



Medicaid Update

- Medicaid expansion
- Medicaid - Marketplace interactions
- Budget
- Consumer issues in Medicaid Managed Care

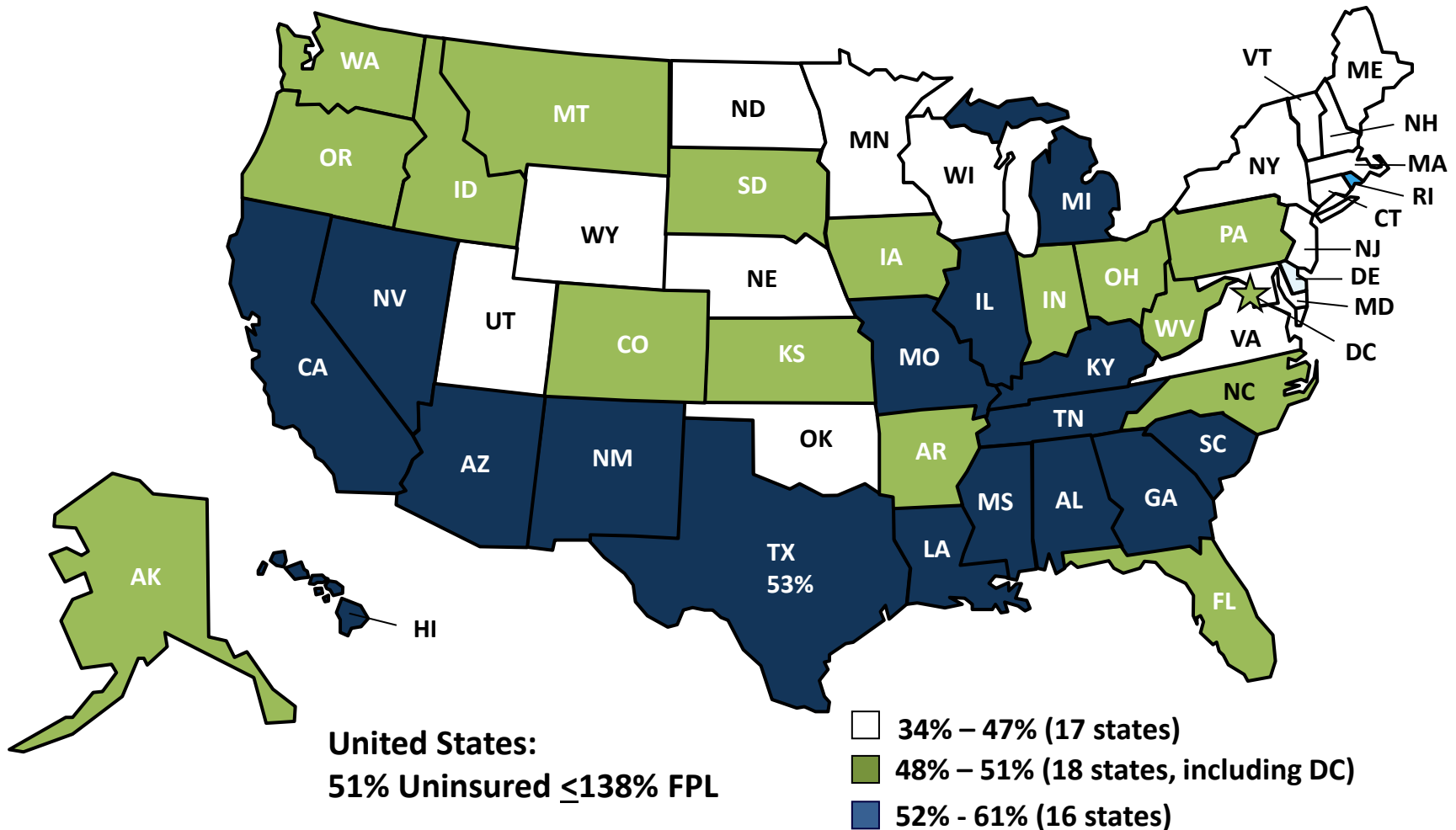
Health Care 2013 Session: Important Progress, BIG Missed Opportunities

