



Update on the Implementation of the Affordable Care Act (ACA) in Nevada

November 21, 2013

Department of Health and Human Services

Mike Willden, Director



Patient Protection and Affordability 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



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



Supreme Court Decides

- On November 14, 2011, the Supreme Court announced 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.

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- 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 Legislature

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**



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)

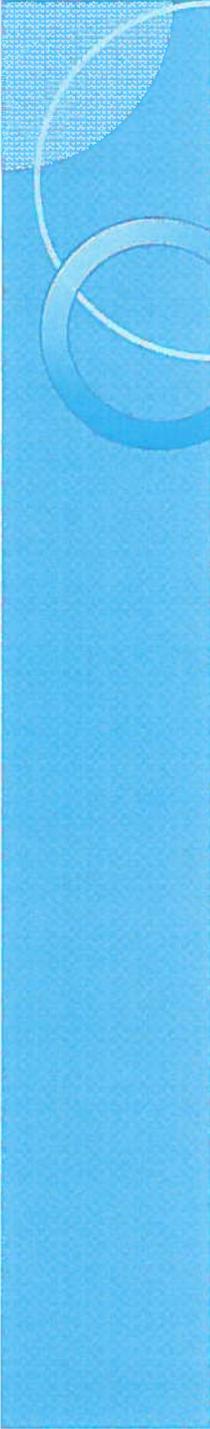
SB454 – Related to interest earnings; premium taxes; dental and vision products; consumer representation on Board and Federal reporting (NOT ENACTED)

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



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

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- **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



MAGI – Modified Adjusted Gross Income

- Methodology for how income is counted and how household composition and family size are determined. (Based on federal tax rules for determining adjusted gross income with some modification)



New Adult Population Medicaid Coverage

- Childless Adults, Age 19 - 65
- Some younger seniors (under age 65) and persons who have disabilities but have not yet received this designation from Social Security, if they meet the requirements for the new childless adult Medicaid expansion population, will now gain Medicaid coverage earlier than before.

