

Healthy Idaho

An Idaho Alternative to Medicaid Expansion

February 5, 2015

Medicaid Redesign Workgroup



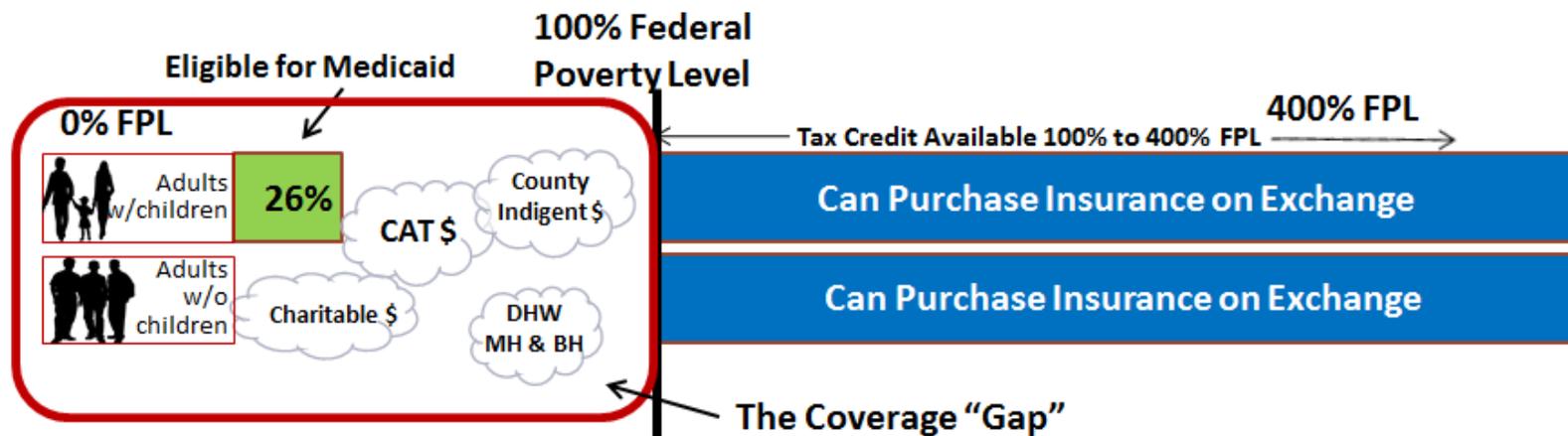
Today's Presentation

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



