

Washington State Health Care Authority

Medicaid's Changing Landscape



Washington Policy Center

June 27, 2013

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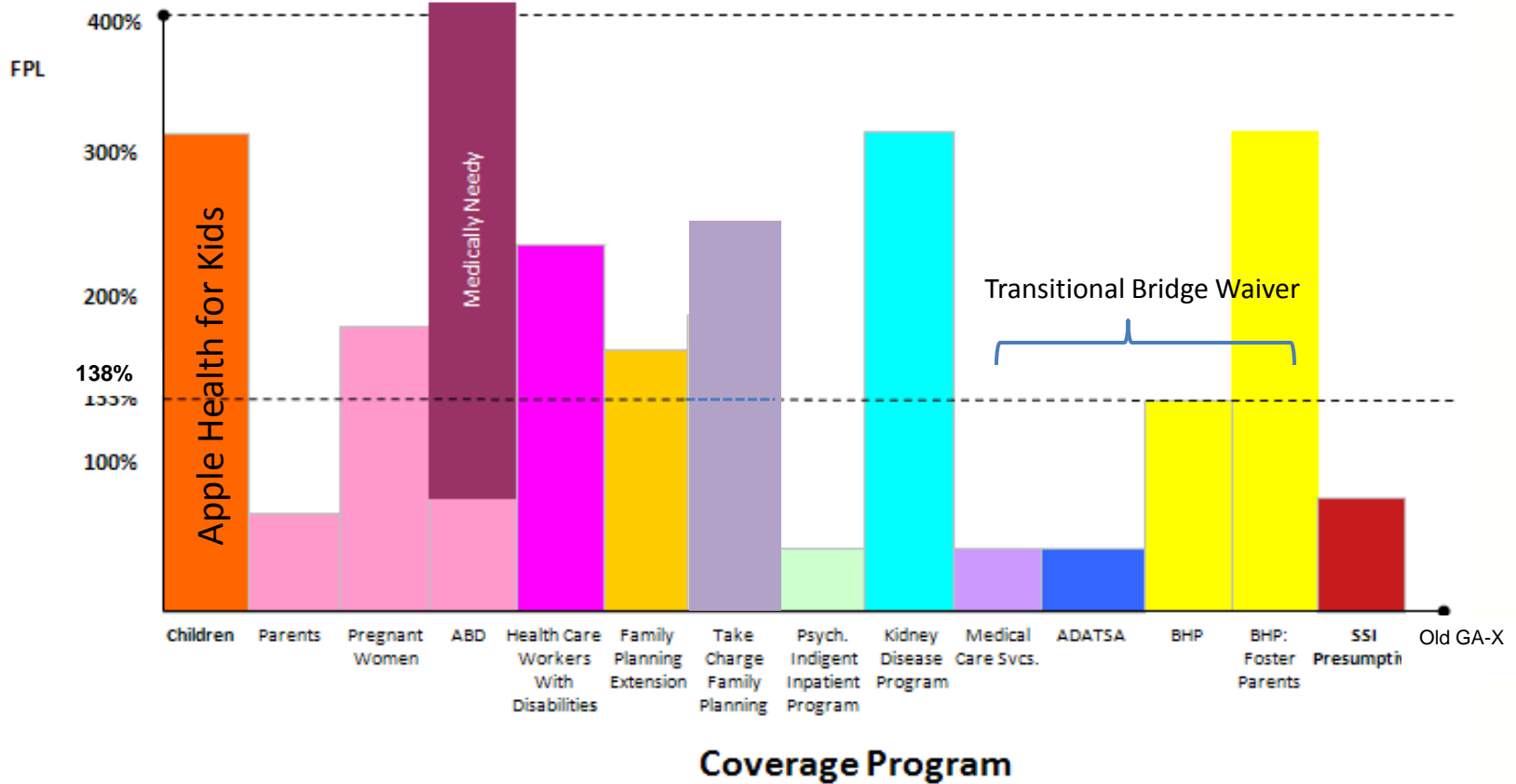
Today's Discussion



- Current Washington State Medicaid Landscape
- Affordable Care Act (ACA) Coverage Opportunities
- Estimates of New Adults
- The Final Approach to Implementation

