



HEALTH CARE AND HUMAN SERVICES POLICY, RESEARCH, AND CONSULTING - WITH REAL-WORLD PERSPECTIVE.

Impact of the Health Reform Law on Wyoming's EqualityCare and Kid Care Programs

Presentation to the Joint Labor, Health and Social Services Interim Committee

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Background

- The Lewin Group, founded in 1970, is a premier national health care and human services policy research and consulting firm
- Our clients are federal, state and local agencies, legislatures, and commissions that oversee and operate Medicaid, public health, mental health, aging, HIV/AIDS, human services and insurance programs
- Throughout its history, The Lewin Group has maintained firm principles to preserve the integrity and editorial independence of our work
- This presentation is based on a national-level presentation and had been modified to reflect Wyoming-specific impacts of the ACA
- While the ACA will impact a wide variety of stakeholders, this presentation is primarily focused on the Medicaid program

“The Lewin Group is the gold standard of health policy analysis...”

- The Wall Street Journal, Oct. 17, 2008.

Lewin Team Biographies

- John Sheils
 - Vice President at The Lewin Group
 - Nationally recognized authority on health system reform
- Kathy Kuhmerker
 - Managing Director at The Lewin Group
 - Former New York State Medicaid Director
 - More than 20 years with the New York State Division of Budget

Today's Discussion

- Overview of Health Reform Impacts
- Key Medicaid and Children's Health Insurance Program (CHIP) Provisions
- Wyoming Implementation Issues
- Questions

Overview of Health Reform Impacts

Medicaid Program's Role in Health Care Coverage Changes Substantially as a Result of Health Reform

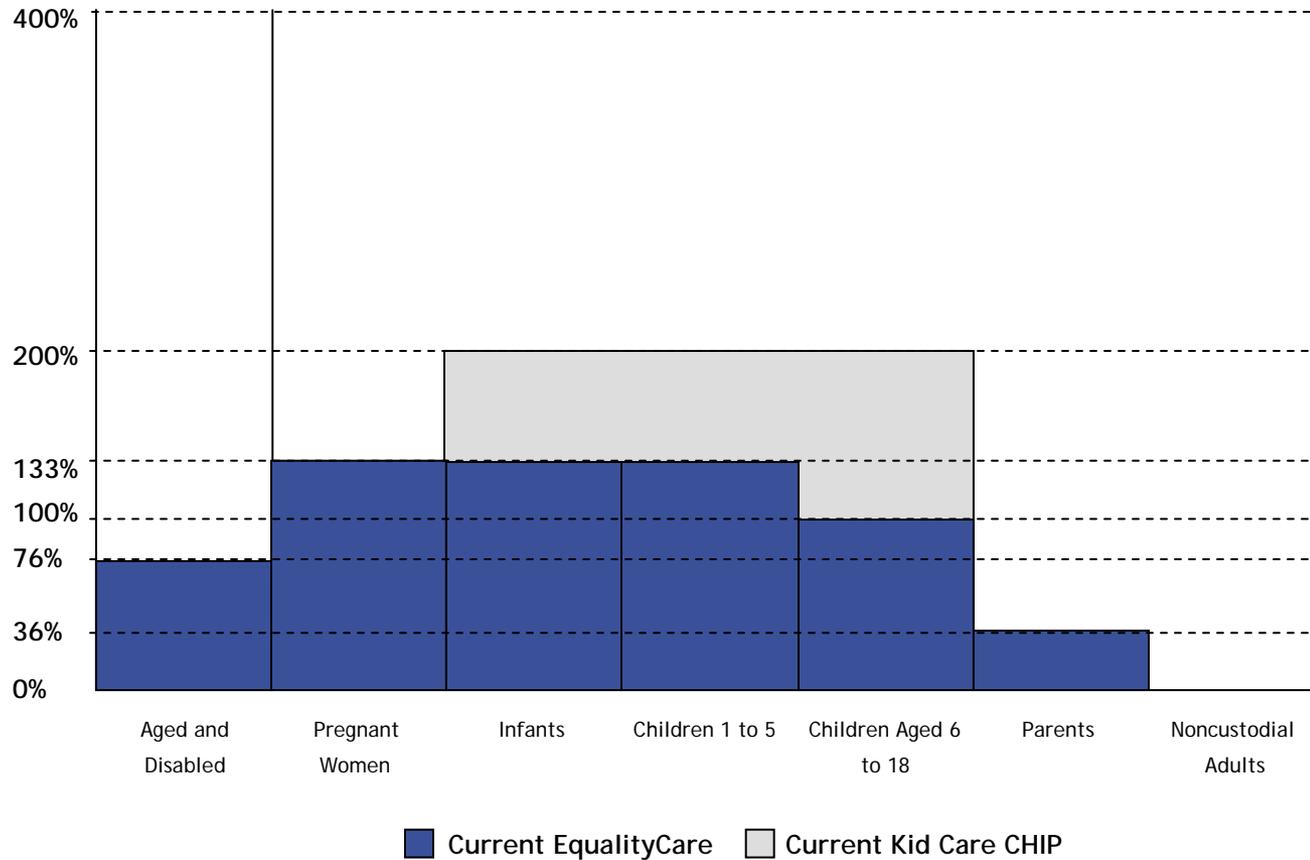
- Beginning in 2014, Medicaid will become an integral part of the health insurance structure, providing a floor of health care coverage for all non-aged individuals
 - Coverage will be available for all non-aged individuals with family incomes up to 133% FPL
- The goal is clearly to enroll everyone who is eligible
 - Enrollment and retention must be simplified and coordinated with other types of health care coverage - particularly other publicly subsidized coverage
- Subsidized health insurance coverage is available through exchanges for individuals with incomes up to 400% FPL