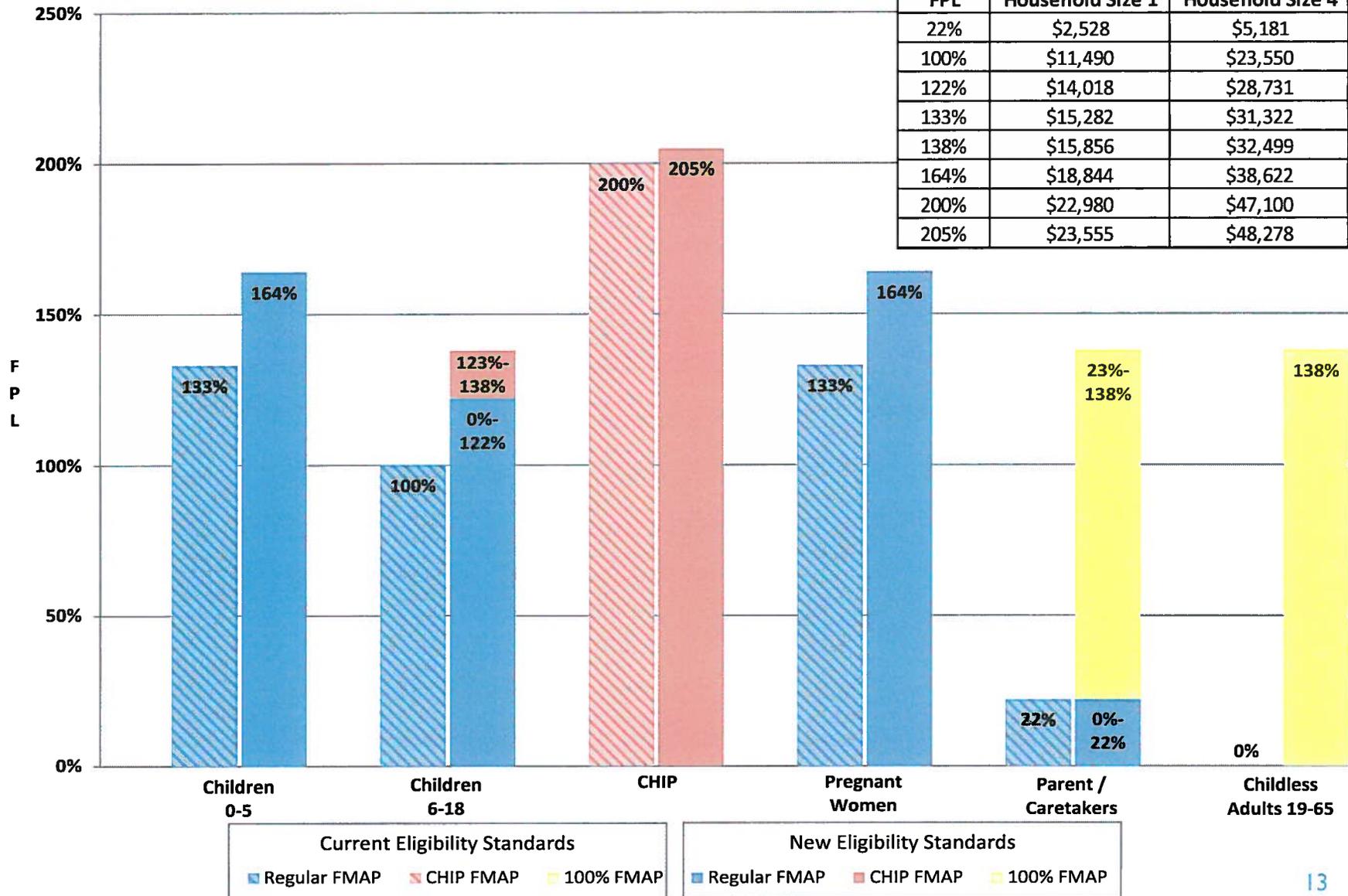


Medicaid for the Aged, Blind and Disabled (MAABD)

- There is no change to the eligibility requirements for the MAABD population
- MAABD population will benefit from the new eligibility engine/system

Medicaid Eligibility and FMAP

2013 Federal Poverty Guidelines		
FPL	Household Size 1	Household Size 4
22%	\$2,528	\$5,181
100%	\$11,490	\$23,550
122%	\$14,018	\$28,731
133%	\$15,282	\$31,322
138%	\$15,856	\$32,499
164%	\$18,844	\$38,622
200%	\$22,980	\$47,100
205%	\$23,555	\$48,278



Blended FMAP for State Fiscal Years 2003-2020

State Fiscal Year	FMAP	Enhanced (CHIP) FMAP	New Eligibles FMAP
FY03	51.79%	66.25%	
	52.53%	66.77%	
FY04	54.30%	68.01%	
	55.34%	68.74%	
FY05	55.66%	68.96%	
FY06	55.05%	68.53%	
FY07	54.14%	67.90%	
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	60.94%	72.66%	100.00%
FY15	61.93%	73.35%	100.00%
FY16	62.46%	73.72%	100.00%
FY17	62.61%	73.83%	97.50%
FY18	62.42%	73.70%	94.50%
FY19	61.94%	73.36%	93.50%
FY20	61.32%	72.92%	91.50%

New Eligibility Engine

- No wrong door:
Nevada Health Link,

www.nevadahealthlink.com

(855) 7-NVLink/(855) 768-5465.



nevada
health link

Access Nevada, Department of Welfare and Supportive Services, Community Partners
(all link to the new eligibility engine)



Electronic Data Verification

- Communicates with the Federal data hub to verify some components of applicant information available from the Social Security Administration, Internal Revenue Service, and the Department of Homeland Security

Once Enrolled, Medicaid Members in Urban Clark and Washoe Counties Have Two Choices for Managed Care

Health Plan of Nevada (HPN)	Amerigroup
Customer Service (702) 242-7317 (800) 962-8074	Customer Service (702) 208-1308 (800) 600-4441
www.hpnmedicaidnvcheckup.com	www.Myamerigroup.com



