

Healthy Idaho

An Idaho Alternative to Medicaid Expansion

February 5, 2015

Medicaid Redesign Workgroup



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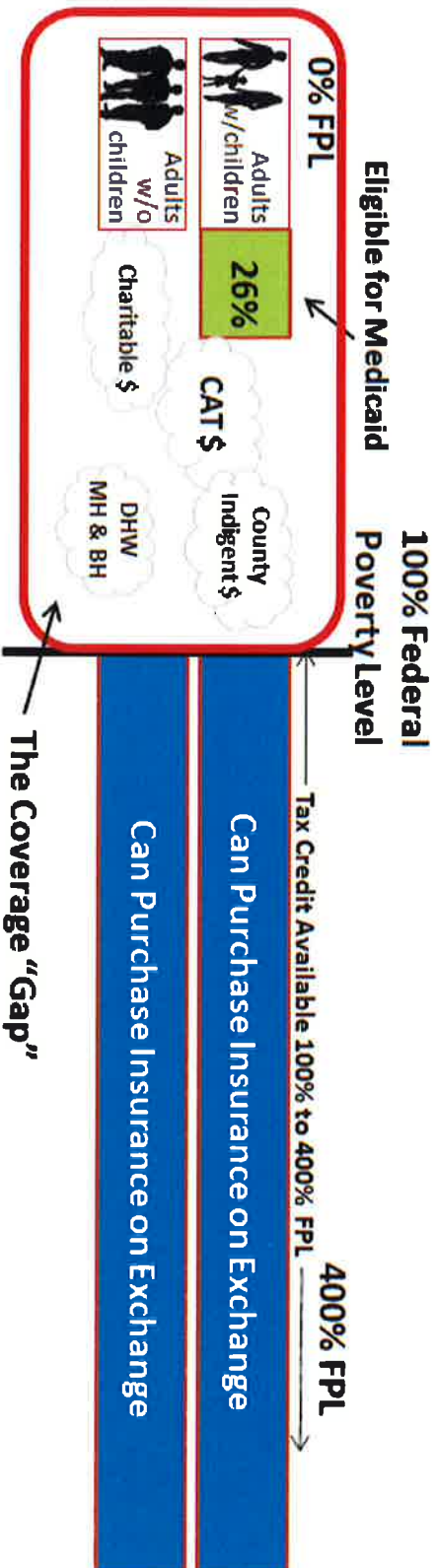
Today's Presentation

1. Aligning Idaho's healthcare initiatives
2. Idahoans' access to healthcare
3. The "Gap" population
4. Workgroup recommendation
5. Strategies / Next steps