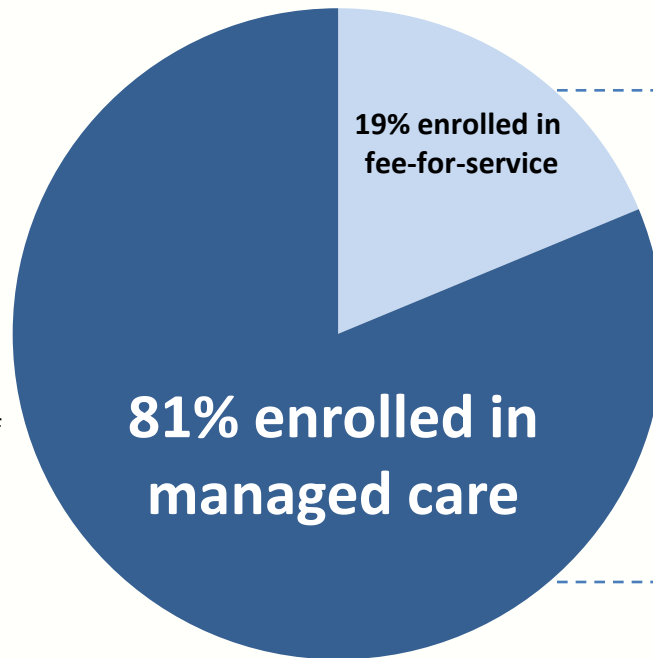
Medicaid Today

Washington's Programs



Medicaid Today

Just over 1 million individuals receive their full medical coverage from Medicaid
 (excludes duals, partial duals, family planning-only and alien emergency medical.)



Current Health Plans

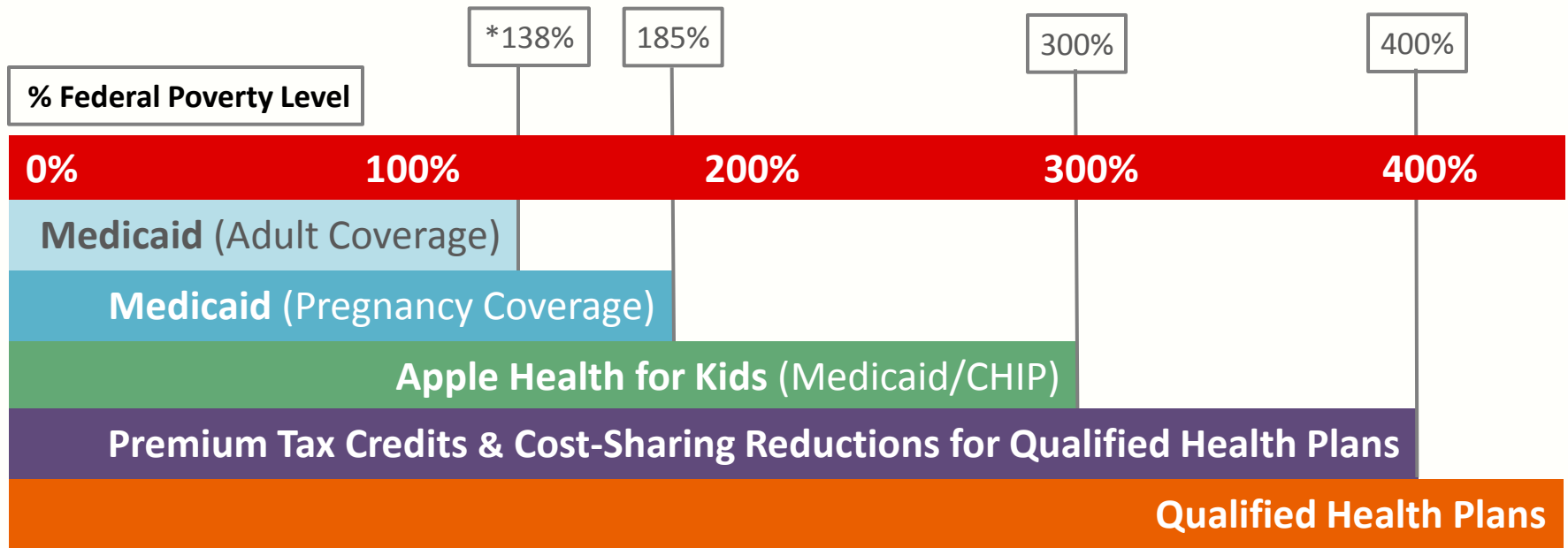
- Amerigroup
- Community Health Plan of Washington (CHPW)
- Coordinated Care
- Molina Healthcare
- UnitedHealth