Family Size	100% FPL	133% FPL	400% FPL
1	\$10,830	\$14,404	\$43,320
4	\$22,050	\$29,327	\$90,020

Estimating The Cost of Expansions in Coverage for Wyoming under the Health Reform Law

- The Wyoming Version of the Lewin Health Benefits Simulation Model (HBSM)
- Population data: Wyoming Subsample of the Current Population Survey from the Bureau of the Census
- Cost Data: Wyoming EqualityCare Data for Non-disabled Adults (\$386 per month, Family Care program SFY 2010)
- Cost Growth: Recent Wyoming EqualityCare Cost Growth for Parents (1.5 percent per year, SFY 2010)

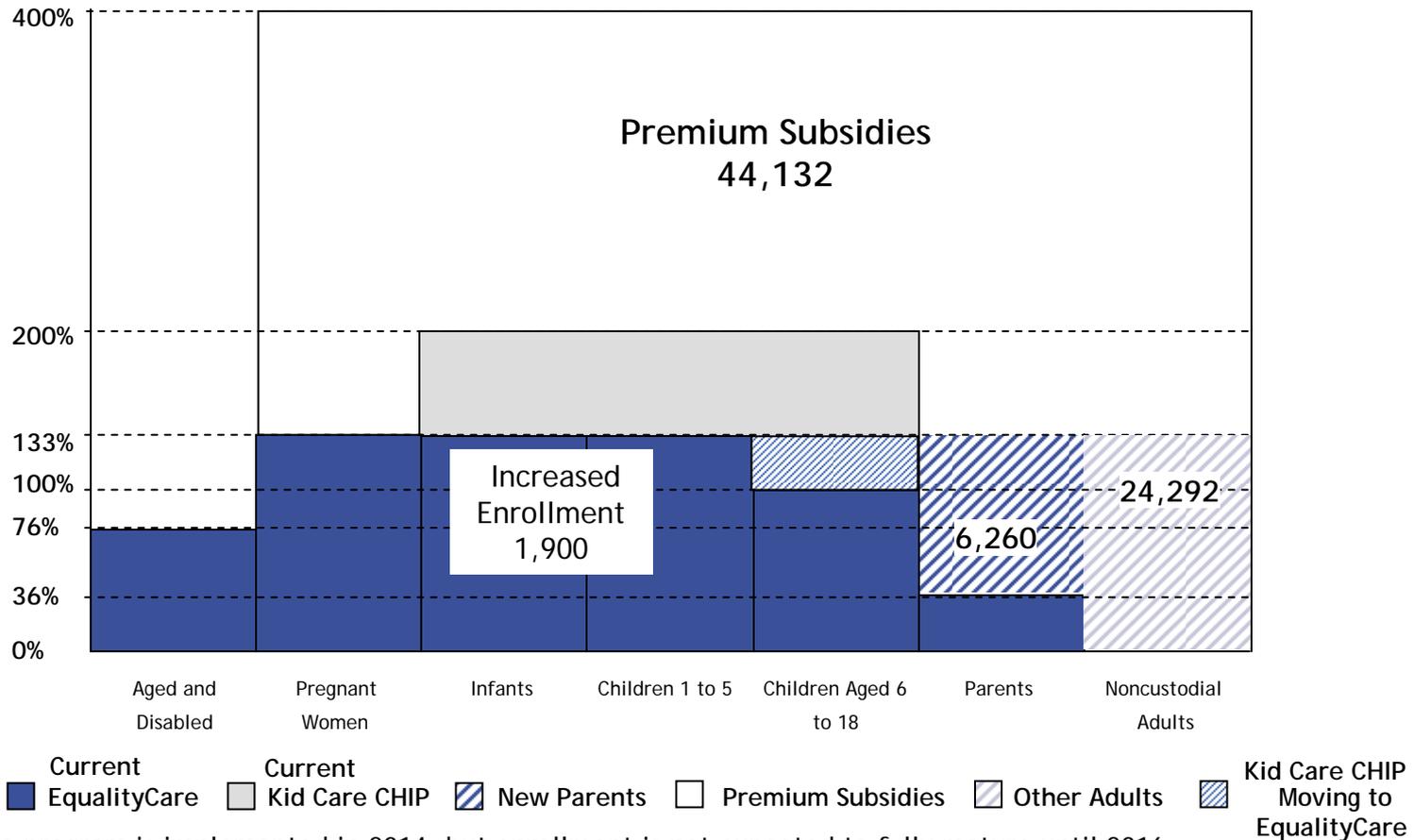
Current Eligibility for EquityCare and Kid Care in Wyoming