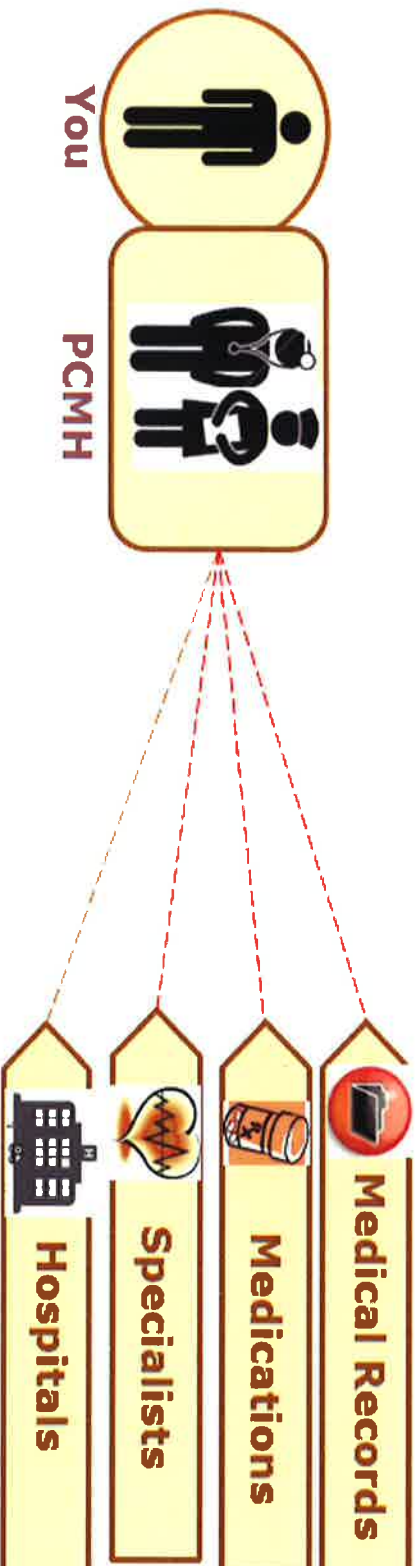
Idaho's Healthcare Initiatives

1. State Healthcare Innovation Plan (SHIP)
2. Traditional Medicaid reform
3. Plugging the "Gap" in healthcare coverage



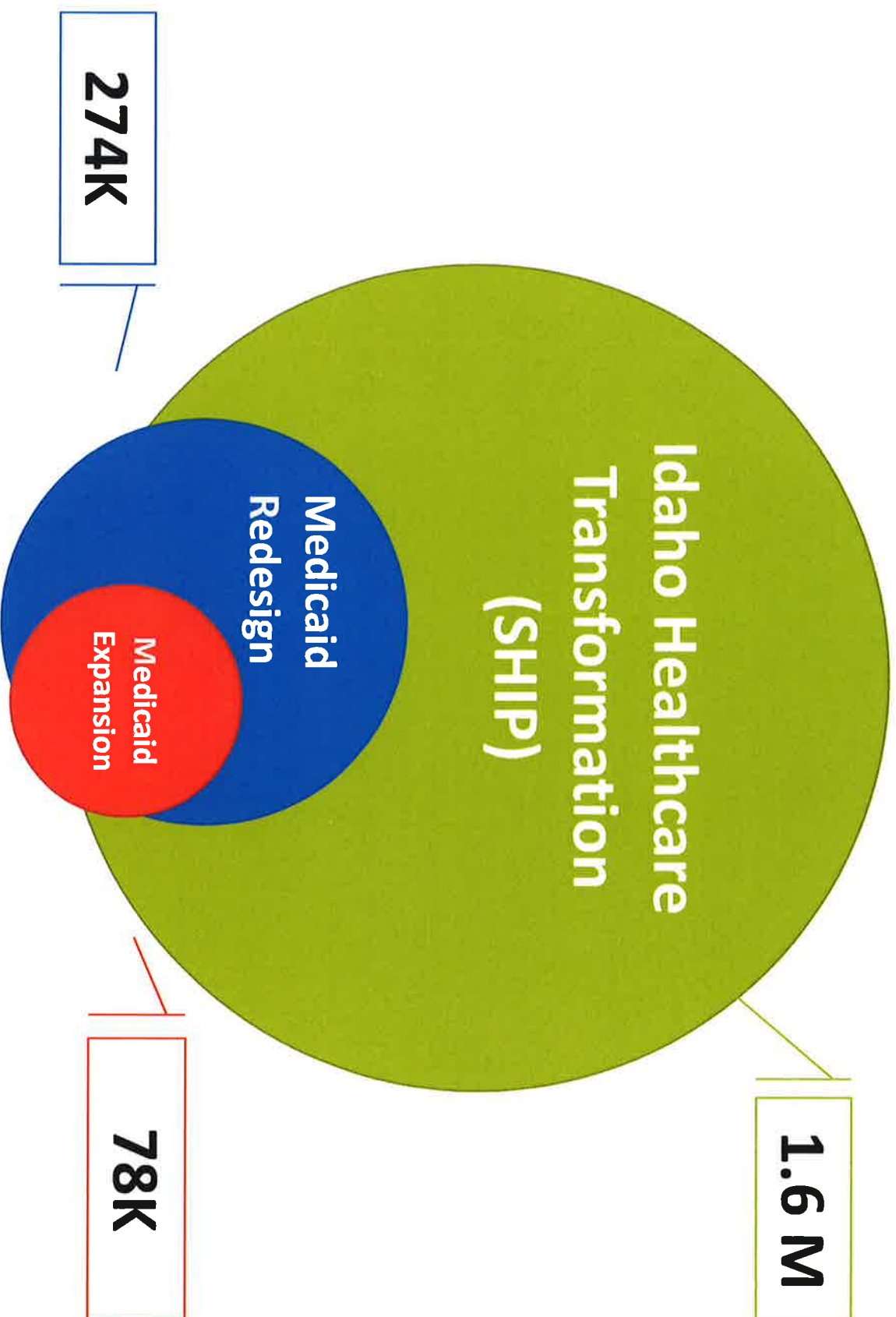
#1: State Healthcare Innovation Plan (SHIP)

