
Medicaid Advisory Committee

July 22, 2015

General Services Building
Salem, Oregon

The logo for the Oregon Health Authority is centered within a light blue, curved banner. It features the word "Oregon" in a smaller, orange, serif font positioned above the "H" of the word "Health". The word "Health" is written in a large, dark blue, serif font. Below "Health", the word "Authority" is written in a smaller, orange, serif font.

Oregon
Health
Authority

Time	Item	Presenter
9:00	Opening Remarks	Co-Chairs; Rhonda Busek, OHA
9:05	<p>“Meet & Greet” with Lynne Saxton, Director, OHA</p> <ul style="list-style-type: none"> • Committee introductions • History and overview of the committee • OHA’s priority areas and current initiatives • Next steps 	Co-chairs; committee; Lynne Saxton, OHA
10:00	Committee Debrief	Co-chairs; committee
10:15	2015 Legislative Session – Summary	Brian Nieuburt, OHA
10:25	OHA Ombuds Advisory Council – Update	Ellen Pinney, OHA
10:35	Break	
10:45	<p>Medicaid 12 Month Continuous Eligibility</p> <ul style="list-style-type: none"> • Summary of work to date on financial analysis • Develop recommendations 	Co-Chairs; staff
11:55	Closing comments	Co-Chairs

Lynne Saxton Director, OHA

2015 Legislative Update

Brian Nieuburt

Legislative Coordinator for Health Care Programs, OHA

OHA Ombuds Advisory Council - Update

Ellen Pinney, OHA

BREAK

12-Month Continuous Eligibility for OHP Adults

12-Month Continuous Eligibility

Problem: Low and moderate-income parents and childless adults experience substantial income volatility throughout the year, which affects eligibility and can cause churning on and off Medicaid

Policy: 12-Month Continuous Eligibility

Allows beneficiaries to maintain coverage for up to one full year, even if individuals/families experience a change in income or family status

- Option for children since 1997; 32 states have adopted policy in their Medicaid or CHIP programs; 23 states have in both programs
- Federal policy has been an option for Medicaid adults since 2013
 - To date, only New York state had implemented the policy for their adult populations, likely due to financing barriers

Impact: Promotes coverage continuity for eligible individuals, despite fluctuations in income or other eligibility criteria, but also creates additional costs for a state

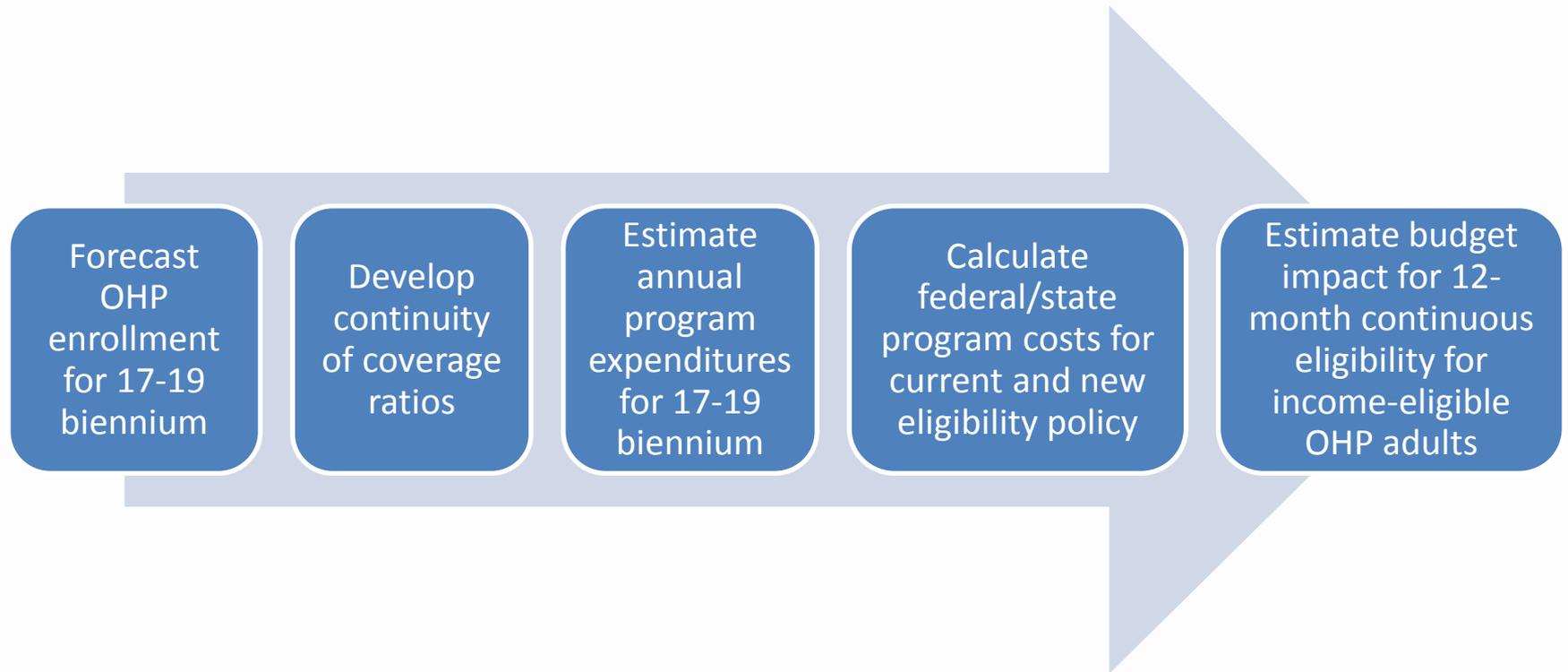
Financial Estimates of 12-Month Continuous Eligibility