- Substantial money budgeted for mental health care. Treatment for more conditions will be available for adults in the public mental health system, and new support will be available for local public-private partnerships to enhance mental health care.
- Massive 2011 birth control cuts for low-income women were mostly reversed in the new budget, but access to care across Texas remains in doubt, with dozens of clinics shut down and Planned Parenthood clinics excluded from participation.
- **The big lost opportunities are for uninsured and insured Texans alike. The Texas Department of Insurance still cannot overrule unreasonable health insurance premium hikes, or enforce federal laws like keeping grown children on their parents' plan through age 26.**
- **Most senseless of all, state leadership refused to accept federal Medicaid funds for our poorest uninsured. As a result, in January 2014 Texas adults above the poverty line will get taxpayer-funded sliding-scale help with health insurance, but Texans below poverty will qualify for nothing.**

There is significant variation in the share of the uninsured that is below the

Medicaid expansion limit across states.

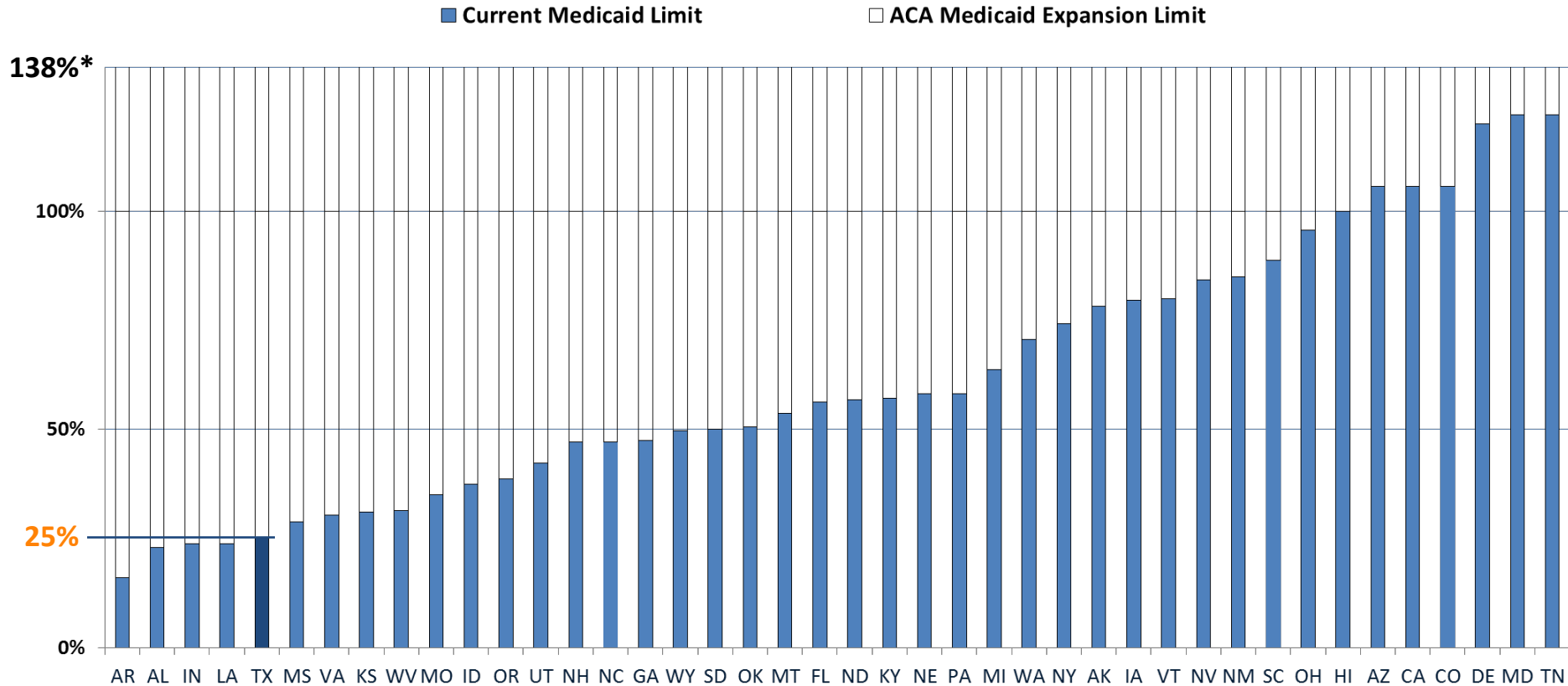
Share of Nonelderly Uninsured $\leq 138\%$ FPL by State, 2010-2011:



SOURCE: Urban Institute and Kaiser Commission on Medicaid and the Uninsured estimates based on the Census Bureau's March 2011 and 2012 Current Population Survey (CPS: Annual Social and Economic Supplements).