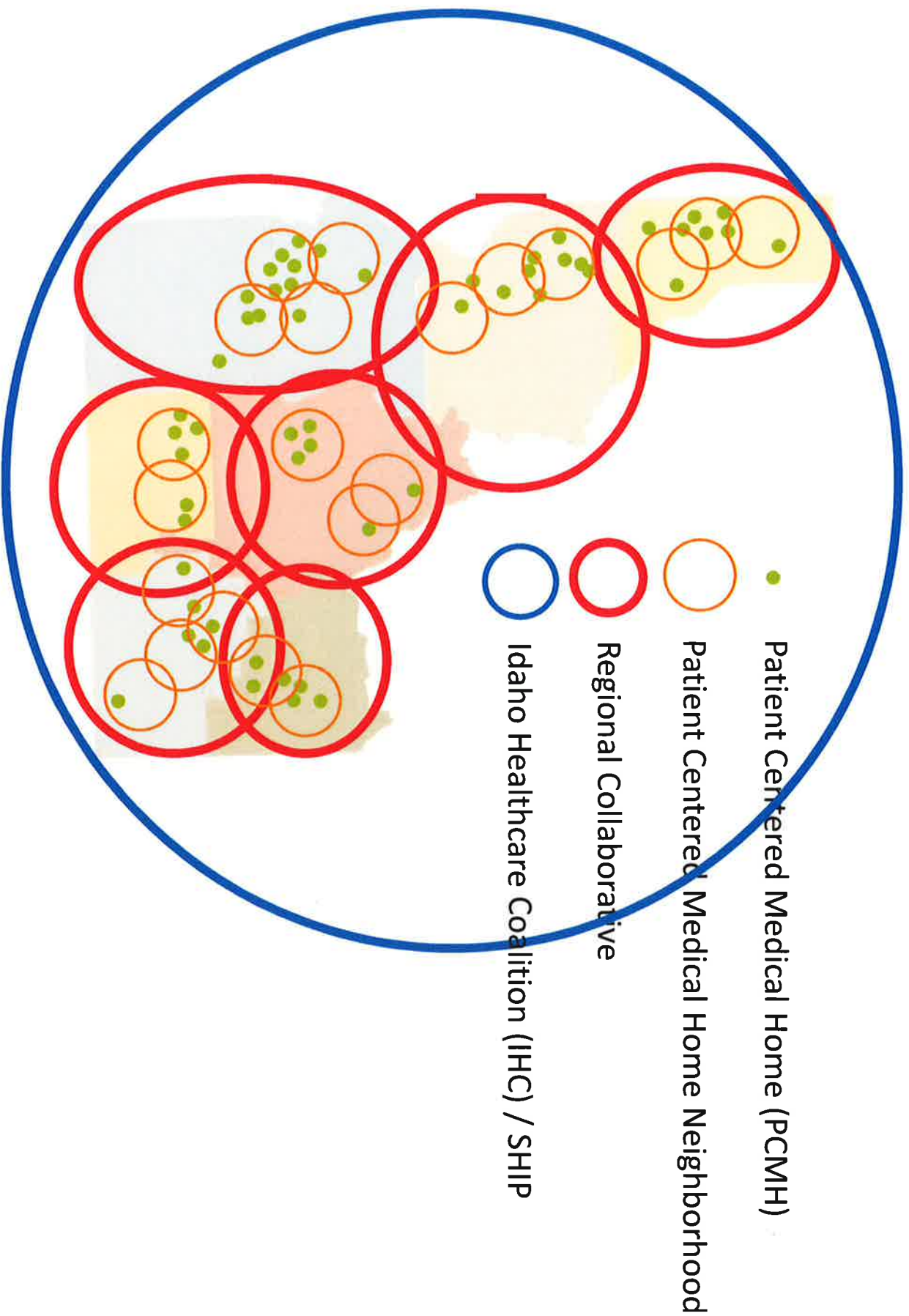
- Transform delivery system to patient-centered medical home model



