
State Actions Regarding Affordable Care Act

Florida Health Care Affordability Summit
Foundation of Associated Industries of Florida

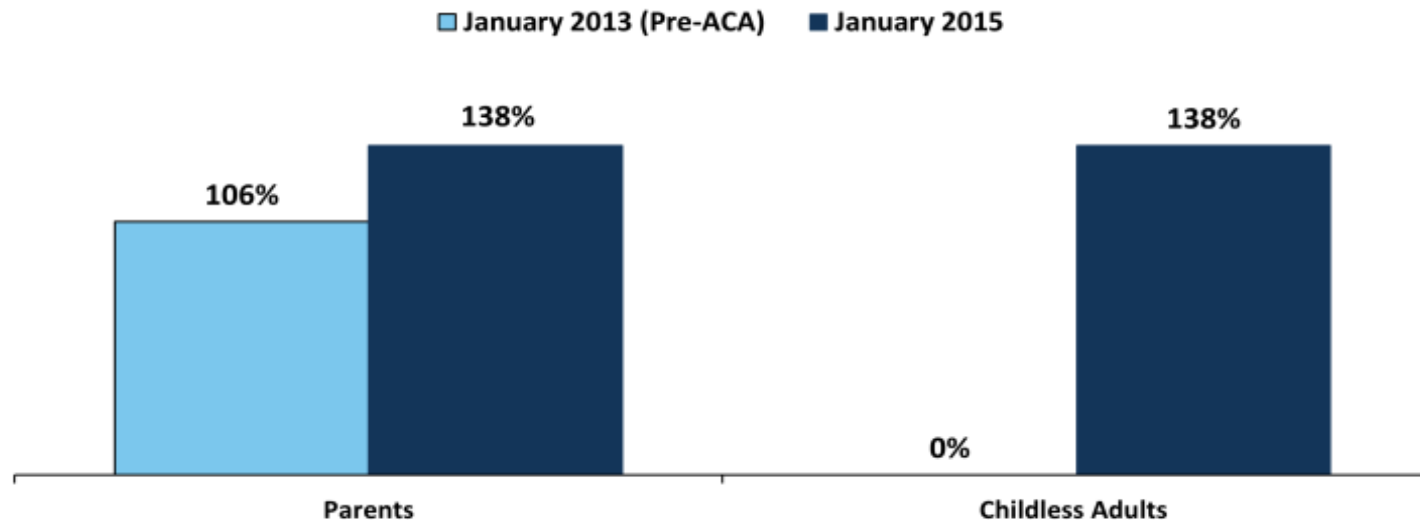
February 10, 2015

States Adopting Medicaid Expansion

ES- Figure 1

Median Medicaid Income Eligibility Levels for Adults as a Percent of the FPL in States that Adopted the Medicaid Expansion, January 2013 and January 2015

Among the 28 States that Adopted the Medicaid Expansion as of January 2015:



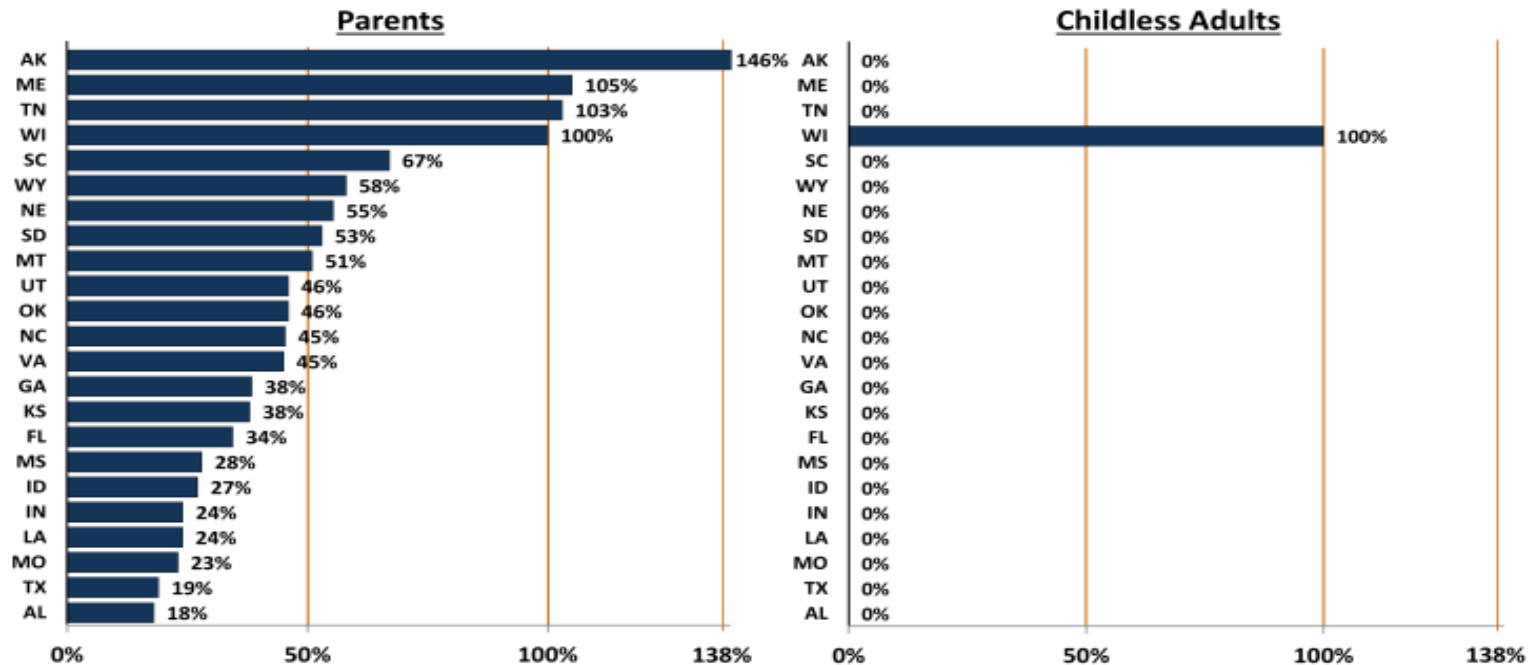
NOTE: January 2013 thresholds are for working adults and are based on 2103 federal poverty levels (FPLs). January 2015 levels are based on 2014 FPLs. In 2013, the FPL was \$11,490 for an individual and \$19,530 for a family of three. In 2014, the FPL was \$19,790 for a family of three and \$11,670 for an individual. January 2015 thresholds include the standard five percentage point of the FPL disregard.