a/ Total enrollment is 64,070 people in EqualityCare and 5,700 in Kid Care.

Source: The Lewin Group estimates using the Health Benefits Simulation Model (HBSM).

People Receiving Publicly Subsidized Coverage in Wyoming under the Health Reform Law in CY2016



a/ The program is implemented in 2014, but enrollment is not expected to fully mature until 2016.
 Source: The Lewin Group estimates using the Health Benefits Simulation Model (HBSM).

Changes in Spending for Medicaid in Wyoming under Health Reform Law: CY2011-2020 (millions)

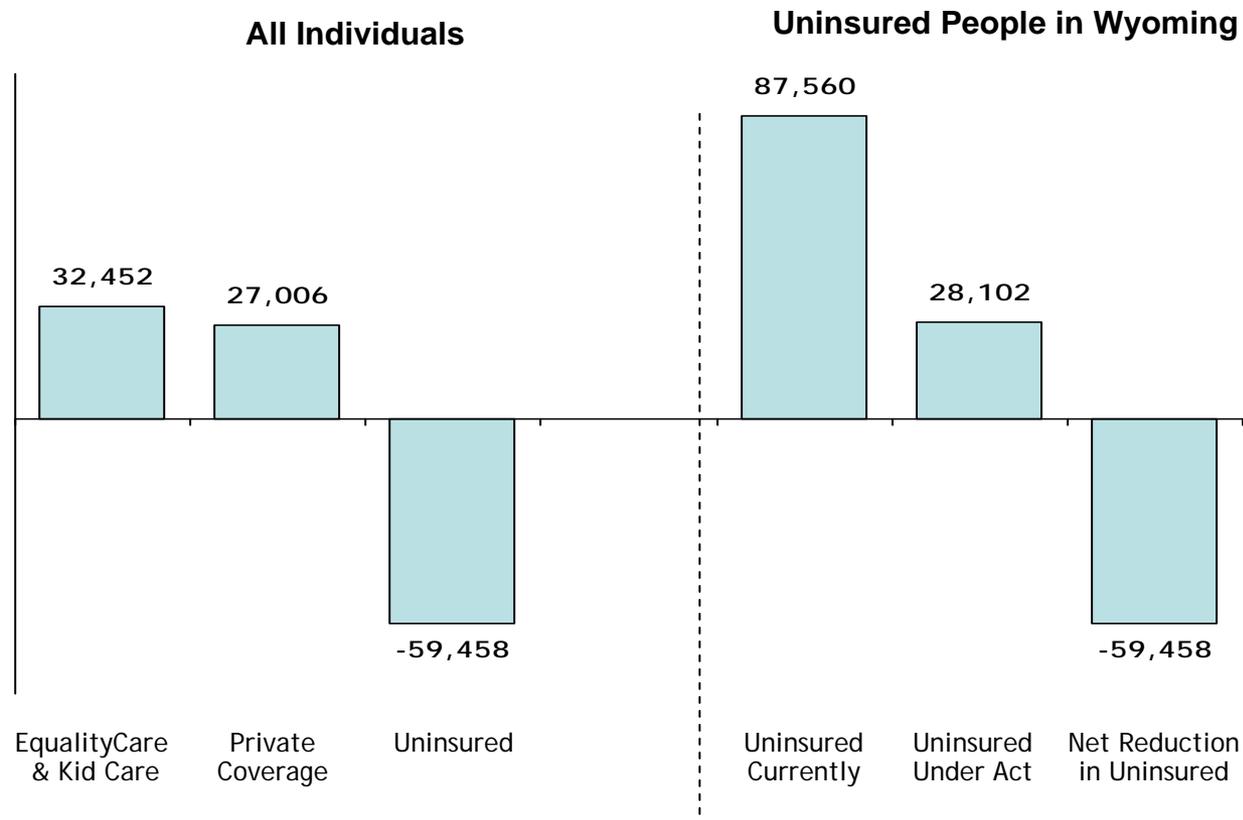
	No Eligibility Changes			New Enrollment FMAP 100%			New Enrollment FMAP Declines to 90% by 2020				Total
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Total Medicaid Spending	-\$1.1	-\$1.1	-\$1.2	\$86.8	\$132.7	\$149.7	\$151.9	\$154.0	\$156.2	\$158.5	\$986.4
Federal Medicaid Spending											
Currently Eligible	\$0.0	\$0.0	\$0.0	\$1.3	\$1.9	\$2.2	\$2.2	\$2.2	\$2.3	\$2.3	\$14.3
Newly Eligible	\$0.0	\$0.0	\$0.0	\$85.6	\$130.3	\$146.9	\$141.6	\$142.3	\$142.9	\$140.3	\$929.8
Federal DSH	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	-\$0.2	-\$0.2	-\$0.2	-\$0.6