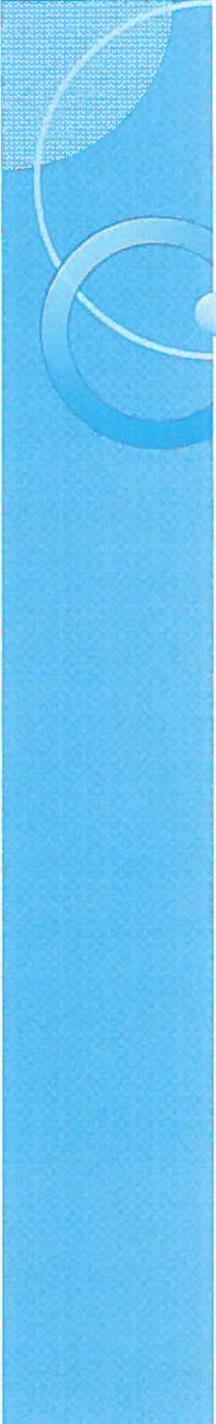
Other Medicaid Initiatives

- **1115 Waiver - Integrated (medical, behavioral, social) Care Management for our Fee For Service Population with chronic conditions**
- **Primary Care Physician Rate Increases**
 - Over 1,200 PCPs have received payments (supplement payments not rate change)
 - Average increase in payment is 40%
 - Federally funded 100% in calendar years 2013 and 2014
 - State/Federal (FMAP) funding for January 2015 through June 2015