SOURCE: Based on results from a national survey conducted by the Kaiser Commission on Medicaid and the Uninsured and the Georgetown University Center for Children and Families, 2015.

Adult Eligibility Limits

ES- Figure 2

Medicaid Income Eligibility Limits for Adults in States Not Adopting the Medicaid Expansion at this Time, January 2015

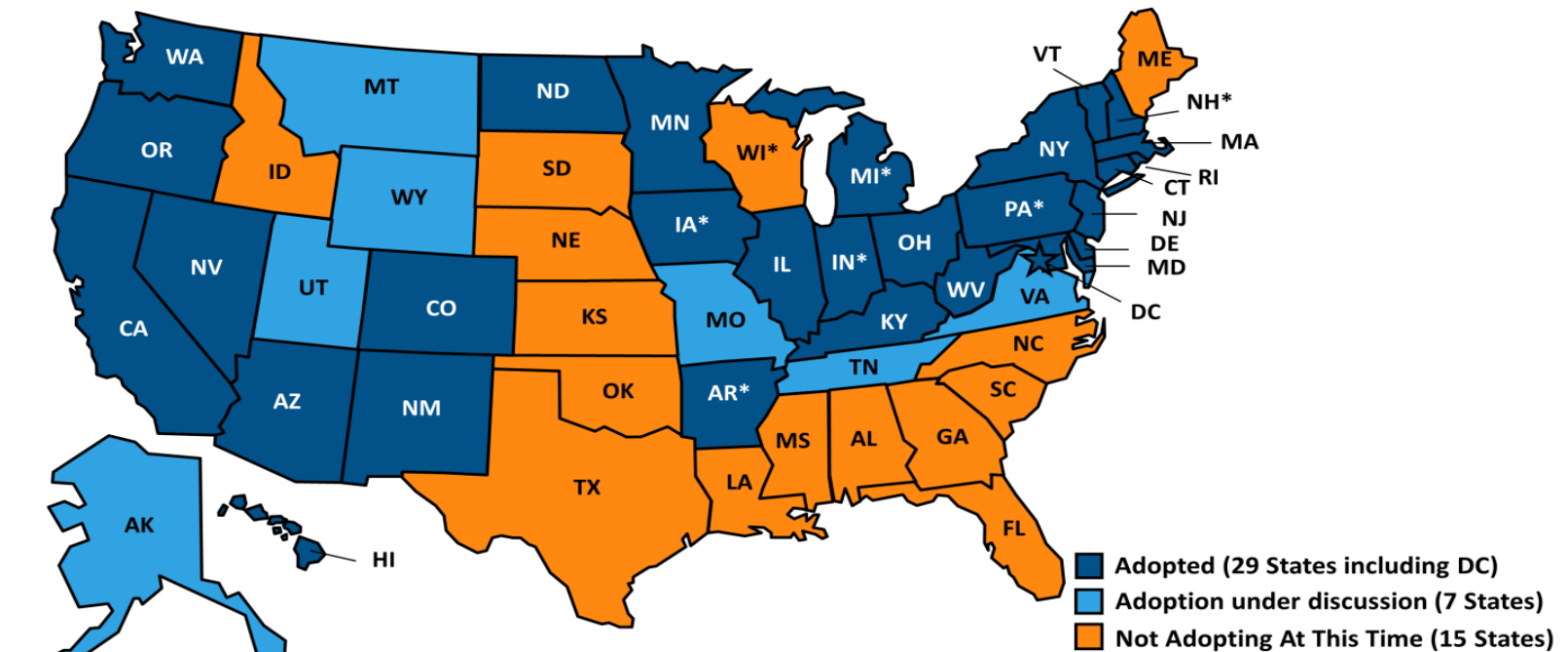


NOTE: Eligibility levels are based on 2014 federal poverty levels (FPLs) and are calculated based on a family of three for parents and an individual for childless adults. In 2014, the FPL was \$19,790 for a family of three and \$11,670 for an individual. Thresholds include the standard five percentage point of the federal poverty level (FPL) disregard.

SOURCE: Based on results from a national survey conducted by the Kaiser Commission on Medicaid and the Uninsured and the Georgetown University Center for Children and Families, 2015.



Current Status of State Medicaid Expansion Decisions



NOTES: Under discussion indicates executive activity supporting adoption of the Medicaid expansion. *AR, IA, IN, MI, and PA have approved Section 1115 waivers. Coverage under the PA waiver went into effect on January 1, 2015, but the newly-elected governor may opt for a state plan amendment. Coverage under the IN waiver is set to begin February 1, 2015. NH has submitted a waiver to continue their expansion via premium assistance. WI covers adults up to 100% FPL in Medicaid, but did not adopt the ACA expansion.

SOURCE: "Status of State Action on the Medicaid Expansion Decision," KFF State Health Facts, updated January 27, 2015.

<http://kff.org/health-reform/state-indicator/state-activity-around-expanding-medicaid-under-the-affordable-care-act/>

Medicaid Decisions in the South

Southern States:

- Make up more than 1/3 of the US population and are more than likely to be uninsured
- 4 million uninsured adults in the south
- Have poverty rates above the national average
- Medicaid eligibility levels are low
- Coverage gap disproportionately affects more people of color

Recent State Expansion

Indiana:

- Approved by CMS in January 2015
- Healthy Indiana Plan
- Cover nearly all adults age 19-64 years of age
- 138% FPL (\$16,242 for individual)
- Estimated 350,000 clients
- Consumer-driven health plan
- Administratively complex

Indiana (continued)

- Different from other waivers as it prevents non-medically fragile clients above the FPL from re-enrolling for 6 months for non-payment of premiums
- Less generous benefit package for clients at or below FPL who do not pay premiums
- To receive a more generous benefit package clients must pay premiums of \$1.00 (0-5% FPL \$589/yr)
