Topics for Today’s Update

1. Medicaid Expansion – what is it?
2. Initial estimates – how many new enrollees should Medicaid expect?
3. 2013 legislative session – what are the likely budget and policy discussions?
4. Implementation timeline – what operational and stakeholdering steps are under way or planned?

* Federal guidance still needed in many critical areas
What is Medicaid Expansion?
What Medicaid Covers Today

- Children
- Pregnant women
- Families (parent and caretaker relatives)
- Aged, blind, disabled adults
- Childless adults may be served in optional programs (e.g., Basic Health, Medical Care Services, ADATSA, etc.)
Today’s Washington State Landscape

Coverage Program

- Children
- Parents
- Pregnant Women
- ABD
- Health Care Workers With Disabilities
- Family Planning
- Take Charge Family Planning
- Psych. Indigent Inpatient Program
- Kidney Disease Program
- Medical Care Svcs.
- ADATSA
- BHP
- BHP: Foster Parents
- SSI Presumptive

FPL
- 400%
- 300%
- 200%
- 133%
- 100%
Effective January 1, 2014

• Medicaid adds childless adults and parents/caretaker relatives not eligible for Medicaid coverage today
  *(called “newly eligible” adults /section VIII group – must get Benchmark benefits)*
  - Age 19-65
  - Income up to 138% FPL based on Modified Adjusted Gross Income (MAGI) – methodology defines income (with 5% disregard), household composition and family size

• MAGI will define eligibility for children, pregnant women and parents/caretaker relatives
  - State required to retain current eligibility levels for children (2019) and pregnant women (ongoing)

• Non-MAGI (classic) Medicaid eligibility still applies to aged, blind, disabled, SSI, and foster children – no changes under ACA
2014 ACA Continuum of “Insurance Affordability Programs”

- Medicaid (FPL 0% - 100%)
- CHIP (FPL 133% - 200%)
- BHP (state option) (FPL 200% - 300%)
- Premium Tax Credits and Cost Sharing Reductions for Qualified Health Plans (FPL 300% - 400%)
Initial Estimates of Medicaid Expansion
Initial Modeling

- Washington contracted with Urban Institute to model estimates of potential enrollment impact...as if the Affordable Care Act were fully implemented in 2011

- Analysis includes:
  - Characteristics of new Medicaid enrollees (e.g., age, health status, geographic location)
  - Projected eligibility counts
  - Projected enrollment and ramp-up

- Report available at:
  - http://www.hca.wa.gov/hcr/resources.html
Results: General Description

• “Newly eligible” Medicaid enrollees almost exclusively adults
  ▪ No surprise given Apple Health for Kids success
  ▪ Report better health than current adult Medicaid enrollees

• “Welcome mat” – 63% currently eligible, but not enrolled, likely to be children
Results: Eligibility/Enrollment Projections

<table>
<thead>
<tr>
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<th>N</th>
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<tbody>
<tr>
<td><strong>Currently Enrolled</strong></td>
<td>1,095,254</td>
</tr>
<tr>
<td><strong>Potential New Enrollees</strong></td>
<td>1,039,228</td>
</tr>
<tr>
<td>Currently Eligible, Not Enrolled$^1$</td>
<td>544,921</td>
</tr>
<tr>
<td>Newly Eligible Under Reform</td>
<td>494,307</td>
</tr>
<tr>
<td><strong>Projected New Enrollment$^2$</strong></td>
<td>328,221</td>
</tr>
<tr>
<td>Currently Eligible, Not Enrolled</td>
<td>77,913</td>
</tr>
<tr>
<td>Newly Eligible</td>
<td>250,308</td>
</tr>
</tbody>
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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

Most will retain their private ESI coverage

Welcome Mat
~29,000 uninsured adults
~49,000 children

New Eligibles
Includes transfers from Transitional Bridge waiver programs
Additional Modeling Under Way

Caseload:
• Caseload Forecast Council using Urban Institute estimates to project official caseload impacts and timing
• Groups of enrollees likely to enroll at different rates – potentially eligible welcome mat and new eligibles

Costs:
• Workgroup (executive/legislative staff) reviewing Urban Institute expenditure estimates to use in 2013-15 budget
  ▪ Jul 2013 – Dec 2013 = current world
  ▪ Jan 2014 – Jun 2015 = ACA eligibility world

Federal guidance for FMAP determination TBD
2013 Legislative Discussion
Considerations and Questions

• Key Considerations:
  - Directional decisions needed for Washington to proceed with systems design and implementation planning
  - Federal guidance still needed in many areas
  - Systems development in phases to maximize success

• Key Questions:
  - **Budget** – can Washington afford a Medicaid expansion?
  - **Transition of Optional Programs** – how could current optional programs be effectively streamlined?
  - **Benefit Design for Newly Eligible Adults** – what are the parameters for designing the Benchmark benefit package?
  - **Whole family coverage/churn** – what options best support families whose circumstances change?
Key Medicaid Expansion Goals

- Optimize opportunities to streamline administrative processes
- Leverage cost-effective use of federal, state and private dollars
- Maximize use of technology to create consumer-friendly application/enrollment/renewal experience
- Maximize continuity of coverage and care as individuals move between subsidized coverage options
- Comply with, or seek waiver from, specific ACA requirements related to coverage and eligibility, as needs are identified
Can Washington Afford Medicaid Expansion?