Timeframe: 2017-19 biennium (July 1, 2017 – June 30, 2019)

Financing:

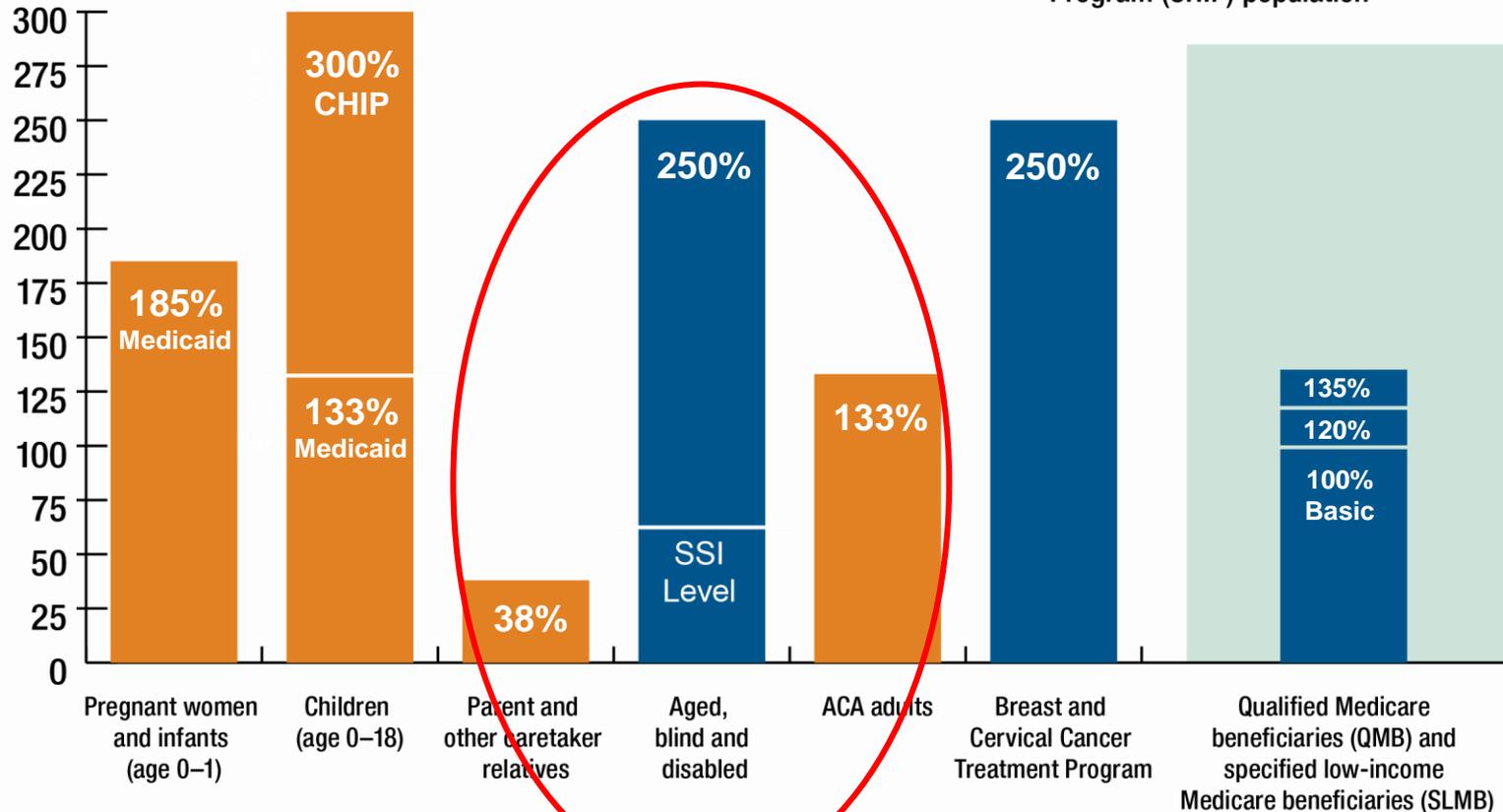
- Federal funding for Medicaid expansion (newly eligible) population drops from:
 - 100% in 2016, to
 - 95% in 2017, 94% in 2018, 93% in 2019, and 90% in years 2020 and beyond
- Based on research George Washington University, CMS determined that:
 - 97.4% of the cost should be financed at the enhanced matching rate available for newly eligible adults and
 - the remaining 2.6% at a state's regular Medicaid matching rate
- Estimated that states would likely receive a matching rate between 98.7% and 99.3% percent for their ACA expansion populations in 2014

