

Medicaid: A Program for All Low-Income or Just the Deserving Poor?

The Future of Health Reform
National Academy of Social
Insurance Educational Forum
and UNC Gillings School of Public
Health

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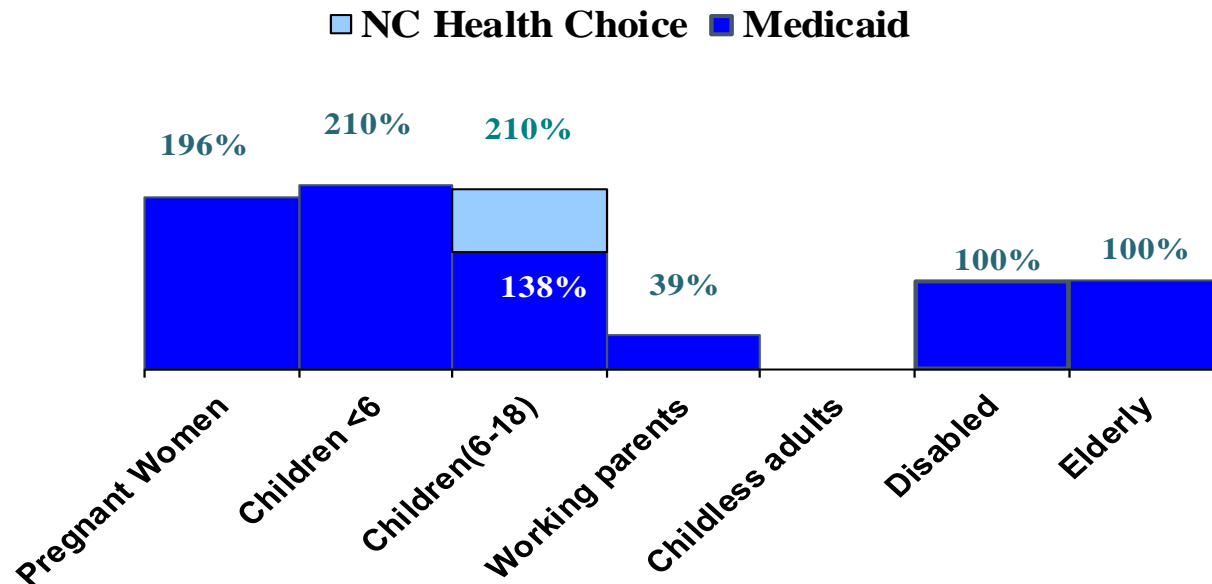
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Typical Medicaid Eligibility Criteria Prior to ACA (and for non-expansion states)

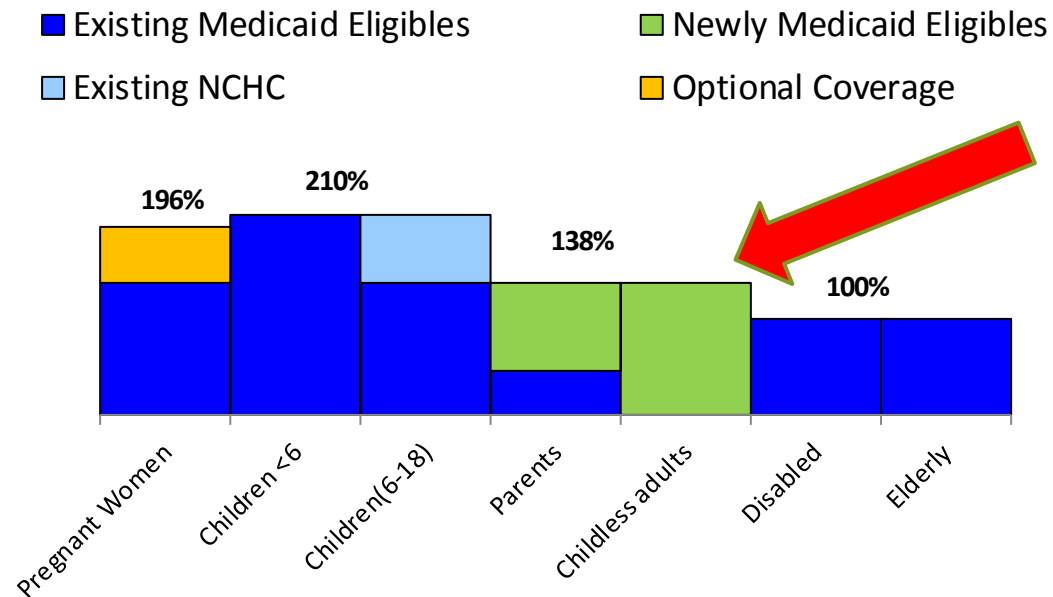
NC Medicaid Income Eligibility (2017) (Percent of Federal Poverty Level, based on new MAGI income levels)



