

MEDICAID REDESIGN WORKGROUP

June 18, 2014

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Gov. Otter Appointed Workgroup in July 2012

- U.S. Supreme Court ruled states are not mandated to expand Medicaid, leaving decision to individual states.
- Governor appointed 15 members from public and private sector to evaluate potential impacts of providing a healthcare plan for low-income adults under Medicaid oversight.
- Workgroup met four times and submitted recommendations to Gov. Otter.
- Medicaid expansion was not addressed during last two legislative sessions, although there appears to be consensus that redesigning Medicaid is essential for improving the state's healthcare delivery system.



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Gov. Reconvenes Workgroup to Evaluate Idaho's Options

"Idaho is at a policy crossroads in considering how to address our indigent care system, while struggling with the lack of healthcare options for low-income individuals or families."

Gov. C. L. "Butch" Otter



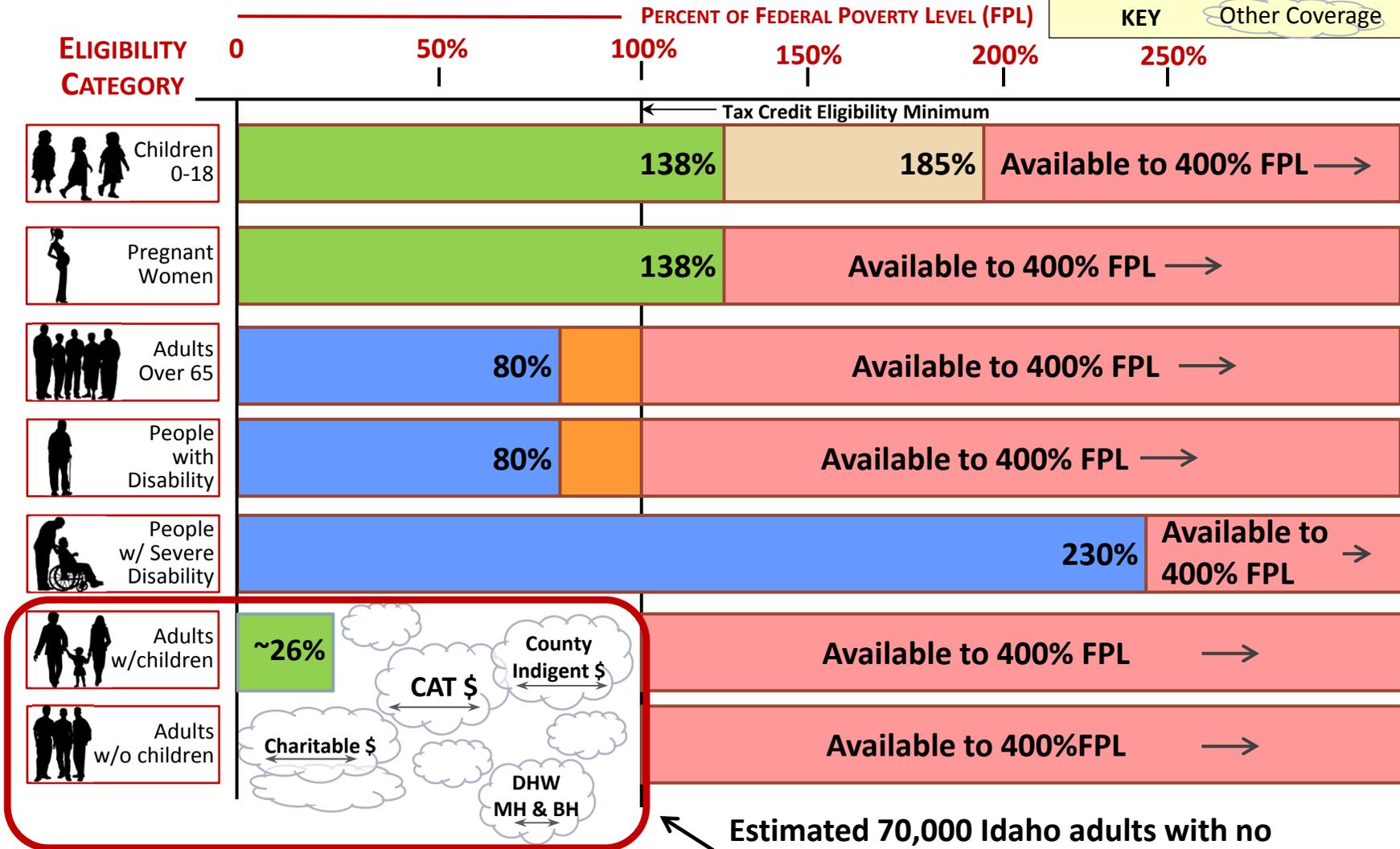
Workgoup's mission:

1. Review current state data.
2. Explore Medicaid redesign options being implemented or considered by other states.
3. Find the best solution for 70,000 low-income Idaho adults who are working, but remain uninsured.
4. Provide recommendations to Gov. Otter by Sept. 1.