Method for Determining Costs of 12-Month Continuous Eligibility for OHP Adults, 2017-19 Biennium



Approximate Federal Poverty Levels (FPL) for Medical Eligibility Groups in 2015

■ Traditional (non-MAGI)** Medicaid population
■ Modified Adjusted Gross Income (MAGI)* Medicaid/Children's Health Insurance Program (CHIP) population



Caseloads	Women: 18,656 Infants: 28,581	CHIP: 68,295 Medicaid: 320,356	53,097	121,267	388,674	623	QMB: 22,673 SLMB: 22,751
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* MAGI is the means-tested Medicaid/CHIP eligibility criteria.
 ** Non-MAGI has other eligibility criteria in addition to the means test.

Eligibility and Enrollment: 17-19 Biennium

- Populations considered for this analysis were selected based on whether income is the primary requisite for Medicaid eligibility

Table 1. Estimated Coverage for OHP Adults (19-64 Years) with Current Policy (i.e. no 12-Month Continuous Eligibility), 2017-19 Biennium

Eligibility Categories	Estimated Enrollment	Total Member Months of Coverage
Medicaid Expansion Adults	375,944	9.02 million
Aid to the Blind and Aid to the Disabled (AB/AD)	73,847	1.77 million
Parent/Caretaker Relative	44,270	1.06 million
Total	494,061	11.8 million

Source: OHA/DHS Office of Forecasting, Research and Analysis, Spring 2015 [Forecast](#)

Continuity Ratio

- Used similar approach to the Medicaid “continuity ratio” developed by researchers at George Washington University (GWU) in 2009

$\frac{\text{Average Member Months}}{\text{Total \# of Unduplicated Enrollees that Year}}$

