



# **Medicaid Expansion Overview**

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Administrator**  
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IDAHO DEPARTMENT OF  
HEALTH & WELFARE



*No later than January 31 in the 2023 legislative session, the senate and house of representatives health and welfare committees shall review all fiscal, health, and other impacts of medicaid eligibility expansion pursuant to this section and shall make a recommendation to the legislature as to whether such expansion should remain in effect (Idaho Code 56-267 (7))*



# Who is Served by Medicaid Expansion?



~145,000 participants enrolled (as of January 2023)

Medicaid expansion provides coverage to non-disabled adults with an annual household income up to 138 percent of the Federal Poverty Level

- Individual monthly income of \$1,563
- Family of four monthly income of \$3,192

Over 80% of Expansion participants have reported earned income

# Who is Served by Medicaid Expansion

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**a new mom...**  
with post-partum  
depression  
received medications and  
counseling



**a substitute teacher...**  
with terminal cancer  
received chemotherapy,  
buying priceless time  
with his young family



**a food services worker...**  
with opioid use disorder  
received medication-  
assisted therapy, likely  
saving his life



**a small business owner...**  
was diagnosed with  
thyroid cancer and  
received treatment that  
would have crippled her  
financially and destroyed  
her small business





# Jessica & Patrick

*Sandpoint*

- Patrick works full-time on computers
- Jessica works full-time as caregiver to daughter with disabilities
- Parents uninsured until Medicaid Expansion
- Can finally address their own health, supporting them to care for their family





# Service Utilization



## *Expansion participants are now receiving needed services*

<p><b>Pharmacy</b> <b>\$225M in SFY22</b></p> <ul style="list-style-type: none"><li>• Diabetes management</li><li>• Psoriasis treatment<ul style="list-style-type: none"><li>• Antipsychotics</li><li>• Anticonvulsants (seizures)</li></ul></li><li>• Oncology treatment</li></ul>	<p><b>Inpatient Hospital Services</b> <b>\$165M in SFY22</b></p> <ul style="list-style-type: none"><li>• COVID-19 hospital stays</li><li>• Medically necessary surgeries</li><li>• Emergency Room Visits</li></ul>	<p><b>Outpatient Hospital Services</b> <b>\$169M in SFY22</b></p> <ul style="list-style-type: none"><li>• Preventative screenings such as colonoscopies and mammograms</li><li>• Medically necessary same day surgeries</li></ul>	<p><b>Medical (Non-Hospital)</b> <b>\$120M in SFY22</b></p> <ul style="list-style-type: none"><li>• Primary care provider visits<ul style="list-style-type: none"><li>• Specialist visits</li></ul></li></ul>
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Lower Average Utilization when Compared to the Traditional Adult Population





Implemented  
Medicaid Expansion  
at the beginning of  
the COVID-19  
pandemic  
(January 2020)

Since  
implementation, 867  
Expansion  
participants seen in  
the hospital for an  
inpatient stay at  
\$21.3M

Since  
implementation,  
6,715 Expansion  
participants seen for  
an outpatient  
hospital visit at  
\$3.4M

Cost of providing  
care to uninsured or  
underinsured  
individuals through  
the pandemic would  
have fallen solely to  
the state, counties  
and providers had  
Medicaid Expansion  
not been in place



24% of Expansion participants had a primary diagnosis of Serious Mental Illness in SFY22

Medicaid Expansion facilitated access to a continuum of behavioral health services (SFY22 utilization)

2,400 hospital stays tied to behavioral health needs

2,500 ER visits tied to behavioral health needs

4,600 partial hospitalization admissions tied to behavioral health needs

13,000 participants received outpatient behavioral health services



Participants are assigned a Primary Care Provider to support their use of preventative services (e.g. regular check ups and screenings)

*154,815 primary care visits for Expansion members in SFY2022*

Medicaid is focused on prioritizing preventive services to keep the expansion population healthy, reduce avoidable hospitalizations, and contain costs

Individuals needing life-saving procedures, medications, and regular check-ups are now receiving the care needed and staying out of the emergency room



# Public Health Emergency Continuous Enrollment Requirement



The Families First Coronavirus Response Act (FFCRA) mandated continuous Medicaid enrollment throughout the federal COVID-19 public health emergency (PHE) period for nearly all of those enrolled in Medicaid on or after the date of enactment on March 18, 2020.

Through the passage of the Consolidated Appropriations Act, 2023 in late December 2022, Congress ended the continuous enrollment requirement effective April 1, 2023.