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Insurance Exchange Without Optional Medicaid Expansion

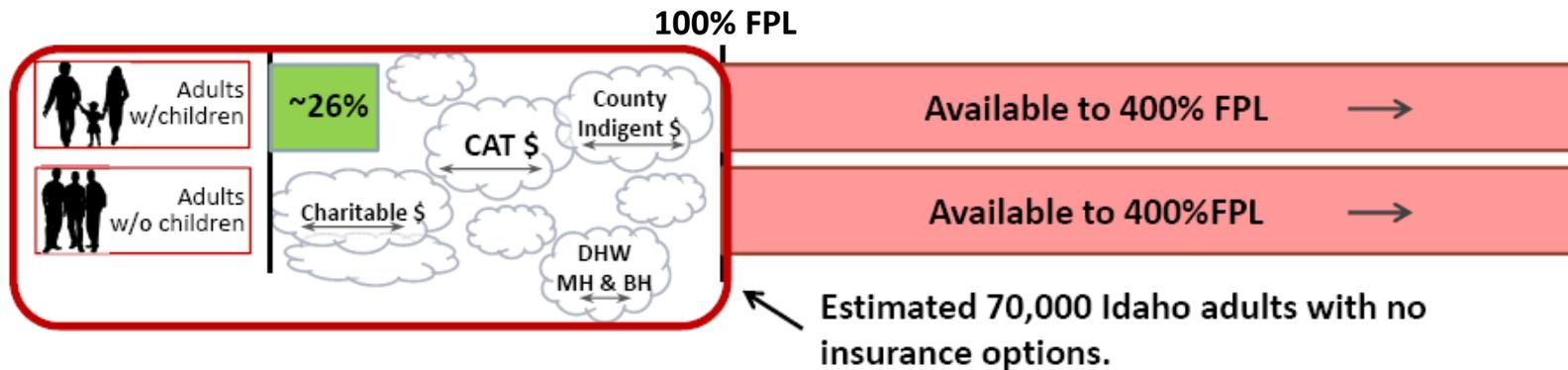
Medicaid	CHIP
Mandatory	Optional
HIX APTC	Medicare
KEY	
Other Coverage	



Estimated 70,000 Idaho adults with no insurance options.

Your Health Idaho Insurance Exchange Proves Successful

- During open enrollment, Idaho ranked third in the nation per-capita for the number of residents selecting a health insurance plan.
- Idaho signed up 76,061 people during open enrollment; the Congressional Budget Office goal was 40,000.
- The success of the exchange also illustrates the dilemma of the 70,000 citizens who are too poor for subsidized insurance.



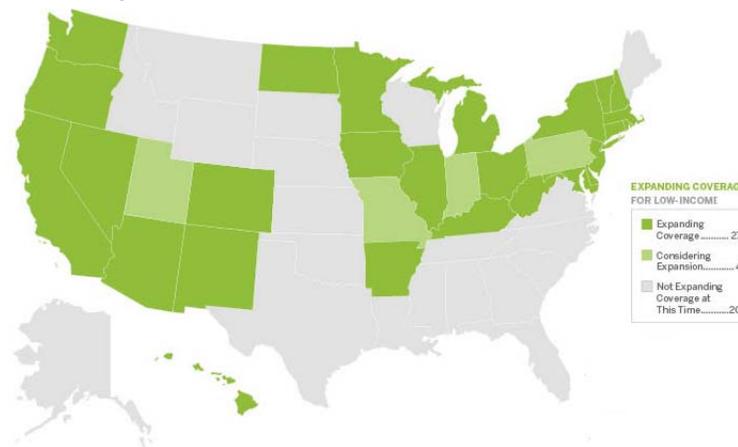
- Low-income adults below poverty who cannot afford insurance often access their healthcare through Community Health Centers, hospital emergency rooms, or the Idaho Catastrophic Health Care Cost Program.

Challenges/Barriers to the State and County Catastrophic Healthcare Program

- Incident based program; eligibility is not based on income
- No opportunity for proven, cost-effective measures of a membership-based plan, such as:
 - Preventive care
 - Case management
 - Preauthorization
 - Continued stay review
 - Discharge planning
 - Full utilization management
- Not sustainable

The Medicaid Redesign Landscape Is Changing

- Just more than half of states have expanded Medicaid
- States are designing unique and workable plans for their states, including private option and accountable care plans
- States that have not expanded can evaluate other states' efforts and results
- Federal Centers for Medicare and Medicaid Services appear to be more open to negotiating state plans that incorporate accountability and align member and provider incentives



Workgroup Originally Recommended Expansion to Governor

Recommendation: The committee universally supports expanding Medicaid coverage to the working poor, but also unanimously believes there must be significant conditions attached to the proposition.

- **Personal Accountability** by the participant must be an integral part of benefit design for the Medicaid expansion population. The workgroup does not support simply expanding the current Medicaid entitlement program design.
- **Idaho's service delivery system must be redesigned** to shift provider incentives from volume of visits to value of care and improved outcomes.



Workgroup Mission: Evaluate Options and Recommend an Idaho Solution

- **Reflect on previous work.**
- **Evaluate the experiences of other states to identify the best options for Idaho.**
- **Recommend a pragmatic solution that offers sustainable healthcare options for low-income families:**
 1. **Address patient care that focuses on prevention and better outcomes.**
 2. **Address healthcare system redesign from volume-based care to value-based, with provider payments tied to improved outcomes.**

Workgroup Challenges

- **Limited timeframe to report to Governor**
- **Participant accountability design must meet federal approval**
- **Transitioning to an accountable healthcare system requires long-range planning with strong stakeholder support**
- **Recommendation must have capacity to be deployed quickly, efficiently and responsibly**

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