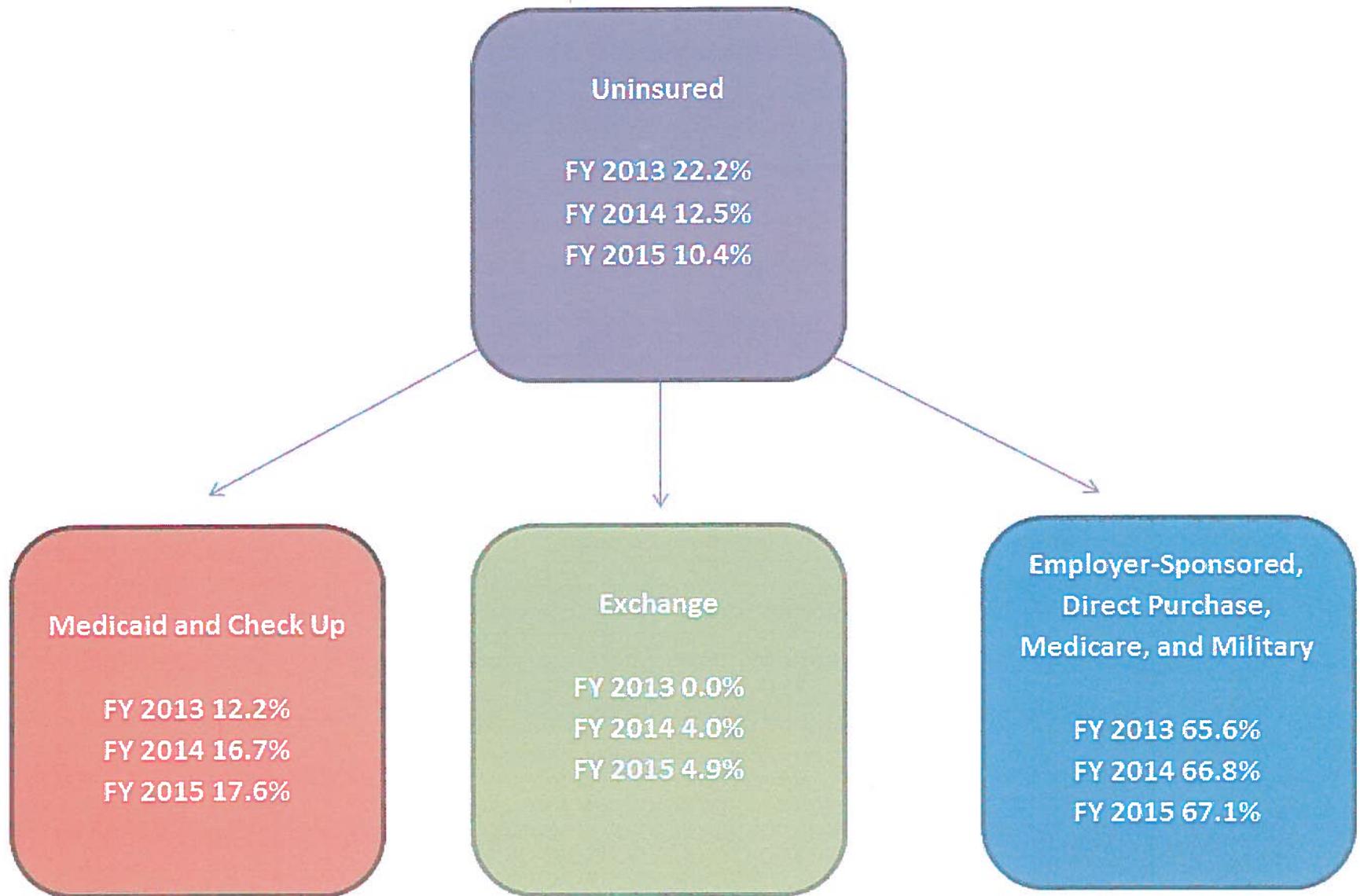


Ongoing Health Care Reform Discussion Issues

- 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



Medicaid Caseload Growth



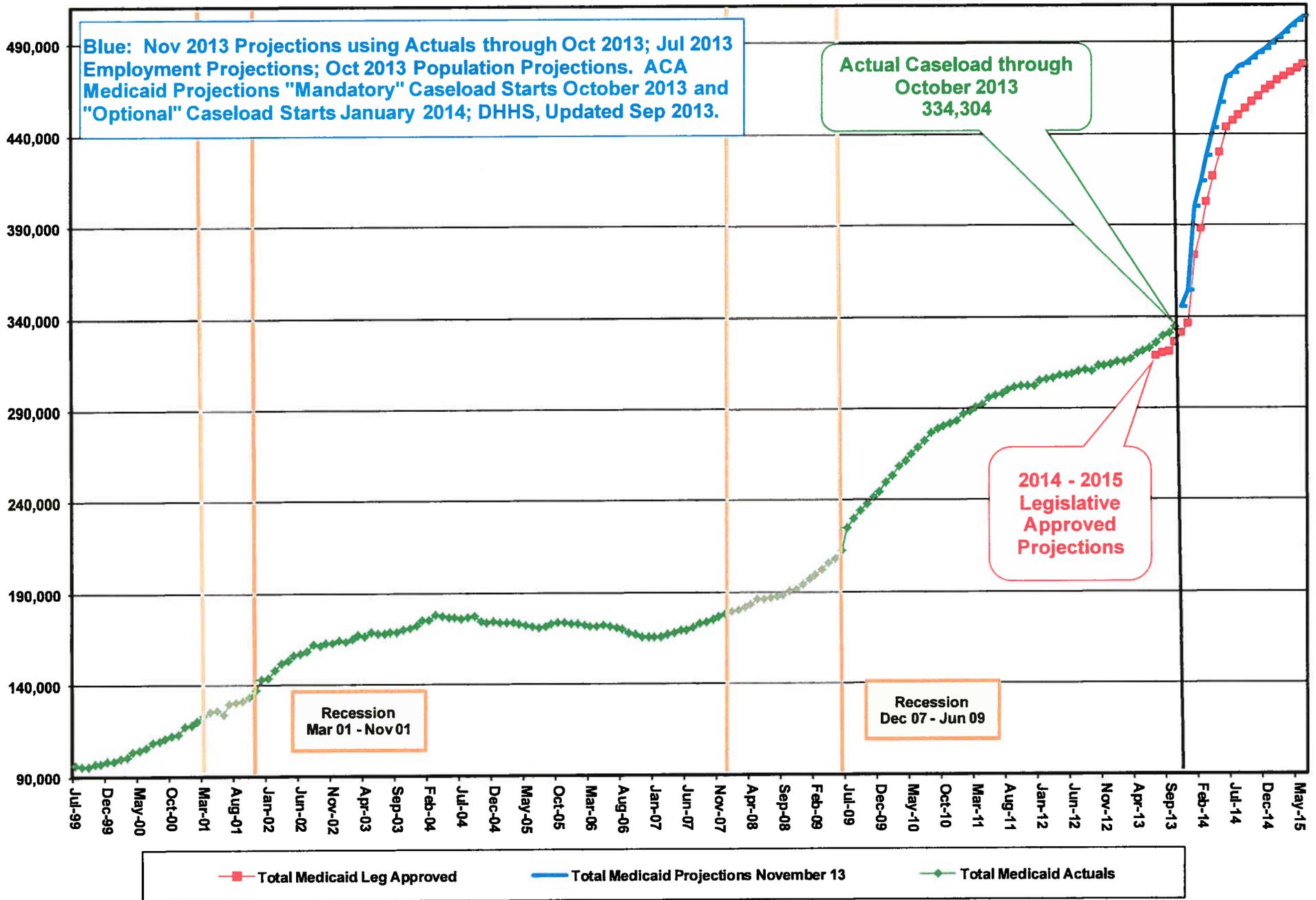
Estimated and Projected Insurance Coverage in Nevada

	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.