- Client not eligible until premium has been paid
- Testing a graduated co-payments for non-emergency use of ER up to \$25 (3 times over the federal law amount)

Indiana (continued)

- Health savings accounts
- Delivery system managed care plans
- Waive non-emergency transportation for new clients
- Offering optional Medicaid premium assistance for newly eligible adults with employer-sponsored insurance

Not approved:

*Work referral as a condition of eligibility

*Waiver of EPSDT benefits for 19-20 year olds

Financing of state costs – cigarette tax revenue and hospital assessment fee

Alternative Medicaid Expansion Models

Several states have implemented Alternative Medicaid Expansion Models through Section 1115 Waivers. Common features of these non-traditional proposals include:

- Reliance on the private insurance market;
- Exemptions from current Medicaid rules on cost-sharing, benefits, time limits and work requirements;
- An emphasis on healthy behaviors and personal responsibility; and
- Limits or contingencies on the expansion, including ending the expansion program if the federal government reduces its enhanced matching rate.

Other Waiver Options

Delivery System Reform Incentive Payment (DSRIP) Waivers

- Part of a broader Section 1115 waiver that provides states with funding that can be used to support hospitals and other providers in changing how they provide care to Medicaid clients
- Initially more focused on safety-net hospitals as a way to finance hospital care
- Now used to promote a far more sweeping set of payment and delivery system reform

DSRIP (continued)

- CA, TX, MA, NJ, KS, MA, NY
- Key Components:
 - Funds are tied to meeting performance metrics
 - Robust data collection and reporting requirements
- Four main areas:
 - Infrastructure development (process)
 - System redesign (process)
 - Clinical Outcome Improvements (outcomes)
 - Population Focused Improvements (outcomes)

DSRIP (continued)

- Waiver must be budget neutral
- A lot of negotiation with CMS
- In concept, states undertake initiatives expected to save Medicaid funds and then use expected savings for new investments in delivery system reform.
- States also have DSRIP waivers as a means to continue receiving Medicaid funds for supplemental payments to hospitals as the states expand their use of managed care.

Example of DSRIP Project

- Expand primary care capacity
- Implement a chronic disease registry
- Implement technology-assisted services to support and enhance behavioral health services
- Enhance service availability
- Use of palliative care programs
- Implement/expand care transitions program
- Conduct medication management
- Expand/Develop a patient navigation program