Prescription Drugs	-\$1.4	-\$1.5	-\$1.6	-\$1.7	-\$1.8	-\$1.9	-\$2.0	-\$2.1	-\$2.2	-\$2.4	-\$18.4
Total Federal	-\$1.4	-\$1.5	-\$1.6	\$85.1	\$130.4	\$147.2	\$141.8	\$142.2	\$142.7	\$140.1	\$925.1
General Fund Medicaid Spending											
Currently Eligible	\$0.0	\$0.0	\$0.0	\$1.3	\$1.9	\$2.2	\$2.2	\$2.2	\$2.3	\$2.3	\$14.3
Newly Eligible	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$7.5	\$9.1	\$10.8	\$15.6	\$42.9
Prescription drugs	\$0.3	\$0.3	\$0.4	\$0.4	\$0.4	\$0.4	\$0.5	\$0.5	\$0.5	\$0.5	\$4.2
Total General Fund	\$0.3	\$0.3	\$0.4	\$1.6	\$2.3	\$2.6	\$10.1	\$11.8	\$13.5	\$18.4	\$61.4

Summary of the Impact of the Health Reform Law on Wyoming State Government Spending: CY2011-2020 (millions)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
New General Fund Medicaid Spending	\$0.3	\$0.3	\$0.4	\$1.6	\$2.3	\$2.6	\$10.1	\$11.8	\$13.5	\$18.4	\$61.4
Potential Offsets to Other State Programs ^{a/}	\$0.0	\$0.0	\$0.0	-\$13.1	-\$20.7	-\$24.1	-\$25.3	-\$26.6	-\$27.9	-\$29.3	-\$167.0
Net State Cost/Savings	\$0.3	\$0.3	\$0.4	-\$11.5	-\$18.4	-\$21.5	-\$15.2	-\$14.8	-\$14.4	-\$10.9	-\$105.6