- Multi-payer model, replacing fee-for-service with value-based reimbursement
- Incentives to both participant and provider for managing chronic conditions, wellness exams and preventive care
- PCMH and direct primary care are same model of care with differing reimbursement methodology

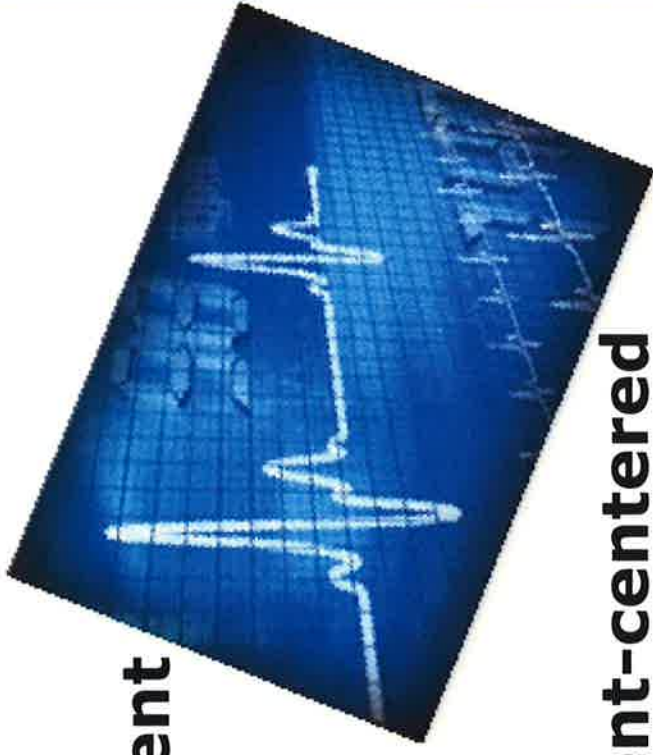
Three Synergistic Idaho Health Care Models





#2: Traditional Medicaid Reform

- Idaho Medicaid began moving to care management principles in 2007
- HB260 directed Idaho Medicaid to transition services to managed care
- Uses SHIP model of patient-centered medical homes to focus reimbursement on the value created through improved outcomes
- Goal: Transition all Medicaid participants to care management