- Caseload and cost impacts to be considered:
  - Newly eligible adults -
    
    |-----------------|------|------|------|------|------|------|---------|
    | State Share     | 0%   | 0%   | 0%   | 5%   | 6%   | 7%   | 10%     |
    | Federal Share   | 100% | 100% | 100% | 95%  | 94%  | 93%  | 90%     |

  - Some newly eligible adults come from previously state-funded programs (e.g., Transitional Bridge waiver programs)
  - Welcome mat (currently eligible/not enrolled) will come to Medicaid through Exchange MAGI determination

- Broader economic impact on state, health care delivery system to be quantified
- CMS decisions about streamlined FMAP methodology and Medicaid Benchmark benefit design TBD
ACA Opportunity to Streamline Programs?

Consultant assessment of 2014 changes in benefits, cost sharing, federal financial participation and state financing

Additional considerations – numbers affected, access/continuity of coverage through IAP continuum, administrative complexity, transition timing
Optional Programs “Strawman” for Budget

• No change – retain current program
  ▪ Health Care for Workers with Disabilities (supports return to work)
  ▪ Medically Needy (benefits being reviewed)

• Still evaluating
  ▪ Take Charge/Family Planning (waiver status beyond December 31, 2013 uncertain)
  ▪ Kidney Disease program (benefits being reviewed)

• Convert to MAGI Medicaid/other Insurance Affordability Programs, eliminate current program
  ▪ Federal terms and conditions require Transitional Bridge waiver to end December 31, 2013
    (Current Basic Health, Medical Care Services, ADATSA)
  ▪ Presumptive SSI
  ▪ Breast and Cervical Cancer Treatment Program
  ▪ Involuntary Treatment Act
  ▪ Psychiatric Indigent Inpatient Program

• Outstanding questions – cash/housing assistance, AEM impact
Benefit Design for New Eligibles

• Goal to align Medicaid Standard and Benchmark benefits
• What we know:
  - New adult group (Section VIII adults) must get Benchmark coverage
  - Benchmark must include Essential Health Benefits (10) with specifics defined by a reference plan
    - 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
  - Benchmark must meet mental health parity
Benefit Design for New Eligibles

• Can we offer the same benefit package to all Medicaid adults?

• What we need to know to design Benchmark package and assess cost
  
  ▪ Alignment of mental health and substance use disorder services with mental health parity – rules expected in next two months
  
  ▪ Reconciliation of Medicaid Benchmark and Standard designs where scope of services differs
  
  ▪ Alignment of Medicaid Benchmark and Standard approaches to utilization management
  
  ▪ Accessibility of home and community-based services as an alternative to institutional care in Benchmark coverage

• Consultants working with us on complexities (follow-up early August)
Whole Family Coverage/Churn Options

• Changes in circumstances cause churn across coverage (e.g., income, family or employment status, pregnancy, child birth)

• Differing eligibility levels potentially split families across different managed care plans and provider networks (e.g., children in Medicaid/CHIP, pregnant woman in Medicaid, husband in Exchange)

• One-Card options continue to be discussed with health plans
  ▪ Goal to sustain continuity of coverage and care
  ▪ More to come at next JSC meeting based on federal guidance for Tennessee approach to One-Card option
Key Implementation/Stakeholdering Activities

2012

Jan – Jul  Initial estimates – presentations and refinements
Jun – Jul  Operational stakeholdering – Medicaid expansion webinars
May – Oct Policy stakeholdering – Benchmark design, churn/whole family coverage options, optional program transitions
Aug – Dec Operational stakeholdering – application forms, renewal process, quality assurance, preliminary letters
Jun – Nov System detail design – MAGI Medicaid eligibility/enrollment
Aug – Feb 2013 System development and unit testing
Jul – Oct Fiscal modeling for 2013-15 budget
Nov CFC projections
Dec Governor’s 2013-15 budget
Key Implementation/Stakeholdering Activities

2013

Jan – Mar  Review of WAC revisions
Jan – Apr  Legislative session

Early 2013  CMS review of income verification plan
Feb – Aug  System performance and operational readiness testing

Jun  Begin marketing/education
Sep  CMS system certification
Oct  Medicaid applications accepted via Exchange
Oct – Dec  Medicaid data conversions
Jan – Dec  Additional stakeholdering TBD

2014

Jan 1  Medicaid expansion coverage begins
Follow-up Information

HCA Medicaid Expansion 2014 Website
   http://www.hca.wa.gov/hcr/me
      - Implementation Plan
      - Policy Options
      - Stakeholdering Updates
      - FAQ – updated often

Contact Us
   medicaidexpansion2014@hca.wa.gov