= Continuity Ratio

100% Continuity Ratio = Everyone Was Enrolled for the Entire Year

Table 2. Continuity Ratios, 2017-19 Biennium

Eligibility Categories	Current Policy (%)	New Policy (%)	Difference
Medicaid Expansion Adults	68.2	78.7	+10.5
Aid to the Blind and Aid to the Disabled (AB/AD)	83.8	87.3	+3.5
Parent/Caretaker Relative	61.9	77.7	+15.8

Sources: George Washington’s analysis of Medicaid Statistical Information System Datamart for FY 2006-11; DHS/OHA Integrated Client Services data warehouse, 2008-2012

Estimated Program Expenditures 17-19

- Used per-member-per-month (PMPM) estimates
 - Average cost projections based on high-level OHP caseload and expenditure projections
 - Assumes coverage of OHP benefits remain constant and applies a fixed annual rate of growth of 3.4 percent

Table 3. Projected Program Expenditures, 2017-19 Biennium (PMPM)(*Millions)

Eligibility Categories	SFY 2018	SFY 2019	17-19 Biennium
Medicaid Expansion Adults	\$673	\$696	\$685
Aid to the Blind and Aid to the Disabled (AB/AD)	\$1,207	\$1,248	\$1,227
Parent/Caretaker Relative	\$716	\$740	\$728

Federal Financial Participation

- Federal funding for the AB/AD and Parent/Caretaker Relative adult groups for the 2017-19 biennium is estimated at 62.47%
- Federal funding for the Medicaid expansion population gradually decreases from 100% in 2016 to 90% in years 2020 and beyond
 - 2014 CMS guidance indicated that states would not receive the full-enhanced match rate for their Medicaid expansion population under 12-month continuous eligibility

Table 4. Federal Participation for Oregon’s Medicaid Expansion Population with New Policy (i.e. 12-Month Continuous Eligibility), 2017-19 Biennium

SFY Year	Estimated ACA Enhanced FMAP	12-Month CE FMAP for Adults	FMAP Reduction 17-19 Biennium
2018	94.50%	93.68%	-0.82%
2019	93.50%	92.68%	

Results

Table 8. Combined Estimated Cost for OHP Adult Populations, 2017-19 Biennium

	Current Policy	New Policy	Change 17-19 Biennium
Total Member Months of Coverage	11.8 million	13.5 million	1.7 million
PMPM Cost	\$770	\$759	N/A
Federal Share	\$7.64 billion	\$8.66 billion	\$1.01 billion
FMAP	83.81%	83.58%	-0.22%
State Share	\$1.47 billion	\$1.7 billion	\$223 million
Total Program Cost 2017-19 Biennium†	\$9.1 billion	\$10.3 billion	\$1.2 billion

