

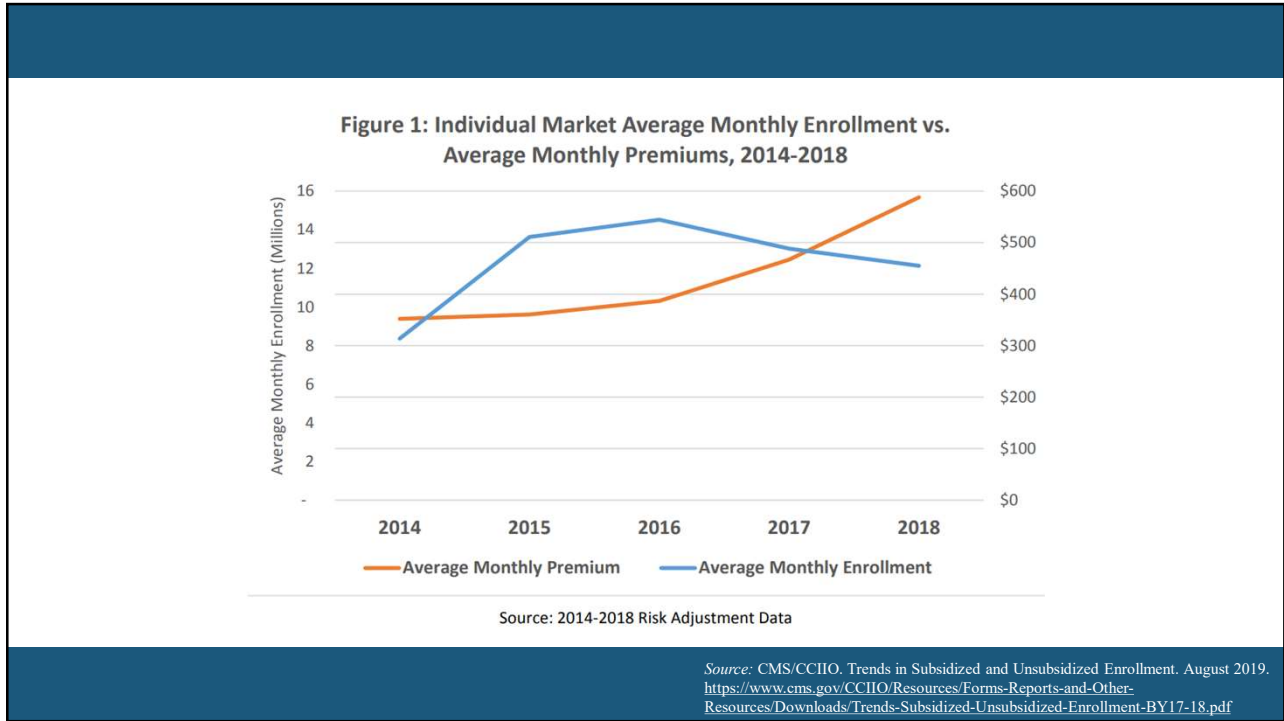


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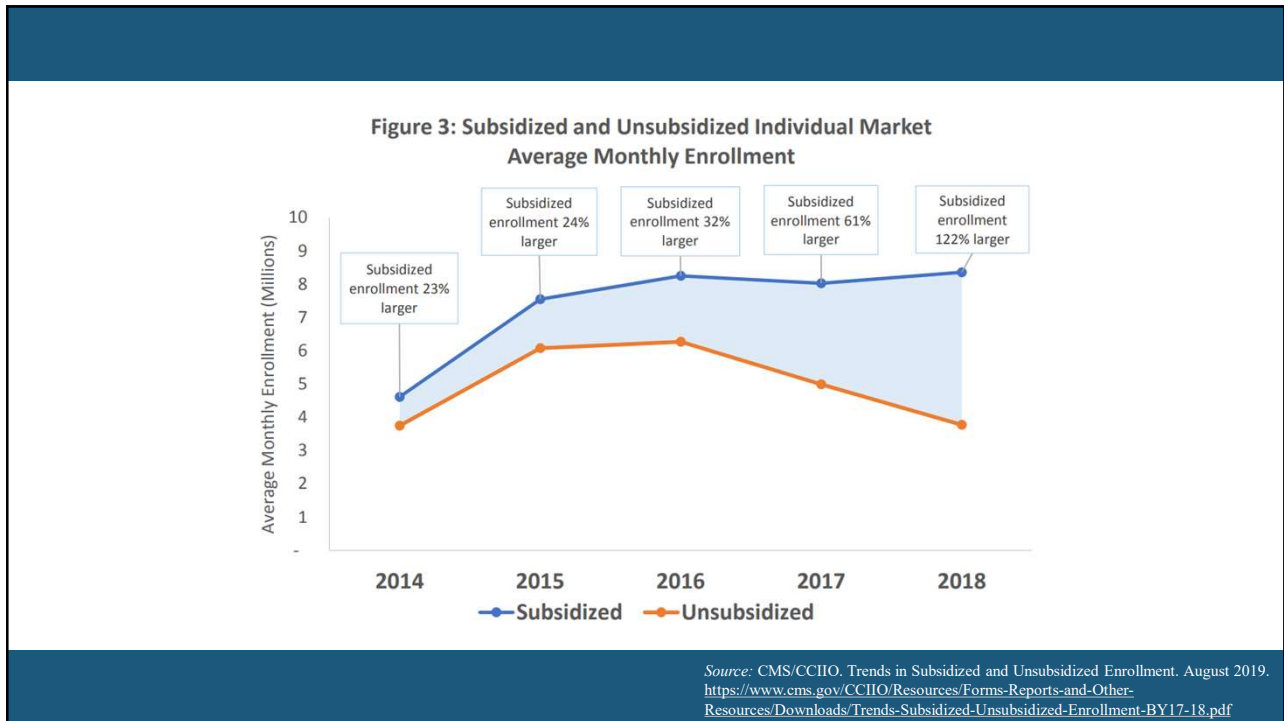
OBJECTIVES

- The Senate position is a comprehensive approach to providing improved access to health care and health insurance
 - › Establish means for the uninsured to become and stay insured
 - ❖ Both Medicaid and Non-Medicaid market
 - › Sustainable for patients, health care providers, and payers
 - › Ensure the private individual market is affordable
 - › Create a seamless and more useful health care insurance market
 - › Identify and track improved health matrixes for Kansas
 - › Measure improved health care access and quality for rural Kansas