	FFS	Managed Care
Adults	64,893	220,516
Children	124,582	600,944

Source: Medicaid Assistance Eligible Persons Report – Preliminary December Enrollment; Basic Health Monthly Enrollment December 2012

Health Care Coverage in 2014

New Continuum of Affordable Options



* The ACA's "133% of the FPL" is effectively 138% of the FPL because of a 5% across-the-board income disregard

Medicaid in 2014

- Option to expand Medicaid to 138% of the FPL for adults
 - The ACA's 133% FPL effectively 138% because of 5% across-the-board income disregard
 - No asset or resource limits
- New methodology for determining eligibility
 - **Modified Adjusted Gross Income (MAGI) methodology** - follows federal tax filing rules for determining income, household composition and family size
 - **MAGI** applies to children, pregnant women, parents and new adult group (Renewals for current Medicaid enrollees will convert to MAGI beg. Nov '13)
- Current Medicaid eligibility standards still apply to aged, blind, disabled, SSI, and foster children
 - **ACA does not impact these groups**

2013 FPL Levels

Federal Poverty Level	Annual Income: Individual	Annual Income Level: Family of 3
100%	\$11,496	\$19,536
133%	\$15,288	\$25,980
138%	\$15,864	\$26,952
200%	\$22,980	\$39,060
300%	\$34,476	\$58,596
400%	\$45,960	\$78,120

Source: <http://aspe.hhs.gov/poverty/13poverty.cfm>

Per HHS directive, after inflation adjustment, the guidelines are rounded and adjusted to standardize the differences between family sizes.

Medicaid in 2014

- Washington's new adult group includes:

Childless adults with incomes below 138% of the FPL

Parents with incomes between ~40% and 138% of the FPL

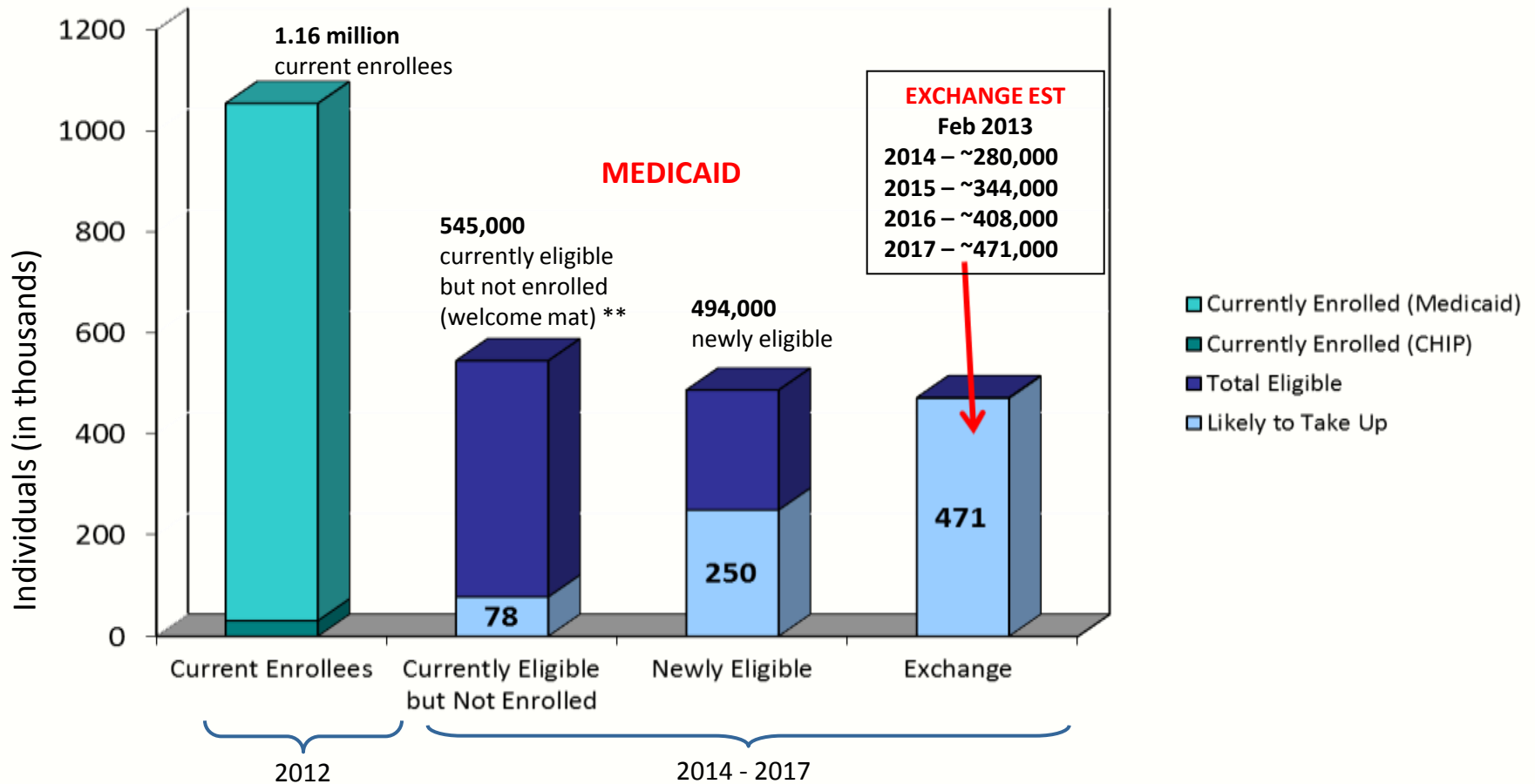
Who are:

