

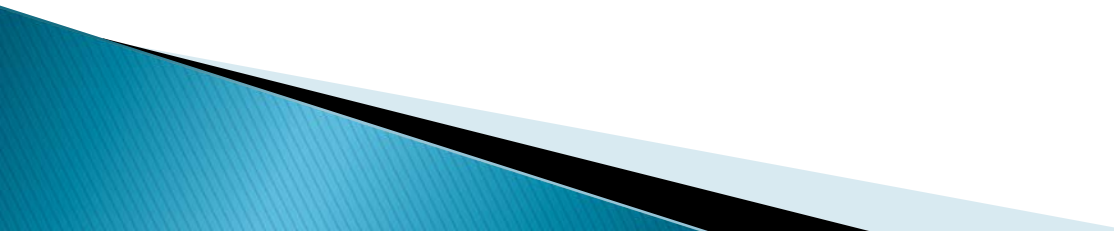


Healthcare Reform & Working People with Disabilities: Impact of the PPACA on States & Considerations for Medicaid Infrastructure Grants


Stephanie Altman, John Coburn and Barbara Otto
Health & Disability Advocates

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Themes of Healthcare Reform

- ▶ “If you got it, we want you to keep it and it may get better.”
 - ▶ “Now, we spend all our time trying to figure out IF those we serve qualify for coverage and how. In the future, for most, it will be a matter of finding out WHICH coverage is appropriate.”
 - ▶ “Everybody has a box.”
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Discussion for Today's Call:

- ▶ High Risk Pools
 - ▶ Changes to Medicare Part D
 - ▶ Other Changes to Medicare
 - ▶ Private Insurance Reform
 - ▶ Medicaid Expansion and New Insurance Exchange
 - ▶ Long Term Care Reform
 - ▶ Decisions States Will Need to Make
 - ▶ The Role of MIG & Medicaid Buy Ins
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High Risk Pool Expansion

▶ Eligibility:

- For individuals with pre-existing conditions –can not have any insurance coverage for at least 6 months.
- Premiums 100% of private market (can't be higher than standard population).
- Cost sharing cap of \$5950 individual, \$11,900 family.

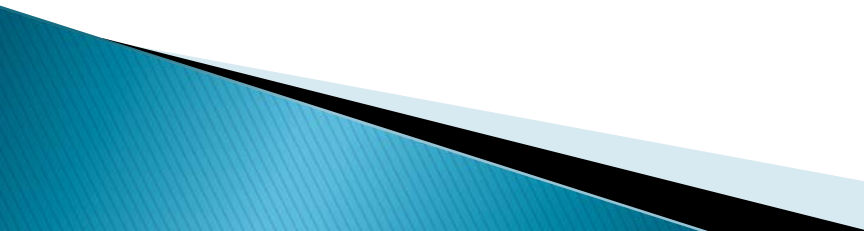
▶ Operated at state level *or* by HHS

- Operates until 2014 when Medicaid expansion and insurance exchanges begin.
- Funded with \$5 billion.
 - hhs.gov/ociio/initiative/hi_risk_pool_facts.html

Will My State Have a HR Pool?

- ▶ States had until April 30th to decide whether to operate state pool or have residents participate in the federal pool.
- ▶ Coverage will be available in every state.
- ▶ Dollar amounts have been allocated to states for operating pools
 - e.g. IL has been allocated \$210 million over 5 years