Total Medicaid with Retro Projections Using DWSS Home & Community Based Waiver Reported Numbers



TOTAL MEDICAID W/DWSS HCBW

TOTAL MEDICAID w/RETRO		TOTAL MEDICAID w/RETRO		TOTAL MEDICAID w/RETRO		TOTAL MEDICAID w/RETRO						
FY 08-09 Actuals w/updated retro	FY 08-09 Leg Approved Projections	FY 10-11 Actuals w/updated retro	FY 10-11 Leg Approved Projections	FY 12-13 Actuals w/updated FY12 Retro	FY 12-13 Leg Approved Projections	FY 14-15 Actuals	FY 14-15 Leg Approved Projections	Current Month's Projection (November 2013 Projections using October 2013 Actuals)				
Jul-07	171,634	167,962	Jul-09	224,861	209,499	Jul-11	298,084	290,009	Jul-13	325,988	318,814	
Aug-07	174,488	168,572	Aug-09	230,258	211,579	Aug-11	300,466	291,802	Aug-13	329,130	319,846	
Sep-07	174,383	168,802	Sep-09	234,138	213,815	Sep-11	301,301	292,179	Sep-13	330,623	320,921	
Oct-07	176,498	169,338	Oct-09	238,338	215,798	Oct-11	302,497	292,929	Oct-13	334,304	326,130	
Nov-07	177,632	169,693	Nov-09	241,463	218,235	Nov-11	302,679	292,908	Nov-13		330,815	345,440
Dec-07	179,926	170,300	Dec-09	244,806	220,072	Dec-11	302,711	295,181	Dec-13		336,195	353,945
Jan-08	180,983	170,817	Jan-10	249,668	222,012	Jan-12	305,107	295,986	Jan-14		373,495	400,570
Feb-08	182,274	171,132	Feb-10	253,462	224,160	Feb-12	305,721	295,950	Feb-14		387,692	413,913
Mar-08	183,526	171,469	Mar-10	258,741	225,855	Mar-12	306,869	297,184	Mar-14		402,196	428,373
Apr-08	185,251	171,625	Apr-10	261,381	227,859	Apr-12	308,211	298,904	Apr-14		416,049	443,429
May-08	189,010	171,908	May-10	265,371	229,456	May-12	308,533	299,834	May-14		429,646	457,281
Jun-08	188,832	172,123	Jun-10	268,415	230,408	Jun-12	308,906	300,513	Jun-14		443,668	470,957
Jul-08	187,170	172,568	Jul-10	272,661	231,210	Jul-12	310,260	301,296	Jul-14		446,834	473,442
Aug-08	187,844	173,026	Aug-10	277,145	231,702	Aug-12	310,901	302,737	Aug-14		450,233	476,737
Sep-08	188,082	173,225	Sep-10	279,264	232,221	Sep-12	310,172	303,075	Sep-14		453,968	478,553
Oct-08	190,696	173,627	Oct-10	280,138	232,479	Oct-12	313,415	304,143	Oct-14		457,435	481,135
Nov-08	191,141	173,844	Nov-10	281,604	233,240	Nov-12	313,122	304,371	Nov-14		460,457	484,014
Dec-08	194,876	174,325	Dec-10	283,335	233,710	Dec-12	313,762	306,590	Dec-14		463,816	486,877
Jan-09	197,042	174,722	Jan-11	286,880	234,282	Jan-13	315,499	307,430	Jan-15		466,014	489,264
Feb-09	199,264	174,920	Feb-11	288,187	235,068	Feb-13	315,846	307,373	Feb-15		468,657	492,357
Mar-09	202,321	175,148	Mar-11	290,909	235,533	Mar-13	317,184	308,606	Mar-15		471,564	495,248
Apr-09	206,523	175,203	Apr-11	292,432	236,314	Apr-13	320,228	310,413	Apr-15		473,553	498,851
May-09	209,401	175,392	May-11	295,866	236,678	May-13	321,715	311,190	May-15		475,498	501,815
Jun-09	213,444	175,521	Jun-11	296,960	237,020	Jun-13	323,105	311,851	Jun-15		477,927	504,275

