POSSIBLE MEDICAID EXPANSION CHANGES IN KENTUCKY:

What’s Next Based on Lessons Learned in Indiana

September 22, 2016
WHY THIS ISSUE?

• Waivers to expand Medicaid are becoming more common

• Look to “waive” typical Medicaid requirements; intended to demonstrate & test new models of care

• Common elements include:
  → Premium assistance
  → Charging fees or premiums
  → Eliminating non-emergency transportation
  → Incentivizing or requiring “healthy behaviors” and/or other activities
  → Health savings accounts

• Health coverage is key to accessing comprehensive care & improving health outcomes
NOTES: A total of 31 states including DC have adopted the ACA Medicaid expansion, including 6 states with ACA 1115 ACA expansion waivers. AZ has a pending waiver application that seeks changes to its expansion. MT and NH’s waivers will take effect on 1/1/16. PA originally expanded through a waiver but subsequently transitioned to a state plan amendment. TN and UT have debated waiver proposals which have not been approved by their state legislatures or submitted to CMS.

SPEAKERS TODAY

• **Dustin Pugel**, Research and Policy Associate, Kentucky Center for Economic Policy

• **Elvin Plank**, President/Chief Executive Officer, Indiana Health Centers

• **René Kougel**, Chief Operations Officer, Indiana Health Centers

• **Jackie Engle**, Director of Outreach and Enrollment, Family Health Centers
Kentucky’s Medicaid Waiver

Dustin Pugel – Kentucky Center for Economic Policy
September 22, 2016
How far we’ve come…
How far we’ve come…

Uninsured in Kentucky

- 2013: 14%
- 2014: 8%
- 2015: 4%

KENTUCKY CENTER for ECONOMIC POLICY
How far we’ve come…
The proposed waiver...

- Creates barriers to coverage
- Reduces benefits
- Requires expensive, complex new administrative systems
- Ignores Kentucky’s economic reality
Demonstration Waivers must...

- Expand coverage
- Strengthen providers and provider networks
- Improve health outcomes
- Increase efficiency and quality of care through transformed delivery networks
Indiana HIP 2.0 Program

ELVIN PLANK, PRESIDENT/CEO
RENE KOUGLE, CHIEF OPERATIONS OFFICER
INDIANA HEALTH CENTERS, INC.
HIP 2.0 Qualification Standards

1. Covers adults age 19-64
2. Income levels up to 138.5% of the FPL
3. Cannot be eligible for Medicare or Medicaid (excludes disabled)
4. No enrollment cap
Two Different Levels of Coverage

1. HIP 2.0 Basic
   A. Covers medical only
   B. $4.00 Co-pay per visit

2. HIP 2.0 Plus with Power Account
   A. Covers medical, dental and vision
   B. No co-pay
Power Account

Monthly POWER Account Contribution Amounts

<table>
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<tr>
<th>Monthly Income</th>
<th>POWER Account Contribution</th>
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<tbody>
<tr>
<td>$216.00</td>
<td>$4.32</td>
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<td>$445.00</td>
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<td>$2,021.00</td>
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<td>$2,827.91</td>
<td>$56.55</td>
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Eligibility limit for an individual: $2,827.91
Eligibility limit for a household of two: $5,655.82
Eligibility limit for a household of four: $8,483.70
Consequences of Not Making a Power Account Contribution

1. If client is at or below 100% of the FPL, they are moved back to HIP Basic
2. If client is above 100% of the FPL, they are removed from HIP 2.0 and ineligible for 6 months
# Payer Mix Impact
*(Self-Pay Improvements)*

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
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<tbody>
<tr>
<td>Medical</td>
<td>20.5%</td>
<td>14%</td>
<td>12%</td>
</tr>
<tr>
<td>Dental</td>
<td>44%</td>
<td>31.4%</td>
<td>32.2%</td>
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<tr>
<td>Behavioral Health</td>
<td>27%</td>
<td>16.3%</td>
<td>9.8%</td>
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1. Challenges
   A. Medicaid Contracting Entities (MCEs) do not all have the same website
   B. Clinics need to fund the credit card machines
   C. Repetitive process between the EHR and the MCE websites
2. Benefits

- Personal Responsibility: the state wants to emphasize to recipients what their visit/procedure costs compared to the premiums they are paying
How do individuals prove that they have paid their power accounts?