Policy Considerations for States & Potential Role for MIG: High Risk Pool

- ▶ Education & Outreach on eligibility and how to apply; and
 - ▶ Policy support on how to improve existing state HRPs if not as robust as “new” HRP (whether administered by state or by HHS)
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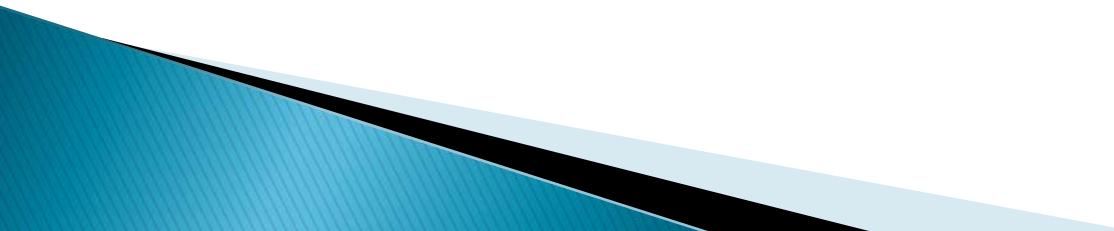
Medicare Part D Changes

- ▶ Changing of Annual Enrollment Period
- ▶ Closing of Doughnut Hole
 - For more info specific to the Doughnut Hole check out HDA's Fact Sheet
- ▶ Uniform Exceptions and Appeals Process

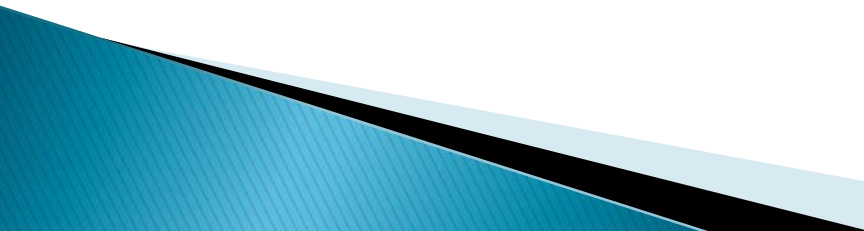
Other Medicare Provisions that could impact Working People with Disabilities

- ▶ Improvements to care coordination through new Federal Coordinated Healthcare Office
 - ▶ Independent Payment Advisory Board
 - ▶ Elimination of cost sharing for certain preventative services and free annual check-up.
 - ▶ Freeze Part B means tested income levels at 2010 through 2019
 - ▶ Changes to Medicare Advantage Plans
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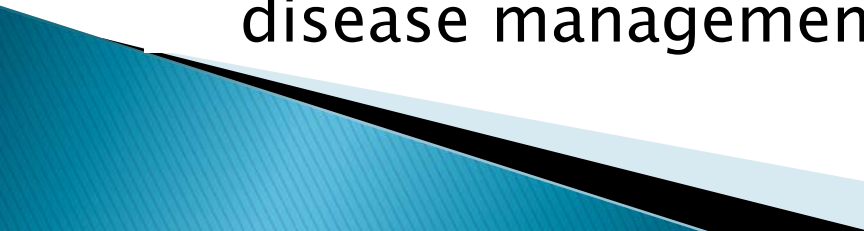
Policy Considerations for States & Potential Role for MIG: Medicare

- Revise State Pharmaceutical Assistance Programs to wrap around Medicare Part D differently and realization of cost savings.
 - Medicaid Buy In still needed to reduce cost sharing for Medicare Part D and, in some states, other costs of Medicare.
 - Education & outreach on changes to Medicare.
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New Insurance Exchange 2014

- ▶ States will establish exchanges.
 - ▶ Existing employer-based coverage will continue but must comply with Insurance Reforms
 - ▶ Most individuals (exceptions include financial hardship, religious exemptions, etc) must obtain insurance or pay fine greater of \$695 per person (family max) or 2.5% of income
 - ▶ Uniform benefits packages (must include “essential services” and states can add more) with four levels of value.
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Essential Services in PPACA

- ▶ Outpatient and lab services;
 - ▶ Emergency services;
 - ▶ Hospitalization;
 - ▶ Maternity and newborn care;
 - ▶ Pediatric services, including oral and vision care;
 - ▶ Mental health and substance abuse, including behavior health treatment, with parity to physical health services;
 - ▶ Prescription drugs;
 - ▶ Rehabilitative and habilitative services and devices;
 - ▶ Preventive and wellness services and chronic disease management.
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Private Insurance Reforms & Timelines

- ▶ Prohibition on pre-existing exclusion for children (2010).
- ▶ Young adults can stay on parent's insurance until 26 (2010).
- ▶ Prohibition on lifetime limits and rescissions (2010).
- ▶ Prohibition on denying coverage based on gender or health status (pre-existing condition). (2014).
- ▶ Rating variation based on age on 3:1 (2014).
- ▶ Waiting periods limited to 90 days (2014.)

