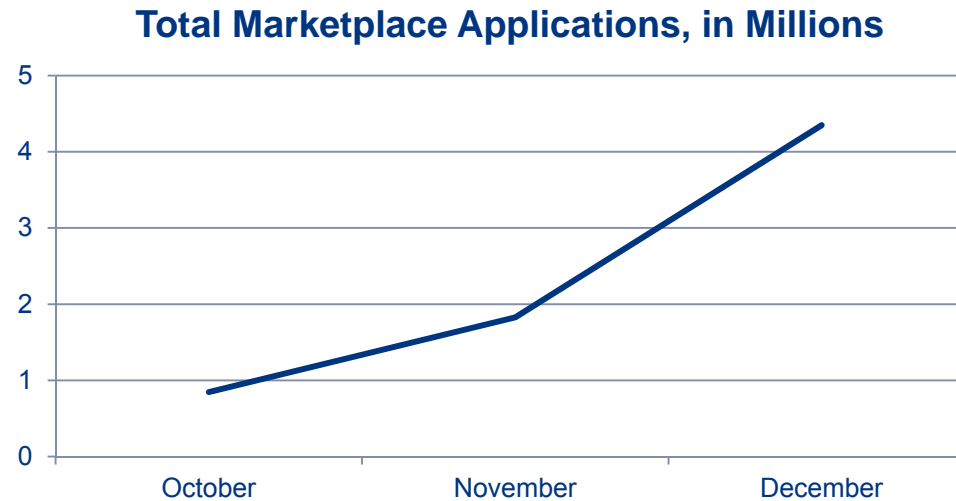
DHCS Academy

Agenda

- I. Where the Affordable Care Act Stands Today
- II. New Flexibility in Medicaid
- III. State Examples
- IV. State Innovation Waivers
- V. Questions