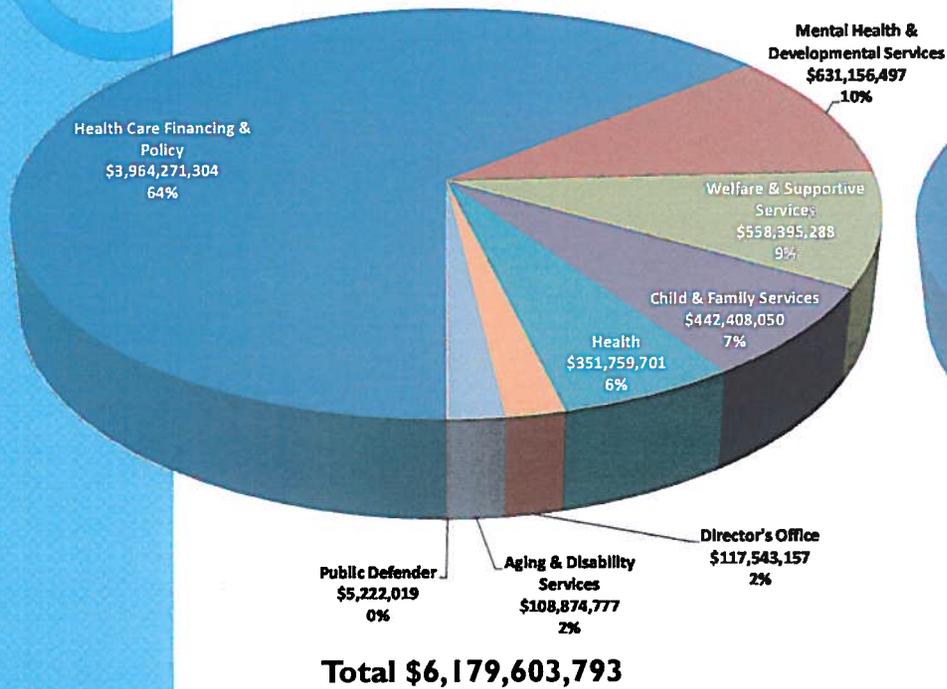
Bolded numbers equal actuals (bolded italic numbers equal updated actuals with retro)