- under 65 years old
- not pregnant
- not entitled to Medicare
- not in an existing Medicaid category
- (e.g. children, pregnant women, aged, blind and disabled)

- Enhanced federal funding for newly eligible adults:

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

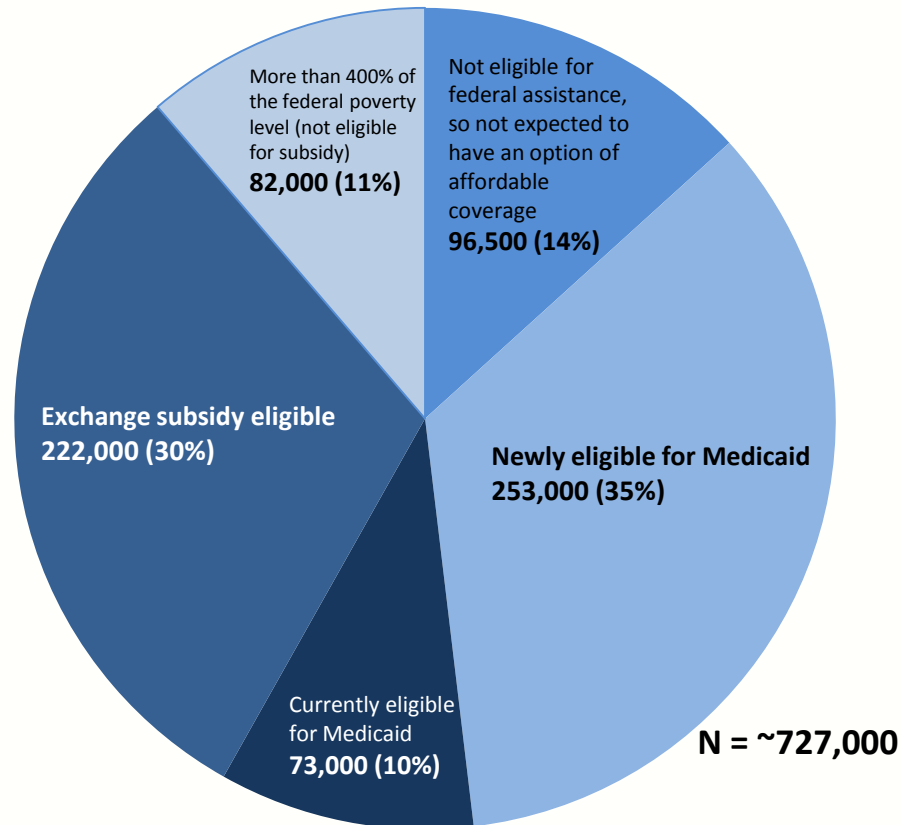
Coverage After ACA Implementation



Note: Analysis forecast assumes full take up rate and the ACA was in effect in 2011.

