

# Idaho Health Care Plan

## DUAL Waiver Strategy

### (DHW and DOI)

Idaho Legislative Session

JFAC

January 2018

## Presentation Outline

- Identify problems are we trying to solve
- Details of how the 1115 and 1332 waivers help address Idaho issues
- Updates on waiver applications
- Next steps

# Health Insurance Costs/Risk Pools



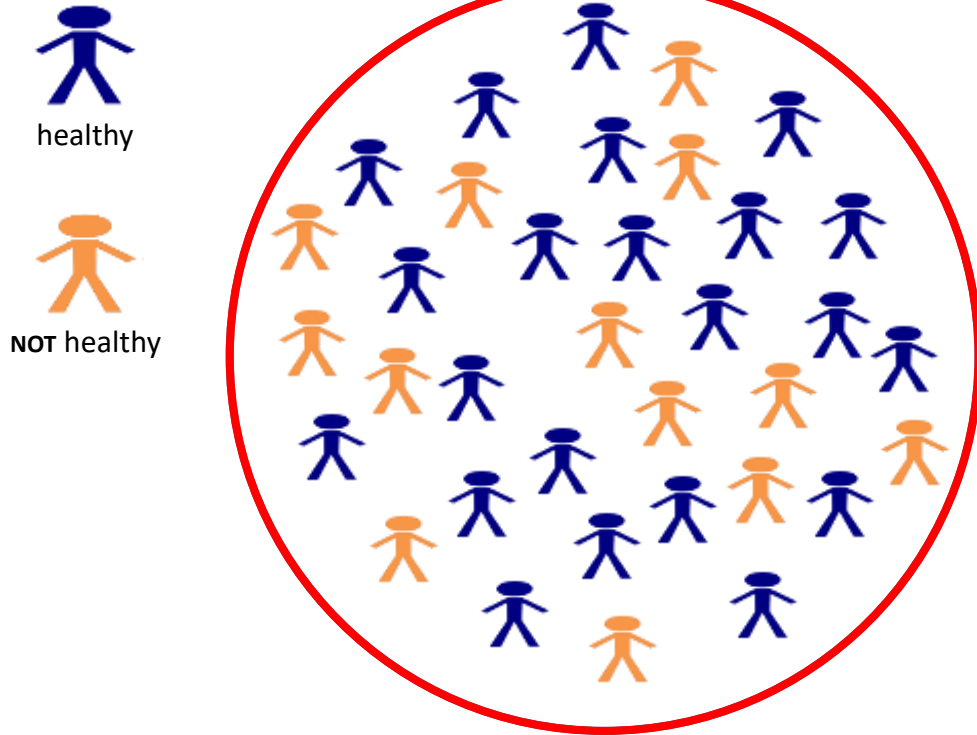
## Sustainable Insurance Market

- Adequate mix of healthy risk with unhealthy risk
- The Insurance Pool

## Prior to the Affordable Care Act (ACA)

- Idaho had some of lowest rates in the nation
- Adequate mix in the Individual Insurance Pool
- Better than adequate mix in the Group Market
- Idaho's Risk Pool was Strong and Healthy

# ACA Implementation and Consequences



## ACA in Idaho

- Tools to manage risk were prohibited
- Less healthy people w/ more expensive conditions get private insurance
- Healthier people leave the Insurance Marketplace
- Premiums increased for everyone
- Some carriers may choose to leave the market and not offer plans

## Result: increasing premiums

- Pre ACA (2012) Premiums = \$185M  
Claims = \$120M
- With ACA (2016) Premiums = \$615M  
Claims = \$640M

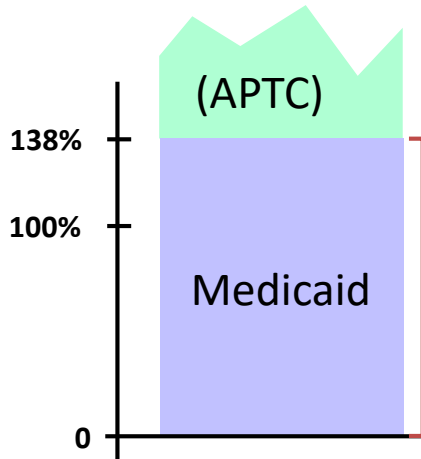
Premiums go up → Healthy people leave → Insured are less healthy

## Executive Order 2018-2: Restoring Choice in Health Insurance for Idahoans

- No relationship to dual waiver strategy
- A separate effort to improve overall risk pool and reduce costs for Idahoans
- New state plans available through Executive Order will increase choice for Idahoans
- Individuals who receive a tax subsidy to pay for private coverage must purchase ACA compliant plans on Your Health Idaho (YHI)
- Individuals under 100% FPL who qualify under the waiver for a tax credit must select an ACA compliant plan with full Essential Health Benefits

# Current Environment

- No Federal solution
- Federal flexibility offered to states
- Conservative/Compassionate approach



## Medicaid Expansion

\* Total Cost = **\$526.4 M**  
\$484.5 M Federal Funds  
\$42 M State Funds

*\*Milliman SFY 2019 estimate*

# Strategies and Options

- Medicaid Expansion
- Do nothing
- DUAL Waiver

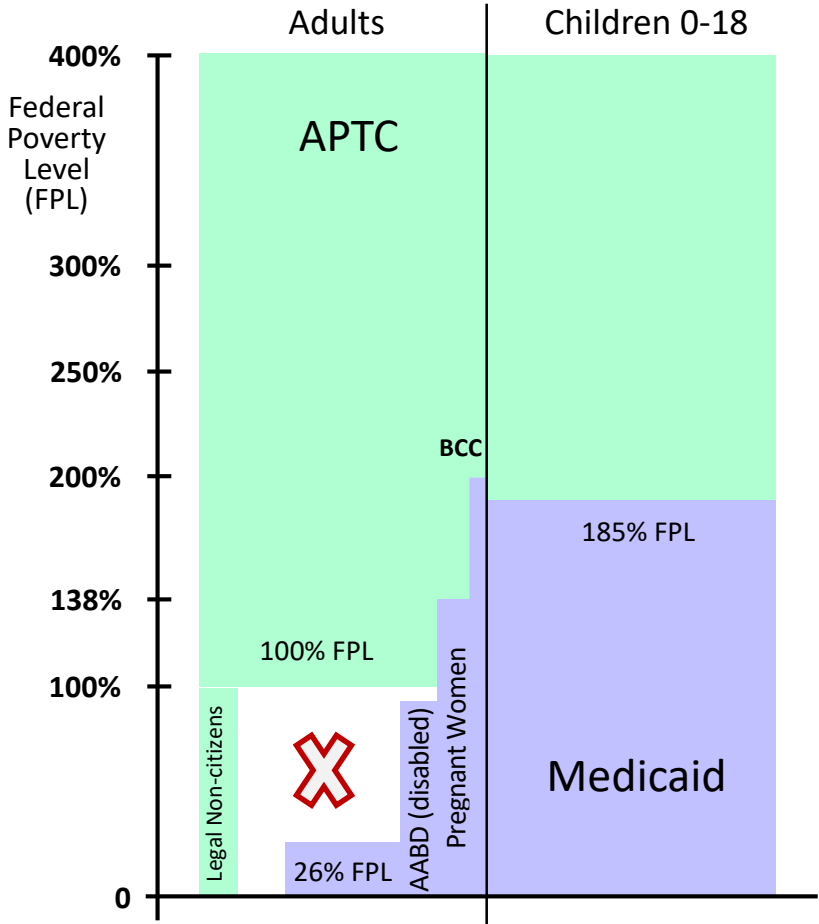
↳ **Idaho's DUAL Waiver**

A combined Insurance Marketplace and Medicaid strategy to:

- Reverse increasing insurance rates
- Decrease the number of Idaho's uninsured
- Improve access to Health Care
- Provide an affordable strategy

**...now for the details**

# Idaho's current Medicaid & Subsidized Insurance (APTC) Coverage



**Generally Medicaid covers:**

- Children 0% to 185% FPL
- Parents to 0% to 26% FPL

**Generally APTC covers:**

- Children from 185% to 400% FPL
- Adults from 100% to 400% FPL

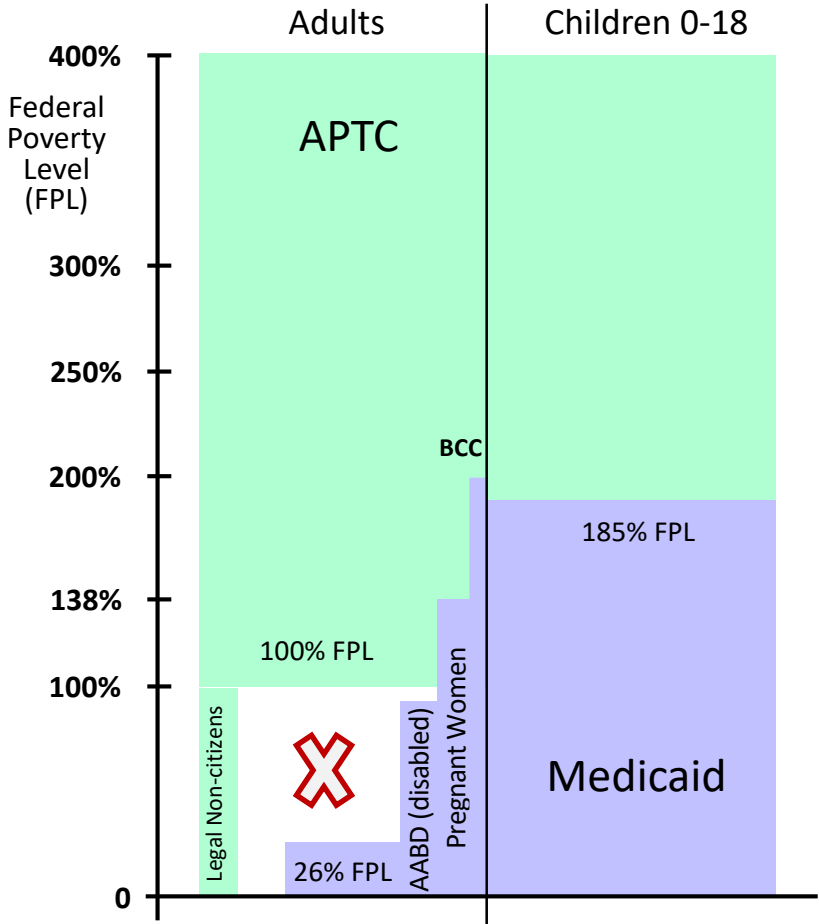
**Other groups modify this general coverage:**

- Legal Non-citizens get APTC from 0% to 100% FPL (working citizens do not)
- Aged/Disabled (AABD) get Medicaid from 0% to ~83% FPL
- Pregnant Women get Medicaid from 0% to 138% FPL
- Breast & Cervical Cancer diagnoses (BCC) 0% to 200% FPL

**There is no Medicaid/APTC coverage for:**

- Non-disabled Adult US Citizens from 0% FPL to 100% FPL (unless Parents)

# Idaho's current Medicaid & Subsidized Insurance (APTC) Coverage





# Combining 1332 + 1115 Waivers to improve GAP coverage

**STEP 1:**

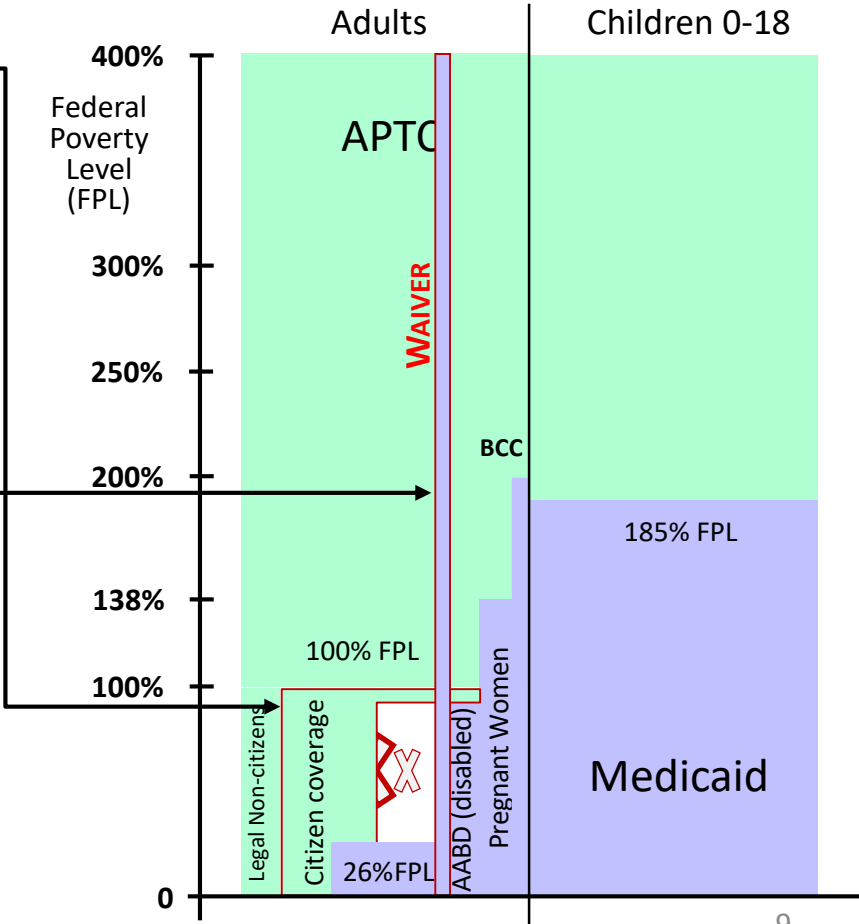
YHI/DOI applies for 1332 Waiver:

- Waives the APTC ban on citizens up to 100% FPL (treats US citizens the same as legal non-citizens)
- Covers working/taxed citizens with APTC
- From 0% to 100% FPL not Medicaid eligible
- Decreases (does not eliminate) uncovered
- Estimated coverage ~35,000

**STEP 2:**

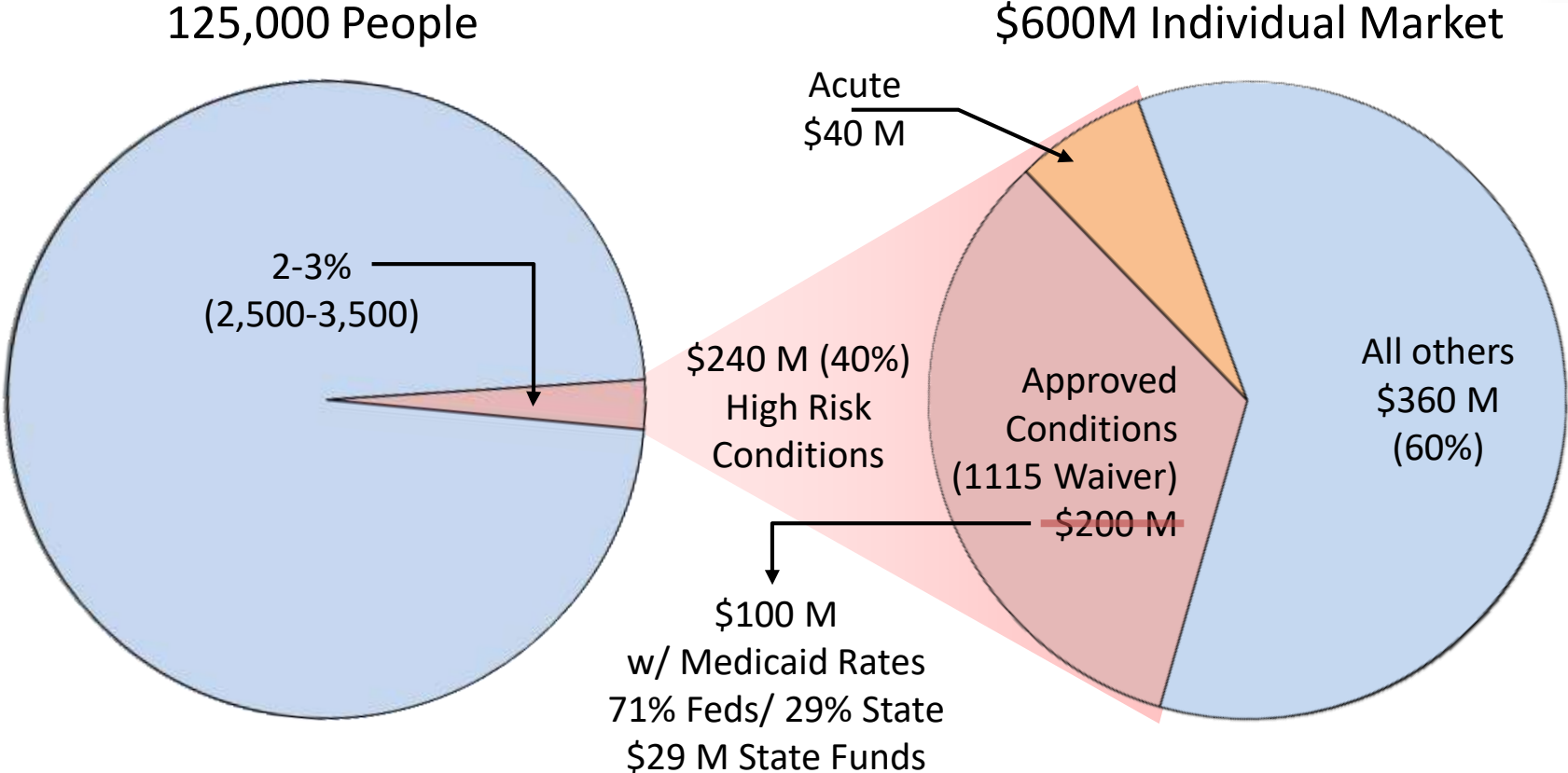
DHW applies for 1115 Waiver:

