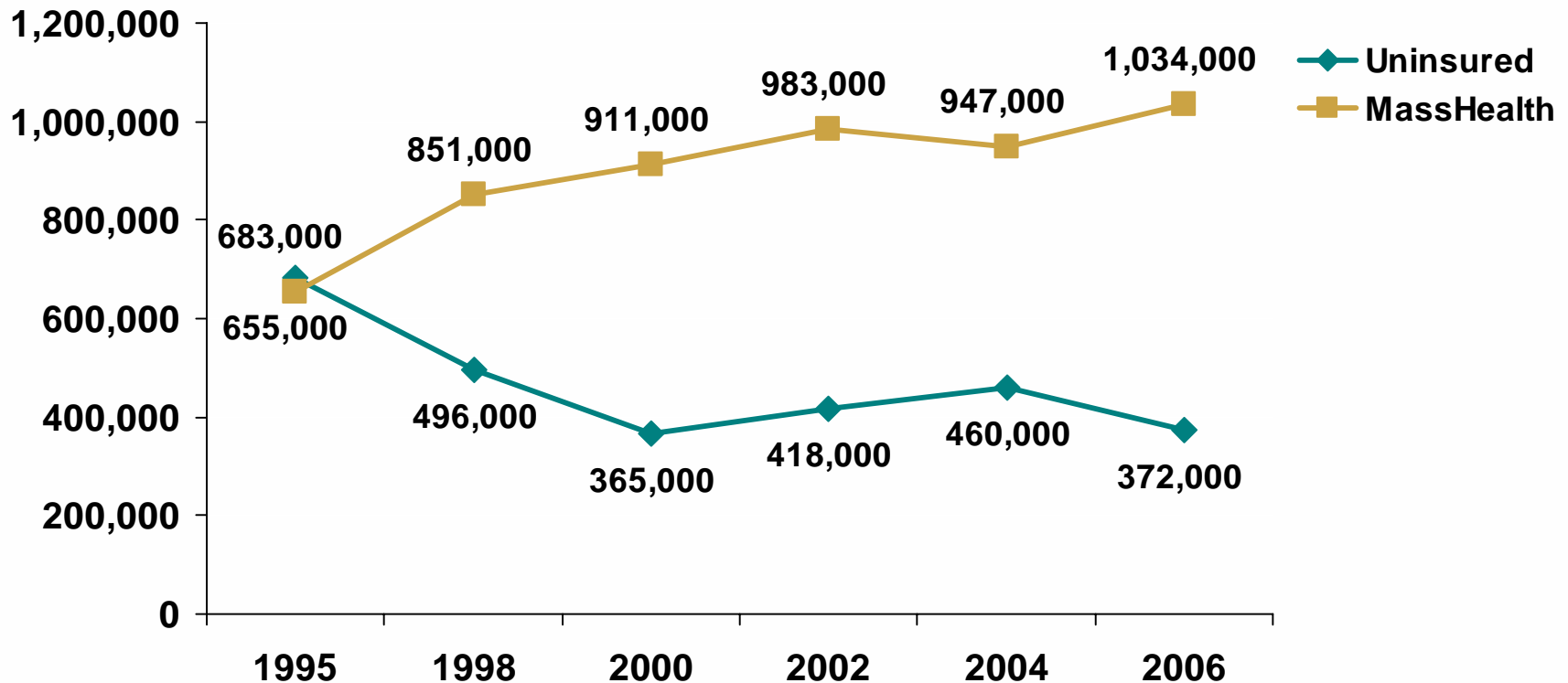


Expansions of Medicaid to Cover The Uninsured

Medicaid Health Plans of America Annual Meeting
Las Vegas, Nevada
October 16, 2006

Robert Seifert
Executive Director
Massachusetts Medicaid Policy Institute
Boston, Massachusetts
www.massmedicaid.org

Expansions of Medicaid to Cover The Uninsured: An Illustration from Massachusetts



Sources: "Health Insurance Status of Massachusetts Residents," 1998, 2000, 2002, 2004 and 2006, Massachusetts Division of Health Care Finance and Policy.

"Massachusetts Residents Without Health Insurance, 1995," Blendon, et al, Harvard School of Public Health. Office of Medicaid, EOHHS.

Massachusetts Medicaid Policy Institute

- Independent source of information and analysis about MassHealth, the state's Medicaid program
- Goals
 - Broaden understanding of MassHealth
 - Contribute to a more informed public debate about the program
- Subsidiary of BCBSMA Foundation

How Was It Done?