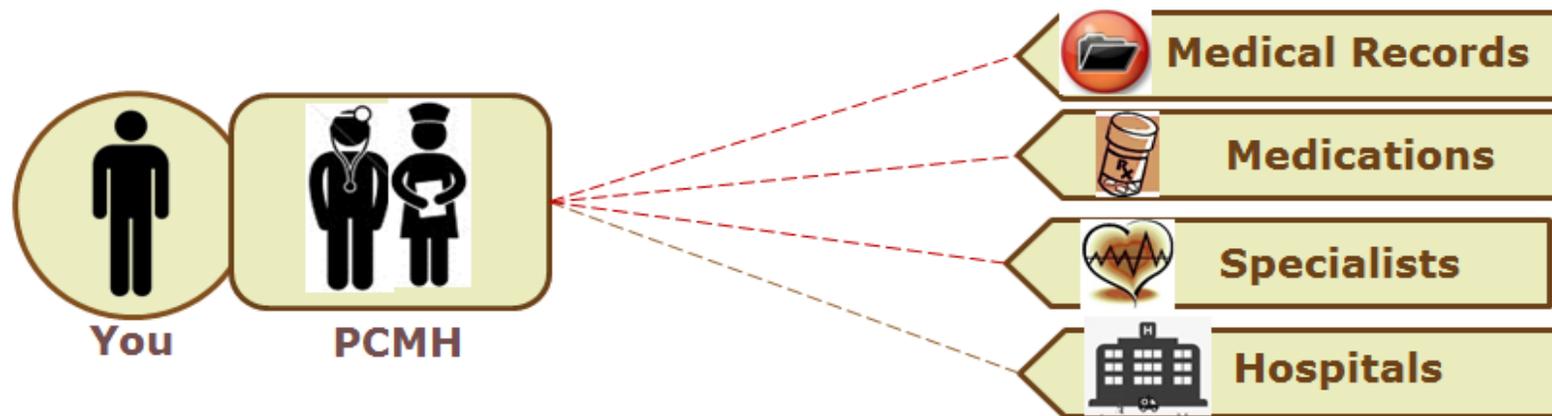
Idaho's Healthcare Initiatives

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



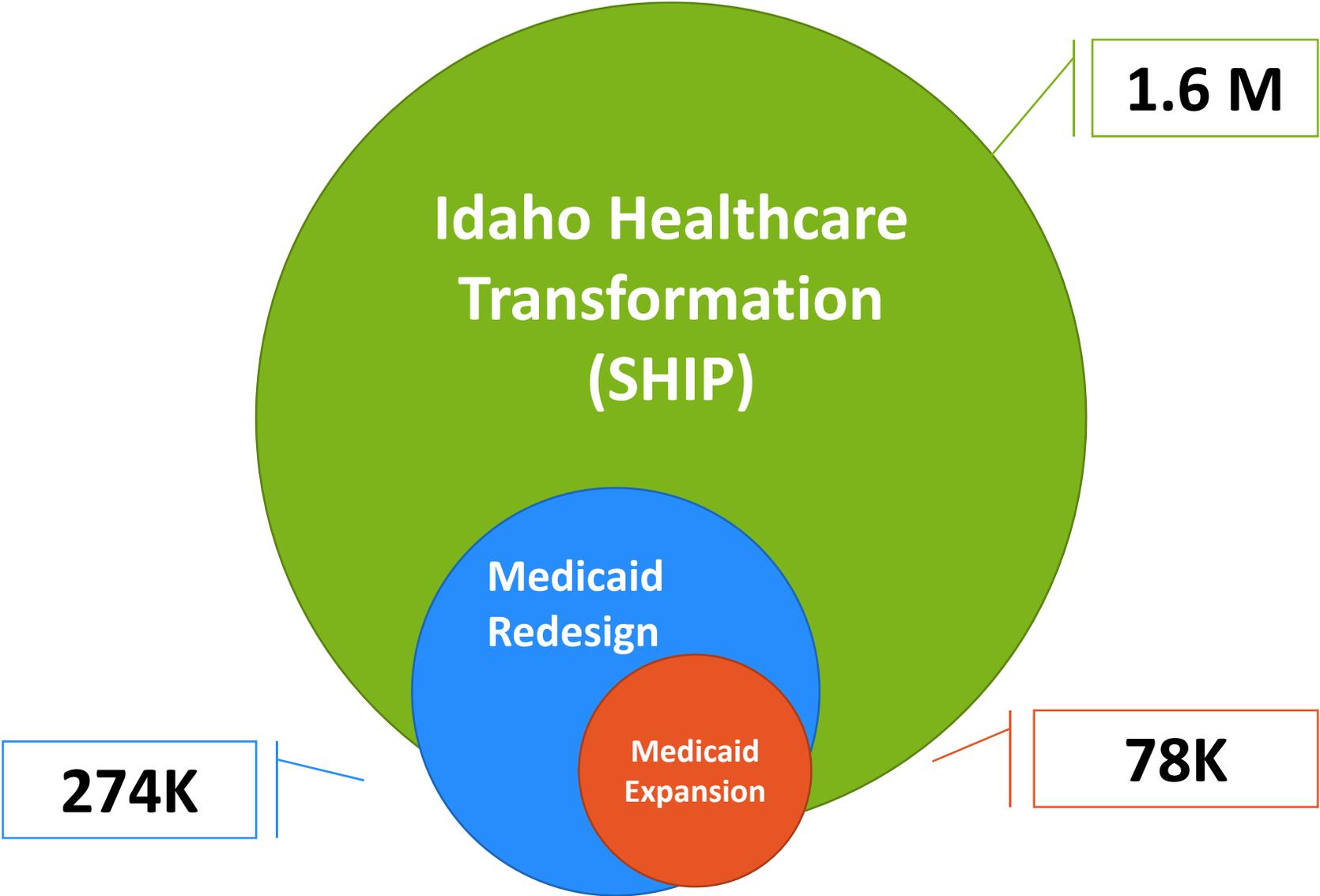
#1: State Healthcare Innovation Plan (SHIP)