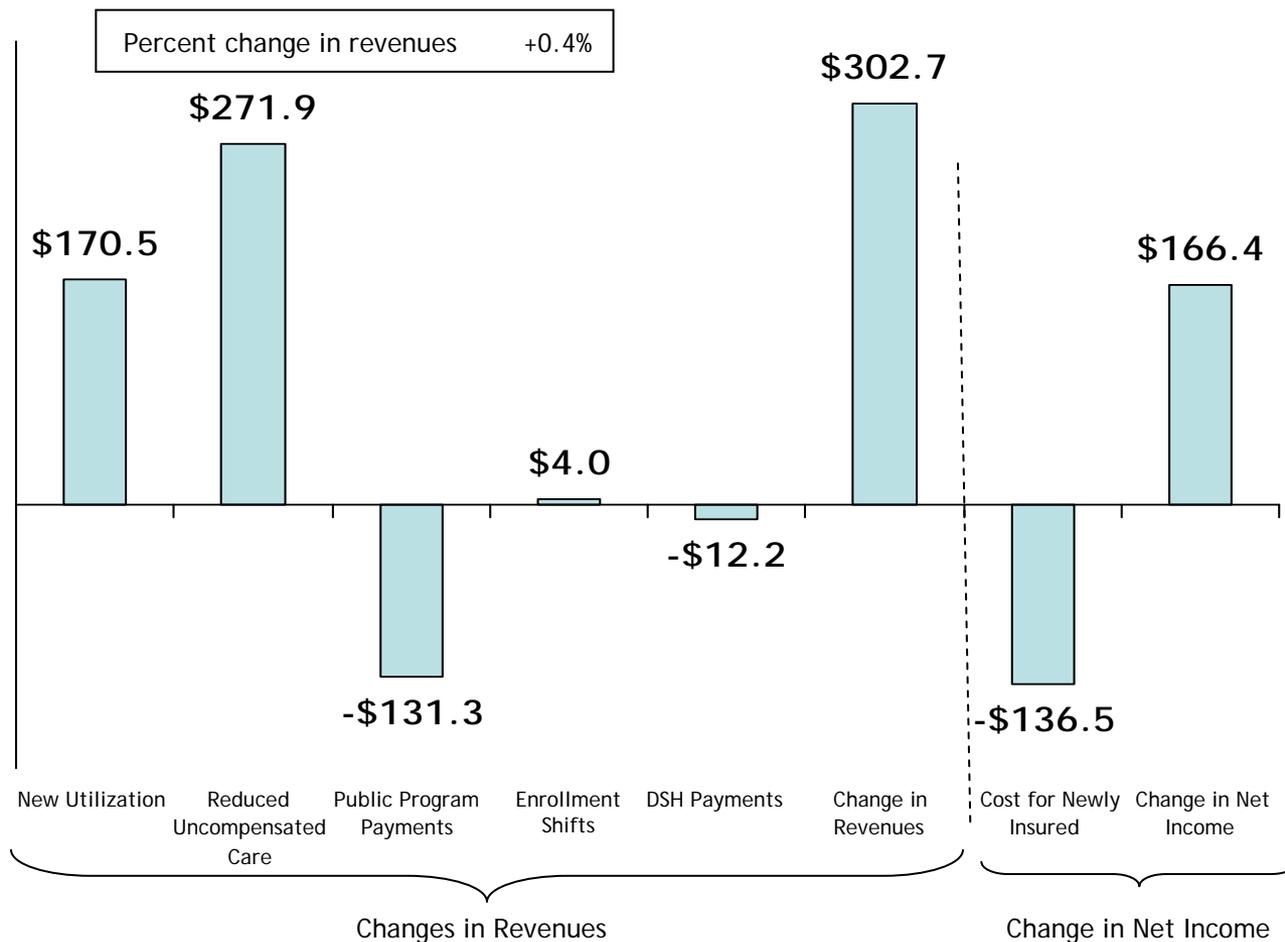
a/ Current State spending for programs includes: community mental health programs (\$50.8 million); State-only foster care program (\$2.0 million); prescription drug assistance (\$1.45 million); Renal Dialysis (\$0.5 million); and federally qualified health centers (\$51,000).

Summary of Changes in Sources of Coverage under Health Reform for Wyoming in CY2016