The MassHealth Waiver

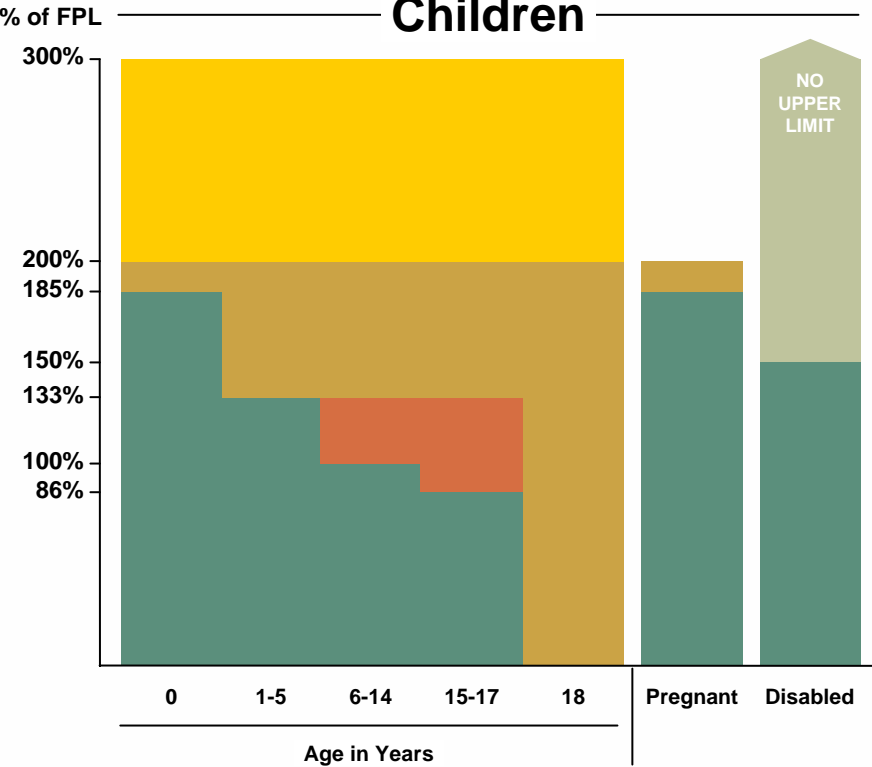
- Originally approved in 1995; implemented in 1997
- Allows state to operate Medicaid program in ways that federal rules would not ordinarily allow
- MassHealth is a demonstration program to reduce the number of uninsured and the cost of their care, and to get federal funding for existing state health programs
- MassHealth covers most non-elderly people in the Medicaid program

Provisions of the MassHealth Waiver

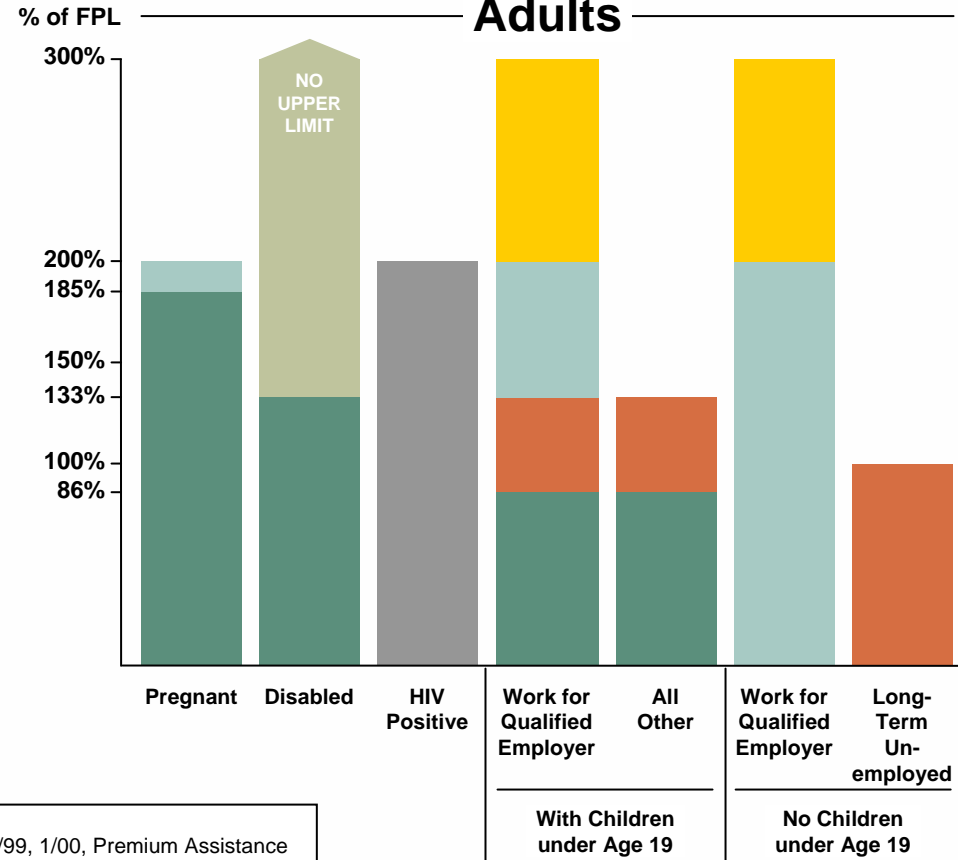
- New eligibility categories and expanded income limits for existing categories
- Increased the number of Medicaid enrollees in managed care
- Authorized federal matching funds for expenditures not ordinarily eligible
- Supplemental payments to Medicaid MCOs and safety net hospitals
- Generous budget neutrality trend rates (until recent renewal)