End date initially tied to the end of the Public Health Emergency

DHW will begin noticing participants on February 1, 2023

It will take 6 months to complete the redeterminations of the individuals who are “protected” by the continuous enrollment



Approx. 151,000 participants as part of the Public Health Emergency Medicaid Continuous Enrollment Maintenance of Effort (MOE) group

- Approx. 67,000 Expansion participants

Lower utilization for expansion participants compared to other adult populations covered by the Continuous Enrollment

Anticipate some percentage of Expansion participants will move to Your Health Idaho





# Budget

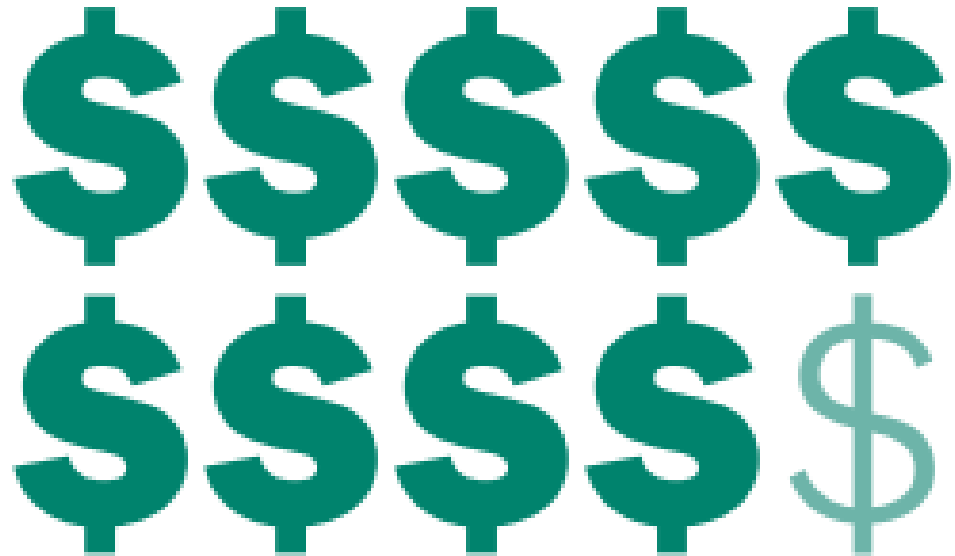


**Expansion makes up 22.90% of the overall budget**



**Expansion portion of the Medicaid budget**

**90/10 Federal match**



for every dollar spent, 90 cents is federally funded



Caseload increase since 2020 implementation

Utilization of services- higher than initially projected

- Pharmacy (higher cost drugs for psoriasis, oncology treatment)
- Hospital
- Behavioral Health

Cost of coverage for an adult is typically higher than a healthy child

Supplemental payment to hospitals (Upper Payment Limit)

Fee-schedule updates in alignment with Idaho Code 56-265



## SFY 22

**\$856,233,000 All Funds**  
\$654,973,200 FF  
\$59,006,500 GF  
\$13,451,900 Dedicated  
\$128,801,400 Receipts

## SFY 23

**\$1,008,016,300  
All Funds**  
\$778,045,300 FF  
\$68,077,000 GF  
\$17,480,700 Dedicated  
\$144,413,300 Receipts

## SFY 24 Request

**\$1,035,766,800  
All Funds**  
\$803,028,800 FF  
\$67,423,100 GF  
\$20,901,600 Dedicated  
\$144,413,300 Receipts



# Cost Containment



## Healthy Connections Value Care

- Paying for value over volume
- Primary care provider connection → focus on prevention
- Including Expansion population for Performance Year 2 (2023)

## Cost containment consultant report

- Division of Financial Management contracted with a consultant to review cost containment opportunities in Medicaid following appropriation from last session
- Reviewing recommendations to implement strategies





# Impacts of Medicaid Expansion



Lower costs to health care providers and increased revenue

- Hospitals report spending \$42M less on charity care and \$61M less bad debt from 2019 to 2021

Alleviates the burden on the state and counties to support the indigent population

