Medicaid Expansion in the New Insurance Marketplace

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Goals for our time together today

• Brief summary of Medicaid and exchange enrollment statistics

• Review approaches and results implemented by colleagues across the country
IN THE END...

• 13M people covered
  – 4.8M through Medicaid and CHIP
  – 8.1M through the exchanges
Where the **States** Stand on Medicaid Expansion

26 states, DC, Expanding Medicaid—March 28, 2014

**Notes:** Based on literature review as of 3/28/14. All policies subject to change without notice.

HHS has announced that states can obtain a waiver to use federal funds to shift Medicaid-eligible residents into private health plans.

The District of Columbia plans to participate in Medicaid expansion and will operate its own exchange.

Learn more about ACA implementation at advisory.com/daily-briefing
Medicaid Expansion

- All States: 5.2%
- States with Expansion: 8.3%
- States without Expansion: 1.6%

% Increase in Medicaid
Approach to Implementing ACA

- Focus on educating patient
- Multiple interactive kiosks strategically placed throughout hospital & outpatient intake areas
- Seven day/week Certified Application Counselors available to assist patients at kiosks
- Concerted effort to enroll ED patients through Medicaid presumptive eligibility program
- Engage hospital –based and community physicians
- Data mining to identify potential Medicaid eligible patients
- Proactive follow-up to include home visits
Challenges

Unable to electronically access Federal Facilitated network

Disparity between portrayal of application process and subsidy amounts, and patient’s reality

Lack of county resources to process increased volume of manual applications

Patients predisposed to ignore Medicaid/QHP application process in favor of Charity Care
Exchange Enrollment by the Numbers

- Final Count: 8,019,763
- About 2.2M (28%) were young adults
  - Goal was >30%
- >80% qualified for subsidies
- Insurers report between 10% - 20% had not paid premiums
- About 35% who bought coverage through the exchange had been previously covered
  - 65% new
- Enrollment affected by effectiveness of exchange and outreach efforts
New Jersey Health Insurance Exchange

• Open enrollment from 11/15/2014 to 2/15/2015
• As of 12/15/2014
  – 105,306 people in New Jersey who actively selected private plans in the exchange (this doesn’t include individuals auto-enrolled as of 12/15/2014)
  – 82% qualified for premium subsidies
  – 43% were new enrollees
  – 57% already had a plan from the 2014 exchange
New Jersey Health Insurance Exchange

• Another 21,093 New Jersey exchange enrollees were eligible for Medicaid or CHIP
• Estimated 250,000 people by the end of the 2015 open enrollment period
• In 2014, there were 3 plans to choose from
• In 2015, there are 5 plans to choose from
  – Horizon BCBS
  – AmeriHealth
  – Health Republic of NJ
  – United Healthcare
  – Oscar Health Insurance
ACA – What we have seen that works

- Clients building strong partnership with county Medicaid office(s)
- Employing full-time onsite county workers to process Medicaid applications
- Expanding vendor partnership, full time Certified Application Counselors
  - Expedite application process
  - Obtain required documentation
  - Conduct aggressive follow-up
  - Provide patient education
- Early identification of “Package G” recipients through data mining
- For one client, we have seen for FY 2013 compared to 3 months
  - 33.3% decrease in Charity Care applications
  - 300% increase in Medicaid reimbursement for outpatient procedures
  - 250% increase in Medicaid overall reimbursement
ACA – What Hasn’t Worked

- Application process long and tedious
- Subsidies not represented appropriately
- Marginally poor patients eligible for QHP rebelled at concept of paying out-of-pocket for health care
- 10,000 applications backlogged at NJ County Medicaid Offices
- Staff of 6 County workers to process all outstanding applications
New Jersey Expanded Medicaid