MassHealth Eligibility Overview

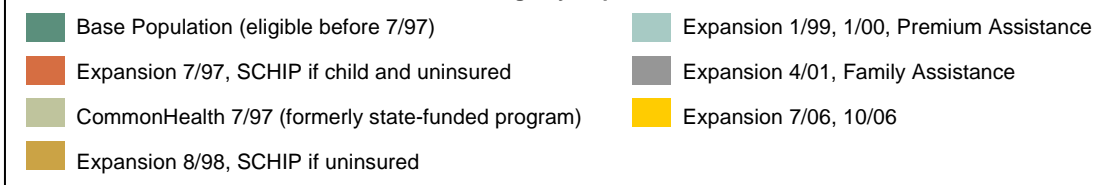
Children



Adults



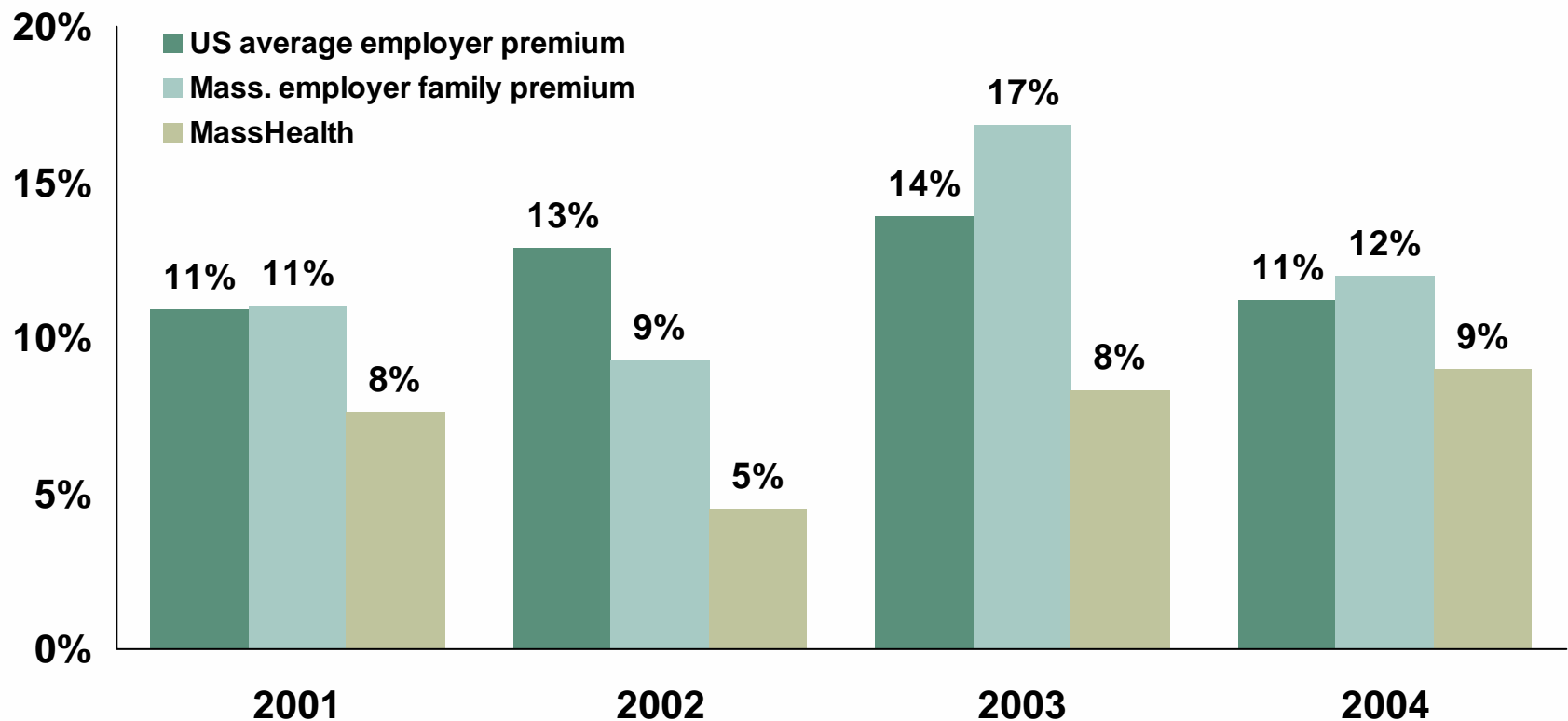
Coverage by Expansion