The Medicaid expansion will significantly increase eligibility for parents in many states.

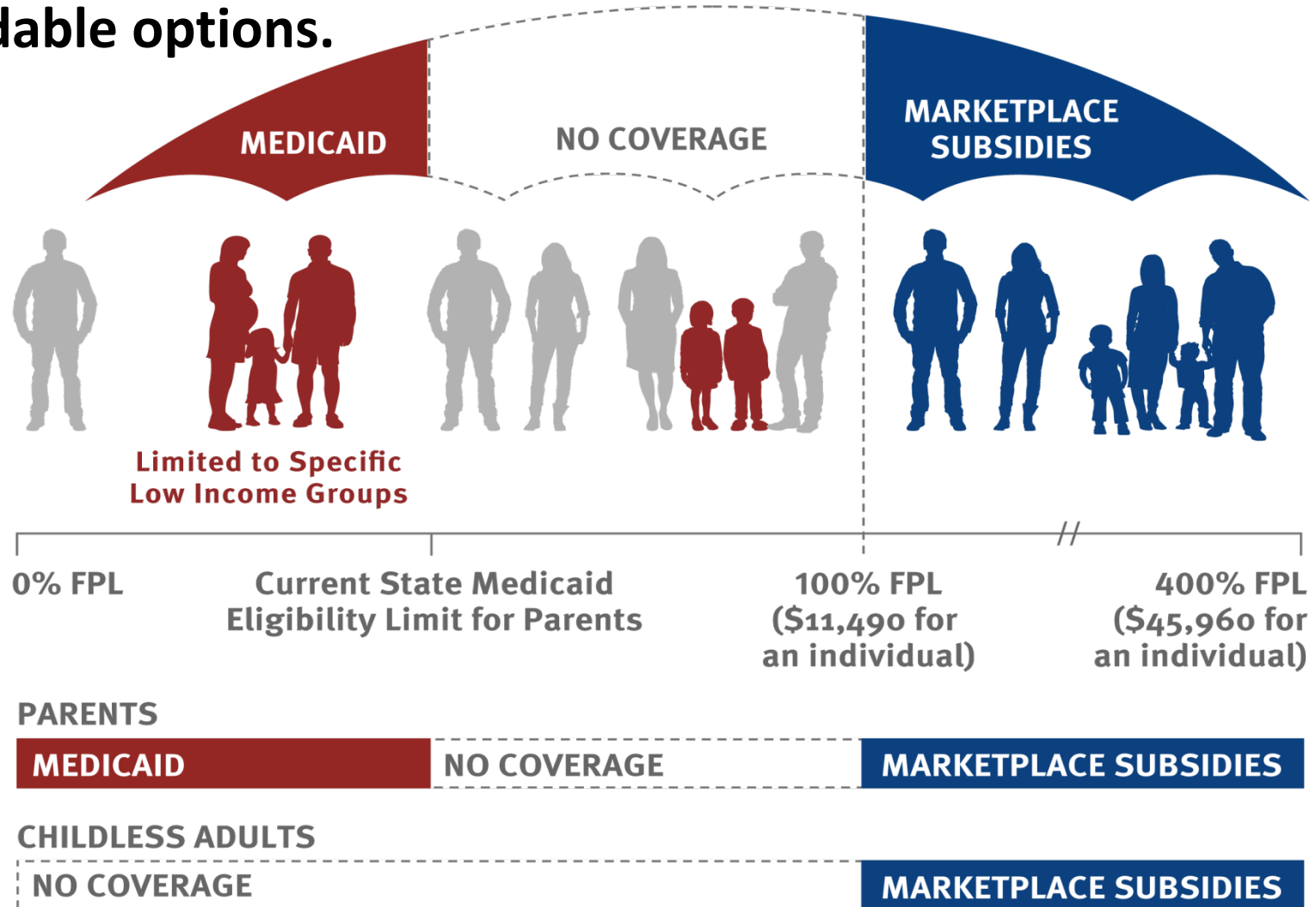
Medicaid Eligibility Levels for Parents, January 2013:



NOTE: Ten states (CT, IL, ME, MA, MN, NJ, NY, RI, VT, WI) and DC already offer coverage to parents at or above 133% FPL; under the ACA an income disregard of 5 percentage points will be applied to this limit increasing the effective income limit to 138% FPL .
 SOURCE: Based on the results of a national survey conducted by the Kaiser Commission on Medicaid and the Uninsured and the Georgetown University Center for Children and Families, 2013.

