



2014 Medicaid Expansion Update

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Joint Legislative Select Committee
Health Reform Implementation

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Topics for Today's Update

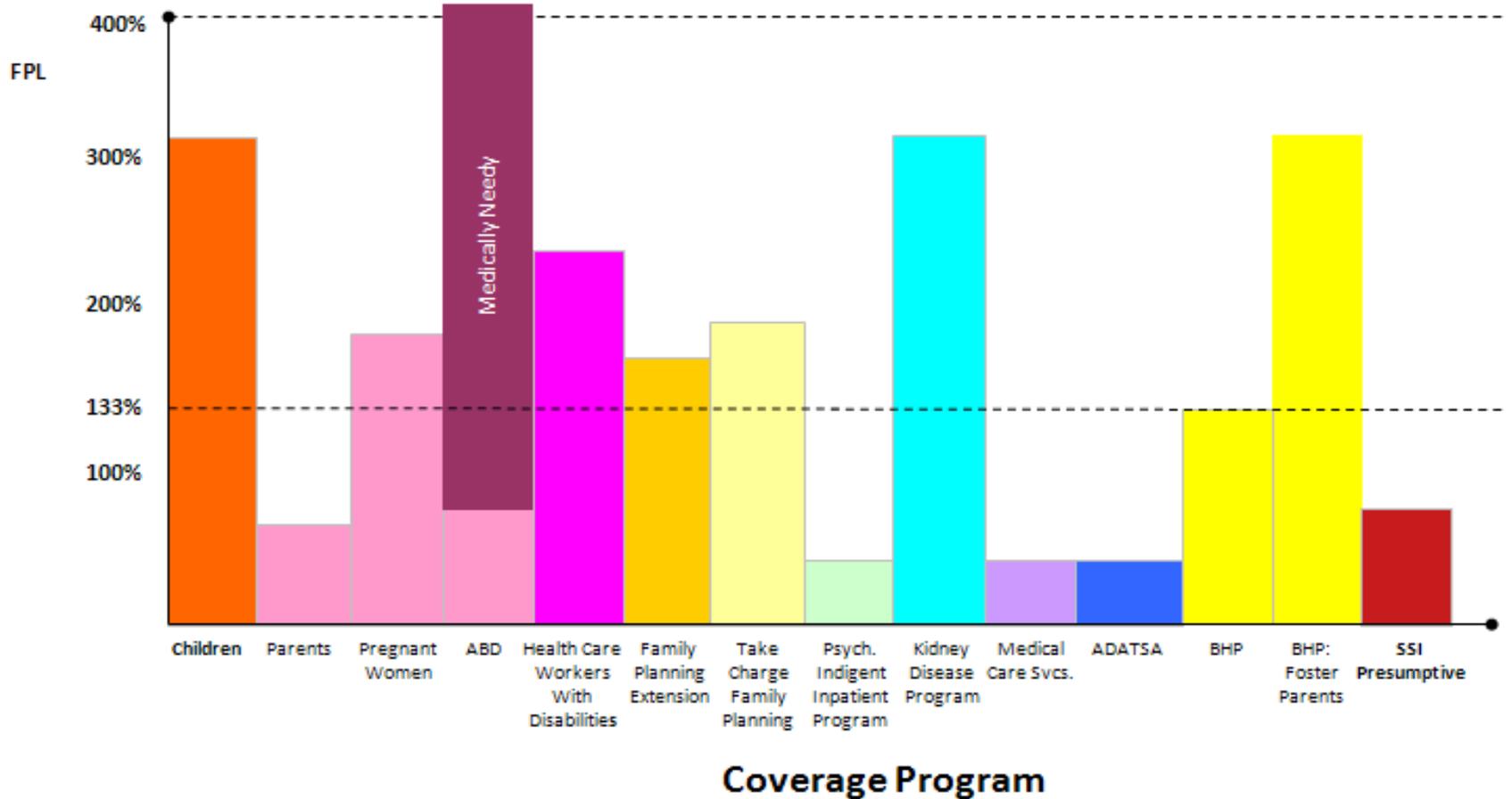
1. Medicaid Expansion – what is it?
 2. Initial estimates – how many new enrollees should Medicaid expect?
 3. 2013 legislative session – what are the likely budget and policy discussions?
 4. Implementation timeline – what operational and stakeholdering steps are under way or planned?
- * Federal guidance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