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REQUIRED FEDERAL WAIVERS

1115 WAIVER

▸ *Medicaid Expansion*

- File CMS 1115 waiver for Medicaid Expansion
- Kansas expands with 90/10 funding match
- Expansion population to be covered under the same KanCare model as currently provided

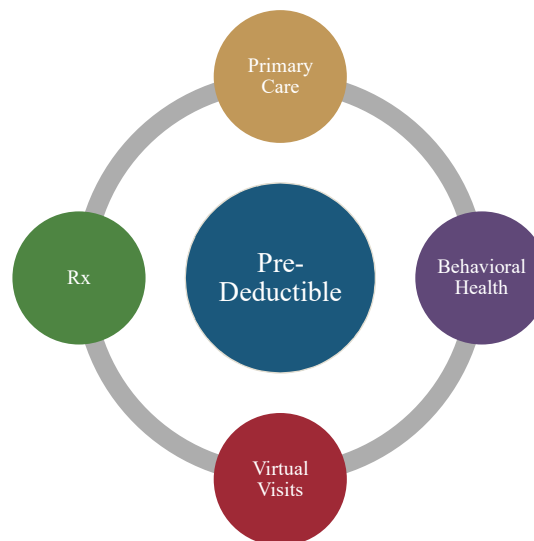
1332 INNOVATION WAIVER

▸ *Uninsured/Unaffordable Individual Market*

- File CMS 1332 State Innovation Waiver
- Provides reinsurance to plans sold on ACA Exchange
- Makes insurance more attractive to the young/healthy
- Has a more balanced risk pool
- Consumer friendly plan design
 - Insurance before high deductible