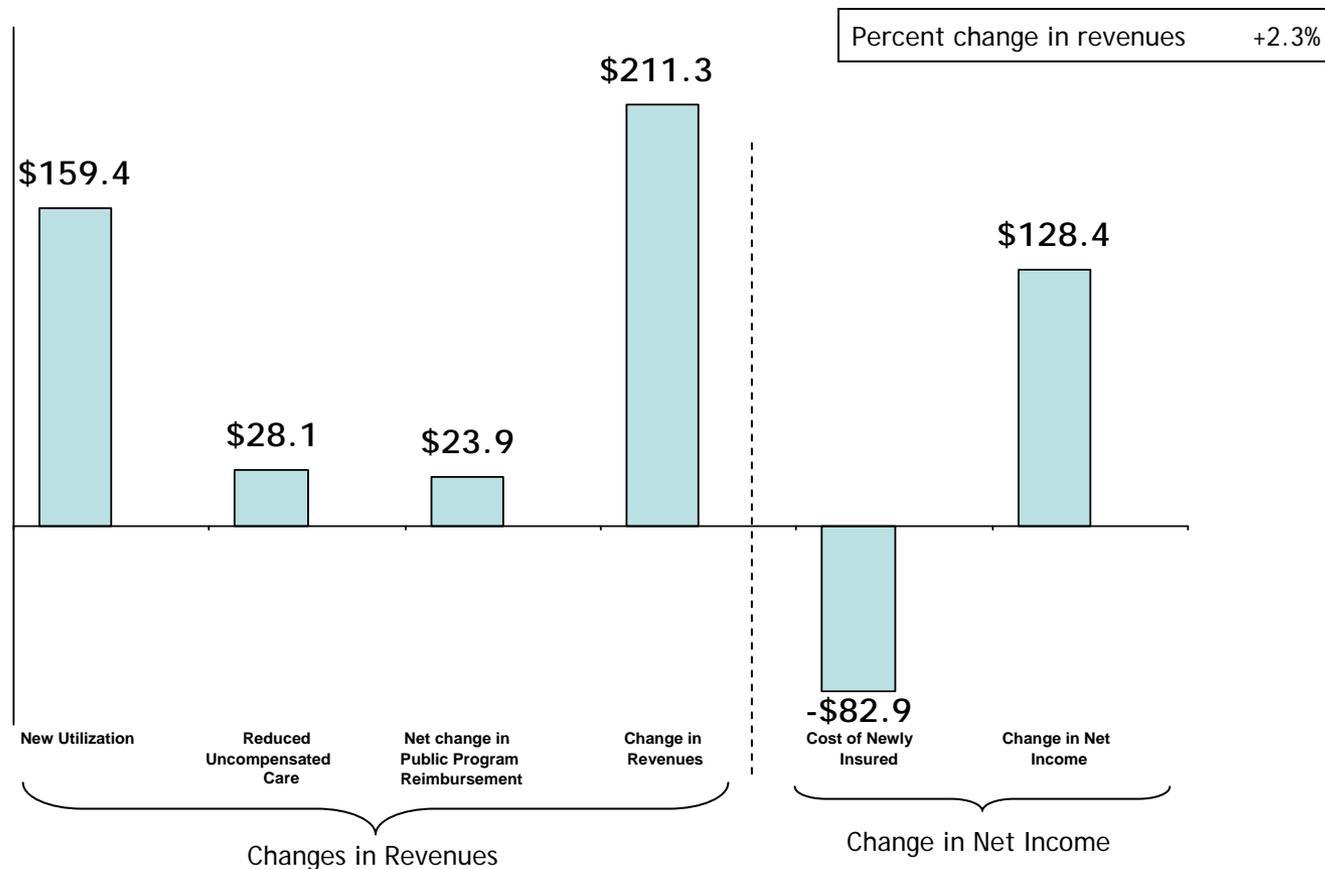
a/ The program is implemented in 2014, but enrollment is not expected to fully mature until 2016.
 Source: The Lewin Group estimates using the Health Benefits Simulation Model (HBSM).

Change in Hospital Revenues and Net-Income under the Health Reform Law in Wyoming: CY2011-2020 (millions)



Source: The Lewin Group estimates using the Health Benefits Simulation Model (HBSM).

Change in Physician Revenues and Net-Income under the Health Reform Law in Wyoming: CY2011-2020 (millions)



Source: The Lewin Group estimates using the Health Benefits Simulation Model (HBSM).

Key Medicaid Provisions Implementation Considerations

Key Medicaid / CHIP Coverage Provisions (1 of 2)

