



IowaCare & Affordable Care Act Update

Health and Human Services
Appropriations Subcommittee

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Affordable Care Act



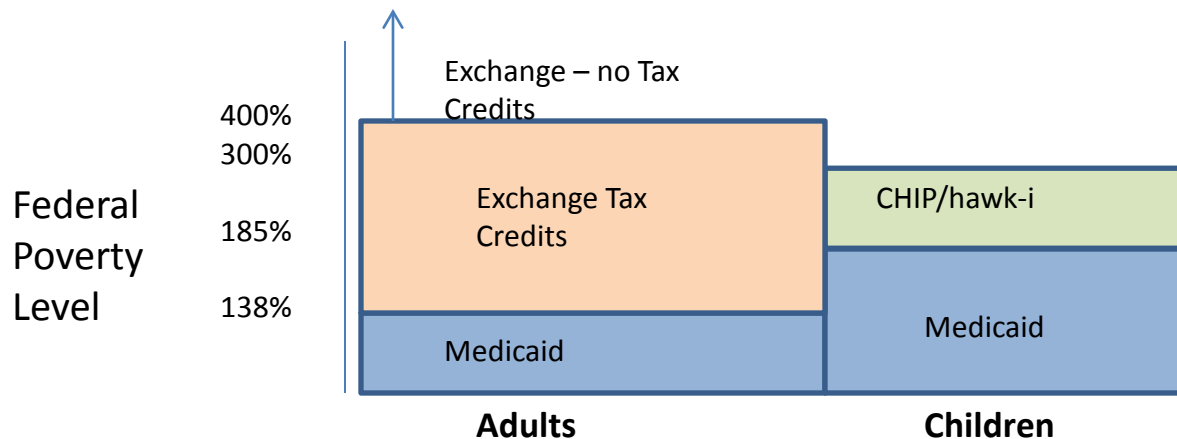
- January 1, 2014 - Medicaid Expansion in the Affordable Care Act (ACA):
 - Expands Medicaid to 138% of the Federal Poverty Level (no longer tied to categories)
 - No asset or resource tests
 - Changes income calculated to ‘Modified Adjusted Gross Income’ (MAGI), a tax based method for most Medicaid categories
- Primary impact – projected to add approx. 150,000 adults to the Iowa Medicaid program



- 100% federal match for 'newly eligible' through 2016, rate phases down to 90%
- Expansion program will have regular Medicaid provider network; benefit package = 'Benchmark Plan'
- IowaCare Waiver will expire 12/31/13
- 95% of IowaCare members are below 150% FPL
- IowaCare program will end; nearly all current IowaCare members will transition to Medicaid Expansion



- Health Benefits Exchange
 - Individuals in individual/small group market
 - Federal tax subsidies from 138% to 400% FPL
 - ‘Seamless’, consolidated eligibility process for Medicaid, CHIP, and Exchange is required





Iowa Integrated Eligibility System Project

- Request for Proposals for new Eligibility IT system developed in 2011
- RFP issued in December 2011
- Proposals from vendors due this spring
- Funding for the majority of the project from Medicaid 90% federal match and Health Benefits Exchange Grants (100% federal); smaller amount is other federal match (50% from other federal sources)
- Will perform eligibility for Medicaid, Food Assistance, Family Investment Program, and Exchange Tax Credits



Health Benefits Exchange Planning

- \$7M Level 1 Establishment Grant:
 - \$1.7M – DHS planning and procurement cost for Eligibility IT project
 - \$3.8M – HBE planning and technical assistance contract (background studies, assess current business operations and IT systems, Gap Analysis, Support design sessions, procurement support, Support Federal gate reviews)
 - \$1.9M Insurance Division – Market Analysis, financial and operational planning
 - \$342K Department of Public Health – develop plan for outreach and collaboration with safety net providers, consumer education



- Issues to consider:
 - With the expansion, Medicaid will enroll a significant amount of new, low-income single adults and childless couples currently not eligible
 - 50,000+ current IowaCare members will transition to the Medicaid expansion
 - What are the health care needs of this new population? IowaCare experience and other states' experience indicates greater incidence of delayed health care needs, particularly mental health and substance abuse



- IowaCare members have a high incidence of unmanaged chronic disease
 - 23% have never had health insurance; 59% have not had insurance for more than 2 years
 - 42% of patients have one or more chronic conditions (diabetes, chest pain, coronary artery disease, cancer, high blood pressure, pain)
 - IowaCare patients self report poorer health status than the general Medicaid population
 - 36% of IowaCare patients self report depression
 - Of the members who leave the program, approximately 40% become eligible for Social Security Income (SSI – Disability) through Medicaid



- Is the provider network sufficient to assure access?
- Education, health coaching for new population will likely be a need given many may have had limited experience with 'insurance'
- Mental health and substance abuse needs
- Chronic disease



- Strategies:
 - Need to improve health care outcomes through coordinated care models, payment reforms
 - Health Homes
 - IME developing model. Working to submit for CMS approval soon
 - Reimbursement – per member per month payment in 4 tiers of payment based on acuity, plus performance measurement/outcomes payment
 - Accountable Care Organizations – great interest, but TBD (Medicaid regs do not currently contemplate)
 - Research and planning underway



Questions?

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