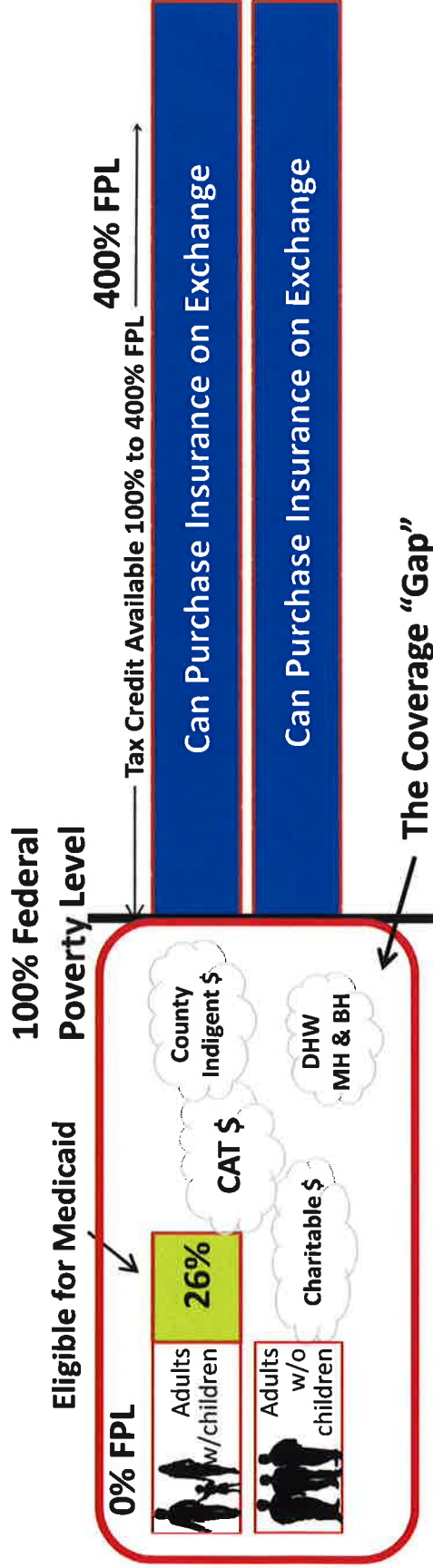


Idaho's Healthcare Coverage Landscape

Coverage Source	Enrollees	%
Employer	750,000	46%
Private/Exchange Eligible	264,000	17%
Medicaid	269,000	17%
Medicare	249,000	15%
Uninsured < 100% Poverty	78,000	5%
Total	1.61 Million	100%

- Workgroup focused on the 5% of Idahoans with no options
- Workgroup referred to this group as the "Gap" population because there is a gap in coverage between the extremely poor and higher income Idahoans.

The "Gap" Population: Adults 0-100% FPL



- Estimated at 78,000 adults
- Access crisis care through hospital emergency rooms, county indigent services, state CAT fund, or other charity care
- Uncompensated care costs are shifted to counties and state, along with higher insurance rates for employers and employees
- Charity care provides little continuity of care management
- Chronic diseases often progress to very expensive indigent costs

