State Implementation of ACA  
Region E Grantee Meeting  
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Presentation Highlights

- Health Insurance Exchanges
- Essential Health Benefits
- Medicaid ACA Provisions
- Medicaid expansion
- Interoperability with Exchanges
- Churning
- Medicaid Cost Containment
- Long term Services & Supports
- State Progress on HIT

In January 2013, about \textbf{HALF} of state legislators were freshmen or sophomores!
State Budget Overview

- Better state fiscal conditions
  - Few budget gaps
  - Revenues continue to improve
  - Year-end balances are rising
- Performance uneven & state budgets remain vulnerable.
  - Federal deficit reduction actions.
  - Spending pressures.
  - sluggish economy recovery.
  - Deep holes.

Cumulative State Budget Gaps: FY 2002-FY 2014

Health Insurance Exchanges Where States Stand

*Indicates the state is delaying fully running the exchange, will have federal support the first year of operations.

Source: 2013 NCSL, Research and NCSL, Health Reform: State Legislative Tracking Database
Legislatures Continue Addressing Exchanges in 2013

- 224 Bills in 42 States in 2012
- 200 Bills in 45 States in 2013
- 215 Bills in 45 States in 2011

Source: 2013 NCSL Research & NCSL Health Reform: State Legislative Tracking Database

Licensing Navigator Legislation

<table>
<thead>
<tr>
<th>State &amp; Bill Number</th>
<th>Summary of Enacted 2012 &amp; 2013 State Legislation</th>
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<tbody>
<tr>
<td>Arkansas SB 1108</td>
<td>Requires navigators to be licensed and certified by the state.</td>
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<tr>
<td>Georgia HB 119</td>
<td>Requires navigators to be licensed and certified by the state insurance commissioner.</td>
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<td>Maine SB 276</td>
<td>Sets certification standards for navigators.</td>
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<td>Maryland 2012 HB 1058, HB 1040 &amp; 1042</td>
<td>Requires a SHOP exchange navigator program.</td>
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<td>Maryland 2013 HB 362</td>
<td>Establishes fees for Small Business Health Options Program (SHOP) exchange navigator licensing.</td>
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<td>Minnesota HB 350</td>
<td>Requires navigator and insurance producer certification for health insurance sold in an exchange.</td>
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<td>Nebraska L 568</td>
<td>Enacts the Exchange Registration Navigator Act.</td>
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<td>Nevada AB 425</td>
<td>Establishes licensure provisions for exchange enrollment facilitators.</td>
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<td>New York SD 2636</td>
<td>Defines a navigator as a person who has received a grant from and has been certified by the health benefit exchange to act as a navigator.</td>
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<td>Tennessee SB 1145</td>
<td>Authorizes the commissioner of commerce and insurance to establish rules and regulations for navigators. States that navigators cannot sell, solicit or negotiate any policy of insurance, either within or outside of an exchange.</td>
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<tr>
<td>Texas SB 1795</td>
<td>Relates to regulation of navigators.</td>
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<tr>
<td>Utah HB 160</td>
<td>Establishes the requirements for a navigator license.</td>
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<tr>
<td>Virginia HB 2246 &amp; SB 418</td>
<td>Prohibits navigators from certain activities, including engaging in an activity that requires an insurance agent license and offering advice about which plan to select.</td>
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State Essential Health Benefit Benchmark Plans

Essential Health Benefit (EHB) selections were submitted to HHS by 26 states and DC by December 10, 2012. The other 24 states did not make a selection. HHS allowed HHS to assign those states’ largest small group plan as the benchmark.
Optional Medicaid Expansion

The ACA expands Medicaid to adults aged 19–64 with incomes at or below 138% FPL.

States will receive 100% FMAP rates for the newly eligible population from 2014 through 2016.

FMAP rates decline gradually, reaching 90 percent in 2020.

Supreme Court did not change the Medicaid provision, but effectively allows states to opt out.

ACA Medicaid Expansion Decisions

CMS answers

- Is there a deadline for expanding Medicaid? **NO**
- Can states "partially" expand Medicaid? **NO**
- Once expanded, can states rollback? **YES**
- Will there be flexibility in cost sharing and benefit packages? **YES**
- Options on adopting MAGI? **YES**
What is up with DSH

The federal law cuts DSH allotments by a total of $18.1 billion through 2020, beginning with a $500 million cut in 2014. DSH spending totaled $11.2 billion in 2011.

The law directs HHS Secretary Sebelius to create a DSH reduction methodology that levies the steepest reduction on states with the lowest % of uninsured individuals and on states that do not target DSH payments to hospitals with high levels of uncompensated care and Medicaid patients.

On May 13, CMS released a proposed rule. “Once finalized, this rule will go into effect Oct. 1 unless Congress enacts the President’s Budget proposal to begin the Medicaid DSH allotment reductions in FY 2015 instead of FY 2014, while retaining the same total amount of reductions through 2020,” according to HHS. CMS is seeking comments on the proposed rule through July 12.

Alternative to Traditional Expansion: Premium Assistance

- Exists for current Medicaid beneficiaries (mostly employer-based)
- Must be cost effective and provide wrap-around services
- HHS will consider approving a limited number of premium assistance demonstrations.

