

Alternative State Approaches to Medicaid Expansion

**Joanne Jee
Program Director
National Academy for State Health Policy**

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Overview

- About NASHP
- Key elements of Medicaid expansion
- Status of state Medicaid expansion decisions
- Alternative state approaches to expansions
- Questions

About NASHP

- Non-partisan, non-profit Academy dedicated to helping states achieve excellence in health policy and practice
 - Convene state leaders to solve problems and share solutions
 - Conduct policy analyses and research
 - Disseminate information on state policies and programs
 - Provide technical assistance to states
- State Refor(u)m: www.statereforum.org
 - Online network for health reform implementation
 - More than 9,000 users
 - State specific health reform resources

Key elements of Medicaid expansion

- **Eligibility:** ACA expanded Medicaid eligibility to almost all adults with incomes up to 133% FPL (\$32,913 for a family of 4 in 2014)
- **Benefits:** Provide alternative benefits plan (ABP), which must cover the 10 essential health benefits (EHB)
- **Financing:** Federal share is 100% in 2014-2016, phasing down to 90% by 2020.
- **Deadline for expanding:** None

States are designing alternatives to traditional Medicaid expansions

State program	Premium Assistance	Premiums or Cost Sharing	Benefits Waived	Healthy Behavior Incentives	Work Incentives
AR Private Option	✓	✓			
IA Wellness Plan		✓	✓	✓	
IA Marketplace	✓	✓	✓	✓	
Healthy MI		✓			
Healthy PA (pending)	✓	✓	✓	✓	✓
NH Health Protection Prog (leg. signed)	✓	✓		✓	
IN HIP 2.0 (1115 in dev.)	ESI	✓	✓	Health plans	✓

Snapshot of states with alternative expansion models

	Status	Projected Enrollment	Reported Enrollment
AR Private Option	In effect 9/27/13	225,000 in yr. 1	155,567 (4/21/14)
IA Plan Wellness	In effect 1/1/14	93,968 in year 1	80,564 (5/30/14)
IA Marketplace Choice	In effect 1/1/14	24,891 in year 1	21,966 (5/30/14)
Healthy MI	In effect 4/1/14	300,000 -500,000	287,281 (6/9/14)
Healthy PA	Waiver pending	500,000 newly eligible	—
NH Health Protection Program	Waiver being developed	50,000	—
IN HIP 2.0	Waiver in public comment period	600,000 (includes prior adult group)	—

Two states have approved premium assistance programs

- Arkansas (Private Option) and Iowa (Marketplace Choice) are implementing a premium assistance program using Medicaid funds to purchase coverage for newly eligible adults in the marketplace
 - Arkansas: all newly eligible are mandatorily enrolled in premium assistance
 - Iowa: newly eligible with incomes 100-138% FPL mandatorily enrolled in premium assistance
 - Both have end date of December 31, 2016
- Improve continuity of care?

Non-premium assistance programs

- Iowa Wellness Plan
 - Multiple delivery systems: PCPs, PCPs associated with ACOs, managed care health plans
- Michigan
 - Use existing managed care health plans and prepaid inpatient health plans for behavioral health
- New Hampshire
 - Currently, ESI (HIPP program) or managed care health plan (Bridge program); eventually through Marketplace

Some flexibility on premiums and cost sharing

	Premiums	Cost Sharing	Other
AR-Private Option	State pays premium	<ul style="list-style-type: none"> • <100%FPL – none in year 1 • >100% FPL, per Medicaid rules 	May propose cost sharing for those 50-100% FPL
IA-Wellness Plan	<ul style="list-style-type: none"> • 0-50% FPL, none • 50-100% FPL, \$5/mo. • 90 day grace period • No denial/loss of coverage if unpaid 	\$8 copayment for nonemergent use of ER (had requested \$10)	No premium for medically frail
IA-Marketplace Choice	<ul style="list-style-type: none"> • >100% FPL, \$10/mo. • 90 day grace period • No denial/loss of coverage if unpaid 	\$8 copayment for nonemergent use of ER (had requested \$10)	

Some flexibility on premiums and cost sharing (continued)

	Premiums	Cost Sharing	Other
Healthy MI	<ul style="list-style-type: none"> • <100% FPL, none • >100% FPL, pay into HSA-like acct. =2% of income 	<ul style="list-style-type: none"> • Copay=average of copays in 1st 6 mo. 	<ul style="list-style-type: none"> • Protocols to be dev. • No denial/loss of coverage or service if unpaid
Healthy PA (pending)	<ul style="list-style-type: none"> • Year 1: none • Year 2:<100% FPL, none; >100% FPL \$25 (1 adult), \$35 (>1 adult) 	<ul style="list-style-type: none"> • Year 1: current Medicaid copays apply • Year 2: \$10 copay for nonemergency use of ER 	<ul style="list-style-type: none"> • Premium required for eligibility • Premium Grace period • Denial of service if copay unpaid is ok
IN HIP 2.0 (waiver in devt.)	<ul style="list-style-type: none"> • Monthly payment to HSA-like account 	<ul style="list-style-type: none"> • Only in HIPBasic limited plan • Graduated copays for nonemergency use of ER 	<ul style="list-style-type: none"> • Premium required for eligibility

Healthy behavior incentive programs approved, but few details so far

- Iowa Health and Wellness Program
 - Year 1: Premiums waived for completing health risk assessment (HRA) and wellness exam
 - Year 2: Financial-based award, “evidence based incentive program”
 - Iowa must submit for CMS approval a protocol for implementation in year 1 and subsequent years, including data and monitoring plan
 - State posted RFI on 4/21/14 for Year 2 program
- Healthy Michigan
 - Cost sharing and monthly contribution reductions for adoption of eligible healthy behaviors, including HRA
 - State will submit protocol for CMS approval

Pennsylvania proposes linking work incentives to coverage

- Waiver initially proposed participation in Encouraging Employment as a condition of eligibility for adults working <20 hours per week.
- Reduced cost sharing or premiums for those working >20 hours per week or participating in required job training and related activities.
- On 3/6/14, PA submitted new waiver proposal making Encouraging Employment a voluntary 1-year pilot, with size of cost sharing and premium reductions tied to number of hours worked.

Alternative model states are seeking waivers of some benefits

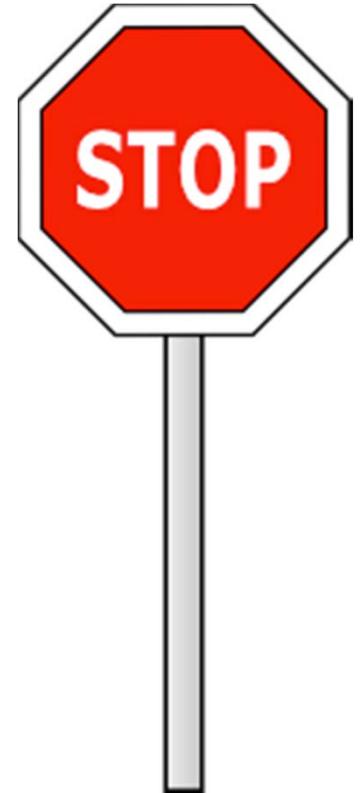
Benefit Waiver Sought	Waiver Granted	Waiver Denied
Non-emergency transportation	<ul style="list-style-type: none"> Iowa (1 year) Indiana 	
Out of network family services		<ul style="list-style-type: none"> Pennsylvania
Early, Periodic, Screening, Diagnosis, and Testing (EPSDT)		<ul style="list-style-type: none"> Iowa
All wrap around services		<ul style="list-style-type: none"> Pennsylvania

State waivers include delivery system changes

- AR: All carriers offering QHPs must participate in a multi-payer initiative to promote patient centered care medical homes; includes episode-based care delivery
- IA: SIM Model Design state, health homes for those with chronic conditions
- PA: SIM Model Design state, priority on Accountable Provider Organization and patient centered medical homes, piloting episodes of care
- NH: improvements to behavioral health delivery system, and systems of those with complex needs.

Some waiver requests have been denied

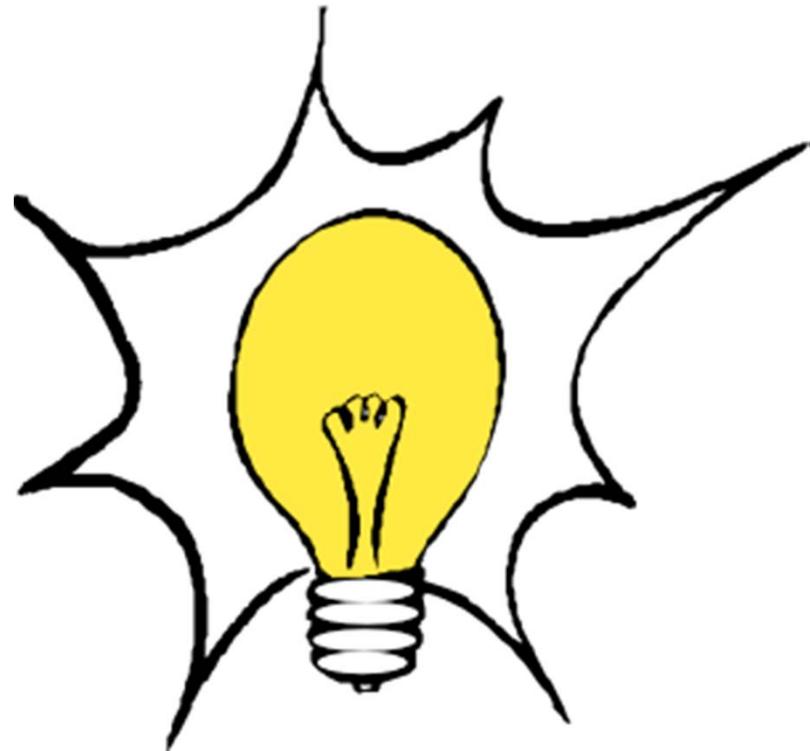
- Cost sharing beyond currently permissible levels
- Certain benefits: EPSDT, out of network family planning
- Partial expansions, below 133% FPL



Adapted from *The ACA and Recent Section 1115 Medicaid Demonstration Waivers, February 2014, Kaiser Commission on Medicaid and the Uninsured*

More state alternatives to Medicaid expansion to come?

- Indiana
- Maine
- Missouri
- New Hampshire
- Utah
- Virginia
- Wisconsin
- Idaho?



Thank you!

Contact information:

Joanne Jee

jjee@nashp.org

www.nashp.org