Gap Population: Demographics



78,000 Uninsured “Gap” Adults

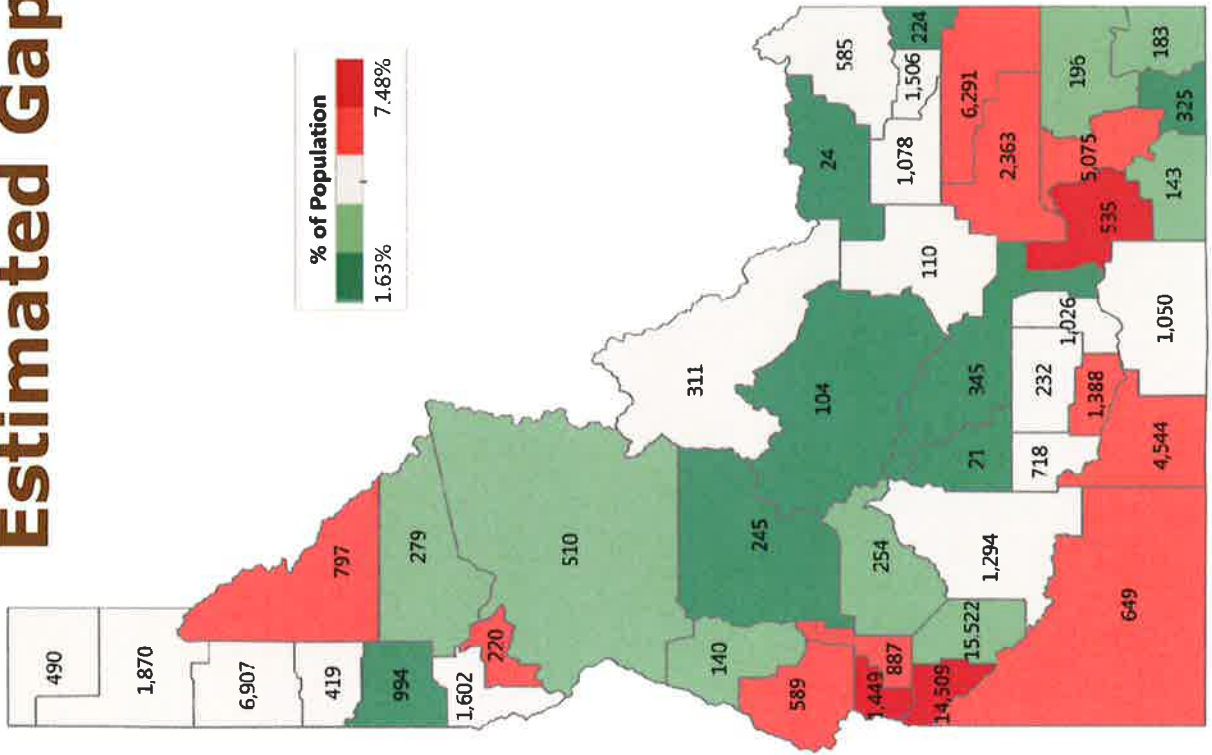
0 to 100% Federal Poverty Limit

Care Management

Who are the adults in the Gap?

- More than half have children in the home
- 68% of uninsured families have at least one full-time worker
 - Food service workers
 - Laborers in construction, farming and forestry
 - Home health aides, childcare workers, retail sales
 - Transportation, janitorial, office and administrative support

Estimated Gap Population by County



County	Estimated Gap Participants	Population	Percent of Population	FY 2014 State & County Indigent Provider Payments
ADA	15,522	416,464	3.73%	\$16,842,323
ADAMS	140	3,828	3.66%	\$240,652
BANNOCK	5,075	83,249	6.10%	\$1,411,500
BEAR LAKE	183	5,943	3.08%	\$135,794
BENEWAH	419	9,044	4.63%	\$345,419
BINGHAM	2,363	45,290	5.22%	\$1,485,180
BLAINE	345	21,329	1.62%	\$459,643
BOISE	254	6,795	3.73%	\$236,218
BONNER	1,870	40,699	4.59%	\$484,207
BONNEVILLE	6,291	107,517	5.85%	\$2,928,802
BOUNDARY	490	10,853	4.51%	\$314,762
BUTTE	110	2,642	4.16%	\$344,871
CAMAS	21	1,042	1.98%	\$18,569
CANYON	14,509	198,871	7.30%	\$3,444,859
CARIBOU	196	6,808	2.88%	\$106,058
CASSIA	1,050	23,331	4.50%	\$497,149
CLARK	24	867	2.73%	\$15,365
CLEARWATER	279	8,577	3.26%	\$29,072
CLUSTER	104	4,249	2.44%	\$157,747
ELMORE	1,294	26,170	4.95%	\$1,199,702
FRANKLIN	325	12,854	2.53%	\$89,830
FREMONT	585	12,927	4.52%	\$212,091
GEM	887	16,686	5.32%	\$833,797
GOODING	718	15,080	4.76%	\$934,655
IDAHO	510	16,116	3.17%	\$198,824
JEFFERSON	1,078	26,914	4.00%	\$440,114
JEROME	1,388	22,514	6.16%	\$978,470
KOOTENAI	6,907	144,265	4.79%	\$5,448,018
LATAH	994	38,078	2.61%	\$661,461
LEMHI	311	7,712	4.03%	\$286,396
LEWIS	220	3,902	5.64%	\$133,646
LINCOLN	232	5,315	4.37%	\$163,099
MADISON	1,506	37,450	4.02%	\$488,203
MINIDOKA	1,026	20,292	5.06%	\$674,552
NEZ PERCE	1,602	39,915	4.01%	\$1,161,287
ONEIDA	143	4,275	3.33%	\$83,792
OWYHEE	649	11,472	5.66%	\$440,588
PAYETTE	1,449	22,610	6.41%	\$1,262,898
POWER	535	7,719	6.93%	\$179,408
SHOSHONE	797	12,690	6.28%	\$616,437
TETON	224	10,275	2.18%	\$8,593
TWIN FALLS	4,544	79,957	5.68%	\$4,730,457
VALLEY	245	9,606	2.55%	\$229,014
WASHINGTON	589	9,944	5.92%	\$375,205
Total	78,000	1,610,000	4.8%	\$51,528,726