Subsidies on the New Exchange

- ▶ Premium subsidy available to individuals up to 400% FPL through tax credit.
- ▶ Premium subsidy tax credit is calculated at that amount that would assure that a person could purchase second lowest cost silver plan (70% actuarial) at certain percentage of income.
- ▶ Cost sharing subsidy allows people with incomes up to 250% of FPL to purchase higher actuarial value plans with same premium subsidy.
- ▶ Up to 400% FPL, there is a reduction in out of pocket maximum.

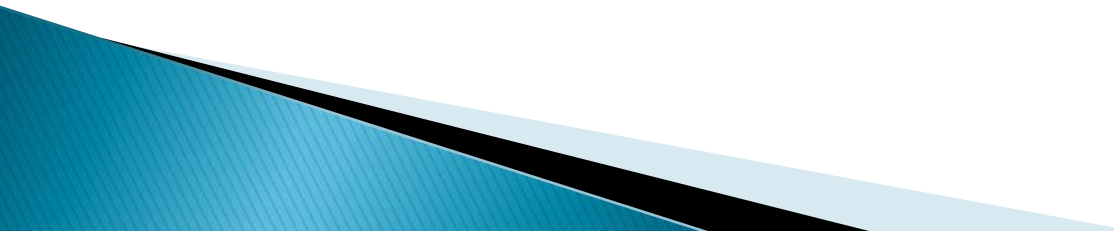
Policy Considerations: Insurance Reform

- Education & Outreach;
- Role of State in Enforcement
- Policy support –
 - How will working people with disabilities fit into the Insurance Exchange? Will there be employment & health related employment supports available through the Exchange? Can Medicaid wrap around?


Changes in Medicaid under PPACA

- ▶ Medicaid Now
 - ▶ Medicaid 2010 – 2014
 - ▶ Medicaid After 2014
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Medicaid Now

- ▶ Medicaid Categorical Eligibility (TANF, SSI)
 - ▶ Medicaid Medically Needy (Spend down, Incurment, Share of Cost)
 - ▶ Medicaid Buy-In for Workers with Disabilities
 - ▶ Medicaid Waivers
 - ▶ Other Optional Categories
 - ▶ Varying coverage packages and income and asset rules across states
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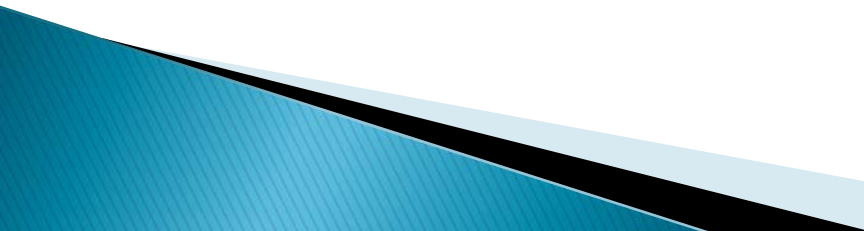
Medicaid 2010– 2014

- ▶ Same mandatory and optional categories
 - ▶ Enhanced federal match is up in the air
 - ▶ Restrictions in how eligibility can be changed (“maintenance of effort”)
 - ▶ Option to cover individuals in “*newly eligible*” category prior to 2014 roll out both above and below the 133% FPL
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Medicaid Expansion 2014