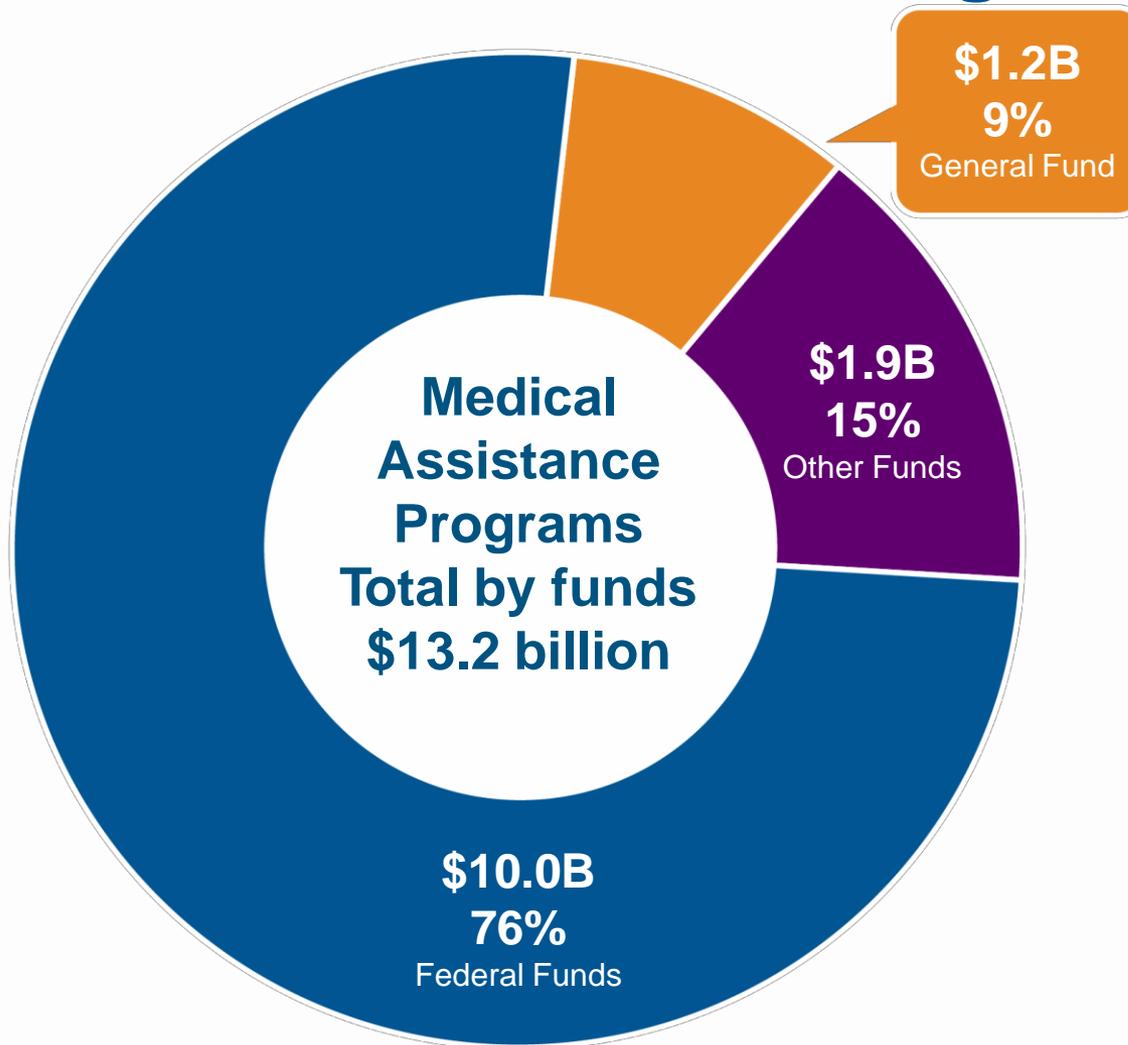
†The change in combined program expenditure from “current policy” to “new policy” reflects a change in the ratio of clients due to changes in the continuity ratio for the respective adult populations resulting from the implementation of 12-month continuous eligibility. Because each eligibility group has a different program expenditure (PMPM), the combined weighted average PMPM is different when the ratio of member months changes.