Rocky Early Launch, but Gaining Momentum

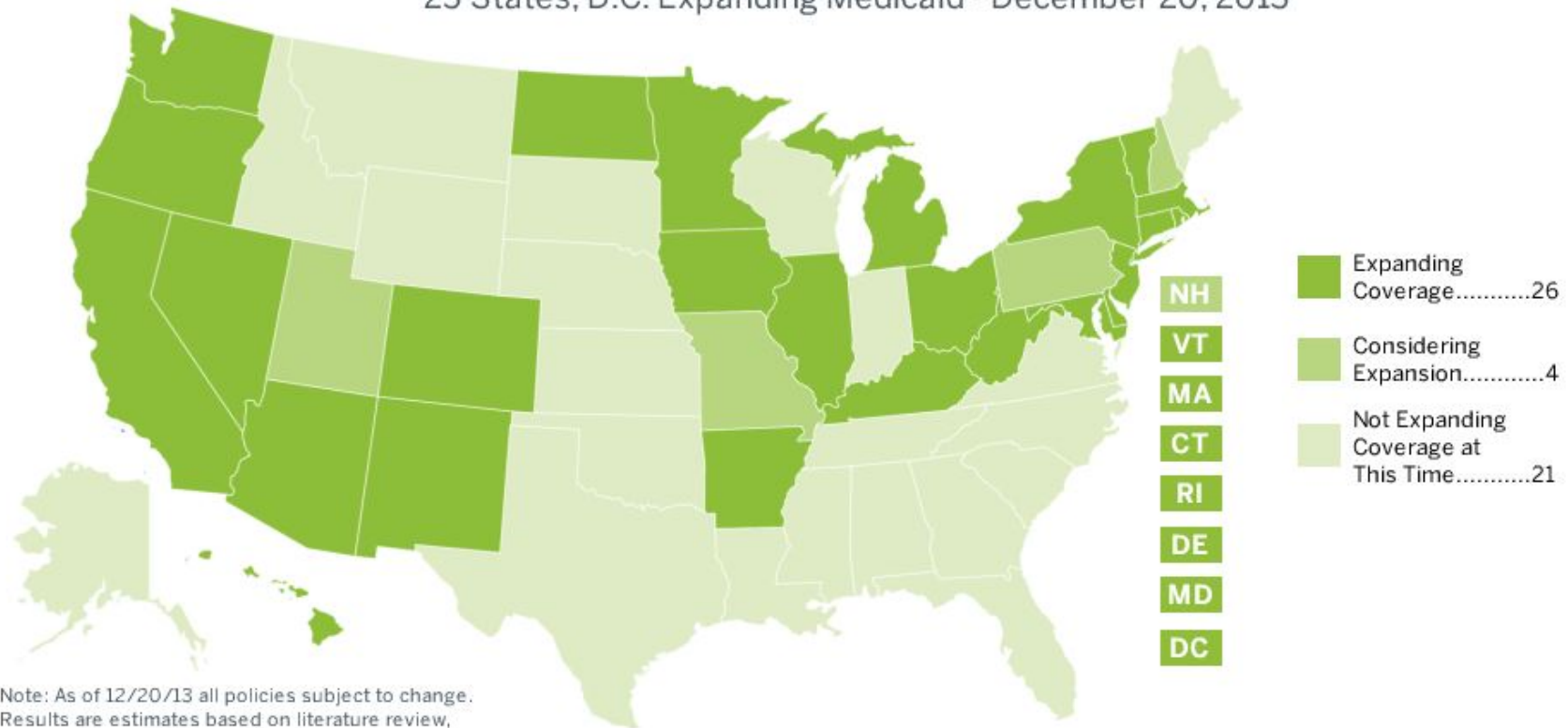


- As of December 28:
 - ▶ Nearly 2.2 million people have selected marketplace plans (58,611 in Georgia)
 - ▶ 1.5 million determined or assessed eligible for Medicaid through the marketplaces

Half of States Expanding Medicaid and Many Others Pursuing Expansion Options

Where the States Stand on Medicaid Expansion

25 States, D.C. Expanding Medicaid - December 20, 2013

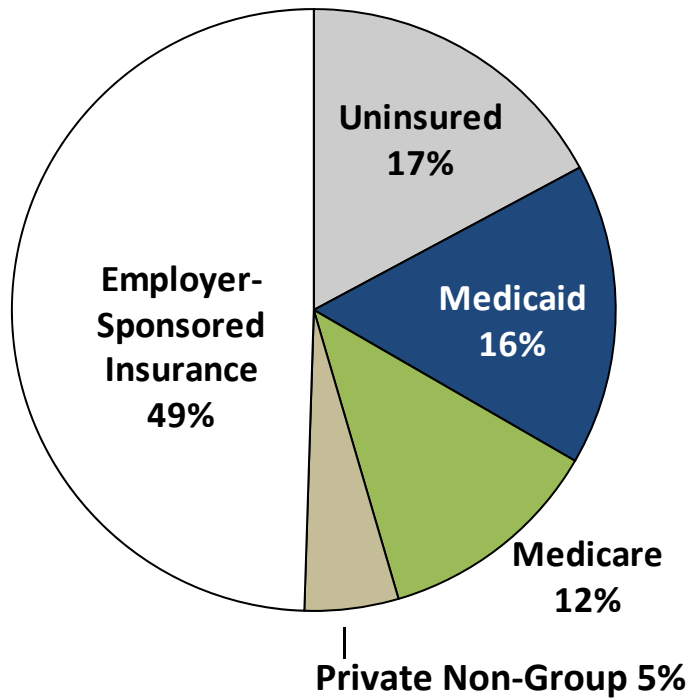


Note: As of 12/20/13 all policies subject to change. Results are estimates based on literature review, census data, and Advisory Board research.

Source: The Advisory Board, <http://www.advisory.com/Daily-Briefing/Resources/Primers/MedicaidMap>