- ▶ In 2014, anyone up to 133% FPL eligible for Medicaid, called “newly eligible”.
 - Must be under 65, not entitled to or enrolled in Medicare A or enrolled in Part B.
 - Modified gross income test and no asset test, which is different from MBI Programs.
 - ▶ Federal government pays for much greater percentage of this expansion.
 - ▶ Could eliminate the challenge of the Medicare waiting period – dependent upon coverage package.
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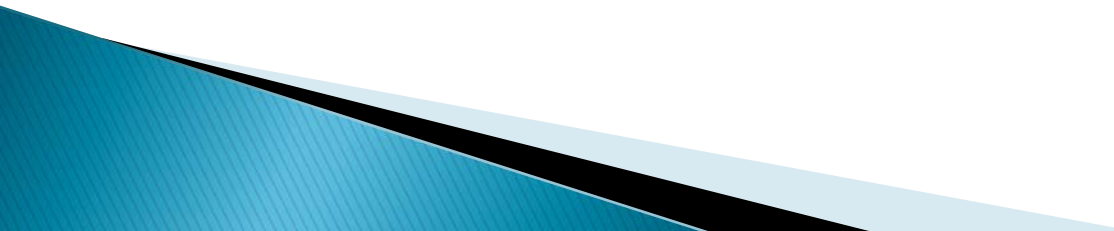
“Newly Eligible” Medicaid

- ▶ Requires benchmark or “benchmark equivalent” coverage.
 - ▶ Uses DRA definition of “benchmark” or benchmark equivalent plan.
 - ▶ By 2014, “benchmark” must meet same floor of “Essential Services” that insurance exchange products must meet (see slide 18)
 - ▶ Not much guidance on services coverage under Essential Benefits and no real “floor” for benchmark plans
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Bottom Line: Healthcare Options for Workers with Disabilities after 2014

1. Medicaid
 2. Medicare with reforms (no eligibility for the Insurance Exchange).
 3. Newly Eligible Medicaid up to 133%FPL.
 4. Subsidized Insurance Exchange Product up to 400% FPL
 5. Insurance Exchange Product with No Subsidy
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Other Medicaid Developments in PPACA

- ▶ Delivery Systems and Access
 - ▶ Maintenance of Effort
 - ▶ 1915(i) State Plan Option
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Delivery Systems & Access

- ▶ Medicaid Physician Primary Care
 - Reimbursement Increases to Medicare Level: what will the definition of primary care codes be especially for people with special needs and can state afford to keep rates up after 100% FFP ends?
- ▶ New Patient Care Models
 - Center for Medicare & Medicaid Innovation
 - Various pilots
 - Demonstrations

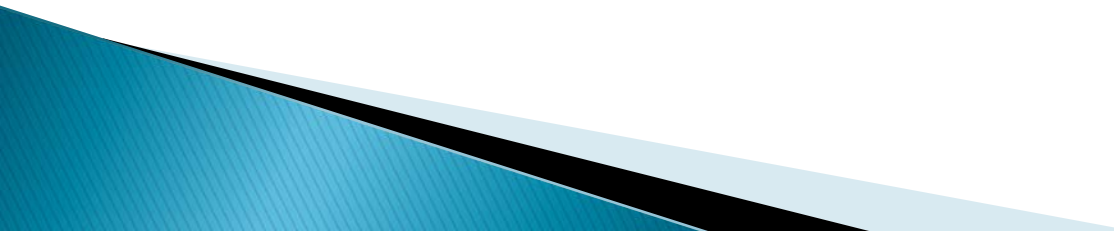
Maintenance of Effort

- ▶ The MOE requirement of the American Recovery & Reinvestment Act (ARRA) is extended to December 31, 2013.
- ▶ States are prohibited from altering eligibility for any existing Medicaid program (even though enhanced match may not be extended beyond December 31, 2010.)
- ▶ CMS *verbal* interpretation is that states can improve programs without penalty, but not reduce eligibility.
- ▶ May include other programs like waivers.

