

# Washington State Health Care Authority

## Health Care Reform in Washington State – Medicaid Expansion Overview

Washington State Board of Health  
January 9, 2013

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# Topics for Today

- Affordable Care Act: New Coverage Options
- Estimates of New Enrollees
- Ongoing Discussions

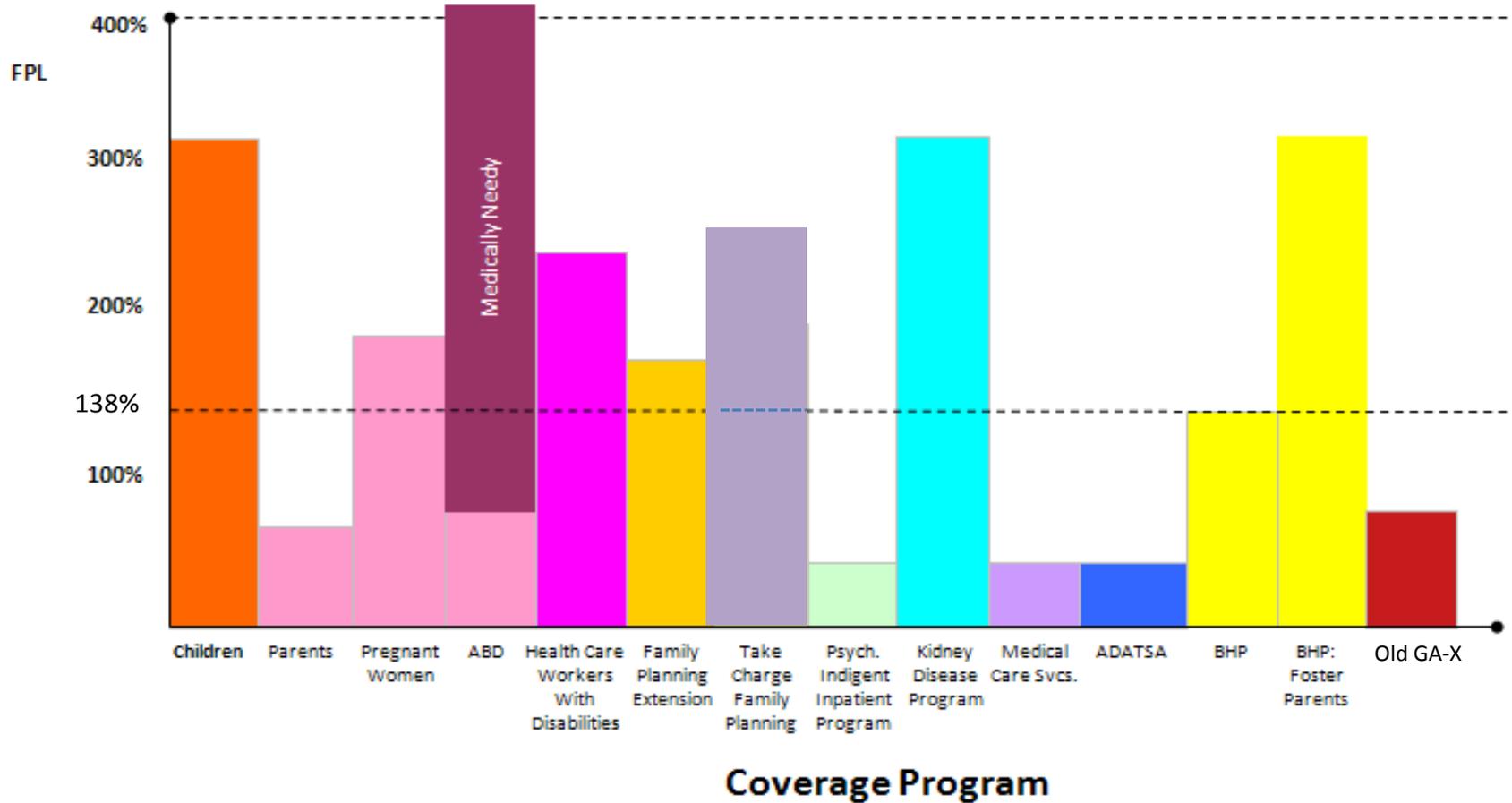
*Keep in mind – online applications go live October 2013*

# Affordable Care Act: New Coverage Options

# Today's Medicaid Covers...

- Children – 300% of the federal poverty level (FPL);
- Pregnant women – 185% FPL;
- Families (parents and caretaker relatives) – ~40% FPL;
- Aged, blind, disabled adults - ~75% FPL
  
- Childless adults *may* be served in optional programs (e.g., Basic Health, Medical Care Services, ADATSA etc.)
  