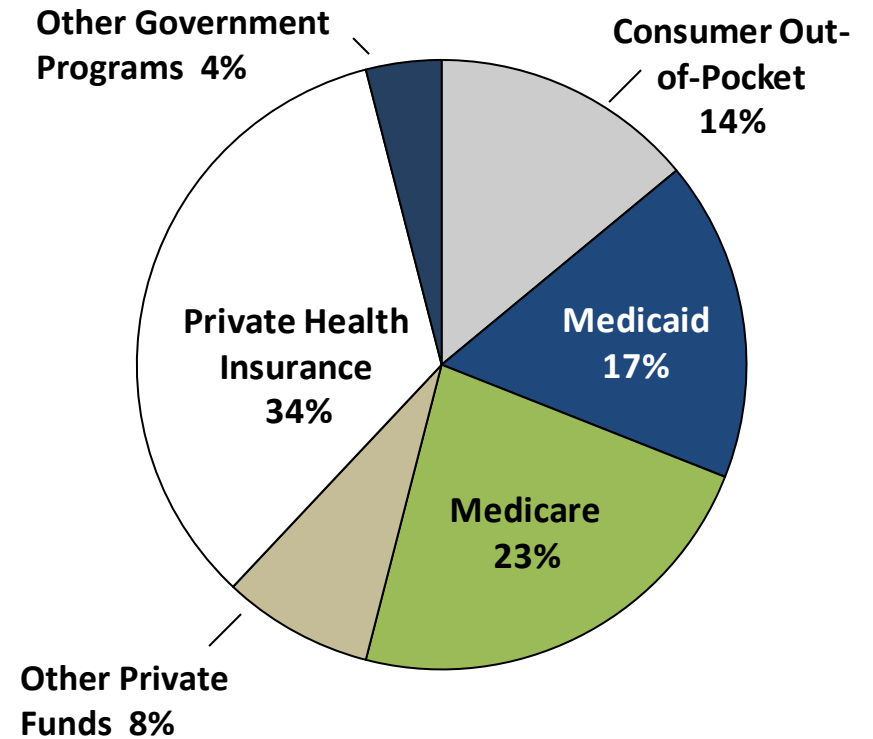
Medicaid: Many Vital Roles in Our Health Care System