Figure 5

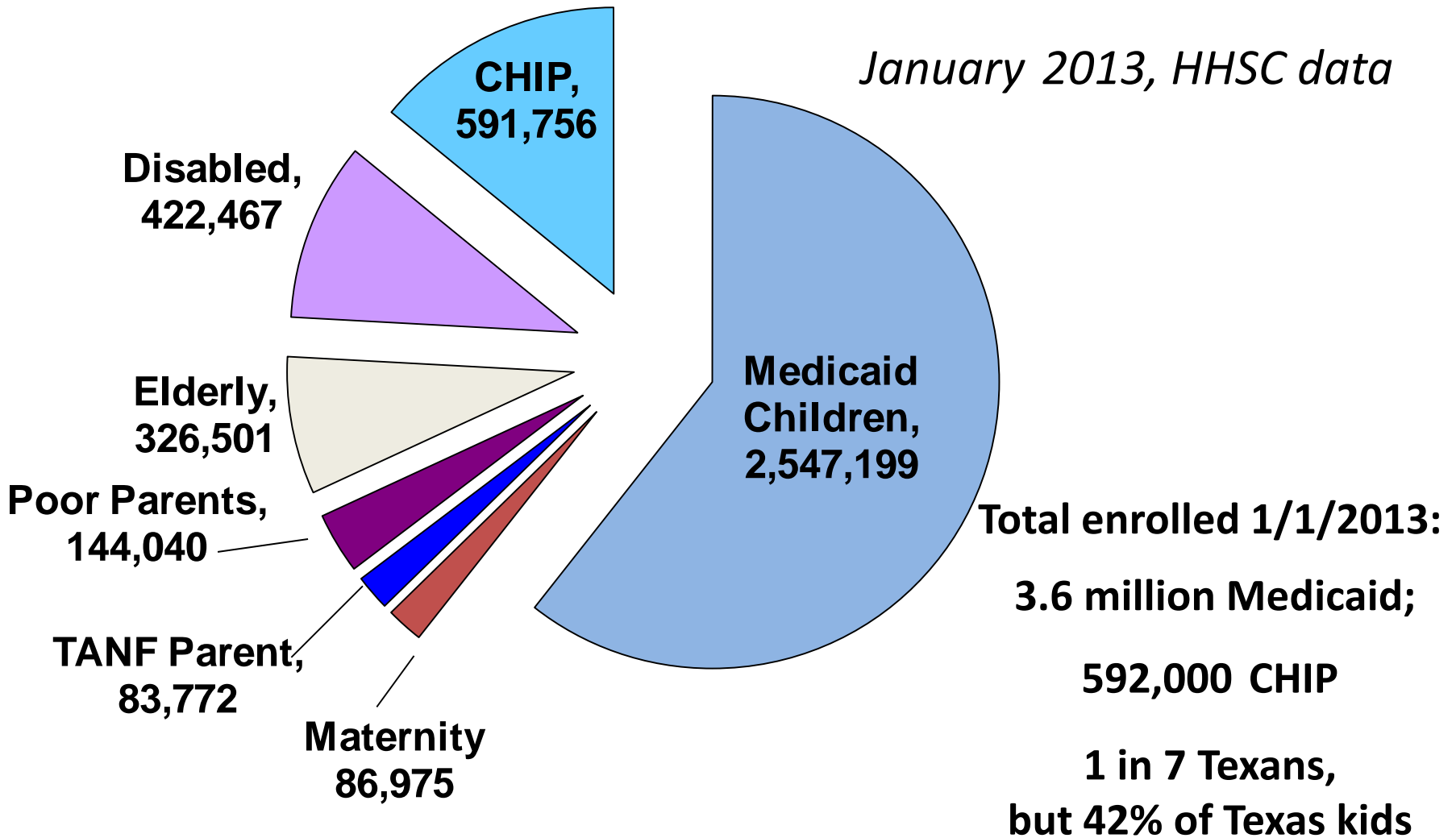
In states that do not expand Medicaid, there will be large gaps in coverage, leaving millions of low-income adults with no affordable options.