1. Outreach & Enrollment staff can verify with the Medicaid Web Interchange
2. Outreach & Enrollment staff can call on patients' behalf, but the patient must be present at the time of the call
3. Patients may sign an authorization form
1. Challenges
   A. Amount of documents for proof of income
   B. Length of time for the application
      Single Family vs. Family
   C. Length of time for Approval vs. Denial
   D. All fields must be completed otherwise they will be denied
   E. Appeal Process
Homeless Population

1. Challenges
   - Proof of income

2. Benefits
   - Allowed to use a PO Box of family member as a mailing address
Overall Challenges

1. Medicaid Contracting Entities and Families & Social Services Administration (state Medicaid agency) do not “talk to” one another!
2. Completing of the paperwork from clients
3. Presumptive eligibility challenges
4. Disrupts care plans and referral process
Ky HEALTH:

Kentucky’s Waiver 1115 Submitted 9/7/16

Waivers = add, not reduce

30 day+ CMS comment period
Ky HEALTH: CHILDREN

- No Automatic Renewal (Recert)
- Employer Coverage

Impact on at-risk groups such as homeless, those with behavioral health or substance abuse needs?
Ky HEALTH: PREGNANT WOMEN

- All Previous
- My Rewards Account
- Penalties for ER or missed Appointments

Impact on at-risk groups, i.e., homeless, behavioral health or substance abuse needs?
Ky HEALTH: Medically Frail

- All Previous
- $1000 Deductible Account (provided by state but overseen by member)
- No Retroactive Coverage

Impact on at-risk groups, i.e., homeless, behavioral health or substance abuse needs?
Ky HEALTH: Parents with Disabled Children
- All Previous

- Premiums (starting at $$$-ZERO- income)
- Co-Pays
- 6 month lockout periods

Impact on at-risk groups, i.e., homeless, behavioral health or substance abuse needs?
Ky HEALTH: Adults (all others)
- All Previous +
- Eliminates Dental, Vision, Medical Appt, Transportation, Hearing exams, Hearing Aids for "able-bodied" adults without dependents (can earn via MyRewards)
- Work/Community Service Hours

Impact on at-risk groups, i.e., homeless, behavioral health or substance abuse needs?
Ky HEALTH: Bottom Line

Barriers

Coverage Gaps

Impact on at-risk groups, i.e., homeless, behavioral health or substance abuse needs?
Ky HEALTH: Cost Savings

- Admin estimates 87,000 fewer persons covered after 5 yrs. How many of these will be at-risk populations?

- Employers

- Overhead burden - complex & costly computer systems/upgrades (State, MCOs & Providers)

- Beyond Member Fees (if like Indiana) per transaction = HUNDREDS of THOUSANDS $$$/Provider/yr – MILLIONS collectively

- Reimbursement cuts and fewer MCOs (3 stated goal) = fewer Provider Networks, Specialists, available appts
Ky HEALTH: Cost Savings at What Cost????

- Safety Net Providers with fewer or eliminated uncompensated care funds

- Increased ER utilization as trends are now on decline

- Fewer preventative care services received that are now on the rise with significant change among health disparity indicators

IF WAIVER 1115 NOT APPROVED BY CMS = THREAT OF ELIMINATION OF EXPANDED MEDICAID ENTIRELY!!!!

Impact on at-risk groups, i.e., homeless, behavioral health or substance abuse needs?
Submit your comments at https://public.medicaid.gov/connect.ti/public.comments/answerQuestionnaire?qid=1888067

- Anonymous, as a Provider, as a member, as a loved one...
- CMS collection
- Transparent & exportable
QUESTIONS?

- **Dustin Pugel**, Research and Policy Associate, Kentucky Center for Economic Policy
- **Elvin Plank**, President/Chief Executive Officer, Indiana Health Centers
- **René Kougel**, Chief Operations Officer, Indiana Health Centers
- **Jackie Engle**, Director of Outreach and Enrollment, Family Health Centers
1. **Kentucky Voices for Health:** What do Governor Bevin’s proposed Medicaid changes mean for you?

2. **Center on Budget Policy and Priorities:** Indiana Medicaid waiver evaluation shows why Kentucky’s proposal shouldn’t be approved *(August 1, 2016)*

3. **Kaiser Family Foundation:** Medicaid Expansion in Indiana *(February 2015)*

4. **Kaiser Family Foundation:** Proposed Changes to Medicaid Expansion *(September 16, 2016)*

5. **National HCH Council:** Alternative Medicaid Expansion Plans: Key Elements for the HCH Community *(May 2014)*