**Includes individuals who have access to other coverage (e.g., employer sponsored insurance). Sources: The ACA Medicaid Expansion in Washington, Health Policy Center, Urban Institute (May 2012); The ACA Basic Health Program in Washington State, Health Policy Center, Urban Institute (May 2012); Milliman Market Analysis; and Washington Health Care Authority for Medicaid/CHIP enrollment.

~85% of Washington's uninsured adults will have access to affordable coverage under full implementation of the ACA

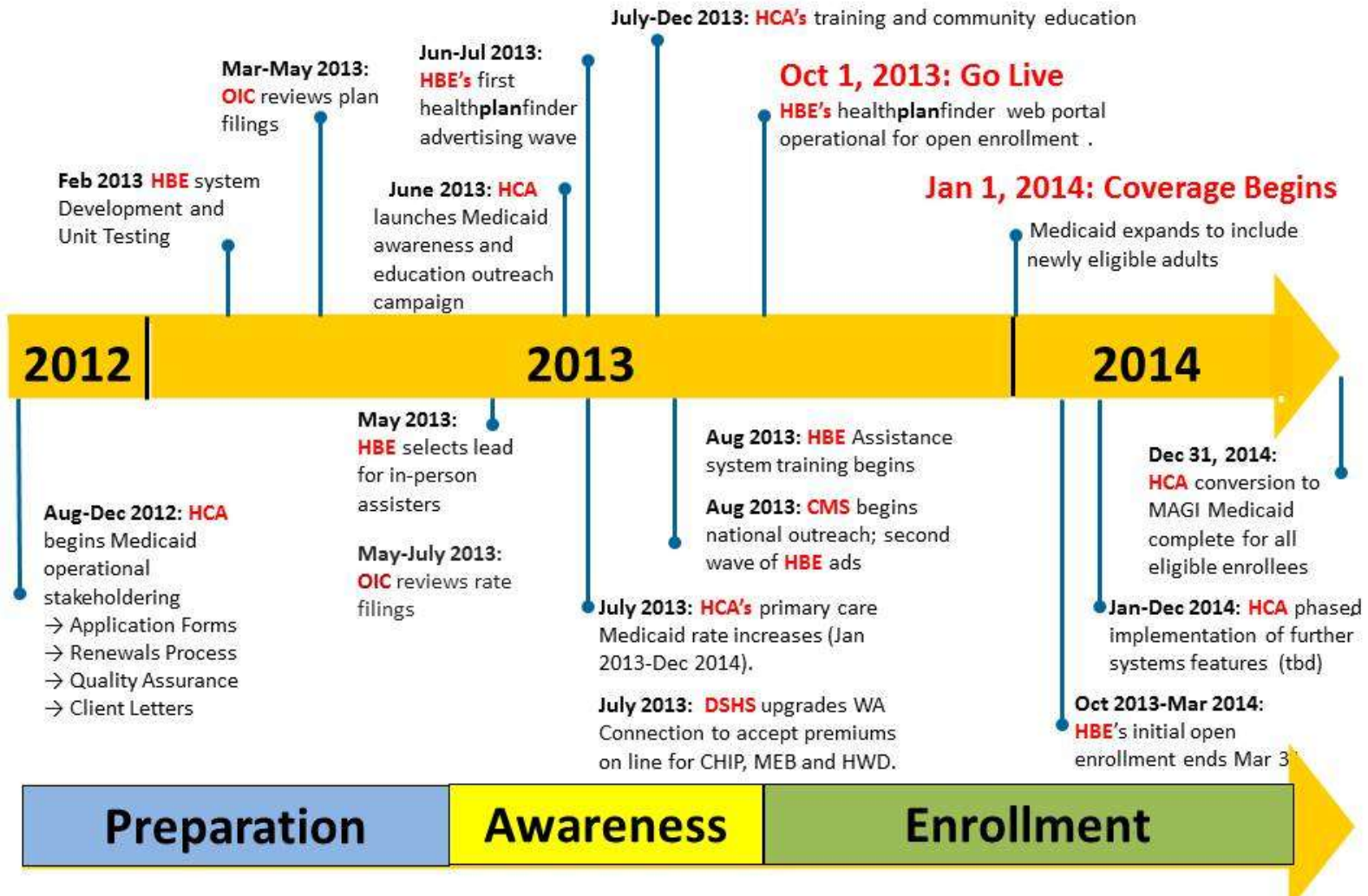


Source: Urban Institute Analysis of Augmented WA State Database

Medicaid Expansion Goals

- Capitalize on opportunities to streamline administrative processes
- Leverage new federal financing opportunities to ensure the Medicaid expansion is sustainable
- Maximize use of technology to create consumer-friendly application/enrollment/renewal experience