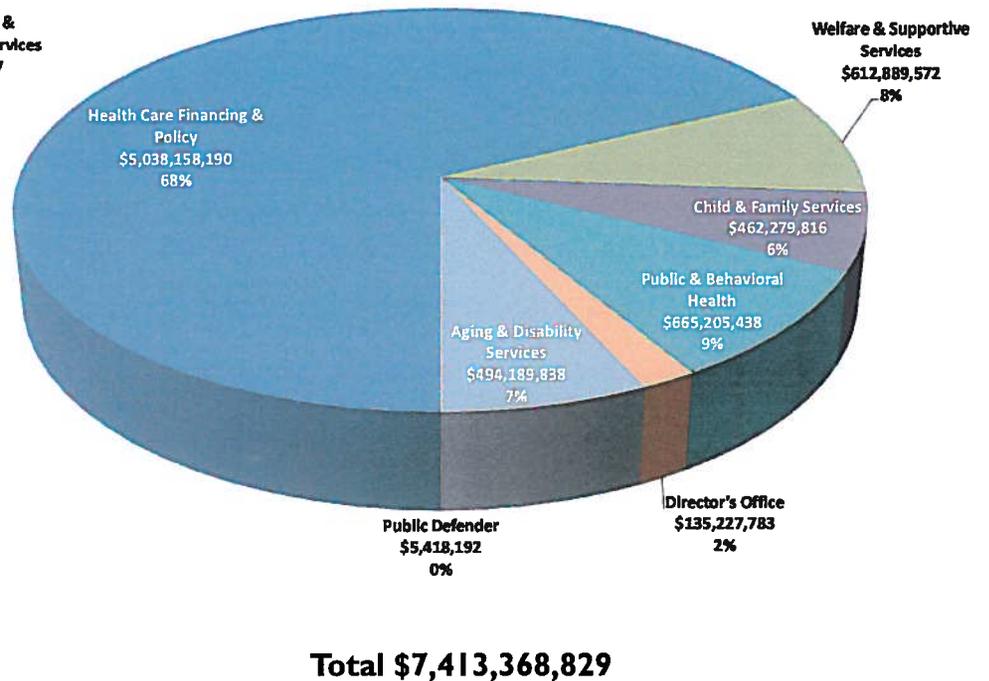
Budget Information

Revenues by Division, 2012-13 and 2014-15 Biennia

Legislative Approved 2012-13 Biennium



Legislative Approved 2014-15 Biennium



Affordable Care Act

The Legislative Approved Budget includes \$214.9 million in expenditures in FY14 and \$535.0 million in FY15 (\$15.2 million and \$50.1 million in General Fund). This corresponds to an additional 337 FTE by the end of FY15.

ACA Mandatory Caseloads

These caseloads include: (1) Individuals who are currently eligible but not served by Medicaid or Nevada Check Up, and (2) individuals who are eligible due to the modernized Modified Adjusted Gross Income (MAGI) eligibility criteria.

Division	Budget Account, Dec. Units	Description	FY14		FY15	
			General Fund	Total	General Fund	Total
DHCFP	3178 M741	Nevada Check Up Medical Costs for Clients Under 138% Moving to Medicaid	-618,914	-2,448,072	-3,128,949	-13,354,797
DHCFP	3178 M740	Nevada Check Up Medical Costs for Currently Eligible but not Served Caseload	1,638,000	6,553,647	4,061,210	17,381,030
DHCFP	3243 M740	Medicaid Medical Costs for Mandatory Caseloads	15,966,800	42,307,367	46,866,348	130,875,029
DHCFP	3243 M741	Medicaid Medical Costs for Individuals between 100%-138% FPL who are Currently Eligible but Not Served by Nevada Check Up	2,016,610	7,632,892	7,952,090	31,719,549
DHCFP	3243 M744	Medicaid Primary Care Physicians Rate Increase (100% federally funded for first 18 months of the biennium)	0	41,834,979	0	25,135,302
		<i>Medicaid Costs Subtotal</i>	<i>19,002,496</i>	<i>95,880,813</i>	<i>55,750,699</i>	<i>191,756,113</i>
DHCFP	3158 M742	Medicaid Management Information System (MMIS) Changes	1,252,433	5,009,730	375,000	1,500,000
DHCFP	3158 M749	Business Operations Solution (BOS) Implementation at the Silver State Health Insurance Exchange	243,422	501,017	278,347	572,901
DHCFP	3158 M748	Health Information Exchange	410,385	3,293,853	275,373	1,101,492
DHCFP	3158 M745	Screening of New and Existing Medicaid Providers	212,564	425,129	212,564	425,129
DHCFP	3158 M746	Dispensing Fee and Ingredient Cost Surveys for Outpatient Pharmaceuticals	50,000	100,000	0	0
DHCFP	3158 M747	Business Lines Unit support for care management, medical homes, and implementation of the ACA (3 positions)	87,330	179,014	102,933	211,922
DHCFP	3158 M740	Medicaid Fiscal Agent	140,363	561,452	360,054	1,440,216
		<i>DHCFP Total</i>	<i>21,398,993</i>	<i>105,951,008</i>	<i>57,354,970</i>	<i>197,007,773</i>
DWSS	3228 M740	Welfare Administration (8 administrative support staff by the end of FY15)	258,351	512,896	524,150	1,039,233
DWSS	3233 M740	Welfare Field Services (171 Medicaid and SNAP eligibility-related positions by the end of FY15)	2,061,387	4,986,868	3,777,689	10,048,306
DWSS	3228 M744	Eligibility Engine	382,964	4,805,073	348,137	3,759,580
		<i>DWSS Total</i>	<i>2,702,702</i>	<i>10,304,837</i>	<i>4,649,976</i>	<i>14,847,119</i>
Behavioral Health	3161 M740	Outpatient Savings for Southern Nevada	-412,164	0	-566,587	0
Behavioral Health	3162 M740	Outpatient Savings for Northern Nevada	-184,100	0	-253,077	0
Behavioral Health	3648 M740	Outpatient Savings for Rural Clinics Nevada	-139,537	0	-191,750	0
		<i>Outpatient Savings Subtotal</i>	<i>-735,801</i>	<i>0</i>	<i>-1,011,414</i>	<i>0</i>
Behavioral Health	3161 M745	Pharmaceutical Savings for Southern Nevada	-251,560	-251,560	-349,501	-349,501
Behavioral Health	3162 M745	Pharmaceutical Savings for Northern Nevada	-49,500	-49,500	-68,772	-68,772
Behavioral Health	3648 M745	Pharmaceutical Savings for Rural Clinics Nevada	-6,880	-6,880	-9,558	-9,558
		<i>Pharmaceutical Savings Subtotal</i>	<i>-307,940</i>	<i>-307,940</i>	<i>-427,831</i>	<i>-427,831</i>
		<i>Behavioral Health Total</i>	<i>-1,043,741</i>	<i>-307,940</i>	<i>-1,439,245</i>	<i>-427,831</i>
		MANDATORY CASELOADS TOTAL	23,057,954	115,947,905	60,565,701	211,427,061

