

Health Care Reform Impact on Medicaid Market

Presenter:

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Medicaid Coverage

- **Expands Medicaid to a National Floor of 133% of FPL**
- **2009 Levels: \$14,404 individual / \$29,326 Family of four**
- **Newly eligible adults receive minimum benefit levels equal to the minimums in the Exchange.**
- **Children between 100% and 133% of FPL transitioned into Medicaid**
- **Income based on MAGI; no asset test**
- **States not allowed to restrict eligibility beyond what is in place on March 23, 2010.**

Newly Eligible

- **Who are the Newly Eligible?**
 - **Those with incomes between the state limit and 133% of FPL**
 - **Those not eligible for full benefits, benchmark or benchmark-equivalent coverage**
 - **Those eligible for a capped program but not yet enrolled**
 - **Those covered in a non-Medicaid state-funded program**

Medicaid Financing – Paying for the Expansion

- **Improved Federal Funding for Newly Eligible**
 - **Full funding (100% FMAP) in 2014 to 2016**
 - **95% Federal Financing in 2017**
 - **94% Federal Financing in 2018**
 - **93% Federal Financing in 2019**
 - **90% Federal Financing in 2020+**

Other Considerations – Medicaid

- **Some increase in Federal funding for states that previously extended adult coverage to 100% of FPL**
 - **Applies to non-pregnant childless adults**
 - **Phases in to same financing as for other states by 2019**
- **States required to maintain eligibility in place on March 23, 2010**
 - **For children (Medicaid and CHIP) through 2019**
 - **Adults through 2014**

Children's Health Insurance Program (CHIP)

- **Extends CHIP funding through 2015**
- **Continues authority for CHIP through 2019**
- **Requires states to maintain eligibility standards for children in Medicaid and CHIP through 2019**
- **Children not enrolled in CHIP due to Federal caps may be eligible for Medicaid or for tax credits in an Exchange plan**

Access

- **PCP doctors rates increased**
 - **100% of Medicare levels for 2013 and 2014**
 - **PCPs defined as GPs, FPs, Pediatricians**
 - **Paid for via Federal funding**
- **Establishes new agency to test innovative payment and service delivery models**

Quality of Care

- **CMS to measure quality of care for the adult Medicaid population**
- **Medicaid Quality Measurement Program required for adults (similar to one already in effect for children)**
- **States to report Medicaid Quality scores**
- **Prohibits payment for Hospital-Acquired Conditions (HACs)**
- **Other Demonstrations and Initiatives**

Other Demonstrations and Initiatives (S 2703 – 2707)

- **Home programs for the chronically ill**
- **Integrated care around hospitalization**
- **Global payment systems**
- **Pediatric Accountable Care Organizations (PACOs)**
- **Emergency Psychiatric Care**

Provider Contributions to the Program

- **Prescription Drug Rebates**

- **Increases fed matching rate for most brand Rx by 23.1%**
- **Increases rebate for generic non-innovator Rx by 13%**
- **Extends rebates to Medicaid managed care plans**

- **Hospitals**

- **May provide Medicaid services during period of presumptive eligibility**
- **Disproportionate Care payments reduced**

Dual Eligibles / Long Term Care

- **Community First Choice Option**
 - **Applies to the institutionalized up to 150% of FPL**
 - **Allows States to provide community-based attendant services and support**
 - **Provides federal funds to pay for this**

Dual Eligibles / Long Term Care

- **New Programs**
 - **Demonstrations with medical assistance to Dual Eligibles allowed for 5 years**
 - **New office of CMS established to improve care coordination for Dual Eligibles**
 - **CLASS Program: New national voluntary insurance program for purchasing “community living assistance services and support”**
 - **Provide individuals with cash benefit of >\$50 per day after vesting**
 - **All working adults automatically enrolled unless opt out (1/1/11)**

How Much Does It Cost (through 2019)?

- **16 million newly covered individuals (45% increase)**
 - **Federal cost: \$430 billion**
 - **State cost: \$20 billion**
 - **PCP Payment Increases: \$8 billion**
- **Community First Choice Option: \$6 billion**
- **Federal Savings**
 - **Prescription Drug Rebates: \$38 billion**
 - **Disproportionate Share Reductions: \$14 billion**

Questions and Discussion