- Maximize continuity of coverage & care as individuals move between subsidized coverage options
- Reform the Washington Way—comply with, or seek waiver from, specific ACA requirements related to coverage and eligibility, as needs are identified

Online Enrollment Begins October 1, 2013





OPEN ENROLLMENT: OCTOBER 1, 2013 TO MARCH 31, 2014

- Single application for Medicaid/CHIP & Exchange
- Real-time eligibility determination after application & data match completed



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Application Processing Time Through September 31, 2013

About 45 days

Beginning October 1, 2013

30 minutes – 1 hour



What this means for Medicaid



MAGI Medicaid: managed by HCA

- Newly Eligible Group
- Children
- Families
- Pregnant Women

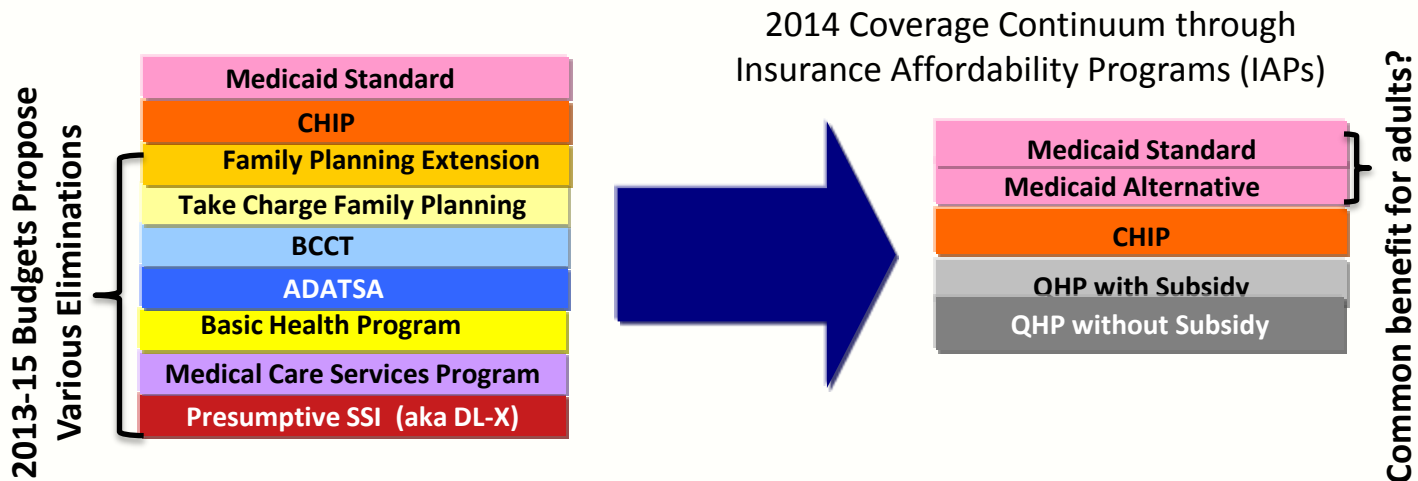


Classic Medicaid: managed by DSHS

- Aged, blind or disabled
- SSI recipients
- Long-term care and waived services

The Biennial Budget Details (?)