- Identify and Define Medically Complex Conditions
- New group covered by Medicaid
- Estimated coverage ~2,500 – 3,500 individuals



# 1115 Waiver: Reduce High Cost Claims to Balance Risk Pool

Conceptual  
NOT actuarial  
data



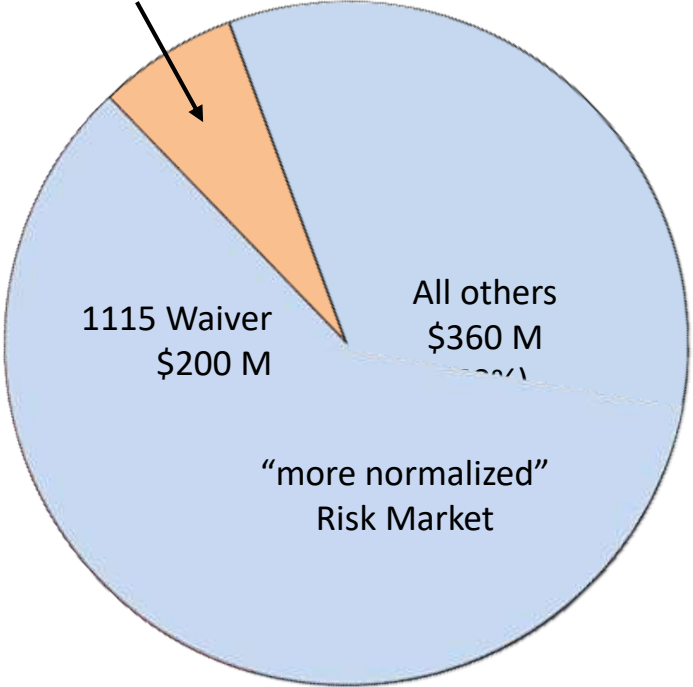
# Condition List

1115 Waiver Approved Condition List *	Average Lives	Total Claims	Average Cost
Hemophilia	5	\$ 1,255,251	\$ 251,050
Disorders of Bone Marrow (Myelodysplastic Syndromes, Myelofibrosis, and Aplastic Anemia)	31	\$ 5,795,662	\$ 186,957
Cystic Fibrosis	18	\$ 2,030,080	\$ 112,782
Paralytic Syndromes > Quadriplegia, Paraplegia, Hemiplegia, Monoplegia, etc.	165	\$ 17,520,765	\$ 106,186
Select Severe Cancers > Metastatic, Lung, Brain, Non-Hodgkin's Lymphomas, etc.	728	\$ 72,119,511	\$ 99,065
Multiple Sclerosis	297	\$ 17,002,091	\$ 57,246
Diseases of the Blood (Hemolytic Anemia, Sickle Cell Anemia, Thalassemia Major, etc.)	27	\$ 1,434,444	\$ 53,128
Disorders of Immunity (HIV/AIDS, Combined/Severe Immunodeficiencies, etc.)	238	\$ 11,333,458	\$ 47,620
Diseases of the Liver > End-State Liver Disease, Cirrhosis, and Chronic Hepatitis	486	\$ 21,079,279	\$ 43,373
Select Nervous System Diseases > ALS, Myasthenia Gravis, Guillain-Barre Syndrome, etc.	122	\$ 5,267,792	\$ 43,179
Metabolic/Endocrine Disorders (Mucopolysaccharidosis, Lipidoses, Glycogenosis, etc.)	751	\$ 21,130,598	\$ 28,137
Disorders of Musculoskeletal System & Connective Tissue (Osteogenesis Imperfecta, etc.)	123	\$ 3,419,943	\$ 27,804

\* Hierarchical Condition Category or HCC (> identifies HCC composites); 2016 Idaho Insurance Carriers data