- Today, Washington's Medicaid/CHIP programs cover ~1.16 million lives

# Today's Washington State Landscape



# 2014 Medicaid Coverage

- Option to expand Medicaid to 138% of the FPL for adults under age 65 not receiving Medicare\* - based on Modified Adjusted Gross Income (MAGI)
  - **MAGI** will determine eligibility for children, pregnant women and parents and all adults in the new adult category
  - **Non-MAGI** (classic) Medicaid eligibility standards will still apply to aged, blind, disabled, SSI, & foster children – ACA doesn't impact these groups
- Washington's new adult group will include:
  - **Childless adults** with incomes below 138% of the FPL
  - **Parents** with incomes between ~40% and 138% of the FPL

\* The ACA's "133% of the FPL" = 138% of the FPL because of a 5% across-the-board income disregard

# Federal Poverty Levels and Annual Income (2012)

Federal Poverty Level	Annual Income: Individual	Annual Income Level: Family of 3
100%	\$11,170	\$19,090
133%	\$14,856	\$25,390
138%	\$15,415	\$26,344
200%	\$22,340	\$38,180
300%	\$33,510	\$57,270
400%	\$44,680	\$76,360

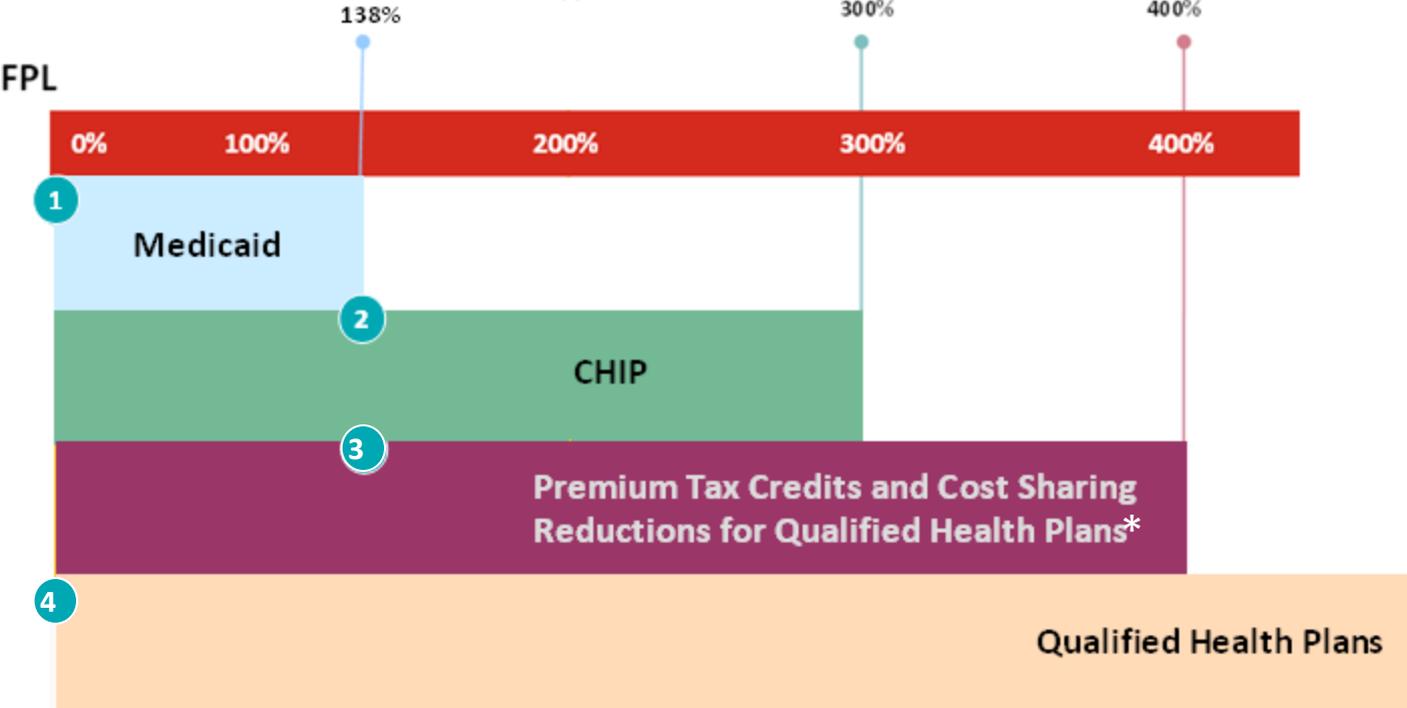
Revised 1-9-13

# Enhanced Federal Funding for New Adult Group

- Newly eligible parents and childless adults include those who are:
  - under 65 years old
  - not pregnant
  - not entitled to Medicare
  - not in an existing Medicaid category (e.g. children, pregnant women, aged, blind and disabled)
- Enhanced federal funding for costs of newly eligible adults:

Enhanced Match	2014	2015	2016	2017	2018	2019	2020 +
State Share	0%	0%	0%	5%	6%	7%	10%
Federal Share	100%	100%	100%	95%	94%	93%	90%

# 2014 “Insurance Affordability Program” Coverage Continuum



Federal Basic Health Plan Option for individuals with incomes between 138% and 200% of the FPL will not be available in 2014.

The ACA’s “133% of the FPL” = 138% of the FPL because of a 5% across-the-board income disregard.

# “No Wrong Door” Interface



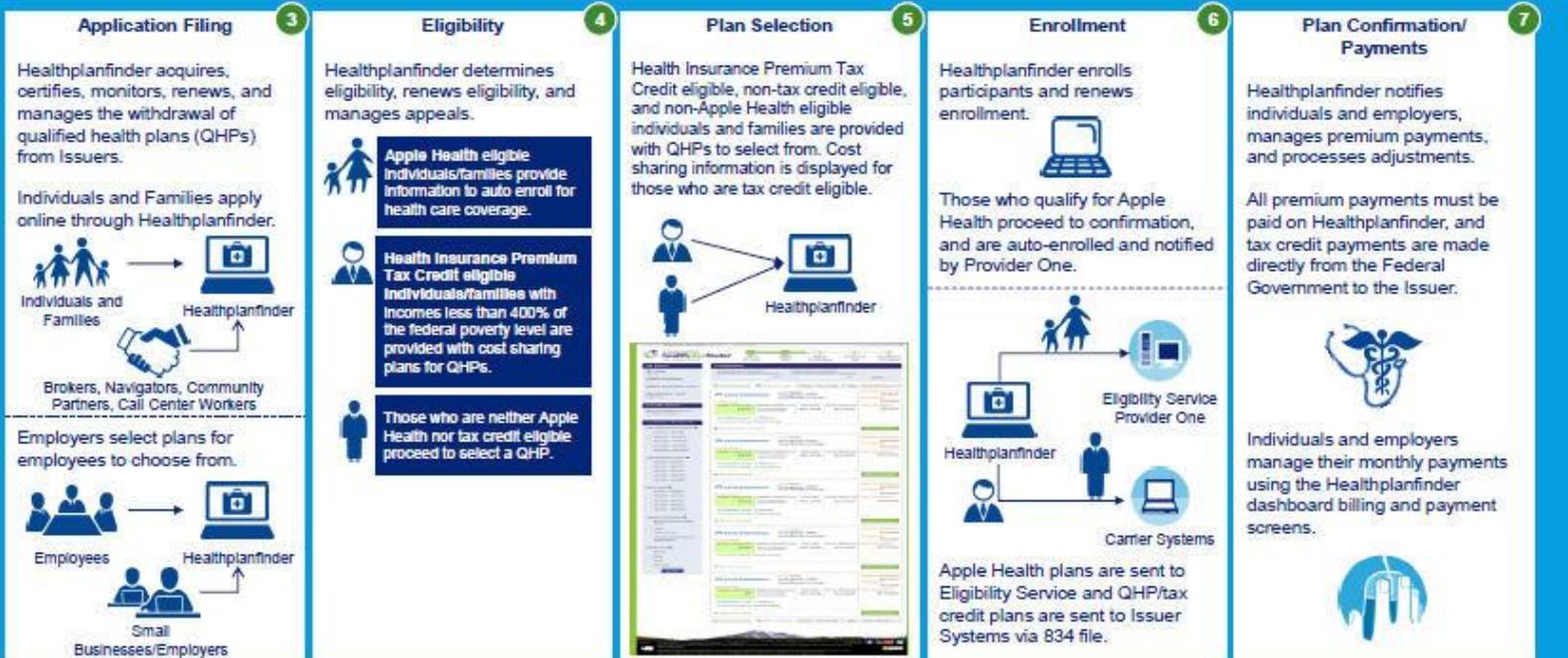
## Washington Healthplanfinder Version 1.0 Overview