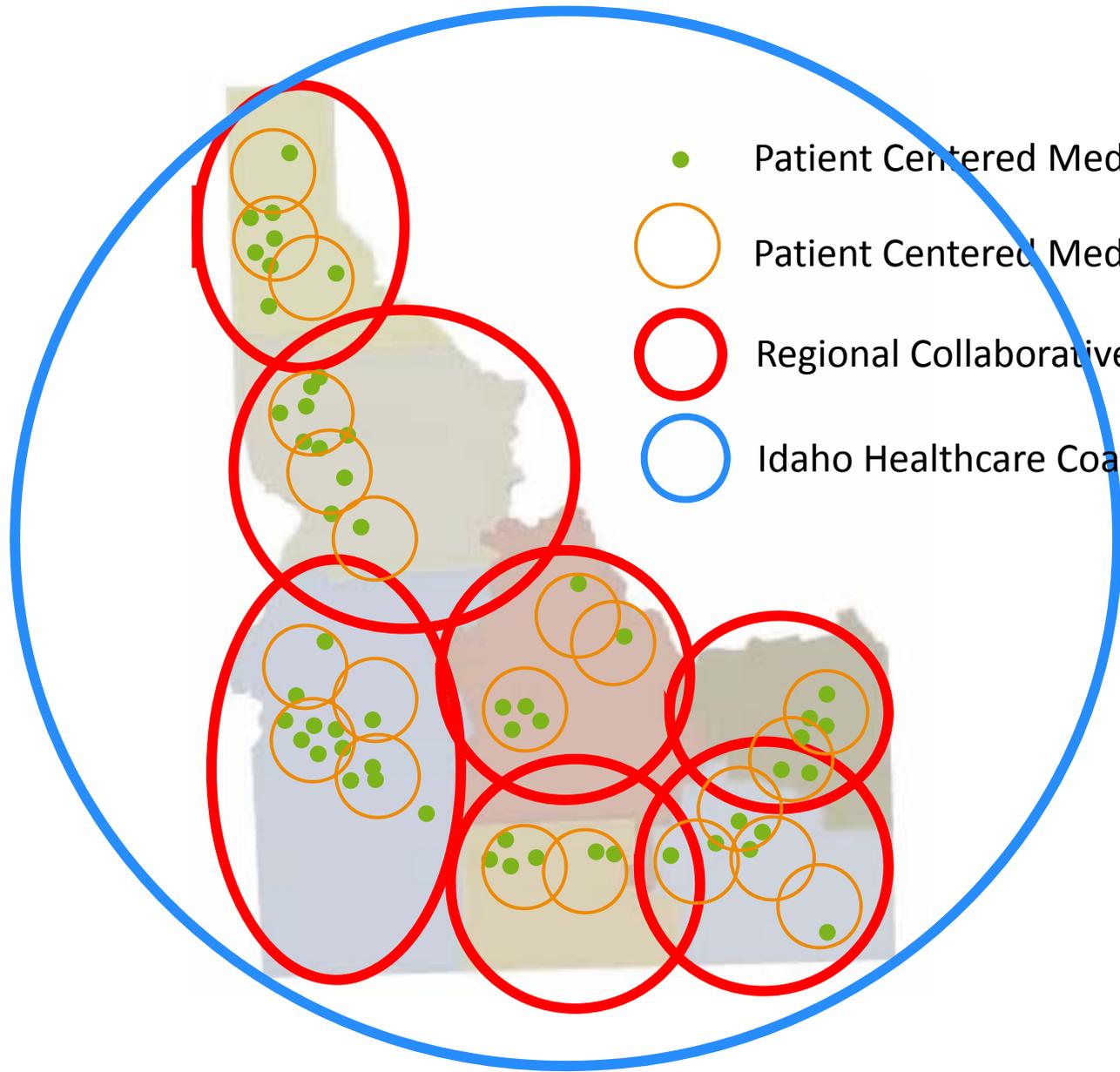
- Transform delivery system to patient-centered medical home model