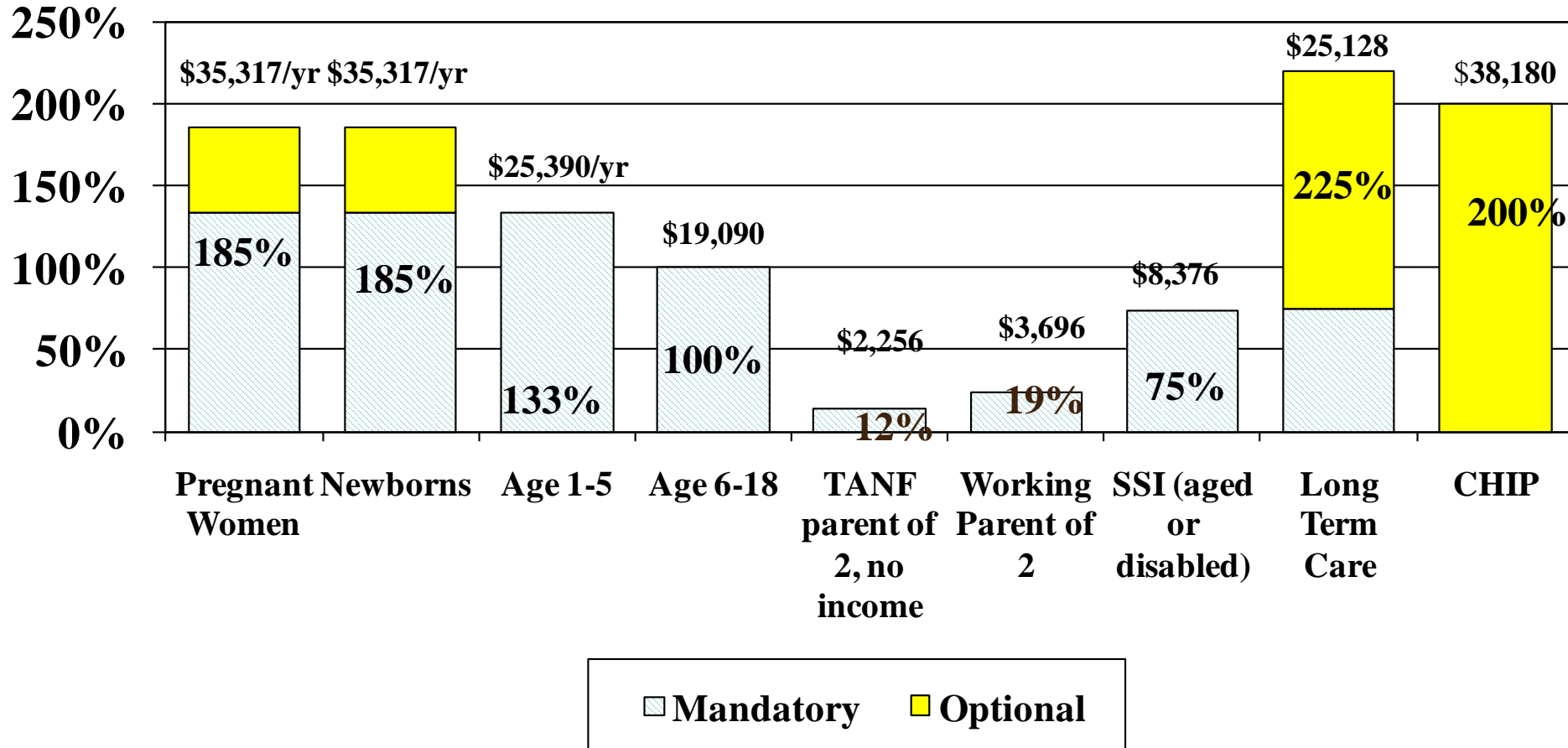
NOTE: Applies to states that do not expand Medicaid. The current median state Medicaid eligibility limit for parents is 48% FPL in the 21 states that are not moving forward with the Medicaid expansion at this time.