Users access Healthplanfinder via one of four access channels.



Healthplanfinder guides users through the process of applying for health and pediatric dental coverage.



Enabling these operations will be a number of IT systems.



# ACA Vision Recap: Near Universal Coverage

- Coverage accessible and affordable for every Washington resident
- Medicaid is key element of continuum of Insurance Affordability Programs (IAPs) – expanded Medicaid, CHIP, and Exchange Qualified Health Plans (with or without subsidies)
- Medicaid managed care delivery like Qualified Health Plans
- Exchange web portal offers transparent market place to shop and compare choices
- Streamlined processes and accessible web portal support real time, technology enabled IAP eligibility determination and insurance enrollment

# Estimates of New Enrollees

# Eligibility/Enrollment Projections

	N
<b>Currently Enrolled</b>	1,095,254
<b>Potential New Enrollees</b>	1,039,228
Currently Eligible, Not Enrolled <sup>1</sup>	544,921
Newly Eligible Under Reform	494,307
<b>Projected New Enrollment<sup>2</sup></b>	328,221
Currently Eligible, Not Enrolled	77,913
Newly Eligible	250,308

~429,000 have private coverage and most will retain that coverage.

**Welcome Mat**  
 ~11,000 uninsured adults  
 ~18,500 uninsured children  
 ~30,500 insured children  
 ~18,000 insured adults

Source: UI Analysis of Augmented WA State Database

1. This estimate may be an overstatement. Our data represent a single point in time; crowd-out provisions and other aspects of eligibility that require knowledge of an applicant's history could not be modeled.
2. We simulate the Medicaid expansion as if fully implemented in 2011

# New Medicaid Enrollees Report Good Health Overall

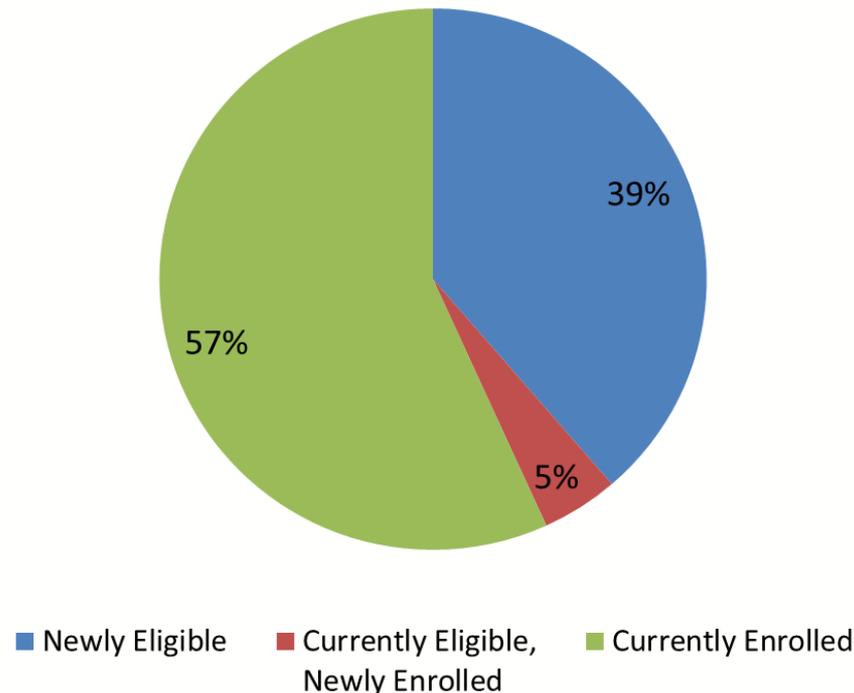
	Eligibility of Projected New Enrollees					
	Currently Eligible, Not Enrolled		Newly Eligible		Total	
	N	%	N	%	N	%
<b>Total</b>	77,913	100.0%	250,308	100.0%	328,221	100.0%
<b>Health Status</b>						
<b>Excellent - Good</b>	58,726	75.4%	180,407	72.1%	239,133	72.9%
<b>Fair - Poor</b>	19,187	24.6%	69,901	27.9%	89,088	27.1%