# 1115 Waiver Impacts: Rates decrease by 20%

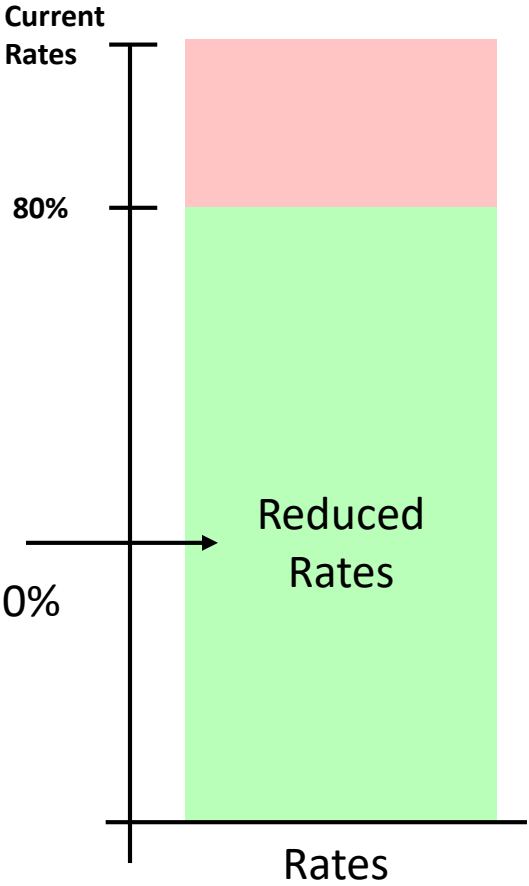
Remaining High Cost Conditions



\$600M Individual Market

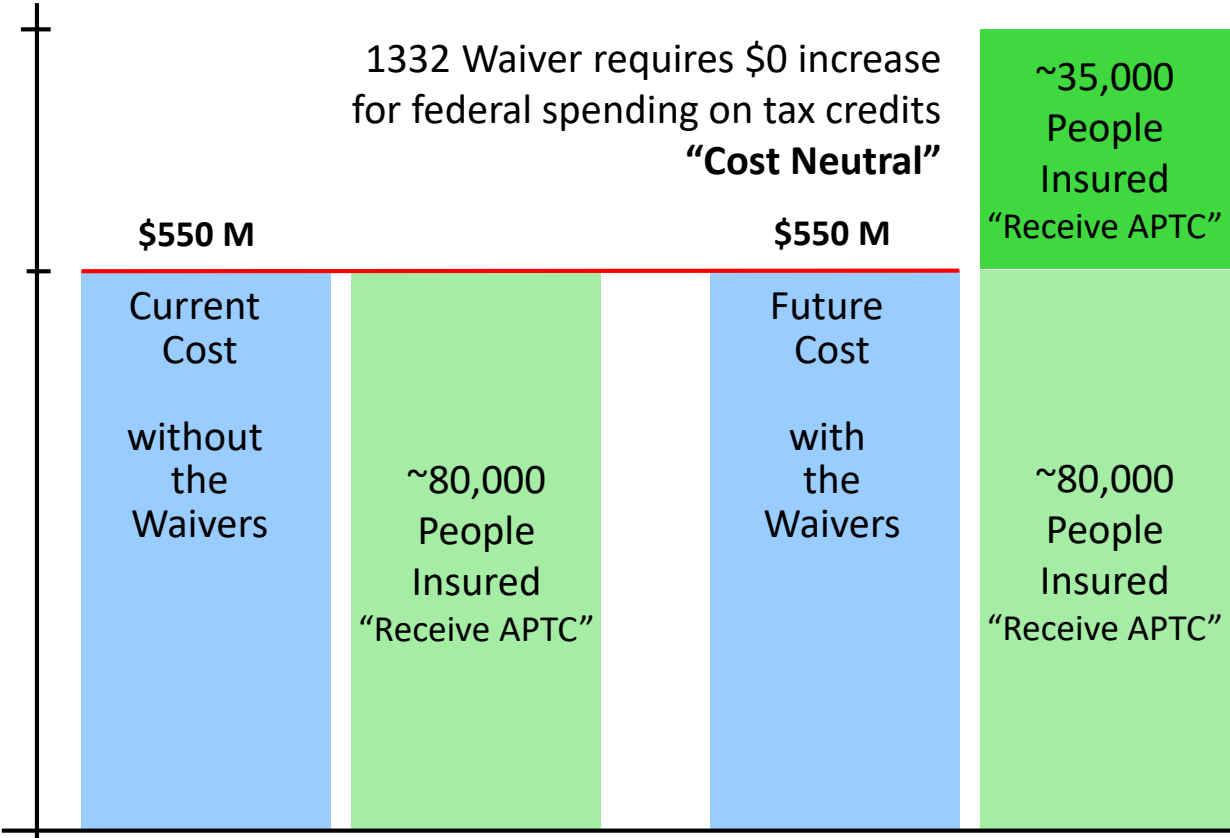
When ~ \$200M in high risk costs come off the individual market

Then...rates are expected to decrease by ~ 20%



# Dual Waiver: Cost Neutrality Requirements

1332 Waiver requires \$0 increase for federal spending on tax credits  
**“Cost Neutral”**

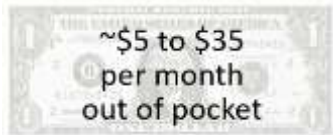


- Additional people insured/receiving APTC ←
- Reinvesting**
- Covers ~35,000 in the GAP population with private coverage
- ↑
- Generating**
- ~\$135M to \$150M in savings
- ↑
- With**
- ~20% savings in rates
  - ~25% savings in APTC paid by Feds

# 1332 Waiver Impacts: Gap population has access to health care



U.S. Citizen  
Under 100% FPL  
Files Federal Tax Return



Access to Private  
Affordable Coverage

(B) SPECIAL RULE FOR CERTAIN INDIVIDUALS LAWFULLY PRESENT IN THE UNITED STATES.—If—

“(i) a taxpayer has a household income which is not greater than 100 percent of an amount equal to the poverty line for a family of the size involved, and  
“(ii) the taxpayer is ~~an alien~~ lawfully present in the United States, but is not eligible for the Medicaid program under title XIX of the Social Security Act ~~by reason of such alien status~~, the taxpayer shall, for purposes of the credit under this section, be treated as an applicable taxpayer with a household income which is equal to 100 percent of the poverty line for a family of the size involved.

## What has been accomplished

- Public information sharing
  - Public hearings,
  - Public presentations,
  - Changes made to the proposal based on input from stakeholders
- Completed draft applications for 1115 and 1332
  - Shared with CCIIO and CMS for feedback and discussion
- Completed final condition list and actuarial analysis
- Preparation for 2018 Legislative session
  - Budget analysis and recommendations and
  - Legislation

# What's next



Submit  
Final Applications



**January 2018**  
to HHS (CMS)

**February 2018**  
to HHS (CCIIO)

Legislative Waiver Approval  
(prior to federal approval)



**2018 Session**  
from Idaho Legislature

Federal Waiver Approval  
(after Idaho Legislature approval)



**March/April 2018**  
from CMS

**June/July 2018**  
from CCIIO

Dual Waiver  
Implementation



**July 1, 2018**  
by DHW

**October 1, 2018**  
prior to open enrollment



# Questions & Discussion