- Childless, non-disabled, non-elderly adults can not qualify for Medicaid
- Because of categorical restrictions, Medicaid only covered about one-third of poor adults

CMS. State Medicaid and CHIP Income Eligibility Standards Effective January 1, 2017. Calculations for parents based on a family of three. Note: 100% of the federal poverty levels (FPL) (2017) = \$12,060 (Family of 1), \$16,240 (family of 2); \$20,420 (family of 3); \$24,600 (family of 4). KFF. State Health Facts. Health Insurance Coverage of Adults 19-64 Living in Poverty.

Example of Medicaid Eligibility if Expanded (Post ACA)



Under the ACA, Medicaid expansion was part of a 3-prong strategy to expand coverage:

Employer coverage: for businesses with 50+ FTE employees

Medicaid: for low income below 138% FPL

Individual mandate: subsidies available to help make health insurance affordable

Buettgens M, Kenney G. What if More States Expanded Medicaid in 2017: Changes in Eligibility, Enrollment and the Uninsured. July 2016 . Approximately 339,000 uninsured adults would become eligible for Medicaid if North Carolina chose to expand Medicaid.

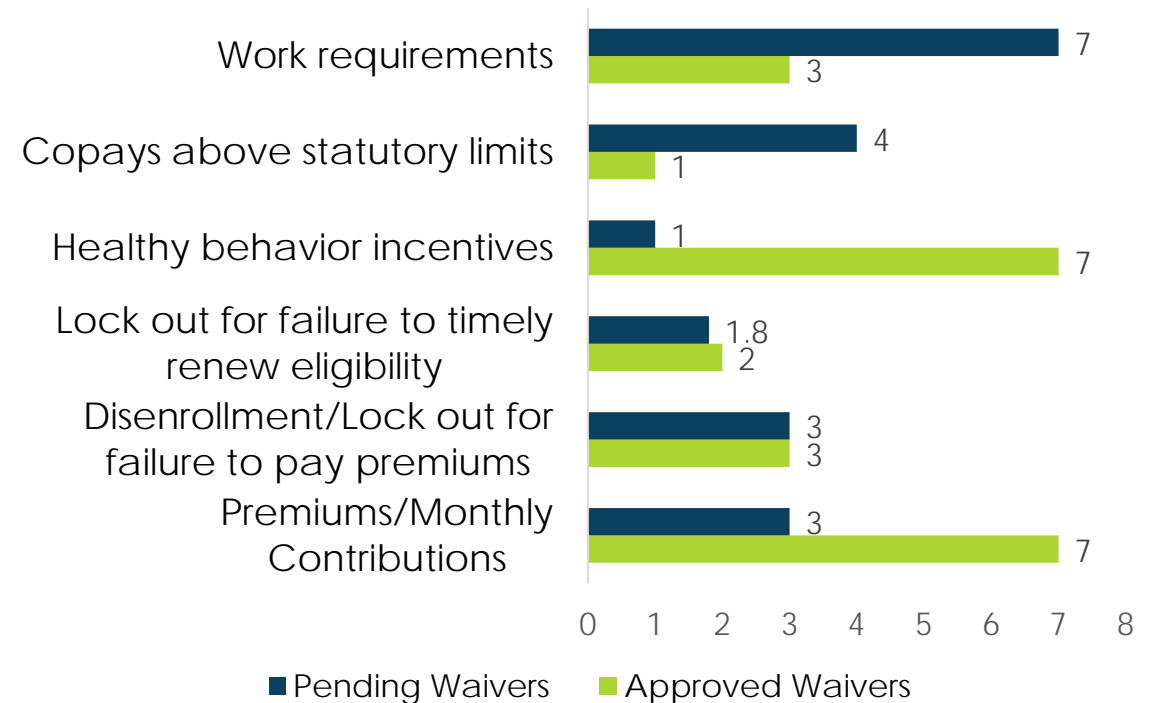
Efforts to Repeal and Replace Failed

- ▶ Congress made several attempts to “repeal and replace” the ACA in FFY 2017
- ▶ Different proposals would have repealed the individual mandate, **change Medicaid from an entitlement program to a block grant or per capita allotment, limit federal funding for Medicaid expansion (or eliminate Medicaid expansion altogether)**, and change the subsidies available to people in the Marketplace
- ▶ Would have led to between 14-23 million more uninsured (2018-2026).
- ▶ Different attempts failed to pass the Senate.

CMS Trying to Move Medicaid Back to Program for “Deserving Poor”

- ▶ When Congress could not pass Medicaid entitlement reform, CMS tried to accomplish same goals through Medicaid waivers. Examples include:
 - ▶ Premiums/monthly contributions
 - ▶ Disenrollment and lock-out for failure to pay premiums
 - ▶ Lock-out for failure to timely renew eligibility
 - ▶ Work requirements
 - ▶ Healthy Behavior Incentives