Source: UI Analysis of Augmented WA State Database

# Post ACA Implementation: Medicaid Enrollment of Nonelderly Adults

With Large Growth in Enrollment, Average Costs Decline

Reform: 633K Enrollees, Avg. Cost \$7,293  
(Baseline: 359K Enrollees, Avg. Cost \$7,906)



# Uninsured Groups Remain

- Undocumented immigrants
- Individuals exempt from the mandate who choose to not be insured (e.g., because coverage not affordable)
- Individuals subject to the mandate who do not enroll (and are therefore subject to the penalty)
- Individuals who are eligible for Medicaid but do not enroll

# Access to Care – OFM Research

- Results from a survey of primary care physicians show that:
  - About 90 percent of primary care physicians provide care for some patients covered by Medicaid.
  - Close to 80% of primary care physicians are accepting new patients
    - 30% of this group don't include Medicaid clients in their expansion plans
    - Just over 20% reported that all new patients could be covered by Medicaid.
  
- Sample reports available:
  - Characteristics and distribution of current primary care physicians
    - [http://www.ofm.wa.gov/healthcare/deliverysystem/2011\\_PCP\\_survey\\_frequency\\_report.pdf](http://www.ofm.wa.gov/healthcare/deliverysystem/2011_PCP_survey_frequency_report.pdf)
  - Availability of Primary Care Physicians to Serve the Medicaid Expansion
    - <http://www.ofm.wa.gov/researchbriefs/2012/brief065.pdf>
  - Primary care physician availability in non-urban areas (available upon request)

# Ongoing Discussions

# Timeline: Much Work to be Done!

**Jun-Nov 2012:** System Detail Design for MAGI Medicaid eligibility/enrollment

**May-Oct 2013:**

- Benchmark Benefit Design
- Optional Programs Transition

**Sep 2013:** CMS Systems Certification

**Oct 1 2013: Go Live.**

Open enrollment begins.  
Medicaid applications accepted

**Jan 1 2014:** Medicaid coverage for newly eligible adults begins

**2012**

**2013**

**2014**

**Aug-Dec 2012:**

- Medicaid operational stakeholdering
- Application Forms
  - Renewals Process
  - Quality Assurance
  - Client Letters

**Nov-Dec 2012:**

- Fiscal modeling
- Official Caseload Forecast Council maintenance projections
- Governor's 2013-15 budget

**Jan-Apr 2013:**

- Legislative Session
- WAC revisions
- Initiate marketing & outreach campaign for Medicaid.
- Complete System Development and Unit Testing by Feb 2013.
- Primary care provider rate increases.

