


**AMERICA'S  
ESSENTIAL  
HOSPITALS**

Alternative Medicaid Expansions: Hospital Perspectives  
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### Affordable Care Act

- Medicaid Expansion
- Employer Mandate
- Personal Mandate
- Coverage for Dependent Children
- Preventive Services
- Pre-existing Condition Exclusions

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### ARKANSAS HEALTH CARE INDEPENDENCE ACT



April 23, 2013

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### Arkansas's Health Care Independence Act of 2013

- Insurance Expansion
- Medicaid 1115 Waiver
- Medicaid Funding Pays for Private Insurance Premiums
- Low-income Arkansans up to 138% of the Federal Poverty Level




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### Benefits of the Private Option

- Eliminates "churning" of enrollees due to changes in income
- Eliminates the stigma attached to Medicaid
- Prevent the shortage of providers who accept Medicaid
- Patients can be seen in the most appropriate setting




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### Paying for the Private Option

Year(s)	State Share	Federal Share
2014-2016	0%	100%
2017	5%	95%
2018	6%	94%
2019	7%	93%
2020 and on	10%	90%




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### Private Option Enrollment

- As of March 31, 2015:
  - Eligibility Approvals – 242,103
  - Enrollment Complete – 229,599




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### Demographics of Enrollees

- **58%** Women
- **81%** Below 100% FPL
- **65%** Between the ages of 19 – 44




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### Statewide Impact of Insurance Expansion

Patient Utilization	2013	2014	% Change
<b><u>Inpatient Admissions</u></b>			
• Total	135,552	136,436	0.7%
• Uninsured	9,180	4,913	<b>-46.5%</b>
• Private Option Plans		4,038	
<b><u>Emergency Visits</u></b>			
• Total	431,517	439,779	1.9%
• Uninsured	102,469	66,075	<b>-35.5%</b>
• Private Option Plans		25,638	
<b><u>Outpatient Clinic Visits</u></b>			
• Total	1,063,138	1,124,701	5.8%
• Uninsured	68,627	43,901	<b>-36.0%</b>
• Private Option Plans		47,725	




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## UAMS Impact of Insurance Expansion

- Uninsured rate decreased by more than 10%
  - December 2013 – 14%
  - January 2014 – 3%
  - April 2014 – 2.5%
- Emergency Department visit volume flat
- Outpatient Clinic Visits increased 15%



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**HIP 2.0: Indiana's Alternative Medicaid Expansion Vehicle**

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Vice President of Legal Affairs and Chief Counsel  
Eskenazi Health  
Indianapolis, Indiana

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**Eskenazi Health**

- A division of the Health and Hospital Corporation of Marion County
- Largest public safety-net health system in Indiana
- Only Indiana member of America's Essential Hospitals
- In continuous existence for over 155 years
- Staff physicians are faculty of the Indiana University School of Medicine

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**Eskenazi Health**

- Comprehensive, integrated system
  - Brand new \$754 million hospital campus (December 2013)
  - 315-bed acute care hospital
    - Level 1 Trauma Center
    - 100,000 ED visits per year
    - Regional Burn Unit
  - State's oldest and largest community mental health center, Midtown Community Mental Health
  - Eskenazi Health Center, a Federally Qualified Health Center, offers primary care at sites throughout Indianapolis
- Medicaid a very significant payor

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### The Healthy Indiana Plan

- Initiative of former Gov. Mitch Daniels
- Program started Jan. 1, 2008
- Five-year waiver
- Nation's first consumer-directed model for Medicaid recipients
- Required participants to contribute to cost through a POWER (Personal Wellness and Responsibility) Account
- Goals
  - Price transparency
  - Patient/provider partnership
  - Healthy outcomes
- Limited Scope
  - Served 45,000-50,000 individuals annually

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### The Road to Expansion: A Timeline

- **June 2012:** U.S. Supreme Court decision-making Medicaid expansion optional for states
- **July 2012:** Outgoing Gov. Daniels requests the positions of the three leading gubernatorial candidates on Medicaid expansion
- **August 2012:** Candidate Mike Pence's response opposes the ACA in general, opposes setting up a state-run exchange, and points to the success of Healthy Indiana Plan
- **January 2013:** Gov. Mike Pence makes it clear from the time he takes office that he will not support an expansion of traditional Medicaid
- **September 2013:** HHS extends HIP through end of 2014

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### The Road to Expansion: A Timeline

- **May 2014:** Pence administration proposes use of HIP as Medicaid Expansion Vehicle
- **May – June 2014:** Public comments on proposal
- **July 2014:** Indiana submits revised plan with minor changes based on public comments
- **October 2014:** Governor Pence sends letter to President Barack Obama asking him to support expansion through HIP
- **December 2014:** Ongoing negotiations between Gov. Pence and HHS Secretary Sylvia Burwell
- **January 2015:** Gov. Pence announces CMS approval of HIP 2.0 as a means to expand coverage to approximately 350,000 Indiana residents

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### HIP 2.0: Guiding Principles

- Strong desire for an Indiana-specific solution
- Aims
  - Foster personal responsibility
  - Promote preventative care and healthy lifestyles
  - Encourage participants to be value conscious consumers of health care
  - Promote price and quality
- Broad support

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### HIP 2.0: Basics

- Three year demonstration – good through Jan. 31, 2018
- Eligibility
  - Indiana residents ages 19 to 64
  - Income at or below 138 percent of FPL
  - Not eligible for Medicare or otherwise eligible for Medicaid
- HIP members converted automatically; others must submit application
- All members must be enrolled through one of three managed care organizations
- HIP 2.0 reimburses providers at Medicare or 130 percent of Medicaid

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### HIP 2.0: How is it different from traditional Medicaid?

