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

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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.
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

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- Different proposals would have repealed the individual mandate, change Medicaid from an entitlement program to a block grant or per capita allotment, limit federal funding for Medicaid expansion (or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.
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 Behaviors Incentives
- Work requirements

KFF. Medicaid Waiver Tracker: Which States have Approved and Pending Section 1115 Medicaid Waivers (Mar. 5, 2018).
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](image-url)

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.
Currently, NC Medicaid program operates through Community Care of North Carolina (CCNC)
- CCNC links Medicaid recipients to medical homes (PCPs) who help manage the patient's 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 (e.g., 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