Changes to 1915(i) State Plan Option for HCBS

- States can offer target services to specific populations *but can't cap enrollment or waive state-wideness.*
 - Optional expansion of eligibility to individuals who are at 300% of the SSI benefit rate, can target to specific populations without expanding entire Medicaid program.
- ** States considering this option for employment services for people with mental illness.*

PPACA: Long Term Care Components

- ▶ Community Living Assistance Services & Support Act (CLASS)
 - ▶ Community First Choice Option
 - ▶ Extending Money Follows the Person Grants
 - ▶ Additional \$ for Aging & Disability Resource Centers
 - ▶ Demonstrations & Pilots
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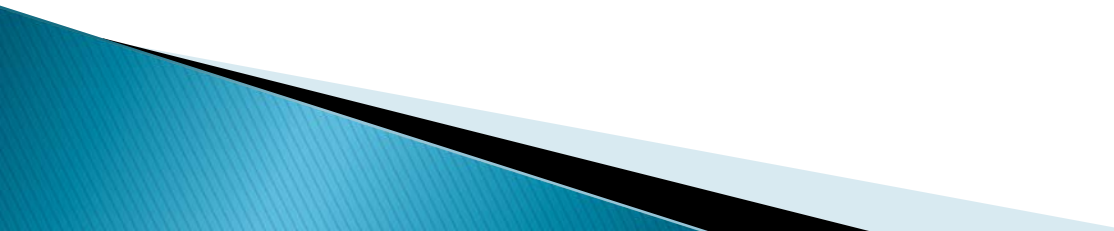
CLASS Provisions

- ▶ Monthly premium: \$120–\$150/month depends upon employer opting in and employee opting in.
- ▶ 5 years before individual is vested and can draw down a benefit.
- ▶ Benefit is \$50/day – \$75/day estimated at this point for qualifying services in home or residential.
- ▶ Must be coordinated with Medicaid and Waiver programs and benefit must be disregarded as income.
- ▶ \$ available for Benefits Counseling by 2012
- ▶ Personal Attendant Workforce Committee to be established.

Community First Choice Option: 1915(k)

- Must be categorically eligible for Medicaid
- Income under 150% FPL or have income that does not exceed income thresholds for institutional level care
- Services: health related tasks with ADLs, IADLs, hands on supervision or cueing; acquisition of skills to accomplish ADLs, IADLs, and voluntary training for managing attendants
- Optional Services: transition costs (rent, utility deposits, first month's rent and utilities, bedding, basic kitchen supplies and other "necessities"), and services that increase independence or substitute for human assistance.
- *Reimbursement rate for Optional Services* is an additional 6% points above FFP

Opportunities for States: 1915(k)

- Will states determine a 1915 (k) State Plan Amendment is more efficient than the 1915(c) waivers currently operational for attendant care and health related services?
 - Given the budget situation, can states opt for the Optional Services and will the cost of the expansion without a cap on enrollment be higher than the increase in federal funding through the FFP enhancement?
 - How does the Community Choice First Option fit within the Money Follows the Person re-balancing effort?
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Other Opportunities for States

- ▶ States can expand to newly eligible populations prior to 2014
 - Consideration: What will “newly eligible” Medicaid coverage will look like --will it meet needs of workers with disabilities?
- ▶ Medicaid can be a part of the state Insurance Exchange
 - Consideration: Will a Medicaid or “Medicaid-like” (aka Benchmark) plan provide the long-term care services a worker with disabilities needs in the Exchange?

Key Considerations for MIGs

- ▶ Medicare beneficiaries (85% of Buy In participants) are not eligible for the state Insurance Exchange.
- ▶ “MAGI” income calculation and MBI income calculation will be different.
- ▶ Assets can still be counted in MBI, but not in “Newly Eligible” Medicaid and the state Insurance Exchange subsidies.
- ▶ “Newly Eligible” Medicaid may not look like MBI Medicaid.

What Does All this Mean for Buy In: Moving Forward

- ▶ Buy In Programs are not part of the “assumptions” in health care reform:
 - Medicaid if lowest income
 - Insurance Exchange with Subsidy for low to middle
 - Insurance Exchange without Subsidy for middle to high
- ▶ Who Still Needs the MBI and Why? MIG must provide this information in each state!