- 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

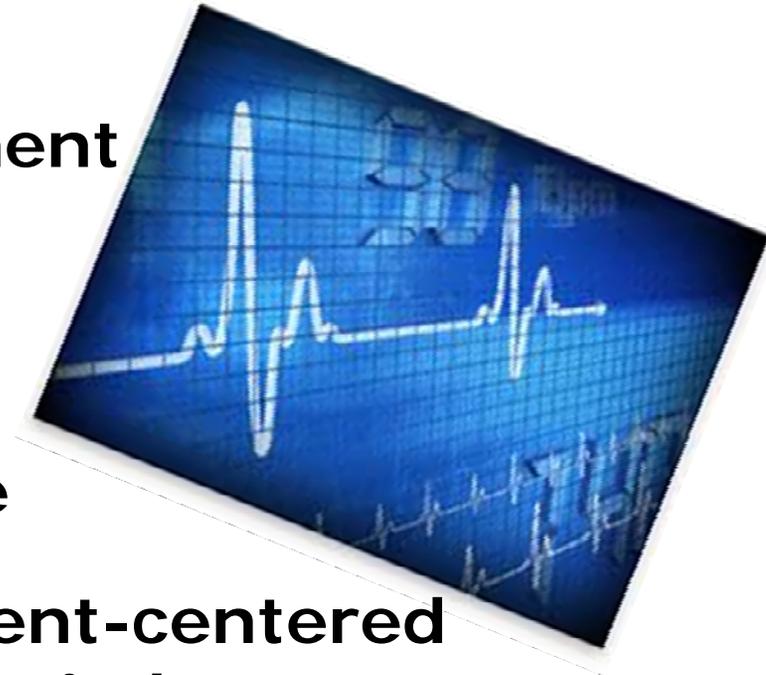




- Patient Centered Medical Home (PCMH)
- Patient Centered Medical Home Neighborhood
- Regional Collaborative
- Idaho Healthcare Coalition (IHC) / SHIP