- 343,000 individuals enrolled in expanded Medicaid
- In October 2014, Medicaid and CHIP enrollment was at 1,645,149
- 74% of total Medicaid-eligible NJ population enrolled in the first year expanded Medicaid became available (Medicaid enrollment continues year-round)
- December 2013 through October 2014, Medicaid enrollment in NJ grew from 1.28M to 1.65M people
- As of 10/22/2014, about 11,000 applications were pending from people who wanted to enroll in Medicaid, the health insurance program for the poor that was expanded to handle Obamacare applicants
New Jersey Expanded Medicaid

• On 11/28/2014, Gov. Chris Christie's administration pulled the plug on the seven-year-old $118.3M contract for the Consolidated Assistance Support System (CASS)

• NJ awarded the contract in 2007 to Electronic Data Systems, which was acquired by HP the following year

• Analysis is in progress to determine next steps

• CASS system was to connect the State and Federal hubs for sharing of patient information
New Jersey PE for Inmates

- NJ inmates may be eligible for NJ Familycare retroactive to 1/1/2014 for inpatient acute care services
- NJ acute care hospitals certified as Presumptive Eligibility (PE) providers have been submitting online enrollment applications since 9/1/2014 for eligible, uninsured inmates up to 65 years old
- PE is self-attested and provides temporary Medicaid (NJ FamilyCare) for up to 2 months, per 12-month period with the intent to provide temporary, seamless insurance coverage until full eligibility for NJ FamilyCare is determined
New Jersey PE for Inmates

- Medicaid eligibility through Aged, Blind, Disabled Program (ABD) must be completed by the county jail and submitted for eligibility determination.
- Medicaid has been utilizing systemic data since 1/1/2015 to match inmate files both from Administrative Office of NJ Courts (AOC) and Department of Correction (DOC).
- Inmates identified with Medicaid coverage will have program code, SPC, added to their eligibility segment which is viewable on e-MEVS, NJMMIS/NJP and OIT MES.
  - SPC 99 indicates county inmates.
  - SPC 98 represents state inmates.
New Jersey PE for Inmates

• SPC code limits Medicaid coverage to FFS acute care hospitalization only
  – Capitated payments for Managed Care enrollment or for non-emergency transportation vendors are not allowed
• All applications for incarcerated individuals shall be processed for full eligibility
• Upon an inmate’s release, the inmate indicator will be removed from the inmate’s file
Miller Trust / Qualified Income Trusts

• Qualified Income Trusts (QITs) were established by the Omnibus Budget Reconciliation Act of 1993 and found in the Social Security Act in Section 1917

• Individuals with monthly income above 300% of the Federal Benefit Rate (FBR) may be placed in QITs
  – The income is not counted when determining Medicaid financial eligibility

• Applicants considering utilizing QIT must be in need of institutional-level of care; and may live in a nursing facility, an assisted living facility or in their own home
Miller Trust / Qualified Income Trusts

- **QITs criteria includes:**
  - Income solely from the individual
  - Must **not** contain resources such as income from the sale of real or personal property or money from a savings account
  - Must be irrevocable
  - Trustee assigned to manage administration of the Trust and expenditures from the Trust as set forth in federal and state law
  - NJ must be the first beneficiary of all remaining funds up to the amount paid for Medicaid benefits upon the death of the Medicaid recipient
  - Income deposited in the QIT may only be used for the specific post-eligibility treatment of Income and to pay for the cost of care

QITs will replace the Medically Needy eligibility program used for nursing facilities
Miller Trust / Qualified Income Trusts

• Individuals receiving benefits through the Medically Needy program prior to the QIT effective date will be grandfathered

• Medicaid eligibility resource limits are:
  – $2,000 for an individual
  – $3,000 for a couple

• All QITs established for Medicaid recipients must be initially approved by the eligibility determining agency and will be reviewed annually by the Division of Medical Assistance and Health Services

• Any funds remaining, after payments are made under the Post-eligibility Treatment of Income, must remain in the Trust until the beneficiary's death
In this new world, you have to be ready to climb because the low-hanging fruit is gone.