Source: EOHHS

MassHealth Spending Is Growing More Slowly Than Employer Premiums

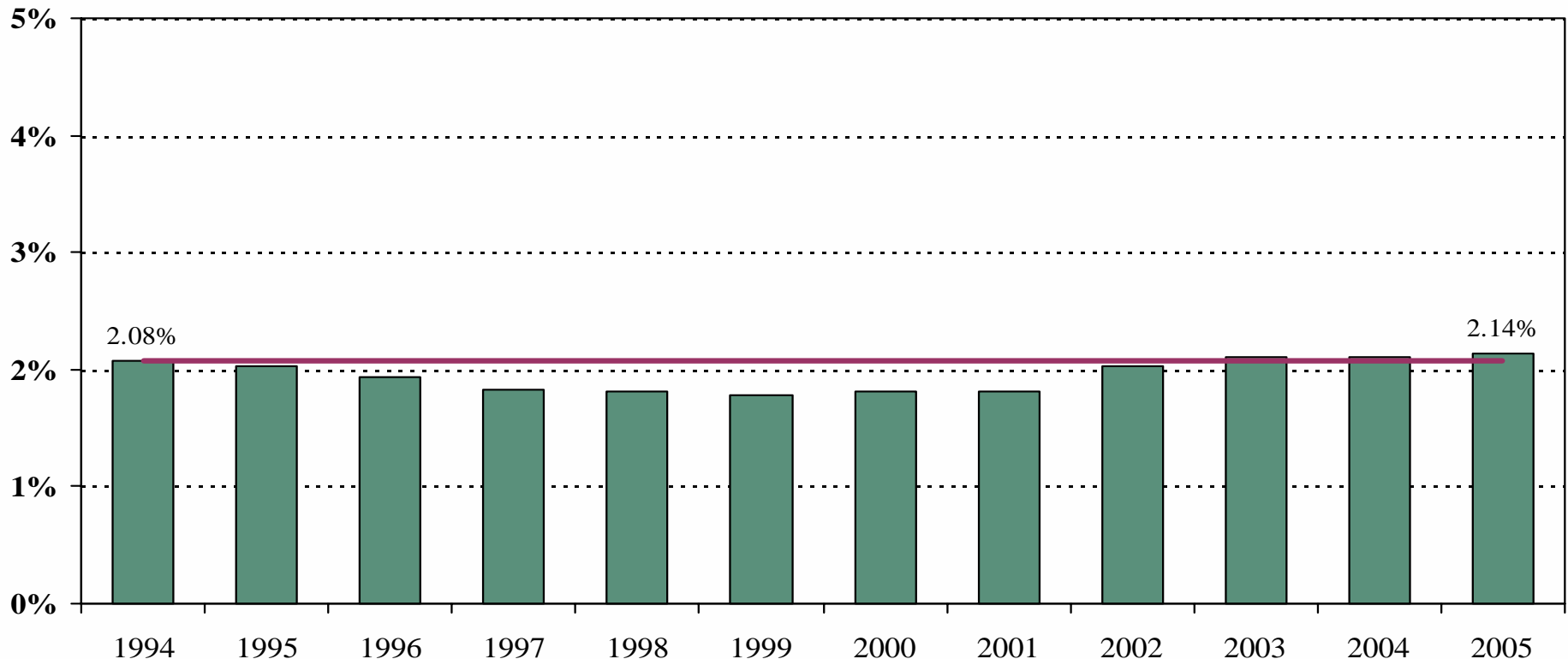
Annual Change in Per Member Costs 2001 - 2004