**Aug 2013:** Complete System Performance and Operational Readiness Testing

**Dec 31, 2014:**

Conversion to MAGI Medicaid complete for all eligible enrollees

**Jan-Dec 2014:** Phased implementation of further systems features (tbd)

# Key Considerations

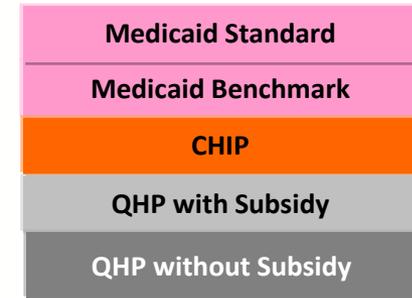
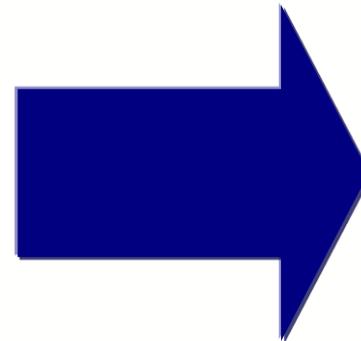
- Governor directed agencies to proceed with Medicaid expansion – see <http://www.hca.wa.gov/hcr/me>
- Spending authority requires further Legislative/Executive action
- Federal guidance still needed in critical areas
  - Medicaid benefit design for newly eligible adult group
  - Conversion to MAGI eligibility determination Oct 2013 for children, parents and pregnant women
  - Methodology for streamlined federal funding (FMAP)
  - Continued financing for Take Charge waiver (2014) and CHIP reauthorization (2015)
- Major outreach and education in 2013
- Healthplanfinder web portal “Go-Live” October 2013 – short timelines influence feasibility of 2014 implementation options

# ACA Opportunity to Streamline Programs

Governor's 2013-15 Budget  
Proposes Elimination



2014 Coverage Continuum through  
Insurance Affordability Programs (IAP)



Streamlining considerations – numbers affected,  
access/continuity of coverage through IAP continuum,  
administrative complexity, transition timing

# 2014 Benefits for New Adult Group

- States must provide comprehensive Benchmark coverage (now called Alternate Benefit Plan) to adults in new adult eligibility group
  - Must continue to include:
    - EPSDT for any child under age 21 covered under the state plan
    - FQHC/RHC services
    - Non-emergency transportation
    - Family planning services and supplies
  - All 10 essential health benefits (EHBs) required:
    - Ambulatory Services
    - Emergency services
    - Hospitalization
    - Maternity and newborn care
    - Mental health and substance use disorder services, including behavioral health treatment
    - Prescription drugs
    - Rehabilitative and habilitative services and devices
    - Laboratory services
    - Preventive and wellness services and chronic disease management
    - Pediatric services, including oral and vision care
  - Must also meet mental health and substance abuse parity
- Alternate Benefit Plan may differ from standard Medicaid
- Public notice needed **before** CMS will approve new benefits plans

# Costs of Not Expanding Medicaid

## Consumers

Individuals whose incomes are too high for Medicaid but too low for Premium Tax Credits (less than 100% of the FPL) will have no coverage options and NO tax subsidies for purchasing health insurance

## Providers

Hospitals will face not only the continued costs of providing uncompensated care, but also a reduction in federal disproportionate share hospital (DSH) funding

## Employers

Employers will face new coverage obligations for individuals with incomes between 100% and 138% of the FPL; additionally, large employers will face a penalty if full-time employees in this income bracket obtain a premium tax credit through the Exchange

## Exchange

Interfacing between State Medicaid programs and the Exchange will become very complex administratively, with many “hand-offs” and eligibility determinations conducted against a patchwork of existing state Medicaid categories with variable income levels

# See HCA Links for More Information

- Main HCA web-site: <http://www.hca.wa.gov/>
  - For information about the Medicaid expansion:  
<http://www.hca.wa.gov/hcr/me>
  - To contact the HCA concerning the Medicaid expansion:  
[medicaidexpansion2014@hca.wa.gov](mailto:medicaidexpansion2014@hca.wa.gov)
  - For demo on Deloitte Healthplanfinder (~2 hours)  
<https://deloittemeetings.webex.com/deloittemeetings/ldr.php?AT=pb&SP=MC&rID=14808187&rKey=203bf4bc67d42b8b>
- Webinars and presentations around the state
  - See upcoming schedule and past events at:  
<http://www.hca.wa.gov/hcr/me/stakeholdering.html>
- Listserv notification
  - Subscribe at:  
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