 - ▶ Work requirements

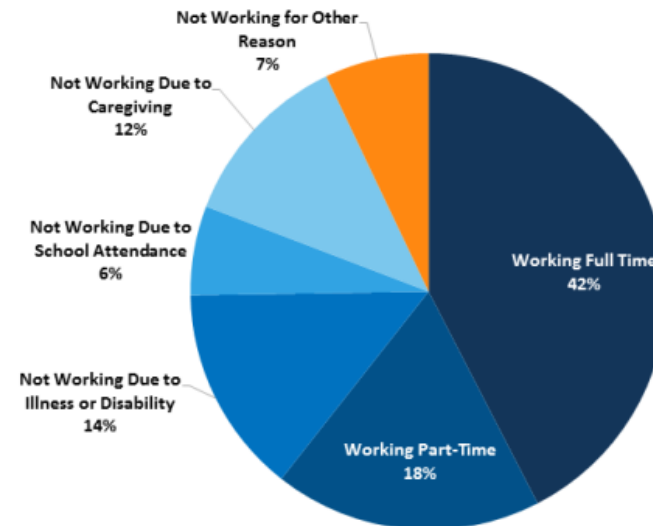
New Requirements Restricting Medicaid Coverage or Services



Lawsuits May Challenge CMS 1115 Waivers

- ▶ One lawsuit has already been brought challenging the approval of Kentucky's work requirements: *Stewart v. Hargan*
- ▶ Other lawsuits may follow challenging other Medicaid waiver provisions

Figure 1
Work Status and Reason for Not Working Among Non-SSI, Nonelderly Medicaid Adults, 2016



Total = 24.6 million

Notes: "Not Working for Other Reason" includes retired, could not find work, or other reason. Working Full-Time is based on total number of hours worked per week (at least 35 hours). Full-time workers may be simultaneously working more than one-job.
 Source: Kaiser Family Foundation analysis of March 2017 Current Population Survey.

NC Medicaid Transformation

- ▶ Currently, NC Medicaid program operates through Community Care of North Carolina (CCNC)
 - ▶ CCNC links Medicaid recipients to medical homes (PCPs) who help manage the patients health needs
 - ▶ Part of larger networks that provide care management
 - ▶ Providers paid FFS and small pmpm
- ▶ NC Senate opposed CCNC because not enough accountability or budget predictability
- ▶ NC DHHS directed to submit an 1115 waiver to contract with prepaid health plans (PHPs):
 - ▶ Either commercial managed care organization or provider led entities (eg ACOs)
- ▶ NC Transformation plans include positive changes (some of which require legislative approval):
 - ▶ Integrating behavioral and physical health into same plans
 - ▶ \$350-\$500M set aside for regional efforts to address social determinants of health
 - ▶ Enhanced care management through Advanced Medical Homes

Medicaid Expansion

- ▶ NC DHHS proposed Medicaid expansion as part of the 1115 waiver, but subject to legislative approval
- ▶ Professional and advocacy groups working to support options to “fill the coverage gap”
- ▶ Senate leadership still opposed, but some Republican members support a conservative approach
 - ▶ HB 662: Would expand Medicaid, impose a work requirement and require premiums