Health Coverage



Total = 300 million

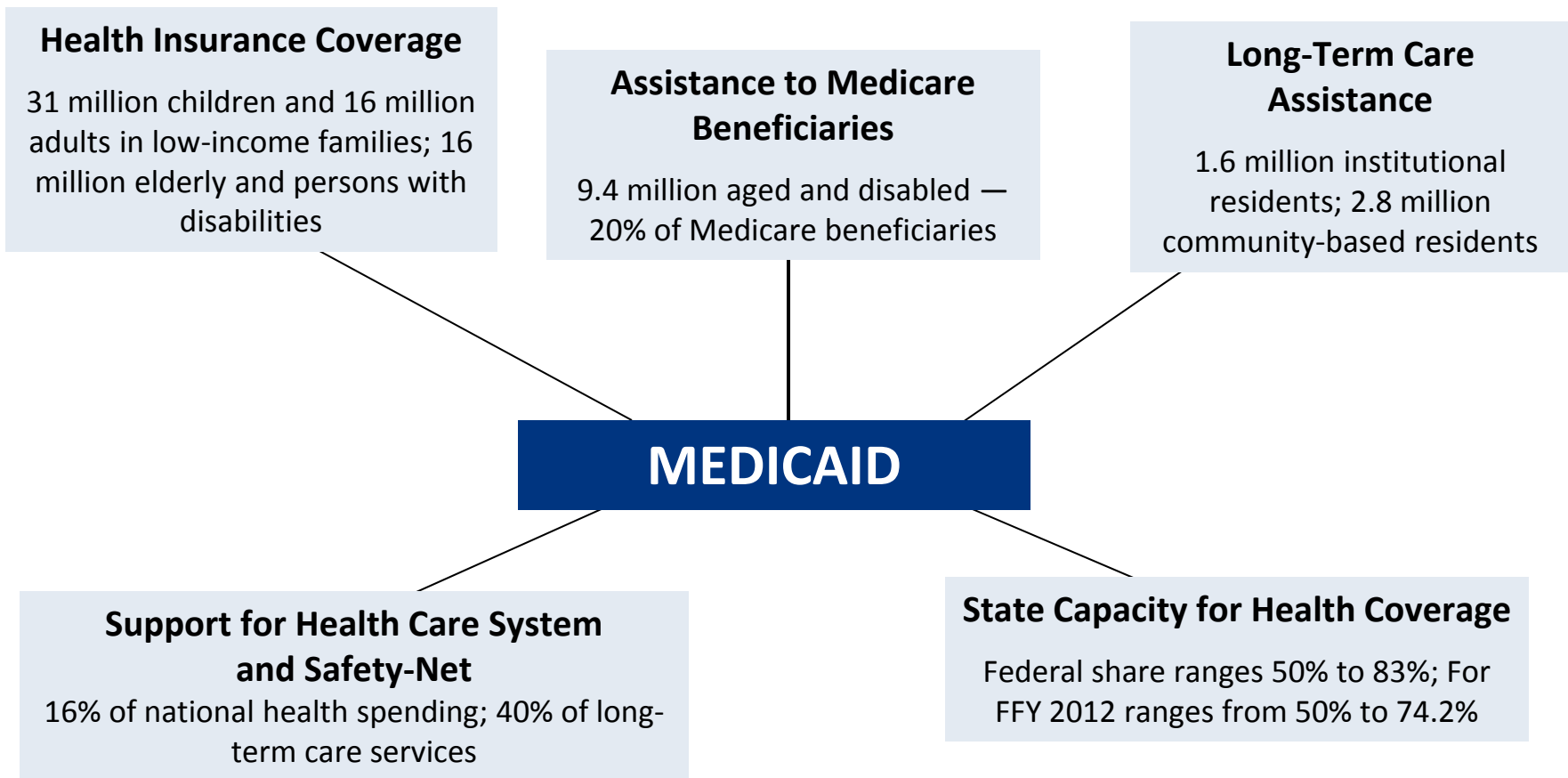
Health Spending



Total = \$2.1 trillion

SOURCE: Health insurance coverage: KCMU/Urban Institute analysis of 2009 ASEC Supplement to the CPS. Health expenditures: KFF calculations using NHE data from CMS, Office of the Actuary

Medicaid: Many Vital Roles in Our Health Care System



SOURCE: Kaiser Commission on Medicaid and the Uninsured, 2012.

States Already Have Flexibility in Medicaid Program Design

Authority	Description
State Plan Amendment	<ul style="list-style-type: none"> Proposed, permanent state Medicaid plan change Statewide, comparability, choice of providers (managed care exception)
Section 1915(b) Waiver	<ul style="list-style-type: none"> Waive federal requirements to allow for mandatory managed care May waive statewide, comparability, choice of providers
Section 1915(c) Waiver	<ul style="list-style-type: none"> Waive federal requirements to provide home- and community-based services as an alternative to institutional settings
Concurrent 1915(b)/(c)	<ul style="list-style-type: none"> Implement a mandatory or voluntary managed care program that includes waiver home- and community-based services in the contract
Section 1115 Demonstrations	<ul style="list-style-type: none"> Broad waiver authority to test policy innovations related to eligibility, benefits, quality improvement or delivery system restructuring Provide most flexibility of all Medicaid authorities

States are Laboratories for Developing/Testing Health Reform Solutions

- There is flexibility in implementing Medicaid programs
 - ▶ Tailoring solutions to a state's culture and politics
 - ▶ Innovation that will spread
- CASE STUDY: Arkansas
 - ▶ Straight Medicaid expansion would not be approved by legislature
 - ▶ Governor and his staff negotiated with federal government to leverage marketplace for Medicaid expansion
 - ▶ Other states are interested in the model, and have adapted it for their own proposals

Leveraging the Private Marketplace

- ▶ Collaborate with the private market to enhance quality and value across the system

OPPORTUNITIES

- Leveraging Medicaid to improve quality across programs
- Focus on payment reform models
- Moving toward consistency for providers and consumers

CHALLENGES

- Some private market ideas won't work in Medicaid
- Collaboration is difficult

Premium Assistance

- ▶ Use Medicaid funds to pay premiums or enroll Medicaid-eligible individuals in commercial coverage

OPPORTUNITIES

- Larger population in marketplace allows for greater competition among health plans
- Spread the risk within the marketplace → lower premiums
- Doctors could be paid commercial rates

CHALLENGES

- Hard to determine appropriate assistance level
- Standard Medicaid could become a high-risk pool by default
- Commercial rates for providers could increase overall Medicaid costs