- **POWER account**
  - Monthly contribution determined by income and range from \$1 to \$100
  - State funds difference between contribution and \$2,500
  - POWER account pays for first \$2,500 of medical expenses for covered benefits
- **HIP Plus**
  - Members who make their POWER account contributions get dental, vision, and an enhanced pharmacy benefit and have no co-pays (except \$25 for use of emergency room in a non-emergency)
- **HIP Basic**
  - Members who do not make their POWER account contributions get a reduced level of coverage and pay co-pays if they are under 100 percent of FPL
  - Members over 100 percent of FPL who do not make their POWER account contributions are dis-enrolled from the program

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### Rollout and Early Feedback

- Service coverage began Feb. 1, 2015
- Hospitals including Eskenazi Health have been enrolling patients and doing public outreach
  - Eskenazi Health has 124 certified navigators
- Who is applying?
  - Those eligible for original HIP but on waiting list
  - Those between 100-138 percent of the FPL who must move from coverage under the Health Insurance Marketplace to coverage under HIP 2.0
  - Those formerly uninsured
- 100,000 people have enrolled since federal approval
- Enrollment is always open – no deadline to apply
- Projected enrollment of 552,390 by 2018

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### Impact on System

- Reimbursement from third parties for previously uninsured patients at approximate Medicare rates
- Approximately 120,000 eligible in Marion County; 90,000 have previously used our services
- Fewer challenges with referrals for services we don't provide and with post-discharge placements
- Less usage of our own charity care program (Health Advantage)
  - Program changes to incentivize eligible individuals to participate in either HIP 2.0 or Health Insurance Marketplace
  - Patients can supplement HIP 2.0/exchange product with Health Advantage
  - HIP Basic members can get vision and dental through Health Advantage
- Researching ability to make POWER account contributions on members' behalf
- Risk of flight of Health Advantage members once they have other coverage

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- \* Safety-net facility with patient population of over 80% either Medicare or Medicaid
- \* 8,900 employees
- \* 1,200 inpatient beds
- \* 700+ Physicians and Specialists
- \* 43,000+ admissions
- \* 153,000+ ER visits
- \* 763,000+ outpatient visits

**\* Einstein Healthcare Network overview**

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- \* **Einstein Medical Center Philadelphia, Philadelphia, PA** – Largest independent academic medical center in the Philadelphia region.
- \* **Einstein Medical Center Montgomery, East Norriton, PA** – Newest member of the Einstein family.
- \* **Einstein Medical Center Elkins Park, Elkins Park, PA** – Full service medical and surgical specialty hospital in suburban Montgomery County.
- \* **MossRehab** – World-renowned for inpatient and outpatient rehabilitative programs for brain and spinal cord injury, stroke, neurological disorders, amputation and orthopedic conditions.
- \* **Belmont Behavioral Health, Philadelphia, PA** – Region's largest non-profit behavioral health system.
- \* **Willowcrest, Philadelphia, PA** – Short-term subacute rehabilitation and nursing facility.

**\* Einstein Healthcare Network facilities**

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- \* 2008 Einstein is the only healthcare network in the Commonwealth to support enactment of a Philadelphia hospital assessment.
- \* 2010 Hospital Association of Pennsylvania joins with Einstein to support a statewide hospital assessment.

**\* Einstein Advocacy**

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\*1997 Pennsylvania introduced Pennsylvania HealthChoices (Medicaid Managed Care) in selected counties.

\*2012 HealthChoices is expanded statewide.

**\* Medicaid in Pennsylvania**

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\*Tom Corbett re-elected Attorney General in 2008.

\*March 23, 2010 along with 13 other states, AG Corbett files suit against ACA.

\*Tom Corbett becomes Governor-Elect November 2010.

\*Governor Corbett declines to expand Medicaid in 2012.

**\* Pennsylvania Political Environment**

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\* June 30, 2013 Republican controlled PA Senate includes Medicaid expansion as part of the state budget by a vote of 40-10.

\* July 1, 2013 Republican PA House Majority Leader kills Medicaid expansion.

\* July 3, 2013 PA Senate removes Medicaid expansion from budget.

\* September 16, 2013 Governor Corbett announces "HealthyPA"

**\* Pennsylvania Political Environment**

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\*Medicaid expansion efforts continue during 2014 and HHS review process.

\*August 28, 2014 PA receives conditional approval.

\*August 2014 - Public polling shows Governor Corbett trailing Tom Wolf (54% - 34%).

**\* Pennsylvania Political Environment**

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\* November 2014 Tom Wolf defeats Governor Corbett (54.9% - 45.1%).

\* November 2014 Governor-Elect Wolf announces he will expand Medicaid.

\* HealthyPA enrollment begins December 2014.

\* April 2015 - Governor Tom Wolf informs HHS Pennsylvania will withdrawal HealthyPA waiver application.

**\* Pennsylvania Political Environment**

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