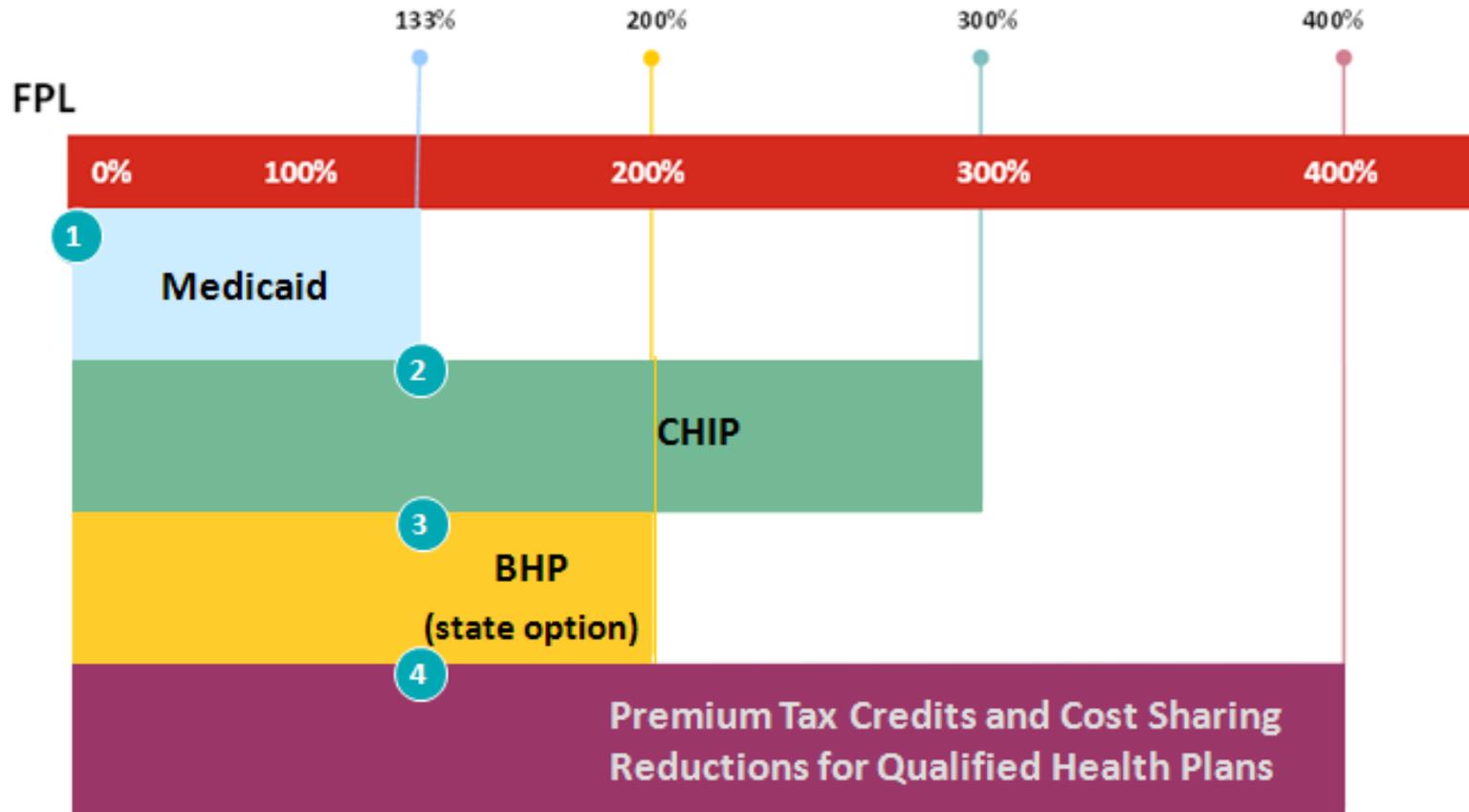
Today's Washington State Landscape



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”



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

	N
Currently Enrolled	1,095,254
Potential New Enrollees	1,039,228
Currently Eligible, Not Enrolled ¹	544,921
Newly Eligible Under Reform	494,307
Projected New Enrollment²	328,221
Currently Eligible, Not Enrolled	77,913
Newly Eligible	250,308

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

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

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 -

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

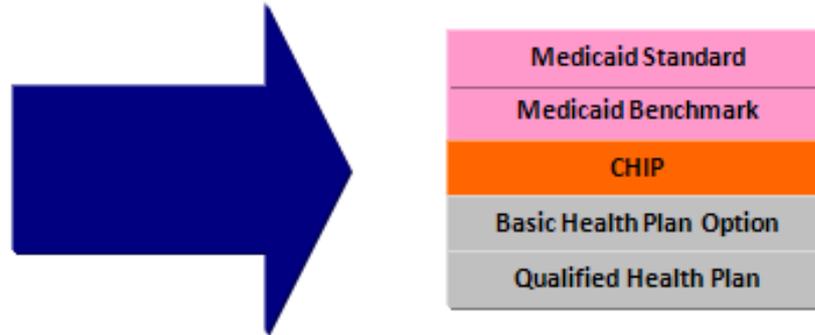
- Some newly eligible adults come from previously state-funded programs (e.g., Transitional Bridge waiver programs)
- Welcome mat (currently eligible/not enrolled) will come to Medicaid through Exchange MAGI determination
- Broader economic impact on state, health care delivery system to be quantified
- CMS decisions about streamlined FMAP methodology and Medicaid Benchmark benefit design TBD

ACA Opportunity to Streamline Programs?

Current Landscape



2014 Coverage Continuum through Insurance Affordability 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

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