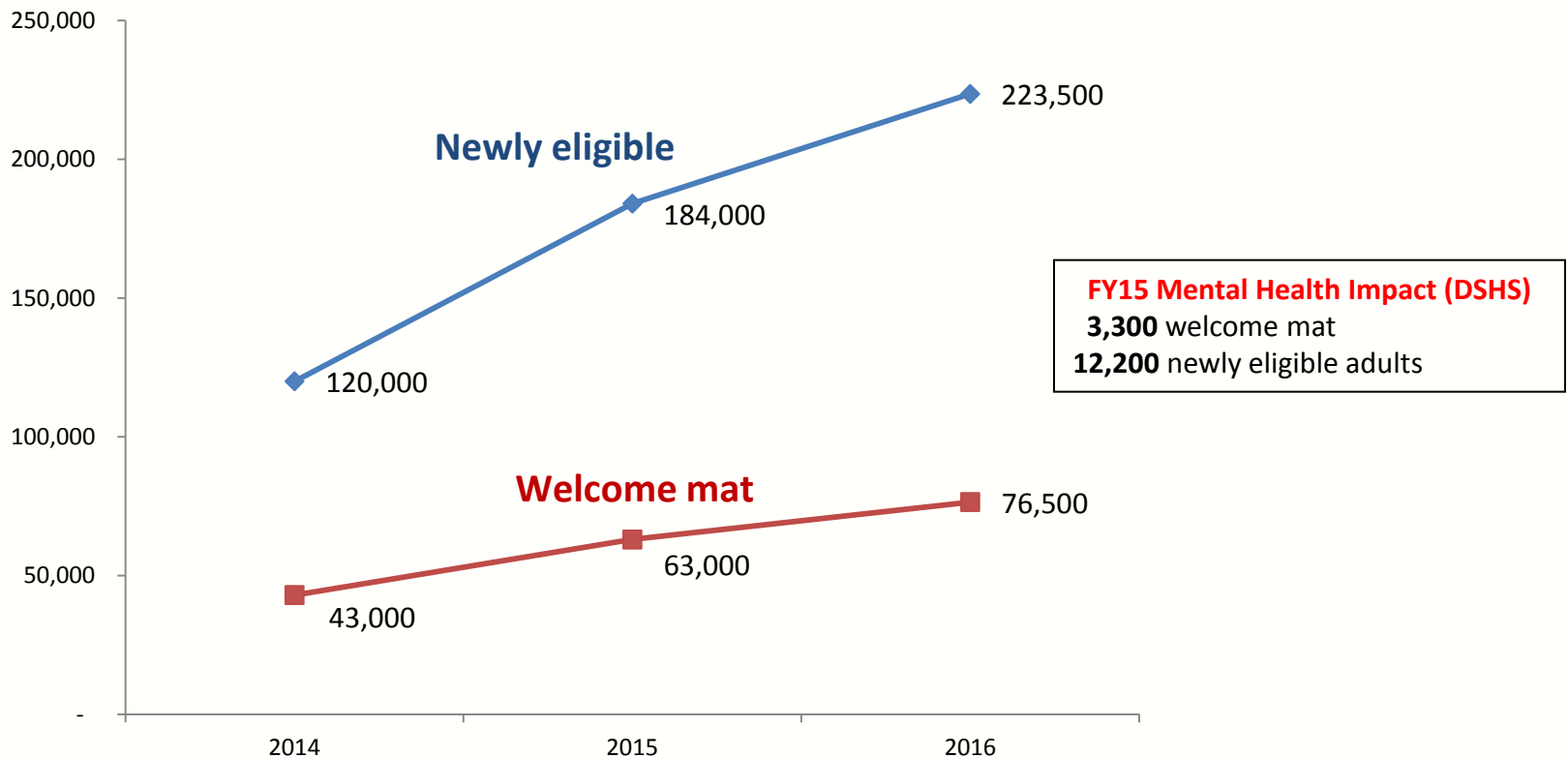
- Expenditure authority for Medicaid expansion
(*\$300 million savings assumed*)
- Streamlined programs - which ones?