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HIGH DEDUCTIBLE HEALTH PLAN IDEAS



Source: United Healthcare

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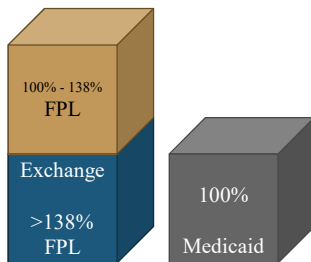


ACTION ITEMS

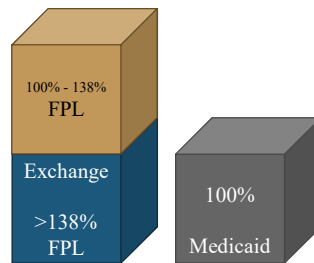
- ▶ Super Waiver approach
 - › Submission of the 1332 Innovation Waiver *together* with the 1115 Medicaid Expansion Waiver
 - › Objective is to allow 100% - 138% of FPL to stay on private insurance rather than being forced onto Medicaid
 - › Ask CMS to expand Medicaid to 100% FPL while we wait on decision of 1332 State Innovation Waiver
- ▶ The 1115 Waiver
 - › Expanding Medicaid to those age 19-64 with the Federal 90/10 match
- ▶ The 1332 or 'Innovation' Waiver
 - › Provide a state/federal funded reinsurance fund
 - › Stabilize the Exchange private market
 - › Re-creation of the Kansas High Risk Pool
 - › Lower premiums in the individual market, benefiting unsubsidized consumers who are being priced out of affording health insurance
 - › Promote competition in that greater stability makes participating in the individual market more attractive for carriers

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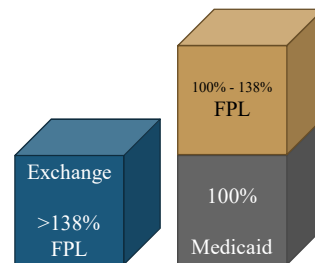
SUPER WAIVER STRUCTURED WITH "IF, THEN" LOGIC



1. Expand to 100% of FPL with 90/10 match and allow 100% - 138% to stay on the exchange.



2. Expand to 100% of FPL with 90/10 match and allow 100% - 138% *the option* to stay on the exchange.



3. Expand in standard fashion.

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Animations on slide 8 cannot be depicted on handout

PROVIDE A PATHWAY TO EMPLOYMENT

- Integrate work assessment questionnaire as part of Medicaid application and eligibility process
 - › Do you work?
 - › If no, what is keeping you from working?
- Integrate with KansasWorks
 - › Administered by the Department of Commerce
 - › Connections with employers
 - › Provide annual outcomes



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WORKFORCE DEVELOPMENT ASSESSMENT

- What is keeping you from working?
 - › Does not have a high school diploma
 - › Cannot find a job
 - › Does not have transportation
 - › Acts as a caretaker
 - › Currently raising small children
 - › Unable to find or afford childcare
 - › Currently a full-time student
 - › Physical, mental, or behavioral health problems
 - › Other



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STATE MEDICAID EXPANSION PAY-FORS

<i>State Share -10%</i>	<i>\$121 M</i>
<i>Federal Share – 90%</i>	<i><u>\$975 M</u></i>
	<i>\$1.1 B</i>

› MCO (HMO) 5.77% Tax	\$63 M
› Current to Expanded	\$23 M
› Drug Rebates <i>SB 231</i>	\$4 M
› Hospital Tax <i>Surcharge approach</i>	<u>\$31 M</u>
	<i>\$121 M</i>

STATE INNOVATION WAIVER PAY-FOR

› Tobacco/E-Cig/Vape Tax increase	\$50 M
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PREMIUM PAYMENTS VS CO-PAYS

- ▶ Maximum amount of premium payments allowed
 - › <100% FPL **0%**
 - › 100% - 138% FPL **5% of household income**
- ▶ Co-pays appear problematic and too costly to collect
 - › Possible exception for unnecessary ER visit co-pays
- ▶ Collectable from tax return garnishments, gambling winnings, etc.
- ▶ Ask CMS if a non-emergency ER visit co-payment would be allowed in addition to the 5% premium
- ▶ Lock-out period