Affordable Care Act

ACA Optional Caseloads

These caseloads include newly eligible individuals (primarily childless adults) up to 138% FPL. The Legislative Approved Budget includes coverage of the "optional" caseloads.

Division	Budget Account, Dec. Units	Description	FY14		FY15	
			General Fund	Total	General Fund	Total
DHCFP	3243 E740	Medicaid Medical	-405,775	94,142,880	-1,463,099	289,047,451
DHCFP	3243 E744	Medicaid Primary Care Physician Rate Increase	0	0	8,510,910	24,491,189
DHCFP	3178 E744	Nevada Checkup Primary Care Physician Rate Increase	393,781	1,490,465	394,370	1,573,077
		<i>Medical Costs Subtotal</i>	-11,994	95,633,345	7,442,181	315,111,717
DHCFP	3157 E740	Intergovernmental Transfer	0	1,644,802	0	5,136,176
DHCFP	3158 E740	Medicaid Fiscal Agent	149,156	596,626	432,182	1,728,729
		<i>DHCFP Total</i>	137,162	97,874,773	7,874,363	321,976,622
DWSS	3228 E740	Welfare Administration (6 administrative support staff by the end of FY15)	194,957	389,914	271,561	543,121
DWSS	3233 E740	Welfare Field Services (146 eligibility-related positions by the end of FY15)	1,733,528	5,040,218	1,990,121	7,900,946
		<i>DWSS Total</i>	1,928,485	5,430,132	2,261,682	8,444,067
Behavioral Health	3161 E741	Outpatient Savings for Southern Nevada	-3,089,353	0	-7,649,825	0
Behavioral Health	3162 E741	Outpatient Savings for Northern Nevada	-1,379,914	0	-3,416,930	0
Behavioral Health	3648 E741	Outpatient Savings for Rural Clinics Nevada	-1,045,892	0	-2,589,828	0
		<i>Outpatient Savings Subtotal</i>	-5,515,159	0	-13,656,583	0
Behavioral Health	3161 E746	Pharmaceutical Savings for Southern Nevada	-1,173,947	-1,173,947	-3,029,006	-3,029,006
Behavioral Health	3162 E746	Pharmaceutical Savings for Northern Nevada	-231,001	-231,001	-596,028	-596,028
Behavioral Health	3648 E746	Pharmaceutical Savings for Rural Clinics Nevada	-32,105	-32,105	-82,836	-82,836
		<i>Pharmaceutical Savings Subtotal</i>	-1,437,053	-1,437,053	-3,707,870	-3,707,870
Behavioral Health	3168 E744	Behavioral Health Administration (3 positions to support revenue collection and service delivery goals)	118,728	159,367	152,675	212,140
Behavioral Health	3170 E740	Substance Abuse Prevention and Treatment (SAPTA) Savings	-3,066,776	-3,066,776	-3,367,440	-3,367,440
		<i>Behavioral Health Total</i>	-9,900,260	-4,344,462	-20,579,218	-6,863,170
		OPTIONAL CASELOADS TOTAL	-7,834,613	98,960,443	-10,443,173	323,557,519
TOTAL OF MANDATORY AND OPTIONAL CASELOADS			15,223,341	214,908,348	50,122,528	534,984,580