#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

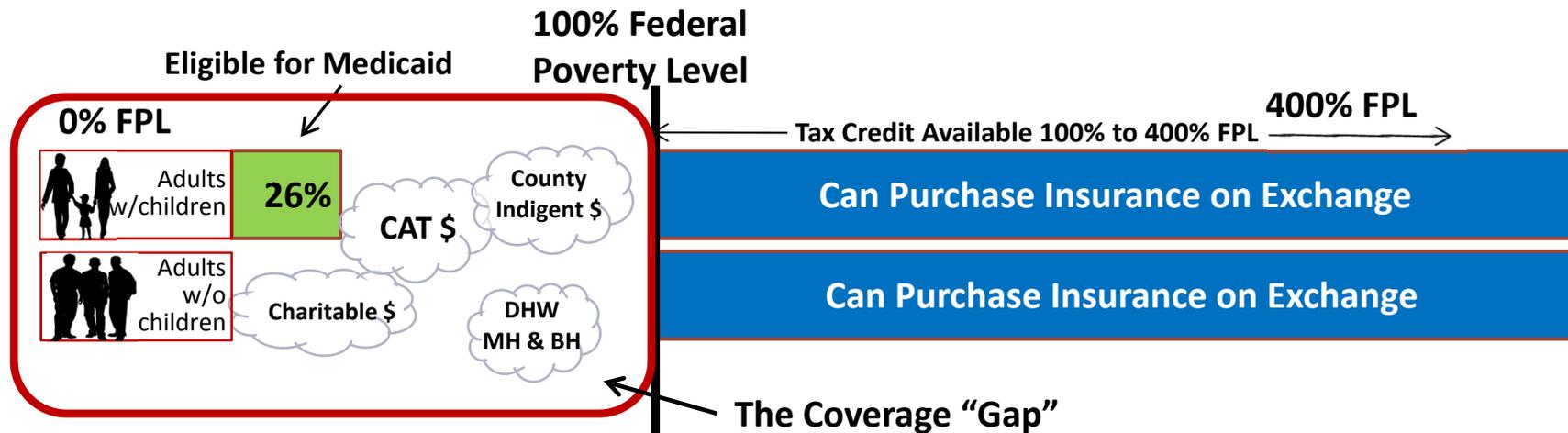


Idaho's Healthcare Coverage Landscape

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

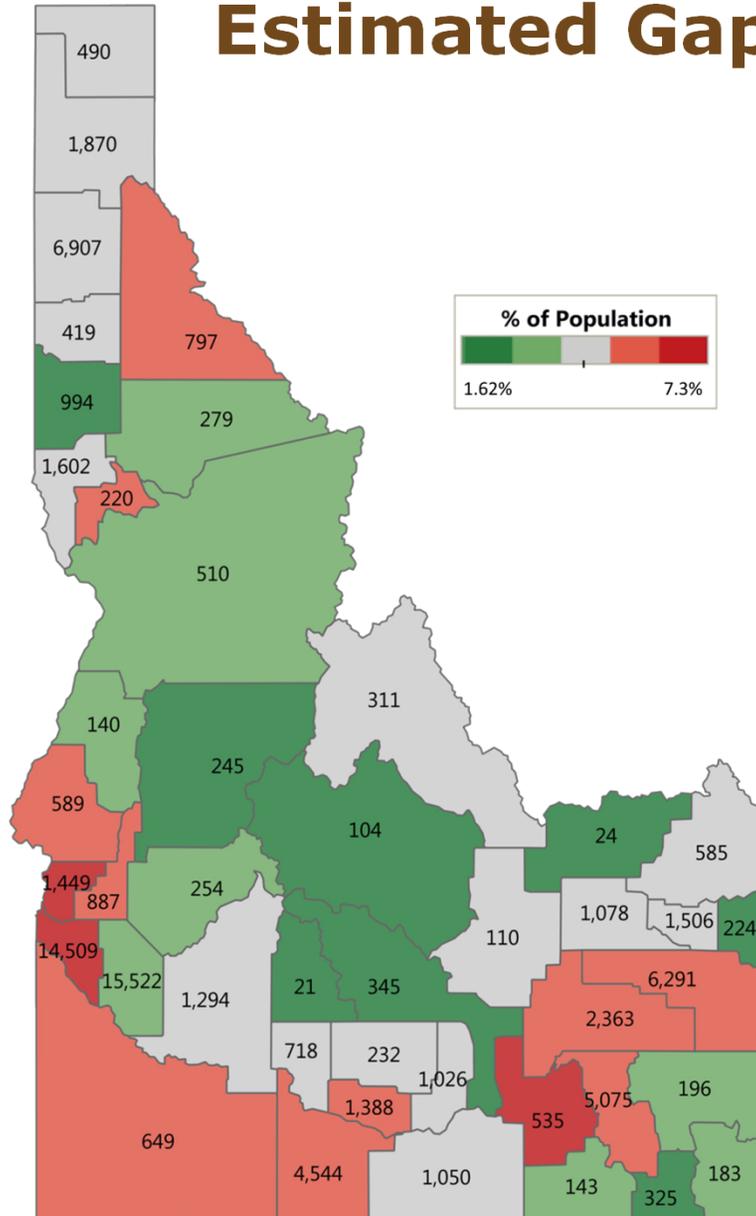
0 to 100% Federal Poverty Limit

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%	\$229,072
CUSTER	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



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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

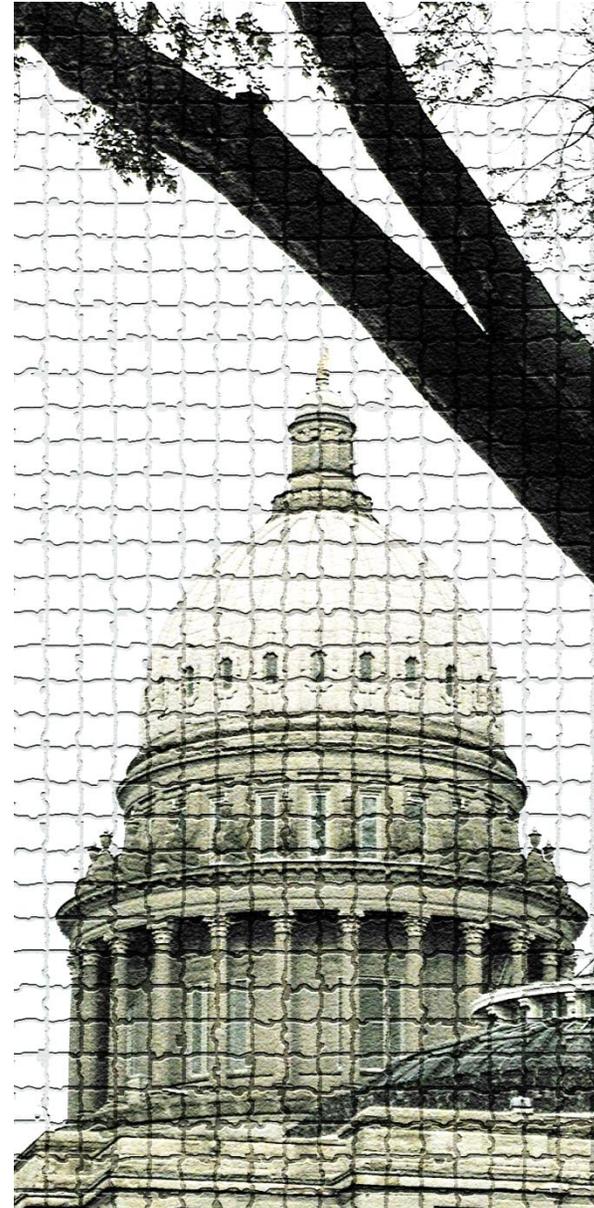
- **New taxes were imposed by ACA**
- **Idaho's taxes are funding healthcare in other states**
- **Idaho's share of the tax increase is estimated at \$25-\$50 million per year***
- **Healthy Idaho brings home ACA taxes that Idahoans are already paying**



**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

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- 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

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