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LOCK-OUT PERIOD

- For >100% FPL, patient cannot be eligible for Medicaid until first payment is made
- After 60 days of non-payment, patient is locked out for six months
- State will garnish tax refunds, gambling winnings, etc. for any balance due




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DEPARTMENT OF CORRECTIONS

- Medicaid funding is used for inpatient services when the stay is longer than 24 hours
 - › Inmate must meet all required eligibility criteria and have a qualifying event
 - › Requires an application and supporting documents to be submitted
 - › <5% eligible now. Post expansion >80% will be eligible
 - › Could save DOC ~\$2M annually
 - › Local jails can participate as well
- KDOC facilitates the process for those transitioning out of a restricted setting and onto Medicaid, if they are eligible
 - › Restricted settings include prisons, jails, mental institutions, and state hospitals
 - › KDOC has automated interfaces to receive release information which triggers reinstatement of eligibility
 - › Local jails can participate as well



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TIERING THE MEDICAID PLAN

- Reward patients who have annual wellness exams, annual diabetic eye exams, medication compliance, etc.
- Based on patient behavior, MCOs to offer options such as Basic, Basic Plus, and Premium plans

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REQUIRE MANAGED CARE DELIVERY SYSTEM

- KanCare bidders cannot be discriminated against based on tax status
 - › *Example:* For-profit vs. Not-for-profit
- Required, *or to be given a large positive weighting in contract award process*, if bidders sell product on the Exchange as well
 - › Patients could easily move back and forth between Medicaid and Exchange plans



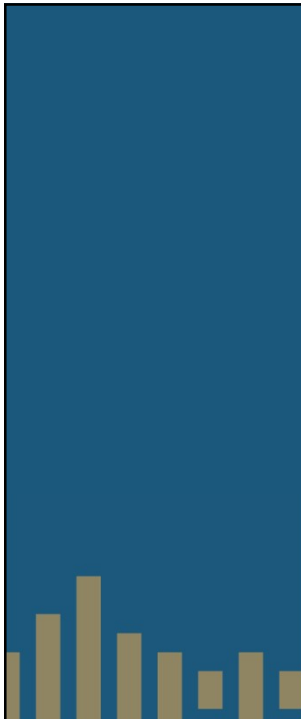
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WAIVER SUBMISSION AND SUPPORT

- Agencies submitting the waivers will support the legislative intent and fight for everything contained in the bill
 - › No “wink/nod” maneuver with CMS
- CMS Waiver application(s) will be submitted to the health and budget standing committees of each chamber and to the LCC at least 10 days prior to submission

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DATA MEASUREMENTS

- *Economic Impact*
 - › LPA to produce an annual report for the first two years on direct economic activity that can be measured in the SGF
- *Social Determinants of Health*
 - › Follow up on program initiatives based on the data received

