2014 Medicaid Expansion and Key Related Activities

Joint Legislative Select Committee on Health Reform Implementation
September 28, 2011

Doug Porter, Director
Today’s Discussion Includes:

- High-level overview of key related efforts
- Status of Health Innovations for WA proposal
- Focus on 2014 Medicaid expansion
  - Current low-income coverage options (2011)
  - Potential low-income coverage options (2014)
  - Sample 2014 Medicaid expansion questions
- Implementation planning overview
# Overview of Key Related Medicaid Efforts

<table>
<thead>
<tr>
<th>Main Book of Business</th>
<th>Medicaid Payment and Delivery Reforms</th>
<th>2014 Medicaid Expansion</th>
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<tbody>
<tr>
<td>• Joint Procurement (July 2012)</td>
<td>• <strong>Health Innovations for WA proposal / SB 5596 waiver (HIW)</strong></td>
<td>Bound by federal constraints</td>
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<tr>
<td>• Legislative action/budget provisos</td>
<td>• Health homes planning grant</td>
<td>Federal regulations not yet final</td>
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<td>• Transitional bridge waiver (early Medicaid expansion)</td>
<td>• Dual eligibles integration planning grant</td>
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<td>• HCA role in purchasing behavioral health/long term services and supports (HB 1738)</td>
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Focus for Sep 28 meeting on 2014 Medicaid expansion and preparation through HIW
Status of Health Innovations for Washington

- Preparation for Medicaid expansion – requested federal flexibility, technical assistance, and resources
- Received grants to proceed with health homes and dual eligibles integration planning
- Federal guidance needed for benefit design options
- Opportunities for payment/delivery reforms limited
  - Flexibility for managed care payment reforms doubtful
  - No receptivity for prescription drug formulary or cost sharing (unless copays voluntary)
  - Improved methodology for paying FQHC/RHCs possible
  - Further centers of experience possible
- Formal federal government response coming soon
Washington’s 2011 Low-income Coverage Options

Enrollment as of April 2011

- ~726,000
- 300%

August 2011
- ~36,500
- 200%

- ~23,100
- 38%

- ~206,000
- ~115,000
- 75%
- 75%

- ~29,500
- ~1,700
- 185%
- 220%

- ~1,000
- 250%

- Medical Care Services
- Basic Health
- Private Plans & High Risk Pools
- Small Group Plans
- Large Group Plans

% of federal poverty level

- Apple Hlth for Kids
- Ag, Bld, Disabled
- Family Medical
- Pregnant Women
- Wkrs w/Disab.
- Wome w/Cancer

- Medical
- Basic Health
- High Risk Pools

- Small Group
- Large Group

- Plans
- Plans

Specialized plans:
- Apple Hlth for Kids
- Ag, Bld, Disabled
- Family Medical
- Pregnant Women
- Wkrs w/Disab.
- Wome w/Cancer
- Medical Care Services
- Basic Health
- Private Plans & High Risk Pools
- Small Group Plans
- Large Group Plans
Possible 2014 Low-income Coverage Options

• Medicaid eligibility expands to 133%* FPL
  – Children, pregnant women and parent/caretaker relatives
  – Childless adults will be new eligibility group
  – Age 19-64

• Potential new options for documented individuals not eligible for Medicaid
  – Basic Health option 133-200% FPL
  – Health Insurance Exchange (subsidies from 200-400% FPL)

* In 2011, 133% of federal poverty for a family of four is $29,726
Coverage Estimates for Individuals Under Age 65, Based on 2010 Washington Population Survey

- **300%** for Apple Health for Kids
- **75%** for Ag, Bld, Disabled
- **75%** for Family Medical
- **185%** for Pregnant Women
- **200%** for Workers w/Disab.
- **250%** for Women w/Cancer
- **133%** for Medical Care Services
- **133%** for Basic Health

1 Estimates based on 2010 Washington State Population Survey v1

- ~**440,000 newly eligible** - previously uninsured or bridge waiver
- ~**162,000 welcome mat** - potentially eligible for Medicaid today but uninsured
Key Implementation Steps Before 2014

• 2011-2012
  – Identify policy questions/possible legislative action
  – Stakeholder options
  – Assess current systems and technology infrastructure capacity
  – Model implementation costs

• 2012-2013
  – Complete Legislative action (if needed)
  – Build seamless application processing (link to Exchange)
  – Transfer eligibles from Bridge/other human services programs
  – Develop program integrity reporting (links to federal systems)
  – Train staff on new systems/procedures
  – Conduct outreach and education
High-level Implementation Timeline

2011
- Population & policy analyses
- Model cost estimates
- Develop IT systems and interfaces
- Stakeholder options, processes and status

2012
- Legislative action
- Seamless application processing
- Manage new eligible enrollment & transfers
- Program integrity reporting
- Staffing/training
- Outreach/education

2013

January 1, 2014

Washington State Health Care Authority

9
Key Low-income Coverage Questions

Maintenance of effort applies to children's coverage through 2015/2019. Where do children in current programs with incomes above 133% FPL get coverage after 2015?

Where do adults in current programs with incomes above 133% FPL get coverage in 2014?

Will WA have a Basic Health option AND/OR a Exchange for individuals not eligible for Medicaid?

Will everyone with income below 133% FPL *have* to enroll in Medicaid if they're eligible?

**MEDICAID (up to 133% FPL)**
Will WA need to continue optional programs when eligible individuals under 133% FPL are all covered under Medicaid?
Other Questions that still need to be Answered

- Characteristics of what is the newly eligible population
- Cost to the state – in the short and long term
- Benefits design for new Medicaid eligibles (awaiting federal guidelines for essential health benefits)
- Delivery system changes
- Operational responsibilities for different agencies and WAC changes
Keep in Mind That...

• All Medicaid programs will be impacted
• Stakeholder engagement will be an increasingly major (unfunded) requirement
• Federal regulations being evaluated (eligibility and enrollment), but more are yet to come
• Decisions requiring legislative action likely in 2013 (e.g., conforming statute)
• This is major workload for HCA and DSHS in addition to:
  ▪ Main Medicaid business
  ▪ Critical payment/delivery reforms
  ▪ Managing impact from current fiscal uncertainty
For Follow-up Information

Send questions to:

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**Health Innovations for Washington:**
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## Appendix: 2011 Federal Poverty Levels

### 2011 Poverty Guidelines

All States (Except Alaska and Hawaii)

### Annual Guidelines

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<tr>
<th>FAMILY SIZE</th>
<th>PERCENT OF POVERTY</th>
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<tbody>
<tr>
<td></td>
<td>75%</td>
</tr>
<tr>
<td>1</td>
<td>$8,168</td>
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<tr>
<td>2</td>
<td>$11,033</td>
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<td>3</td>
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<tr>
<td>8</td>
<td>$28,223</td>
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<tr>
<td>+</td>
<td>3,820</td>
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For each additional member in family units of more than 8 members