Texas Medicaid/CHIP: Who is Helped Today

January 2013, HHSC data

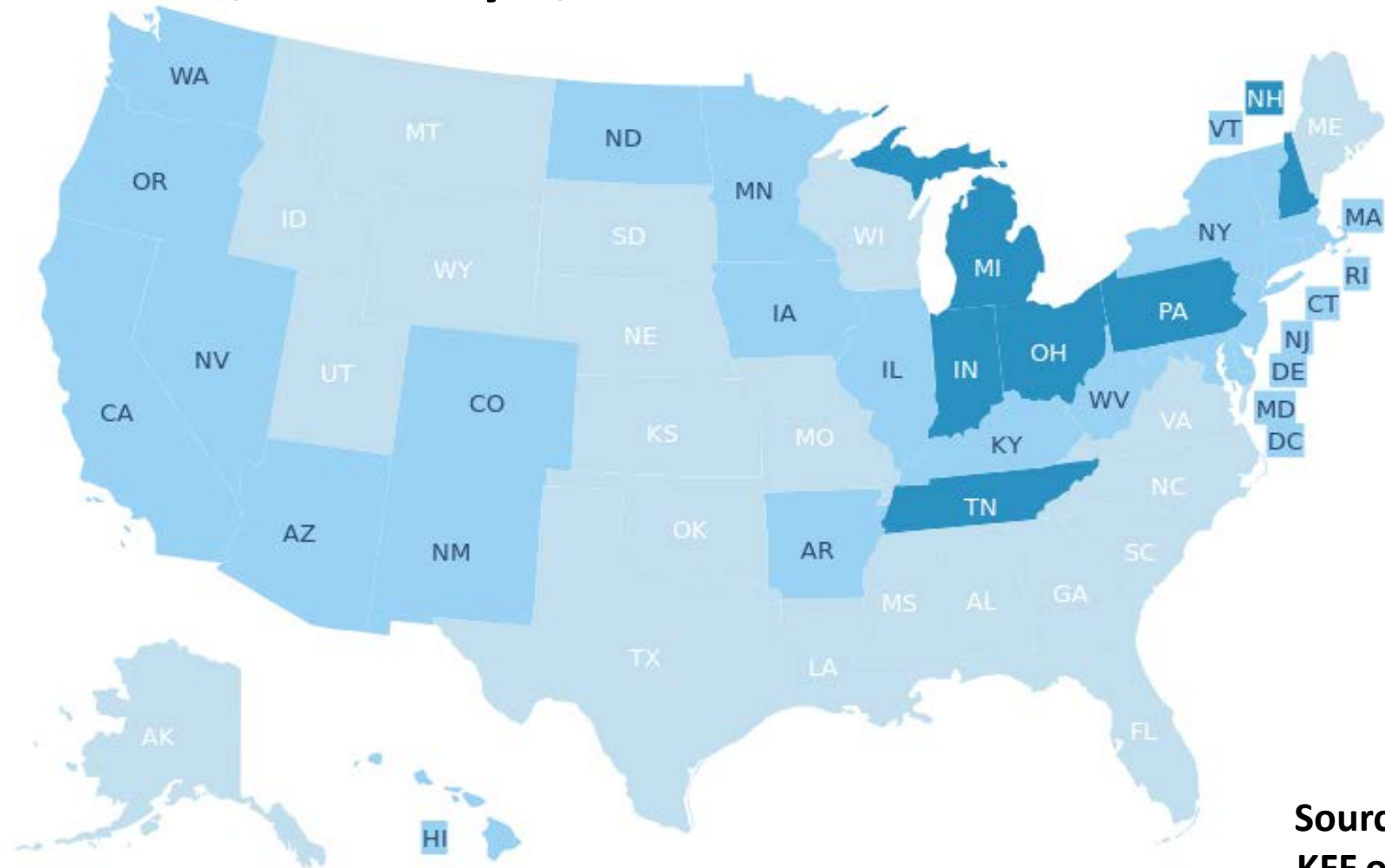


Income Caps for Texas Medicaid and CHIP, 2012



“Optional” indicates Texas Choices to go ABOVE federal minimum
Income Limit as Percentage of Federal Poverty Income
Annual Income is for a family of 3,
 except Individual Incomes shown for SSI and Long Term Care

Status of State Action on the Medicaid Expansion Decision, as of July 1, 2013



Source:
KFF.org

Not Moving Forward at this Time Moving Forward at this Time Debate Ongoing

What's Happened?