Provision	WY Context
<p>Expands Medicaid to individuals with incomes up to 133% FPL in 2014</p> <p>Medicaid maintenance of effort (MOE) for adults with incomes >133% FPL until 1/1/2014.</p> <p>Medicaid MOE for children until 10/1/2019</p>	<p>Significant expansion expected to increase EqualityCare enrollment by 32,000</p> <p>Substantial eligibility system, MMIS claiming, staff training and program documentation implications</p>
<p>Provides enhanced federal funding for new eligibles 100% for 2014-2016 phases down to 90% by 2020</p>	<p>Total EqualityCare spending will increase by nearly \$1 billion over 10-year period; \$61.4 million in State funds</p>
<p>Provides state option to expand Medicaid coverage to childless adults with regular match starting April 2010</p>	<p>This option has not been exercised by Wyoming</p>
<p>Funds CHIP through 9/30/2015 (2 year extension)</p> <p>Authorizes CHIP through 2019, increases FMAP by 23% as of 10/1/15, but no funding authorization provided</p> <p>CHIP MOE for children until 10/1/2019</p>	<p>~1000 children 6-18 expected to move from Kid Care CHIP to EqualityCare due to Medicaid increase to 133% FPL</p> <p>Future of Kid Care CHIP beyond 2015 is uncertain</p>
<p>Simplifies enrollment processes and coordinates with exchanges</p>	<p>HealthLink online application and screening tool for EqualityCare and Kid Care CHIP may be a foundation</p>
<p>In 2014, provides all newly-eligible adults with a benchmark benefit package that meets the minimum essential health benefits available in the Exchanges</p> <p>Appears that states can define the benchmark to provide full Medicaid benefits to new eligibles</p>	<p>Analysis required to design benchmark package for Wyoming</p> <p>Kid Care CHIP benefit package may meet ACA benchmark standard</p> <p>Substantial MMIS claiming and perhaps eligibility system implications.</p>

Key Medicaid / CHIP Coverage Provisions (2 of 2)

Provision	WY Context
Must use modified adjusted income (MAGI) to determine eligibility without income disregards	<p>Significant change from existing EqualityCare methodology that is based on net income with disregards</p> <p>Kid Care CHIP will also be impacted, but perhaps to a lesser degree</p> <p>Major eligibility systems and staff training implications</p>
Eliminates assets test (except for aged, blind and disabled populations)	No action required; WY does not currently have an assets test for these populations
Requires CHIP eligible children not enrolled due to funding shortfall to be enrolled through the exchange with tax credits	Decrease in number of children eligible may offset impact of increased match, but will need to be closely monitored
Provides premium and wrap-around benefits to eligible individuals with employer coverage when cost-effective	Requires analysis and program development
New optional eligibility group for family planning services	Requires determination of whether to include
Any Medicaid participating hospital may make a presumptive eligibility determination	Currently only offers presumptive eligibility for pregnant women
Extends Spousal Impoverishment protections to individuals with spouses receiving home and community-based services	WY already includes spousal impoverishment protection for community-based programs

Eligibility Systems are a Focal Point of Needed Changes

- By January 1, 2014, states must establish a State-run website to streamline enrollment processes
- This website must enable individuals to apply for, enroll in, or renew Medicaid, CHIP and exchange program coverage using an electronic signature
- States have the option to process eligibility for exchange coverage through the Medicaid/CHIP programs
- New federal guidelines authorize 90% federal financial participation for systems development through 2015; 75% for maintenance and operations

Wyoming Will Need to Make Substantial Changes to Its Systems and Processes

- Wyoming already has an online application portal (HealthLink)
 - Would require significant effort to meet new standards
- The existing DFS eligibility system is a 25 year old data repository with no logic, calculation or interface capabilities
 - Medicaid eligibility determinations are made manually and then entered into the system
 - This process is unlikely to be able to meet workload or timeliness demands
- Eligibility system will still need to distinguish between currently-eligible and newly-eligible individuals for FMAP calculation purposes