Recommendation: Healthy Idaho Plan

- **Utilize a uniquely designed, hybrid model consisting of care management and private market solutions**
- **Charge premiums and collect maximum allowable copays from participants**
- **Medically fragile assessments**
- **Eliminate county/state indigent programs = Idaho taxpayer savings**
- **Save Idaho taxpayers >\$173 M. over 10 years, freeing money for education or other state priorities**
- **Bring home Affordable Care Act taxes Idahoans are paying, so they can be used for Idaho citizens**
- **Idaho can opt out at any time**



February 5, 2015

Healthy Idaho: Care Management for Gap Adults



78,000 Uninsured "Gap" Adults

0 to 100% Federal Poverty Limit

Care Management

- Assign individuals to a primary care physician or direct primary care provider, adopting patient-centered medical home model to achieve better outcomes
- Shift the payment model from fee-for-service to value
- Offer incentives to both participants and providers to work together through health assessments, wellness exams, preventive screening and other healthy behaviors
- Utilize maximum allowable cost-sharing and require co-pays for non-emergent ER utilization
- Automatically refers participants to work search and job training

Healthy Idaho: Exchange Coverage 100-138%



78,000 Uninsured "Gap" Adults

0 to 100% Federal Poverty Limit



25,000 Adults

100% to 138% Poverty

Care Management/State Contract

Insurance Exchange

- Supports a private market solution by purchasing insurance plans similar to the general public
- Higher cost sharing: Monthly premiums, deductibles and copays
- Refer all participants to job training/work search
- Children on Medicaid can join parents on private plan

Healthy Idaho: Federal/State Costs

Calendar Year	Federal Match Rate	State Share of Claims
2015-2016	100%	0%
2017	95%	5%
2018	94%	6%
2019	93%	7%
2021 and beyond	90%	10%

- **Traditional Idaho Medicaid: Federal government pays 70% claims costs**
- **Healthy Idaho: Feds pay 90% to 100% claims costs**
- **During 50-year Medicaid history, states have consistently been paid promised federal share**
- **Healthy Idaho contains a trigger clause to opt out if an unfavorable change in federal funds occurs**

Healthy Idaho: Taxpayer Savings

Savings	FY16	FY17	FY18	FY19
CAT Program (state)	\$35.6 M.	\$37.3 M.	\$39.1 M.	\$40.9 M.
Medical Indigent (county)	\$24.7 M.	\$25.7 M.	\$26.7 M.	\$27.8 M.
Medical Indigent (county admin.)	\$6.1 M.	\$6.3 M.	\$6.6 M.	\$6.8 M.
Behavioral Health (DHW)	\$9.7 M.	\$9.7 M.	\$9.7 M.	\$9.7 M.
Public Health (DHW)	\$800,000	\$800,000	\$800,000	\$800,000
Total Idaho Taxpayer Savings	\$76.8 M.	\$79.8 M.	\$82.9 M.	\$86 M.

Actuarial analysis conducted by Milliman consultants, November 2014

- **Healthy Idaho saves both county property taxes and state general funds**
- **County/state medical indigency programs are eliminated**
- **Savings can be used as tax break, or for education or other state/county priorities**

Healthy Idaho: 10 Year Savings / Costs

In Millions

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Total State Costs	\$12.1	\$29.2	\$51.5	\$60.9	\$78.6	\$93.8	\$97.6	\$101.7	\$106	\$110.6	\$742
Total Tax Savings	(\$76.8)	(\$79.8)	(\$82.9)	(\$86)	(\$89.3)	(\$92.7)	(\$96.3)	(\$100.1)	(\$104)	(\$107.8)	(\$915.4)
Net Costs	(\$64.7)	(\$50.5)	(\$31.2)	(\$25.1)	(\$10.7)	\$1	\$1.3	\$1.6	\$2.0	\$2.7	(\$173.4)

Actuarial analysis conducted by ~~Milliman~~ consultants, November 2014

- State costs include administrative and claims costs. 2016 is only administrative expenses; the feds pay 100% of claims' costs.
- Tax savings are state and county tax savings
- Net costs / (savings) are higher during earlier years when federal government pays higher share.
- 10-year projection for state and local savings of \$173.4 million.