- Common benefits for adults?

Current Budget Model Ramp-Up

Financial models assume Medicaid Expansion (*newly eligible adults*) and Welcome Mat (*currently eligible but not enrolled*) caseloads will ramp up over time.



Based on: Buettgens, et al. The ACA Medicaid Expansion in Washington. The Urban Institute.

Alternative Benefit Plan for New Adults

■ Benefits for new adults must:

- Cover all 10 essential health benefits (EHBs) as defined for Medicaid (may be different from Health Benefits Exchange)
- Meet mental health parity (currently applies to private health plans and Medicaid managed care but not fee-for-service)
- Cover non-emergency medical transportation
- Cover Early Periodic Screening, Diagnosis and Treatment (EPSDT)

■ Benefits for new adults may:

- **Align with existing Medicaid benefit package**
- Differ for different eligibility groups
- Be different for healthy adults and medically frail

■ Current budgets *generally* align benefits for current and new adults

Essential Health Benefits

1. Ambulatory services
2. Emergency services
3. Hospitalization
4. Maternity and newborn care
5. Mental health and substance use disorder services, including behavioral health treatment
6. Prescription drugs
7. Rehabilitative and habilitative services and devices
8. Laboratory services
9. Preventive and wellness services and chronic disease management
10. Pediatric services, including oral and vision care

2013-15 Proposed Budgets

1. EHBs align except that Habilitative benefits not included for *current* adults
2. Adult dental care included

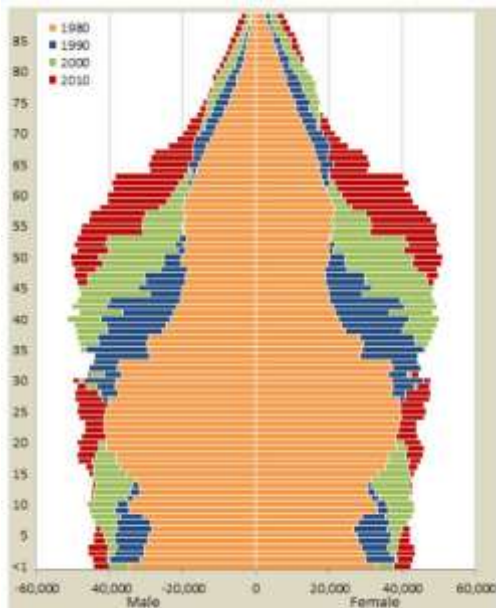
http://www.hca.wa.gov/me/documents/alternative_benefit_plan_strawman020713.pdf

CMS Implementation Support

- Waiver required for States to begin using MAGI-based rules October 1, 2013
 - Allows streamlined Medicaid application through new online Washington Healthplanfinder
 - Prevents need to run parallel old/new systems income calculations for populations subject to MAGI-based eligibility determination

- State Plan Amendments required to implement ACA changes
 - June - CMS templates supplied
 - Defines details for Washington's State Plan - MAGI-based eligibility groups, eligibility process, MAGI income methodology, HCA as single state Medicaid agency, and alternative benefit plan(s)

Washington State's Future Challenge



Silos & Fragmented Care and aging of Washington's population

- Medicaid delivery system silos
 - Managed care, fee-for-service
 - County-based behavioral health
 - Dual-eligibles
 - Long-term care
- Fragmented service delivery
- Service needs & risk factors overlap in high-risk populations
- Incentives & reimbursement structures not aligned to achieve outcomes
- **EXISTING DESIGN NOT SUSTAINABLE**

Links to More Information

- Countdown to Coverage webinar series

- For information about the Medicaid expansion:

<http://www.hca.wa.gov/hcr/me>

- Web-sites: <http://www.hca.wa.gov/>

- For more about the mental health system / RSNs

<http://www1.dshs.wa.gov/mentalhealth/index.shtml>

<http://www.dshs.wa.gov/dbhr/rsn.shtml>

- To contact the HCA concerning the Medicaid expansion:

medicaidexpansion2014@hca.wa.gov

- Listserv notification

- Subscribe at:

<http://listserv.wa.gov/cgi-bin/wa?SUBED1=HCA-STAKEHOLDERS&A=1>