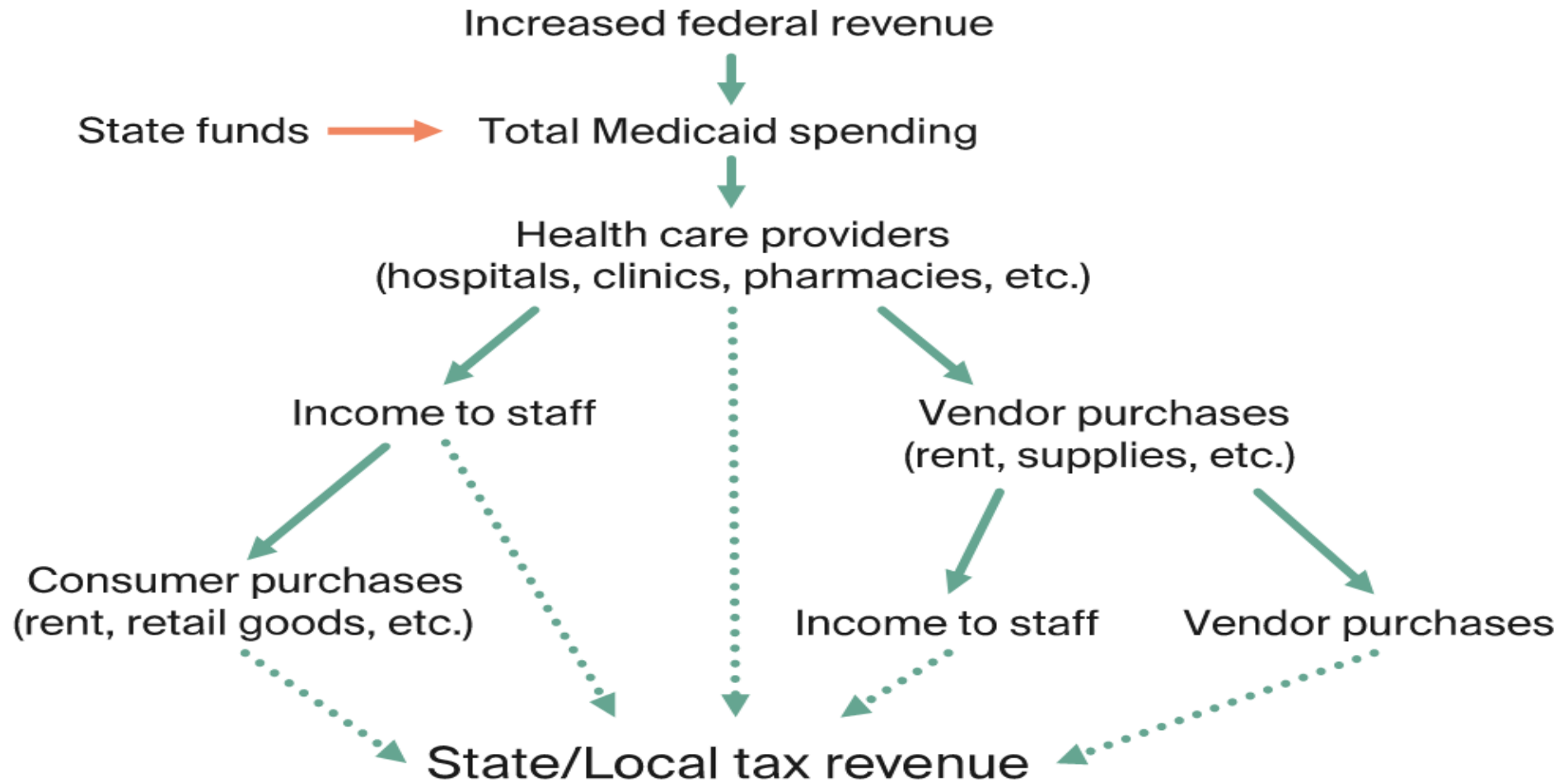
- Removal of CAT and indigent funds; federal match now available for behavioral health costs

Supports a healthier workforce

- Reduced health care costs and increased productivity



## The “Multiplier Effect” of Increased Federal Medicaid Revenue





# Without Medicaid Expansion



Approximately \$77.7M in state  
general funds needed in next  
SFY **absent** expansion

# Without Medicaid Expansion

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State and Local Programs	Amount
<b>DHW Division of Behavioral Health</b> -Adult Mental Health -Substance Use Disorder Treatment -Community Hospitals -Crisis Centers	\$28,877,642
<b>DHW Division of Public Health</b> -Ryan White Program	\$1,900,000
<b>CAT Program</b>	\$12,000,000
<b>Medical Indigent (Local)</b>	\$24,000,000
<b>Drug Courts</b>	\$708,000
<b>Idaho Department of Corrections</b> -Hospitalizations -Substance Use Disorder Services	\$10,242,200
<b>Total</b>	<b>\$77,727,842</b>





## Participants who lose Medicaid coverage may experience gaps in coverage and care

- Participants actively receiving care (e.g. cancer treatment) will lose access to potentially life-saving services
- Gaps in coverage will impose financial pressures on providers serving this population
- Lack of preventative care access may lead to increased use of emergency care (more costly)

## Indigent population will burden local government and providers to cover services

- Need for state and local taxes
- High rates of charity care from providers

## May negatively impact state and local economic activity (jobs, income, and state tax revenues)

- Impacts to employers who do not offer health insurance
- Less healthy workforce



# Carol

*Nampa*

- Works as a home health care worker but no health insurance through employer
- Needed to have surgery to remove pre-cancerous cells
- Able to get treatment in getting cancerous cells removed and is now cancer free
- “Medicaid saved my life”
- Now enjoying her work and her life with her children and grandchildren