Overview of Existing Premium Assistance Programs

- Small relative to total enrollment.
- Estimated spending on premium assistance program enrollees is 1% of total Medicaid spending.
- Relatively little experience with purchasing individual market coverage.
- Limited access to ESI among low-income individuals covered by Medicaid and CHIP.
More CMS Answers:

- Premium Assistance Guidance
  - Will require 1115 demonstration waiver
  - Must provide choice: at least 2 QHPs
  - Wrap around benefits
  - Only for the new Medicaid adult group
  - Encourage states to target adults 110 to 133% FPL
    - Will consider new factors for cost effectiveness

Arkansas SB 1020/Act 1497

- Health Care Independence Act of 2013
- Private insurance option for “low-risk” adults.
- Medicaid will pay premiums and supplemental cost sharing subsidies to the QHP in the Exchange for Medicaid eligible individuals.
- Dept of Human Services will create plan and seek necessary waivers from CMS.
- Provision to test a pilot program for health savings accounts or medical savings accounts during 2015.
- Other states interested in premium assistance: Ohio, Florida, Utah, Pennsylvania and others

Medicaid and Exchange Churning

- Family income or job status changes will change coverage plans
- Medicaid
  - CHIP
  - Exchange (subsidies)
- Income Eligibility
-CHIP

- Exchange (subsidies)

- Family income or job status changes will change coverage plans
Interoperability: Exchanges and Medicaid

States Address Interoperability

Examples of 2011/12 Enacted Laws

• 2012: New Mexico adopted HM 18, requesting the New Mexico Office of Health Care Reform and the Human Services Department to implement an integrated enrollment system for Medicaid, any health insurance exchange and basic health program coverage.
• 2011: North Dakota enacted HB 1475. The act provides funds to the Information Technology Department for additional positions in regard to updating the eligibility system.

Study Commissions/Ex. Branch Actions

• In 2011 South Carolina Governor Nikki Haley signed Executive Order 2011-09 establishing the South Carolina Health Exchange Planning Committee. The committee divided into subcommittees and provided recommendations, the Information Technology Subcommittee Report was completed in November 2011.
• In May 2011 the New York State Health Foundation funded a report titled, “Preparing New York’s Information Technology Infrastructure for Health Reform: A Gap Analysis” to assist with informing future decisions regarding creating a “no wrong door” process.

Medicaid Cost Containment

- Prevention and care coordination incentives
- Payment and delivery system reforms
  - Medical/health homes
  - Accountable care organizations
  - Bundled payment programs
- Move toward managed care
- Reduce fraud and abuse
- Hot spotting
- And more
Long Term Services & Supports

- Move to managed care
- Balancing Incentives Program
- Money Follows Person
- Community First Choice Option
- Integrating care for duals

Medicaid Managed Long Term Services and Supports (MLTSS)

- MLTSS has grown significantly.
- 600,000 enrolled in 2012, up from 68,000 in 2004.
- 15 states up from 7 in 2004.
- Of the 15 states, 11 are statewide or in multiple counties.
Focus on Dually Eligible People

- Approximately nine million “duals” (eligible for Medicare and Medicaid).
- Among the poorest and sickest Medicare and Medicaid enrollees.
- Account for disproportionate spending—16 percent of Medicare beneficiaries but 27 percent of spending; 15 percent of Medicaid enrollees but 38 percent of spending.
- 23 states are moving forward with proposals to participate in the CMS Medicare-Medicaid Coordination Office’s Financial Alignment Initiative for dually eligible people. When a state meets the standards and conditions for the Financial Alignment Demonstration, CMS and the state develop a memorandum of understanding; five states have MOU: California, Illinois, Massachusetts, Ohio and Washington.

State Innovation Models Awards

- Model Testing Awards
- Model Pre-Testing Awards
- Model Design Awards

Source: Centers for Medicare & Medicaid Services

Fraud Fighters

- Investigate, prosecute provider fraud & patient abuse
- Identify and prevent fraud
- Conduct audits
- Refer suspected fraud to MFCU
- Center for Program Integrity
- CMS
- Medicaid Program Integrity Unit
- Medical Fraud Control Unit
State Strategies to Improve Program Integrity

Comply with PPACA
- California SB 1529 (2012)
- Maine SB 539 (2012)

Establish an Independent Office
- AZ, FL, IL, KS, MI, NJ, NY, TX, UT
- Michigan SB 1B (Introduced 2013)

Explore Potential of Technology
- Illinois SB 2840 (2012)
- Washington HB 2571 (2012)

Improve Collaboration
- Oklahoma SB 1386 (2012)

Increase Reporting Requirement
- Illinois SB 12-060 (2012)
- Colorado SB 12-060 (2012)

Status of Major Medicaid Eligibility System Upgrades

Source: Kaiser Family Foundation, 2013

Progress on Statewide HIE Implementation

Source: Office of the National Coordinator, 2013
State Coverage for Telehealth Services

Source: NCSL, 2013

NCSL Resources

Health Reform home page:
http://www.ncsl.org/?TabID=160

State legislation database:
http://www.ncsl.org/?Tabid=22122

Health Reform State Action newsletter:

Cost Containment Briefs: