

EXCHANGE 2013

A Nevada Health Link Summit

June 13-14, 2013

History and Benefits of a State Exchange

- ★ Background Decisions
- ★ Importance
- ★ Bridges to Other Programs
- ★ Overarching Vision

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Department of Health and Human Services

WHERE WE BEGAN

- UNINSURED:
 - 22.4% of Nevadans (605,000 people)
 - 2nd worst in Nation; Texas is worst (23.8%)
 - National Average is 16%
 - Of the Nevadans uninsured:
 - ↳ 35% below poverty
 - ↳ 29% poverty to 200%
 - ↳ 19% 200% to 300%
 - ↳ 7% 300% to 400%
 - ↳ All but 10% are Medicaid or SSHIX eligible

WHERE WE BEGAN (cont'd)

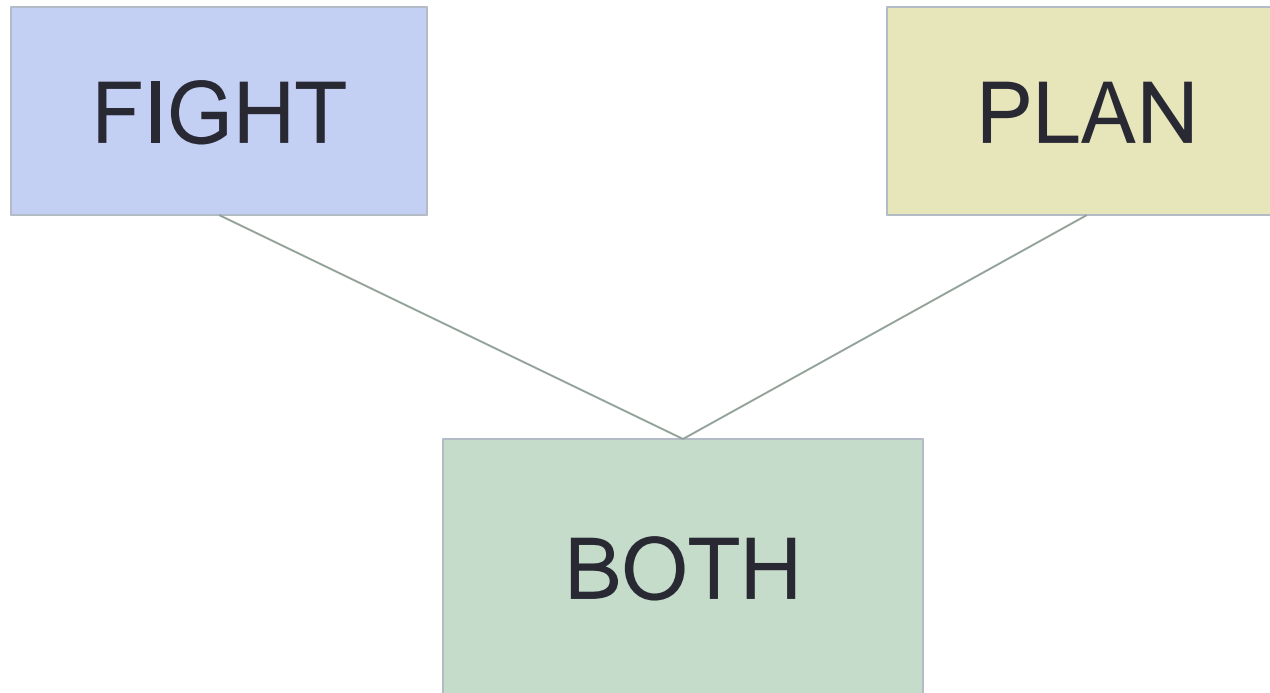
- CHILDREN:
 - Worst in Nation with 19.3% uninsured rate
 - Texas next at 16.6% uninsured
 - Nationwide 9.7% children uninsured
- MEDICAID COVERAGE:
 - One of lowest per capita coverage rates in Nation
 - Nevada 11% vs 20% National average
 - No presumptive eligibility or Medically Needy coverage -- restrictive eligibility
 - 21.9% of children in Nevada are covered by Medicaid (5th worst in Nation)
 - ↳ National average is 34.9%
 - Poor coverage of Mental Health program recipients

PATIENT PROTECTION AND AFFORDABLE CARE ACT

Legislation designed to enact sweeping reform to the National Healthcare System, passed by the 111th Congress and signed into law by President Obama of March 23, 2010

- ★ Healthcare Coverage Mandates
- ★ Health Insurance Exchanges
(Market Places)
- ★ Essential Benefits
- ★ Coverage (pre-existing, age, etc.)
- ★ Medicaid Expansion/Eligibility
- ★ IT Systems
- ★ Funding
- ★ Behavioral Health Programs

WHAT SHOULD STATES DO?



CONSTITUTIONAL CHALLENGES

- Immediately following ACA being signed into law (3-24-10), Governor Gibbons directed the Nevada Attorney General to file a Court Challenge
- AG immediately (3-24-10) responded to Governor indicating:
 - Must be satisfied in professional judgment the case has merit
 - Responsibility to decide how and when litigation is conducted
 - Litigation cannot be presented for any improper purpose (harass, delay, increase cost)
 - Office will conduct through legal analysis

CONSTITUTIONAL CHALLENGES

(cont'd)

- March 30, 2010, Attorney General issues letter to Governor
 - No practical reason for Nevada to join litigation
 - Concerns about cost of litigation
 - Nevada can ride for free (allow other states to foot the bill)

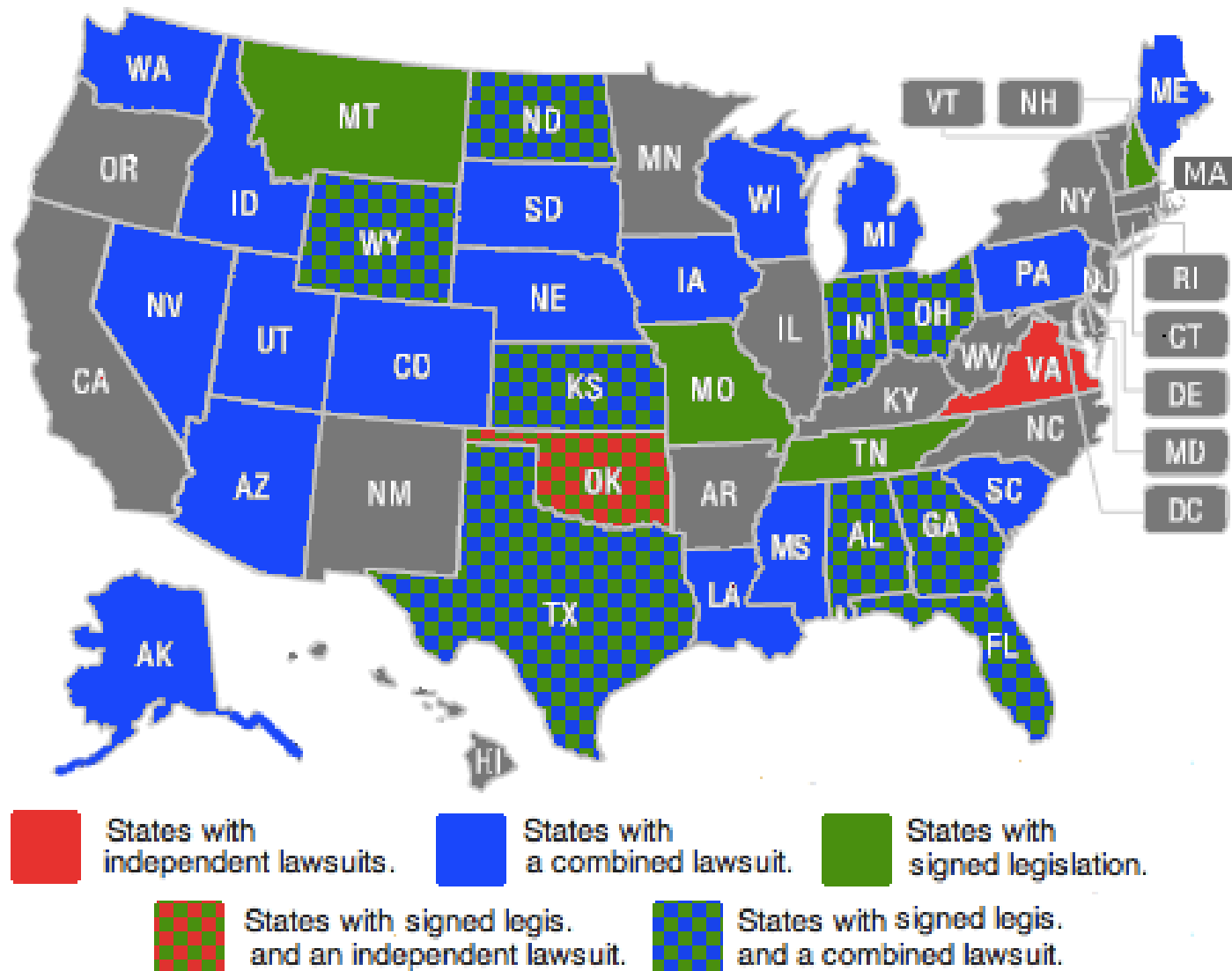
LAWSUITS FILED

- Multi-State Lawsuit (filed 3-23-10)
 - 26 States join lawsuit filed in Florida (including Nevada)
 - Nevada formally joined Multi-State Lawsuit on 5-14-10
 - Issues were:
 - 1) Individual mandate exceeds Congress's Authority to regulate Interstate Commerce
 - 2) Mandate does not fall within Congress's powers to tax
 - 3) Infringing on State sovereignty

LAWSUITS FILED (cont'd)

- VIRGINIA LAWSUIT
 - Virginia law passed declaring no resident can be required to have insurance
- OKLAHOMA LAWSUIT
 - Defending Oklahoma Constitution which prevents citizens from being forced to obtain Health Insurance

Lawsuit Summary



SUPREME COURT DECIDES

- On November 14, 2011, the Supreme Court announced that it would hear the appeal of the Multi-State Lawsuit

Issues were:

- 1) Whether or not the individual mandate is constitutional; if not, can it be severed from the rest of the ACA
- 2) Medicaid expansion mandates

SUPREME COURT DECIDES (cont'd)

- On June 28, 2012 Supreme Court ruled (5-4 vote) in favor of upholding the ACA

Individual Mandate

- Upheld Congress's ability to impose a tax
- Penalty for not carrying health insurance is a tax
- Individuals are free to opt to pay tax instead of comply with Insurance Mandate

Medicaid

- Medicaid funding cannot be withheld if states refuse to participate in Expansion
- Congress can offer states funding to expand Medicaid coverage with conditions

NEVADA LEGISLATION

2011 Session

SB440 – Created Silver State Health Insurance Exchange (SSHIX)

- Established governing authority (7 voting members)
- Prohibited affiliation with Health Insurers
- Established Subcommittees and Advisory Committees
- Established reports
- Provided for Executive Director
- Coordination with Medicaid/SCHIP
- Cooperation with DHHS and Insurance
- Effective 7-1-2011

SB418 – Legislative Subcommittee on Health Care to oversee Health Care Reform
VETOED BY GOVERNOR

NEVADA LEGISLATION (cont'd)

2013 Session

SB352 – Allow Insurance Carriers/Brokers to be appointed to Board (NOT ENACTED)

SB359 – Directs the SSHIX to market health plans to uninsured and underinsured (NOT ENACTED/Regulation EX-01-A instead)

SB454 – Related to interest earnings; premium taxes; dental and vision products; consumer representation on Board and Federal reporting (NOT ENACTED)

AB425 – Certification of Navigators, Assistants and Counselors; align state law with federal law; and deals with network adequacy standards

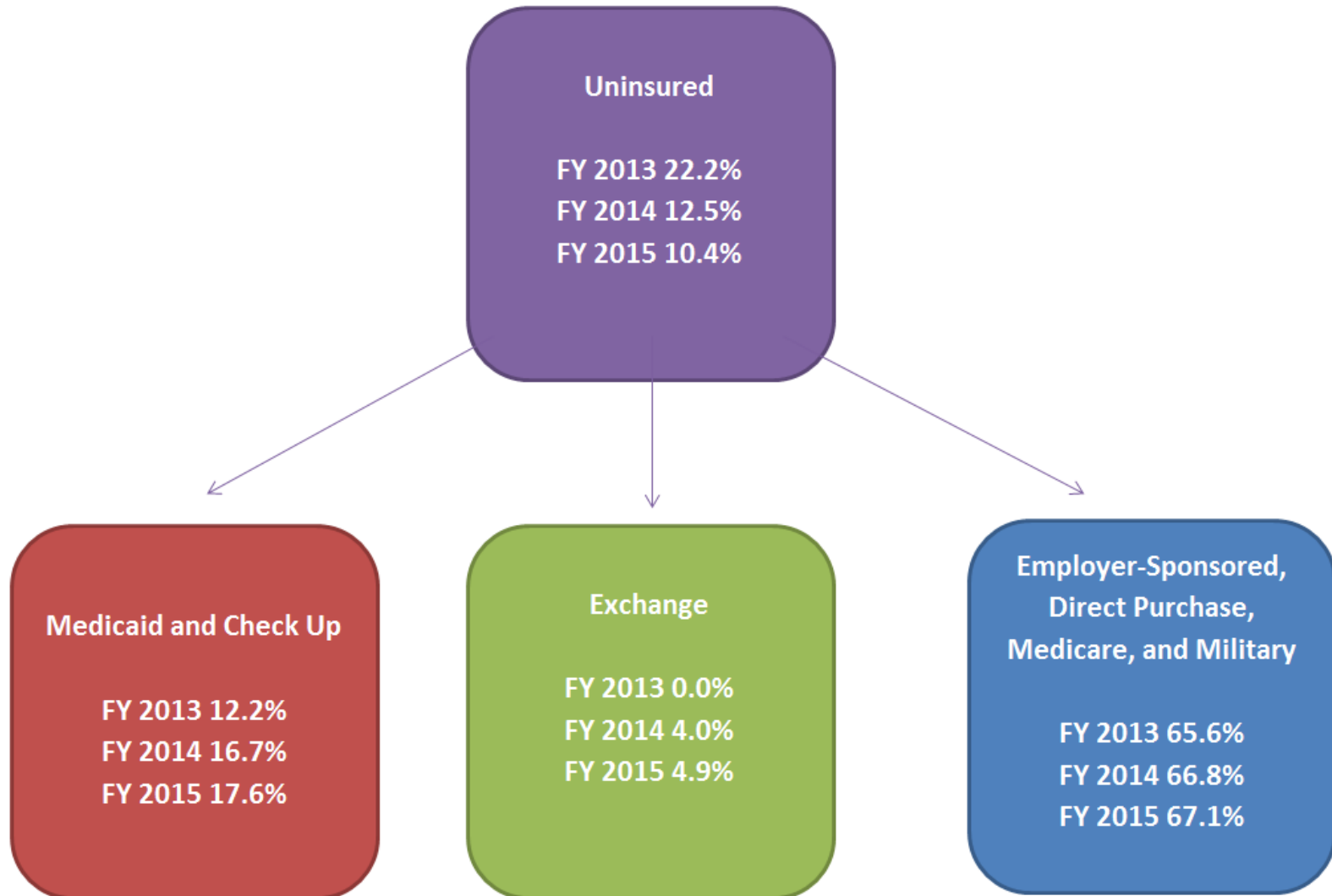
MAJOR HEALTH CARE REFORM DISCUSSION ISSUES

- State operated, Federally operated, or Partnership Health Insurance Exchange
 - ↳ Early preliminary decision by Governors Gibbons and Sandoval to have Nevada operate its own Exchange (Fight, but Plan)
 - ↳ Exchange Planning Grant received on September 2010
 - ↳ SSHIX Board appointed on September 2011
 - ↳ SSHIX Executive Director hired in December 2011
 - ↳ Additional Planning and Implementation Grants totaling approximately \$75M
 - ↳ Governor sent state option letter 12-14-12
 - ↳ Secretary HHS approved Nevada plan 1-3-13

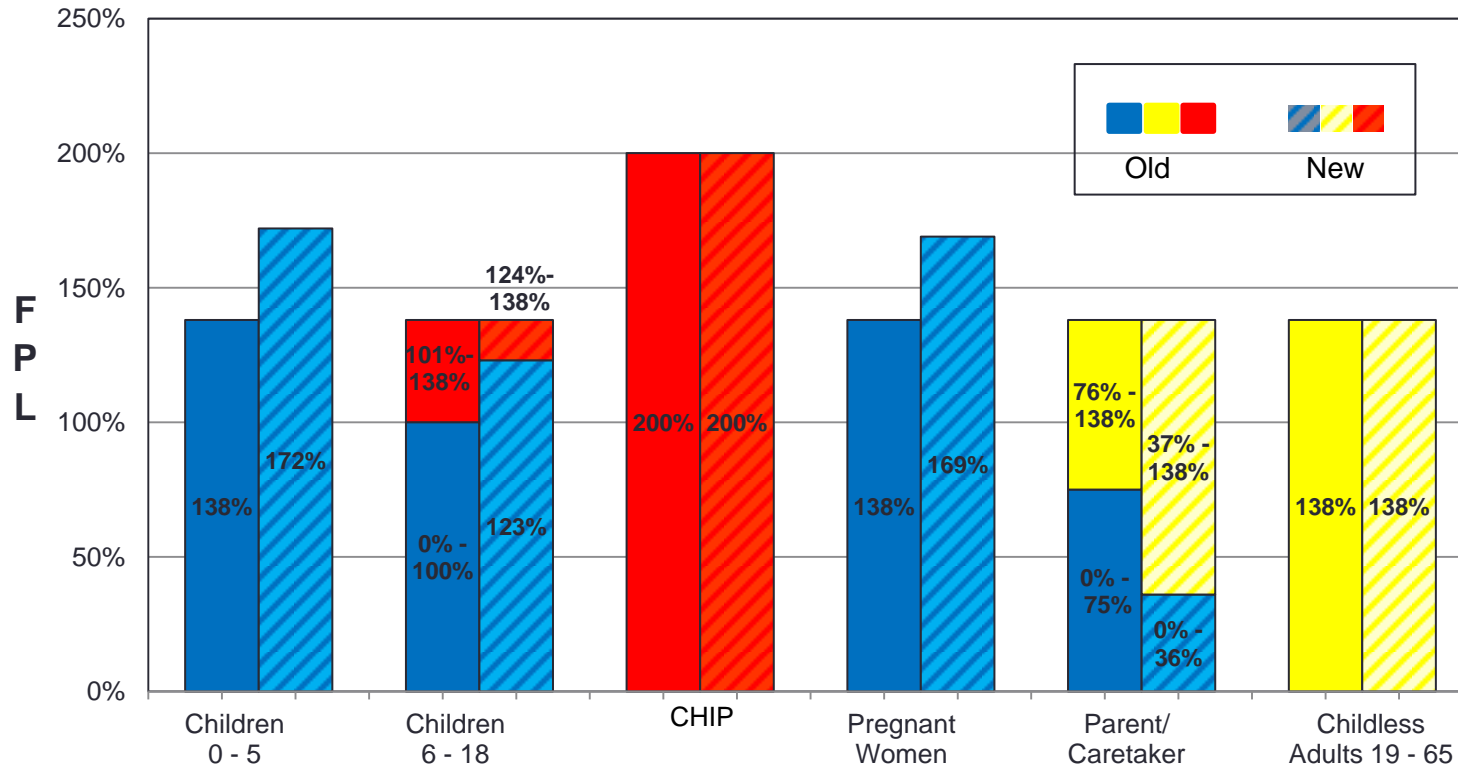
MAJOR HEALTH CARE REFORM DISCUSSION ISSUES (cont'd)

- MEDICAID EXPANSION --- CASELOAD GROWTH WITH AND WITHOUT ACA
 - ↳ Governor announced decision to expand Medicaid 12-11-12 (1st Republican Governor)

HEALTH INSURANCE COVERAGE RATES



MEDICAID EXPANSION ELIGIBILITY AND FMAP



■ Regular FMAP ■ 100% FMAP ■ CHIP FMAP

2013 Federal Poverty Guidelines		
FPL	Household Size 1	Household Size 4
50%	\$5,745	\$11,775
100%	\$11,490	\$23,550
138%	\$15,856	\$32,499
150%	\$17,235	\$35,325
200%	\$22,980	\$47,100
250%	\$28,725	\$58,875

MEDICAID CASELOAD PROJECTIONS

	Total Medicaid Caseload	Leg. Approved Caseload Projection without ACA
Jul-11	296,400	290,009
Aug-11	298,213	291,802
Sep-11	298,723	292,179
Oct-11	300,178	292,929
Nov-11	300,337	292,908
Dec-11	302,432	295,181
Jan-12	304,850	295,986
Feb-12	305,635	295,950
Mar-12	306,161	297,184
Apr-12	307,727	298,904
May-12	308,355	299,834
Jun-12	308,954	300,513
Jul-12	310,260	301,296
Aug-12	310,901	302,737
Sep-12	310,172	303,075
Oct-12	313,414	304,143
Nov-12	313,122	304,371
Dec-12	313,762	306,590
Jan-13	315,499	307,430
Feb-13	315,846	307,373
Mar-13	317,184	308,606
Apr-13	320,228	310,413
May-13		311,190
Jun-13		311,851

	Total Medicaid Caseload	Leg. Approved Caseload Projection without ACA	Leg. Approved ACA Caseload Projection	Leg. Approved Caseload Projection with ACA
Jul-13		318,814		318,814
Aug-13		319,846		319,846
Sep-13		320,921		320,921
Oct-13		321,752	4,377	326,130
Nov-13		322,060	8,754	330,815
Dec-13		323,064	13,132	336,195
Jan-14		323,651	49,844	373,495
Feb-14		324,658	63,034	387,692
Mar-14		325,972	76,224	402,196
Apr-14		326,634	89,415	416,049
May-14		327,040	102,605	429,646
Jun-14		327,872	115,796	443,668
Jul-14		328,437	118,397	446,834
Aug-14		329,236	120,998	450,233
Sep-14		330,369	123,599	453,968
Oct-14		331,235	126,200	457,435
Nov-14		331,655	128,801	460,457
Dec-14		332,414	131,402	463,816
Jan-15		332,806	133,207	466,014
Feb-15		333,770	134,887	468,657
Mar-15		334,972	136,592	471,564
Apr-15		335,392	138,161	473,553
May-15		335,657	139,841	475,498
Jun-15		336,473	141,454	477,927

Estimated and Projected Insurance Coverage in Nevada

	Employer-Sponsored, Direct Purchase, Medicare, and Military	Medicaid and CheckUp	Exchange	Uninsured
FY02	1,618,264	181,302		406,456
FY03	1,701,745	191,400		403,421
FY04	1,769,851	202,673		438,244
FY05	1,901,746	200,592		416,531
FY06	1,935,021	199,705		488,324
FY07	2,060,283	199,621		458,433
FY08	2,030,990	212,994		494,749
FY09	1,918,546	234,810		557,849
FY10	1,853,572	289,670		581,392
FY11	1,788,000	318,099		615,695
FY12	1,799,875	330,358		619,984
FY13	1,826,436	339,808		617,140
FY14	1,881,332	471,589	113,405	351,785
FY15	1,916,442	502,966	138,585	296,872

	Employer-Sponsored, Direct Purchase, Medicare, and Military	Medicaid and CheckUp	Exchange	Uninsured
FY02	73.4%	8.2%		18.4%
FY03	74.1%	8.3%		17.6%
FY04	73.4%	8.4%		18.2%
FY05	75.5%	8.0%		16.5%
FY06	73.8%	7.6%		18.6%
FY07	75.8%	7.3%		16.9%
FY08	74.2%	7.8%		18.1%
FY09	70.8%	8.7%		20.6%
FY10	68.0%	10.6%		21.3%
FY11	65.7%	11.7%		22.6%
FY12	65.4%	12.0%		22.5%
FY13	65.6%	12.2%		22.2%
FY14	66.8%	16.7%	4.0%	12.5%
FY15	67.1%	17.6%	4.9%	10.4%

Note: The Current Population Survey (CPS) estimates the number of uninsured individuals and the share of the population that is uninsured. Because the CPS total state population estimates do not perfectly correspond with the official population estimates produced by the Nevada State Demographer, the CPS share of population that is uninsured is applied to the State Demographer's population estimate to derive the number of uninsured Nevadans. For example, the CPS estimates that 607,000 Nevadans (22.6% of the population) were uninsured in 2011. Applying this percentage to the State Demographer's population estimate yields 615,695 uninsured Nevadans.

Federal Matching Rates

State Fiscal Year	FMAP	Enhanced (CHIP) FMAP	New Eligibles FMAP
FY08	52.96%	67.07%	
FY09	50.66%	65.46%	
	61.11%	72.78%	
FY10	50.12%	65.08%	
	63.93%	74.75%	
FY11	51.25%	65.87%	
	57.77%	70.44%	
FY12	55.05%	68.54%	
FY13	58.86%	71.20%	
FY14	62.26%	73.58%	100.00%
FY15	64.19%	74.93%	100.00%
FY16	65.04%	75.53%	100.00%
FY17	65.47%	75.83%	97.50%
FY18	65.43%	75.80%	94.50%
FY19	65.06%	75.54%	93.50%
FY20	64.47%	75.13%	91.50%

- NOTES: 1) Chart is FMAP for Medical Costs
 2) IT costs vary in percentage
 3) Health Care "eligibility" costs are 75% federal

MAJOR HEALTH CARE REFORM DISCUSSION ISSUES (cont'd)

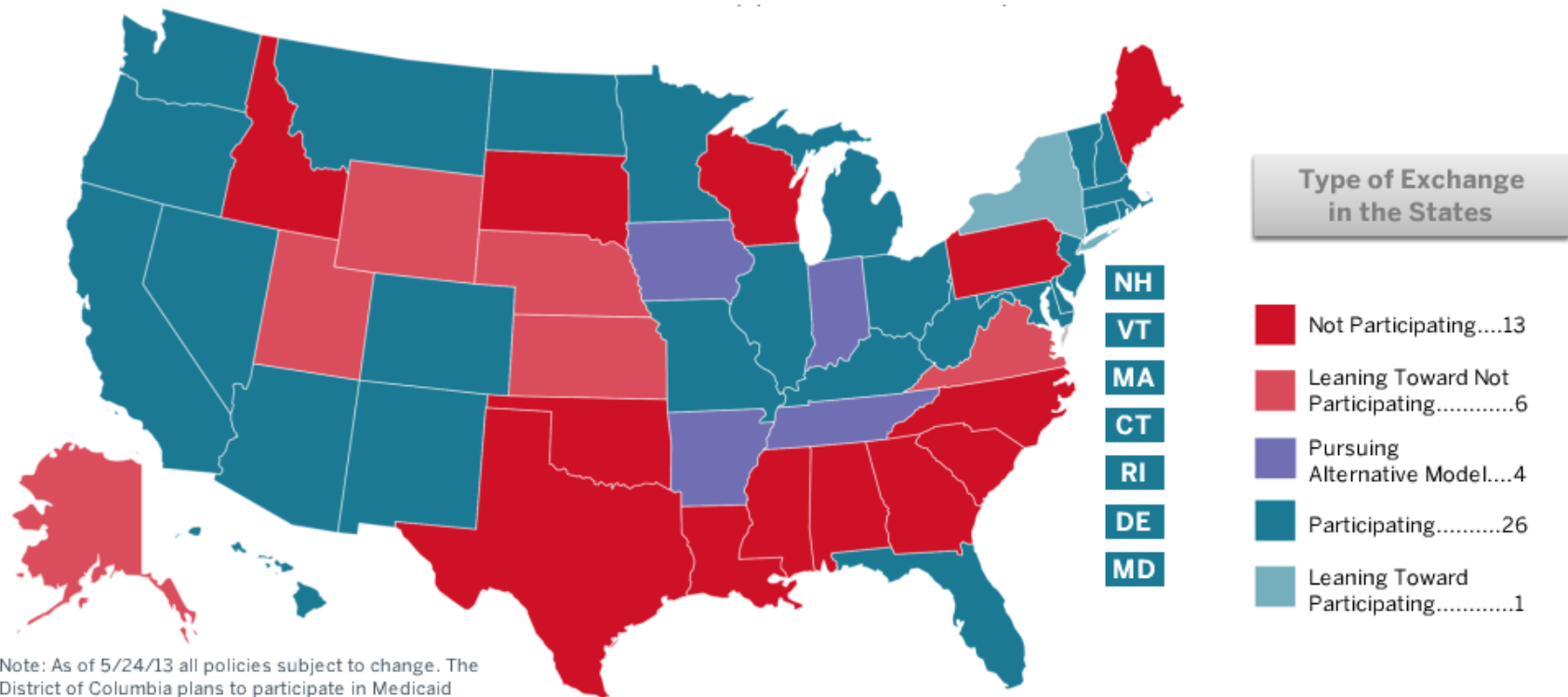
- Information Technology Systems
 - ↳ SSHIX Business Operations (BOS)
 - ↳ Welfare Eligibility Engine (E/E)
- Primary Care physicians rate increases (100% federal in CY 13 and 14, FMAP beyond)
- Presumptive Eligibility (Hospitals)
- ACA impact on Disproportionate Share Hospital (DSH) and Upper-Payment Limit Hospital (UPL) programs
- Opportunities for savings in State funded Mental Health Programs
- ACA impact on Indigent Accident Fund, Supplemental Account and Hospital Freecare obligations
- Managed Care vs Fee-for-Service (1115 Waiver)

MEDICAID EXPANSION BY STATE

- 13 States not participating (AL, GA, ID, LA, ME, MS, NC, OK, PA, SC, SD, TX, WI)
- 6 States leaning toward not participating (AK, KS, NE, UT, VA, WY)
- 26 states announced expansion (NV 1st Republican Governor)
- 4 states participating through alternative (AR, IN, IA, TN)
- 1 state leaning to Expand (NY)

Where the States Stand – May 24, 2013

26 Governors Support Medicaid Expansion

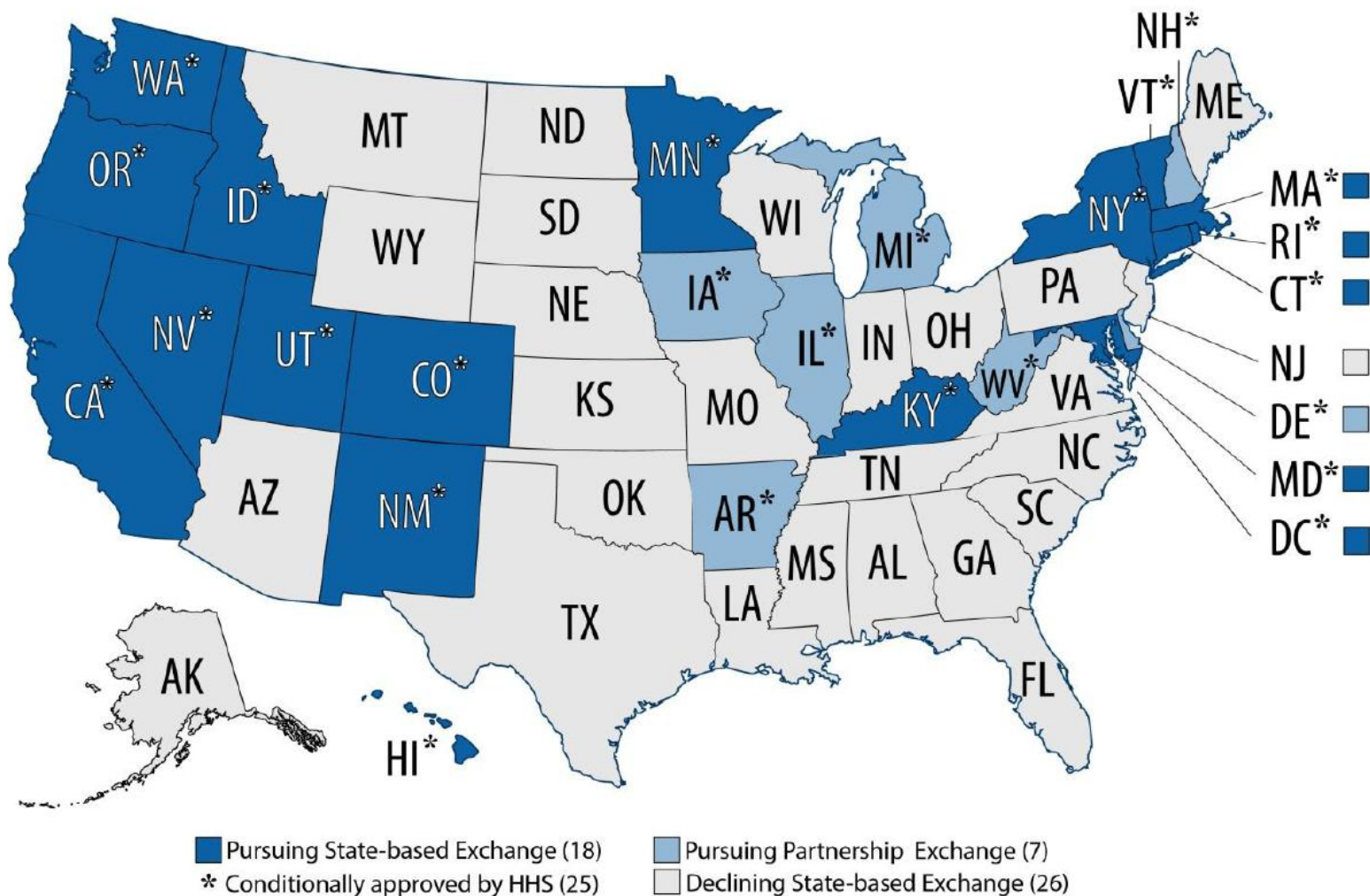


Note: As of 5/24/13 all policies subject to change. The District of Columbia plans to participate in Medicaid expansion and will operate its own exchange.

Hover for additional sources

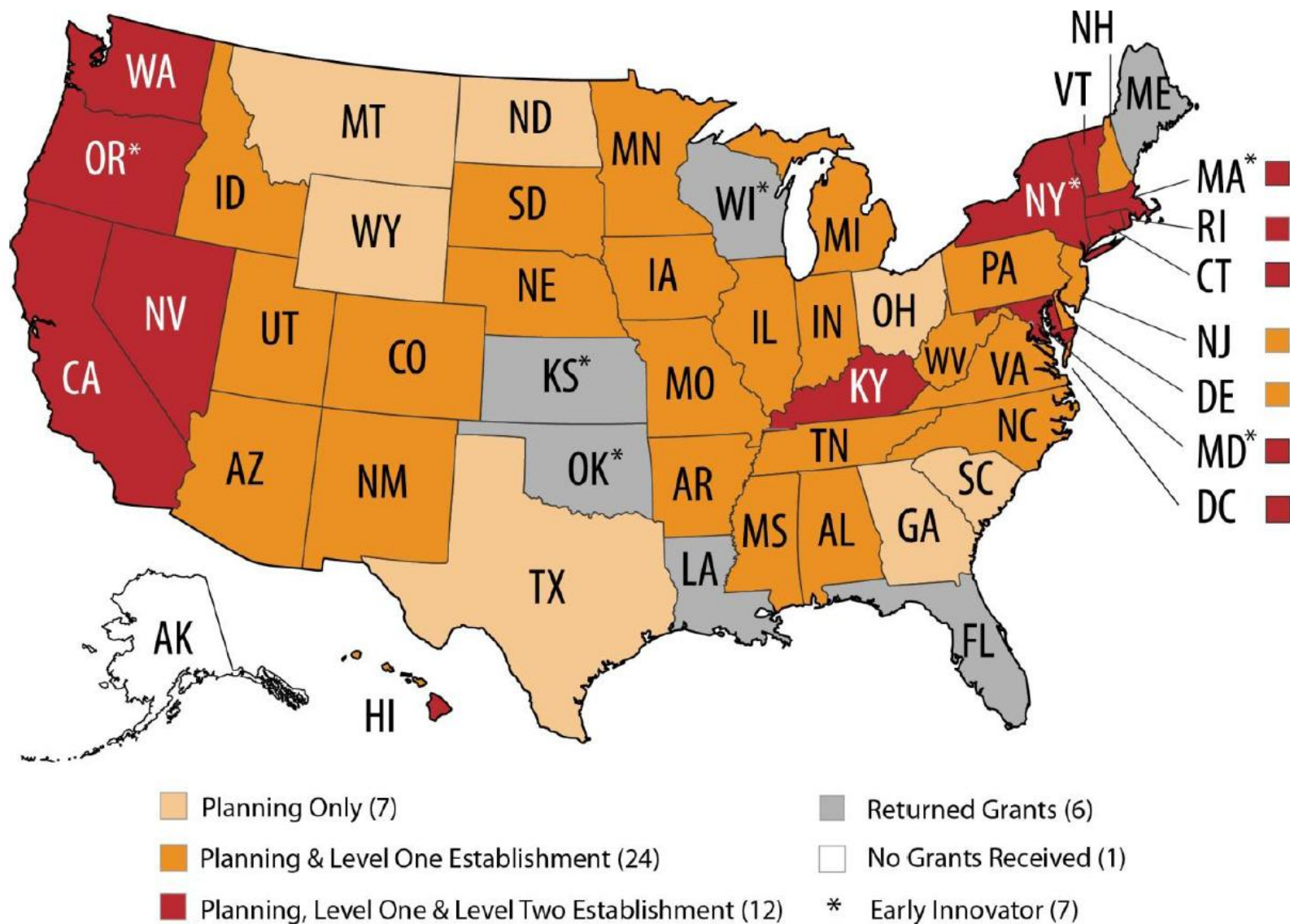
Learn more about the Medicaid expansion at advisory.com/MedicaidMap

Status of State Exchange Implementation



as of April 23, 2013

HHS Exchange Grant Awards to States



ACA IMPLEMENTATION COSTS

SSHIX
GRANTS:

Planning	\$ 1M
1st Level 1	\$4 M
2nd Level 1	\$15.3 M
3rd Level 1	\$4.4 M
Level 2	\$50.0 M

\$74.7 M

DHHS:

YEAR	GF	FED	OTHER	TOTAL
ACA FY14	\$14.4 M	\$185.9 M	\$1.9 M	\$202.2 M
ACA FY15	\$40.9 M	\$441.6 M	\$5.5 M	\$488.0 M
State Rates FY15	\$8.5 M	\$16.0M	\$0	\$24.5 M
	\$63.8 M	\$643.5 M	\$7.4 M	\$714.7 M

CHALLENGES AHEAD

- IT Systems working (BOS, E/E, Fed Hub)
- Outreach, Assistance, Navigation
- If we build it --- Did they come?
- Did the math (costs) work?
- Access to Care --- Workforce
- Market Dynamics