Summary of Results

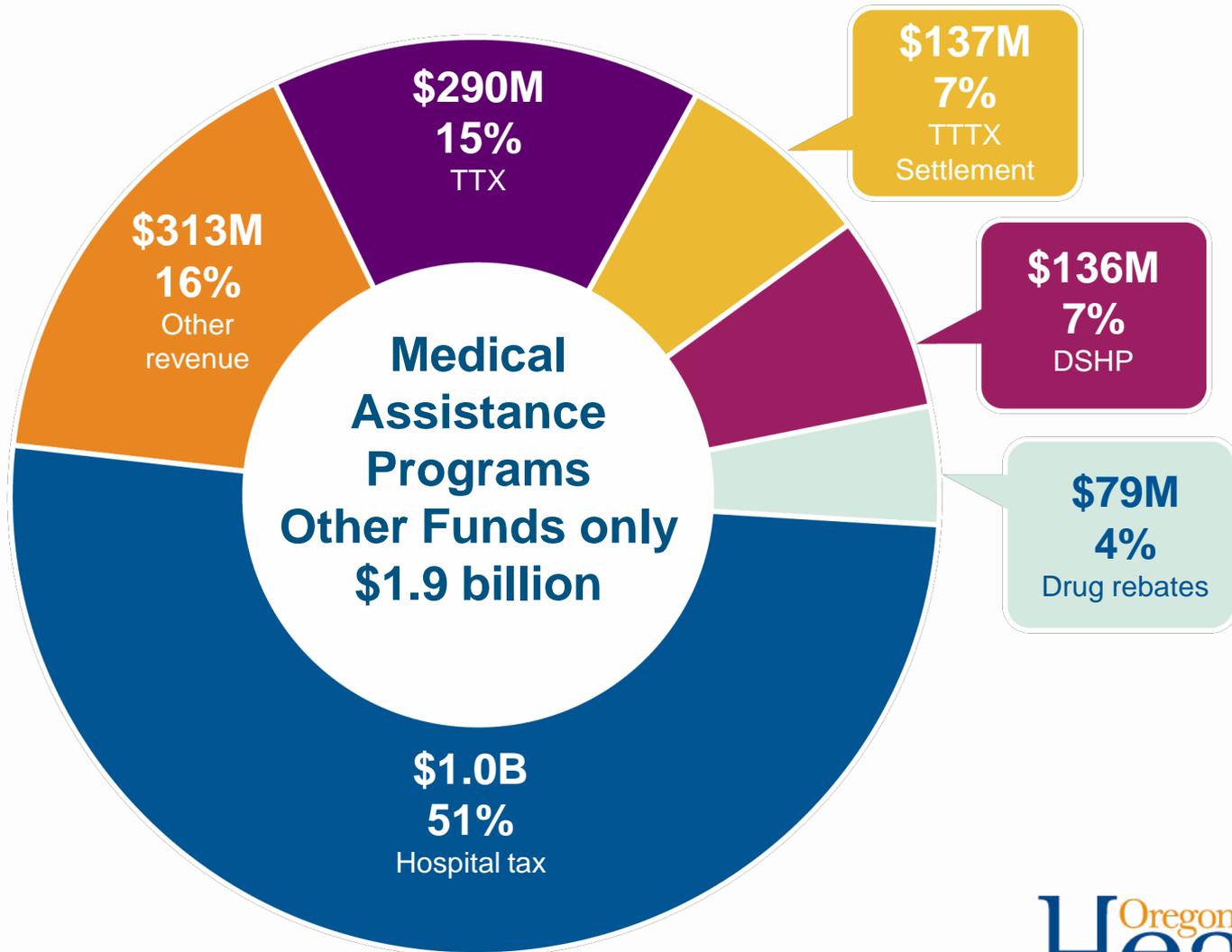
If a 12-month continuous eligibility policy were implemented for OHP adults for the 17-19 biennium:

- **Coverage Continuity:** estimated to increase total member months of coverage by nearly 15% over the biennium, resulting in 1,734,346 additional member months of coverage.
 - Continuity ratios are estimated to increase on average by nearly 10 percent for the three OHP adult populations.
- **Program Costs:** estimated to increase total program spending by \$1.23 billion
 - **Additional federal revenue of \$1.01 billion**
 - **Additional state spending of \$223 million**

2015–17 Governor's budget



2015–17 Governor's Budget



Discussion and Future Considerations

- Original intent was to conduct a comprehensive cost-benefit analysis
- Potential program savings, include but are not limited to:
 - Prevent avoidable disruptions in care and non-urgent use of the emergency department;
 - Reduced coverage transitions: decreases in disenrollments, reenrollments, and redeterminations;
 - Administrative savings for states, health plans and providers; and
 - Greater potential return on investments in prevention and care management.
- Further analysis is needed to assess/quantify potential program savings

Recommendations

Committee's Task:

- Prepare and submit recommendations to OHA regarding the feasibility of 12-month continuous eligibility for adults in OHP in the 2017-19 biennium.
- Outline the potential fiscal impact on the state budget in the next biennium.

Potential Recommendations:

- Recommend to OHA to request the Legislature to fund 12-month continuous eligibility for 17-19 biennium
- Don't recommend 12-month continuous eligibility
- Alternative options/considerations?

Public Comment or Testimony

Looking Ahead: Summer Schedule

- **August – NO MEETING**
- **September 23rd meeting (Salem)**