- 13 House and 6 Senate bills filed to expand Medicaid per ACA; each chamber included a bill authored by a Republican in a leadership role (Rep. Zerwas; Senator Deuell).
 - Also Senate budget “rider” by Finance committee Chairman Tommy Williams
- **Widespread Support, Executive Opposition.** Statewide support for Medicaid expansion from doctors, hospitals, county officials, chambers of commerce, and even the Texas Association of Business eventually supporting the Zerwas coverage option.
 - Polling by Texas and national firms found 58-59% of Texas voters support accepting federal ACA funds to cover the poorest uninsured adults.
 - Twenty-two chambers of commerce have called on the state to accept this funding, and new chambers continue to add their names to the list.
- Despite this support, the Legislature did not move the very-conservative, market-based “Texas Solution” alternative offered by Rep. John Zerwas HB 3791.
 - There was more than sufficient support by House members for Zerwas’ “Texas Solution” bill. But the Governor’s office began to communicate a veto threat

What's Next?

Texas' decision means that in January 2014:

- Texas adults above the poverty line will begin to get publicly funded sliding-scale help with health insurance,
- but Texans below poverty will qualify for nothing.

Estimates of the number of uninsured Texas adults who will be left without a coverage option in the near term range:

- from around 935,000 (HHSC, out of 1.1 million below 138% of poverty)
- to as high as 1.3 million (Urban Institute/Kaiser Family Foundation, out of about 1.7 million below 138% of poverty).

A Diverse network of Texans and Texas Organizations will keep working to find health care for the Texans in the “Gap Group,” to tell their stories, and to seek inclusion of Texas’ working poor in the ACA’s health reform. www.texaswellandhealthy.org

Requirements for ALL states



Regardless
of Medicaid
Expansion!

A Single, Streamlined Application

- One application for all health coverage programs
- Available in online, phone, and paper

Use Modified Adjusted Gross Income/No Income Disregards

Eliminate Asset Tests

Eliminate In-Person Interview Requirements

Use Electronic Verification to the Greatest Extent Possible

Cover former Foster Care youth through 26th birthday

12-month Renewal period

CHIP kids 6-18 from 100-138% FPL move to Medicaid

Texas Medicaid Readiness...

- HHSC further ahead than many states that had not updated their eligibility systems or launched online apps
- Full MAGI capacity not until January, tho (TIERS)
- Texas Medicaid will require hand-off of Medicaid or CHIP cases from the FFM (FFM “assesses”, rather than “determines” Medicaid or CHIP eligibility)
- States have developed “verification plans” and written down their “reasonable compatibility” standards
- System still biased against those with highly variable hours, employers, and earnings
- No place to send the adults <100% FPL.....
- **TO GET INVOLVED: Texas CHIP Coalition and the Outreach and Eligibility Technical Assistance Workgroup are getting monthly updates and Q&A with HHSC**

Medicaid-CHIP Budget Thumbnail

- Deliberate Under-funding “IOU” MUCH smaller than in 2011 ; about \$1.3 billion GR
- Little reversal of 2011 provider rate cuts, other than mandatory ACA primary care enhancements
- Rider 51: high hospital impact, plus many others, need to increase accountability for Medicaid Managed Care plans; a LOT for advocates to monitor!
- Community-based care for Texans with disabilities:
 - ACA-funded gains from BIP, CFC option.
 - Waiting lists: small gains (~11,600, or 5-6% of those waiting served)
- ECI and Rehab: ECI will still serve smaller pool of children than in 2011; fewer adults can access Comprehensive Rehab.
- See www.cppp.org August 8 summary

Medicaid Managed Care Expansion: New Level of Consumer Advocacy Needed

- Continued push to enroll nearly 100% of Texas Medicaid enrollees in “capitated,” risk-based HMOs: SB 7, SB 8, and SB 58 all establish new pathways to extend the reach of HMO-style Medicaid Managed Care.
- Ever-larger share of \$28+ billion annual Texas Medicaid program will flow through health plans every year. Both for-profit and non-profit.
- **Much more oversight and engagement needed from consumer advocates and budget hawks alike.**
 - **Statewide advisory committee, specialized committees for SB 58, IDD, STAR Kids (MDCP).**