Cost Sharing/ Incentives

- ▶ Require co-pays for some services; offer incentives for use of high-value services or activities

OPPORTUNITIES

- Steer individuals toward high-value services and providers
- Guard against excessive use of health services (e.g., improper use of the emergency room)

CHALLENGES

- Strict Medicaid cost-sharing limits, particularly for populations <100% FPL
- Additional administrative complexity of tracking aggregate cost sharing for Medicaid population
- Can penalize providers
- Effectiveness of cost sharing at changing behaviors among the very low income not proven

Integration of human service programs

- ▶ Integrate different aspects of multiple programs (eligibility and enrollment, service delivery)



OPPORTUNITIES

- Maximize use of available resources
- Avoid duplication of efforts
- Streamline and simplify



CHALLENGES

- Reconciling programs with very different requirements
- Merging funding sources

States are Using Innovative Program Features to Implement the Expansion

	Expansion Type	Population	Cost Sharing	Benefits
	<ul style="list-style-type: none"> • Premium assistance for all new enrollees 	<ul style="list-style-type: none"> • Newly eligible adults up to 133% FPL 	<ul style="list-style-type: none"> • No premiums • Co-pays for individuals 100 – 133% FPL 	<ul style="list-style-type: none"> • All regular Medicaid benefits • State provides non-emergency transportation and EPSDT through wrap
	<ul style="list-style-type: none"> • Standard expansion for <100% FPL • Premium assistance for 101 – 133% FPL (via Marketplace or employer plans) 	<ul style="list-style-type: none"> • Newly eligible adults up to 133% FPL (medically frail also have option to enroll in the standard expansion plan) 	<ul style="list-style-type: none"> • \$20 premiums for individuals 100 – 133% FPL, unless meet health goals • \$10 co-pay for non-urgent use of ED 	<ul style="list-style-type: none"> • Same benefits as state employees • No wrap for non-emergency transportation

Innovative Program Features - Applicable Across State Medicaid programs

	Expansion Type	Population	Cost Sharing	Benefits
 MI	<ul style="list-style-type: none"> Standard expansion with use of health savings-like accounts 	<ul style="list-style-type: none"> Newly eligible adults up to 133% FPL 	<ul style="list-style-type: none"> Co-pays for all beneficiaries Beneficiaries 101 – 133% FPL: premiums up to 2% of income (reduced with healthy behaviors) 	<ul style="list-style-type: none"> All Medicaid benefits
 PA*	<ul style="list-style-type: none"> Premium assistance for all new enrollees 	<ul style="list-style-type: none"> Newly eligible adults up to 133% FPL 	<ul style="list-style-type: none"> Premiums for individuals 50 – 133% FPL , with reductions if health goals met \$10 co-pay for non-urgent use of ED 	<ul style="list-style-type: none"> EHB package No wrap for non-emergency transportation, family planning, FQHCs, certain drugs

Many States not yet Expanding Medicaid are Exploring New Models of Delivery

- Indiana
 - ▶ Health Savings Account model with voluntary premiums to pay deductible
 - ▶ Smooth waiver renewal process gives hope for Medicaid expansion
- Tennessee
 - ▶ Proposed premium assistance plan for expansion with maximum allowable cost sharing
 - ▶ In continued negotiations with HHS
- Virginia
 - ▶ Exploring a menu of options, including Health Savings Accounts, payment reform models and cost sharing
 - ▶ New governor supports expanding Medicaid

State Innovation Waivers Offer States Additional Tool to Support Coverage

- §1332 of the ACA, available in 2017
- Must provide comprehensive, affordable coverage to as many individuals as would be covered under the ACA
- Allows state-specific reforms that can deviate from ACA requirements, including:
 - ▶ Qualified Health Plan provisions, including the essential health benefits package
 - ▶ Premium tax credits
 - ▶ Cost-sharing reduction payments
 - ▶ Individual mandate
 - ▶ Employer responsibility requirements



There Are Some Monsters Under the Medicaid Director's Bed



- Day-to-day operations as challenging as ever
- Ongoing improvement and change activities
 - ▶ Managing budgets
 - ▶ Upgrading eligibility systems and other IT
- Legislative and political pressures



Questions?