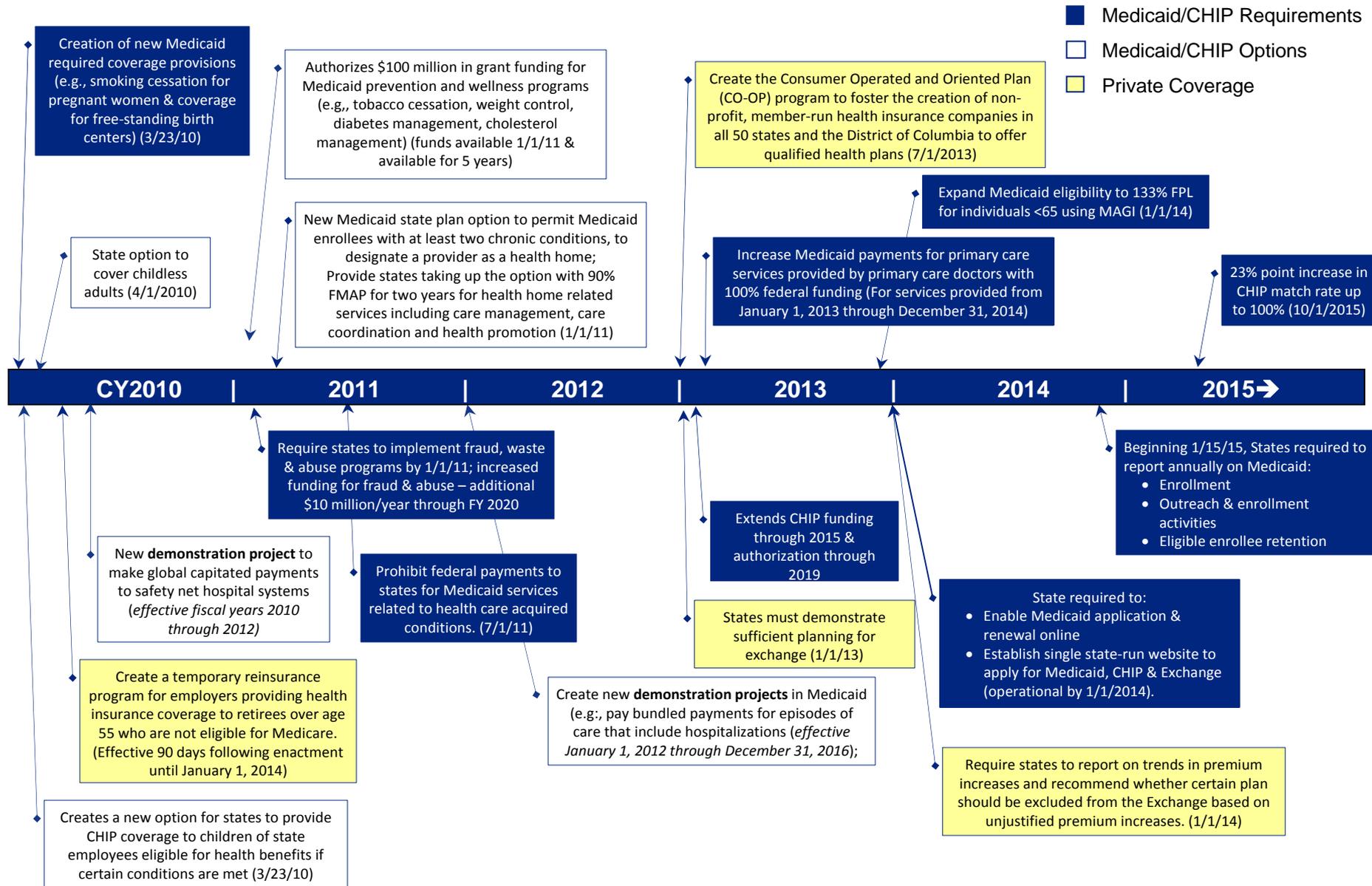
Health Reform Law Establishes Many Other Requirements and Opportunities

- Significant program integrity mandates
- Optional programs and demonstrations to encourage
 - healthy behaviors
 - payment reform
 - coordinated care
- Mandated annual state reports on quality and enrollment

Parameters of these opportunities and requirements are not clear and will need to be monitored to determine impact

General State Implementation Considerations

High-Level Health Reform State Implementation Timeline



EqualityCare and Kid Care CHIP Requirements Warrant Development of a Plan to Guide Their Activities (1 of 2)

- Develop State's vision
- Identify:
 - The options available to your state
 - Those actions that your state must implement
- Develop a plan with all the moving parts & interdependencies
- Incredibly tight timeline - 3 years - must accommodate state requirements related to contracting, public notice, etc.

EqualityCare and Kid Care CHIP Requirements Warrant Development of a Plan to Guide Their Activities(2 of 2)

- Incorporate all the implementation steps
 - Legislation
 - Establishing new rates
 - Eligibility system changes
 - New or modified contracts (e.g. MMIS)
 - Staff training
 - State Plan Amendments (SPA)
 - Outreach
- *Plan for contingencies*

These Programs Have Many Stakeholders That Need to Be Kept Informed & Involved

- Governor's office
- Legislature
- Congressional delegation
- Providers
- Insurers
- Health plans
- The public
- Clients
- Advocacy groups

Remember the Rest of Your Programs

- Cost
 - Increasing pressure to control costs
 - Affordability for enrollees
 - Sustainability for all
- Quality
 - Enroll/keep quality providers
 - Long-term-care and waiver programs
- Access
 - Insurance without access does not equal coverage
 - Workforce programs to increase provider volume

Questions?

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