Source: National premium data from Kaiser Family Foundation (national averages)..
MassHealth figures from EOHHS. Mass. premium information from DHCFF

Medicaid Spending Has Changed Little as a Share of Massachusetts Economy

■ Medicaid Spending as a Share of Personal Income



Source: Mass. Budget and Policy Center/MMPI, *MassHealth and State Fiscal Health: A New Look at the Effects of Medicaid Spending on State Finances*

How Was It Done?

Outreach Efforts

- “Mini-grants” to community organizations
- Decentralized application process
- Enrollment rate of those eligible is 90%+, among the best in the country
- Efforts to enroll all who are eligible
 - Virtual Gateway
 - Joint MassHealth/Uncompensated Care Pool application
 - Further outreach grants

The Latest Expansions: Massachusetts Health Care Reform 2006

Health Care, the Massachusetts Way

Mass. residents face
required coverage

**Massachusetts Seeks to Mandate Health
Coverage**

LANDMARK LAW IS SIGNED

**Massachusetts Sets
Health Plan for Nearly All**

HEALTHCARE HEROES

A bold insurance experiment

**Mass. Bill Requires
Coverage**

Mass. lawmakers approve
ambitious health care plan

The Nurturing of Health Care

Massachusetts Leaders
Invoke Action, Not Talk

Massachusetts Health Care Reform 2006

Connections with Medicaid

- FY2006 waiver renewal required new measures to promote expanded coverage
- Law went beyond; seeks “near-universal” coverage
- Financed in great part by state and federal dollars in MassHealth waiver; “Safety Net Care Pool”

Massachusetts Health Care Reform 2006 Coverage Provisions

- MassHealth expansions
- Commonwealth Care Health Insurance Program
- Individual mandate
- Health insurance market reforms
- Employer responsibilities

Massachusetts Health Care Reform

MassHealth Expansions

- Expands eligibility for Children up to 300% FPL (7/1/06)
- Eligibility expansion included in FY06 budget made permanent for MassHealth Essential for aged and disabled qualified non-citizens and for HIV Waiver Program up to 200% FPL (7/1/06)
- Expands the Insurance Partnership up to 300% FPL (10/1/06)
- Increases enrollment caps for Essential (7/1/06), CommonHealth (3/9/06) and HIV waiver program (3/9/06)
- Reinstates dental, vision and chiropractic benefits for adults (7/1/06)

Commonwealth Care Health Insurance Program: Private Coverage with Public Subsidies

- <100% FPL – fully subsidized, comprehensive benefits (including dental), cost sharing limited to MassHealth copays (10/1/06)
- 101-300% FPL - sliding scale subsidies, no annual deductibles (1/1/07)
 - 101-200% FPL – standardized benefits and cost sharing
 - 201-300% FPL – two benefit options
 - “low premium/high copay” – with standard benefits and copays
 - “high premium/low copay” – allows for some flexibility around benefits; copays are same as for 101-200% FPL
- Offered exclusively by 4 MassHealth MCOs for first 3 years
- Is it Medicaid?

What Happens Now? Many Questions About Reform...

- Level of Commonwealth Care premium subsidies – will coverage be affordable for those <300% FPL?
- To whom will individual mandate apply? How will “affordability” be defined?
- Adequacy of benefits and level of cost sharing of products offered through Connector – will products be affordable and offer value?
- Adequacy of funding and sustainability
- Moderating health cost increases
- Public opinion regarding the individual mandate
- Employer response

...But Expansions for Most Vulnerable Seem Solid

- More than half of uninsured eligible for public or subsidized coverage (17% MassHealth, 40% CCHIP)
- Since July 1st
 - MassHealth benefits restored to ~575,000 adult members
 - >10,000 have enrolled in MassHealth Essential due to raising of enrollment cap
 - 2,300 more children have enrolled through expansion of S-CHIP; more than 9,000 others converted from CMSP
- 57,000 with incomes <100% FPL eligible for Commonwealth Care as of October 1st
- 155,000 with incomes 101-300% FPL eligible to purchase Commonwealth Care as of January 1st

Q & A