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THE GUARDRAIL

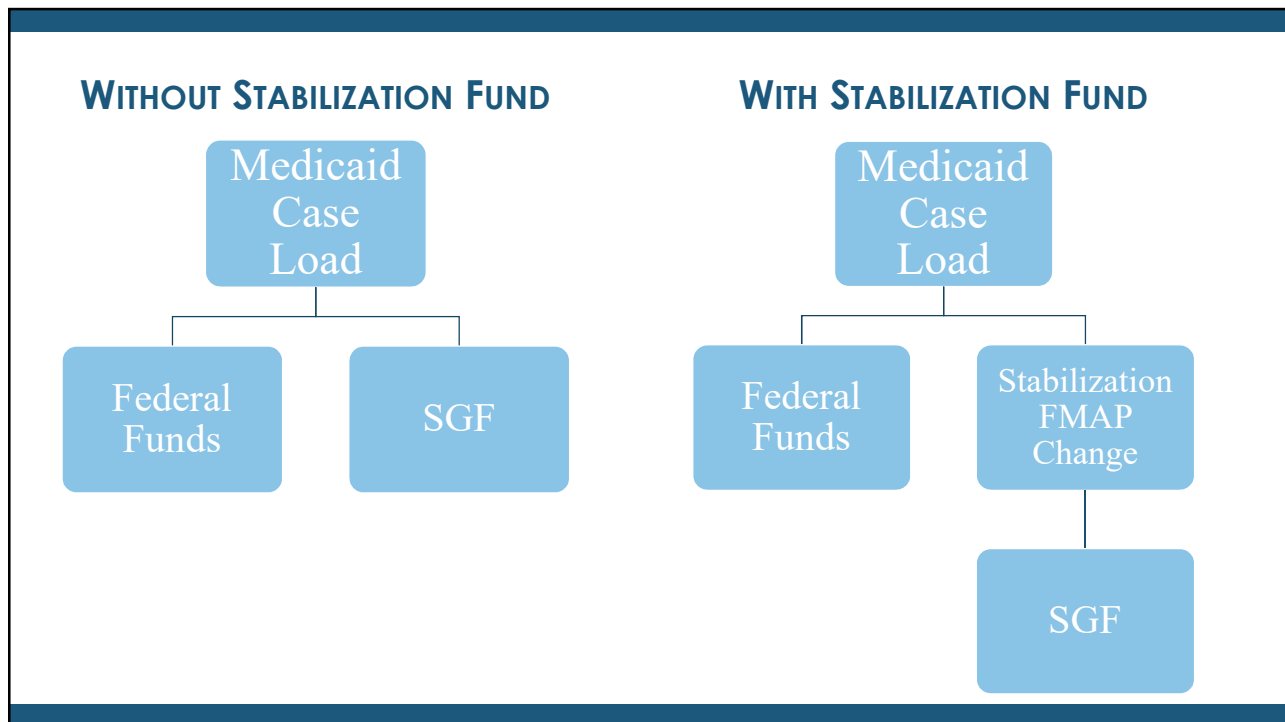
- The entire program terminates if Federal Match/FMAP is modified below the 90% level
- Non-Severable

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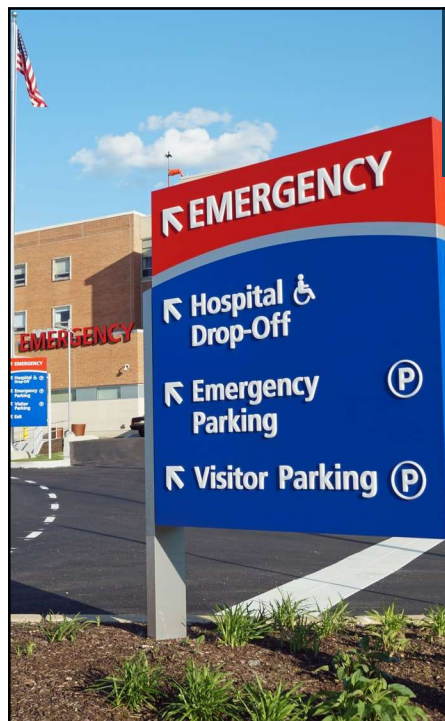
FMAP STABILIZATION FUND ON EXISTING MEDICAID FUNDING SB2

- Any funds recovered from the federal government as a result of the pending lawsuit Texas v. United States, no. 7:15-cv00151-O will be deposited into the stabilization fund
 - › Roughly ~ \$30M
- In years when FMAP increases and results in lower state expenses for Title XIX programs, the bill would require a transfer of the amount of those savings **to** the new stabilization fund
- In years when the FMAP decreases and results in higher state expense, the corresponding dollar amount of increased state responsibility would be transferred **from** the stabilization fund to the State General Fund

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RURAL HEALTHCARE

- Rural Hospital Structure
 - Federal modified model
 - Develop innovation waiver with different physical structure and Medicare payments structure
- Provider tax unique to and from critical access hospitals
 - Re-allocated to keep them whole under a value-based method
- Demonstration Project

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QUESTIONS?

October 23, 2019

Senate Select Committee on Healthcare Access