Recovering ACA Taxes for Idahoans

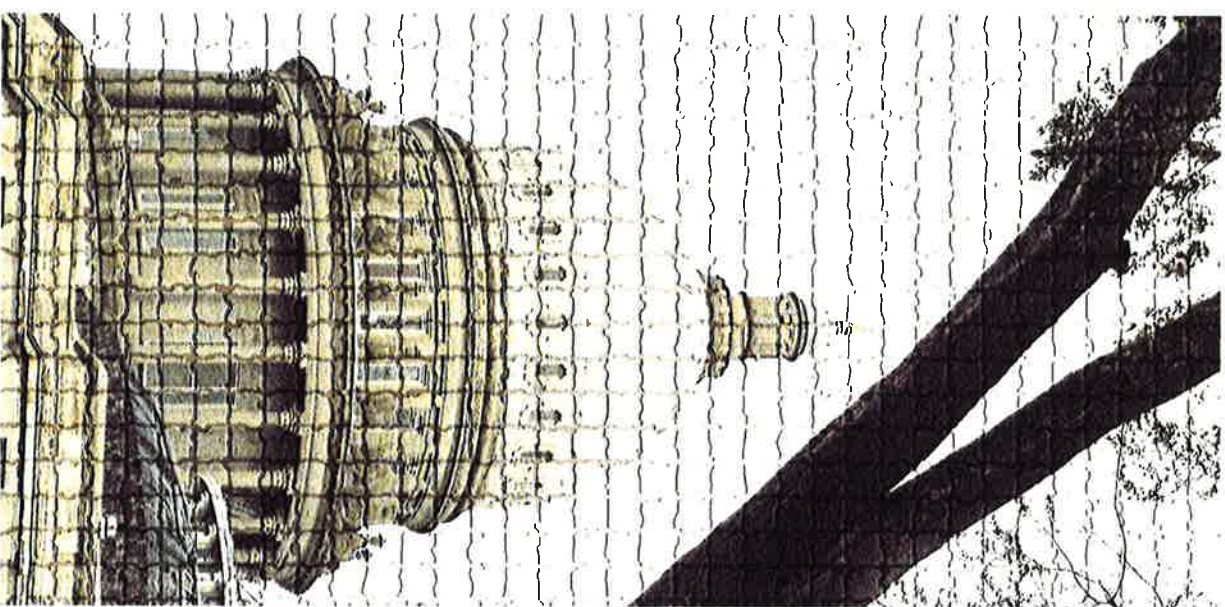
- New taxes were imposed by ACA
- Idaho's taxes are funding healthcare in other states
- Idaho's share of the tax increase is estimated at \$25-\$50 million per year*
- Healthy Idaho brings home ACA taxes that Idahoans are already paying



**Hawley Troxell, Attorneys at Law, estimated and calculated from IRS Data Book, 2013. Gross Collections by Type of Tax and by State.*

Next Steps

- 1. Consider draft legislation that changes eligibility to include the gap population, providing healthcare coverage through private and care management plans**
- 2. Preliminary conversations with CMS indicate favorable consideration for the Healthy Idaho Plan; obtain federal waivers and amend state plan.**



The Healthy Idaho Plan

- Homegrown Idaho solution that protects taxpayers
 - Uses federal funding targeted for traditional Medicaid expansion for a uniquely Idaho plan
 - Incorporates unprecedented concessions from the federal government to support Idaho values of personal responsibility and accountability
- Proposal is a three-year pilot. If program is not working or promised federal funding is not delivered, Idaho can opt out at any time

