

# Medicaid Advisory Committee

June 25<sup>th</sup>, 2014

CCC Wilsonville Training Center  
Wilsonville, Oregon

Time	Item	Presenter
9:00	Opening Remarks	Co-Chairs
9:05	Approval of Minutes – May 2014	Committee
9:10	Oregon Health Authority – Update on the Oregon Health Plan (OHP) and Coordinated Care Organizations (CCOs)	Rhonda Busek, OHA; Co-chairs
9:30	Strategies to Mitigate, Avoid or Reduce Churn – Revisit timeline and process – Recap: Basic Health Plan, Bridge Plan and Wrap options	Co-chairs; Staff
9:45	Strategies to Mitigate, Avoid or Reduce Churn – Review executive summary and draft recommendations – Review Committee’s preliminary recommendations	Co-chairs; Staff
10:30	<b>BREAK</b>	
10:45	Strategies to Mitigate, Avoid or Reduce Churn (cont.) – Discussion of recommendations (cont.)	Co-chairs; Staff
11:30	Committee Churn Mitigation Report – Input on draft letter to Oregon Health Policy Board	Co-chairs; Staff
11:45	Public Comment or Testimony	Co-Chairs
11:55	Closing comments	Co-Chairs
12:00	Adjourn	Co-Chairs

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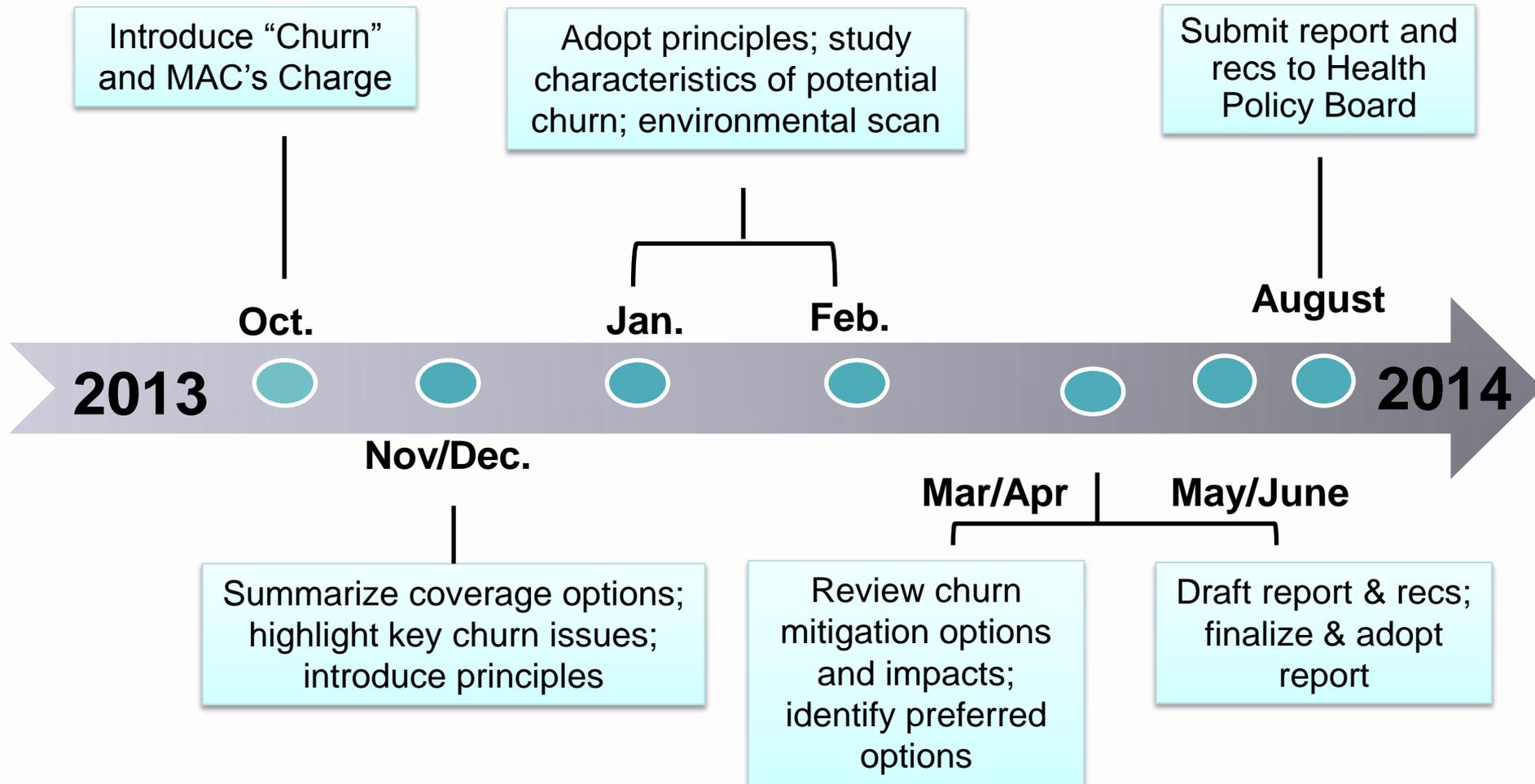
# **OHA Update on Coordinated Care Organizations (CCOs) and Oregon Health Plan (OHP)**

**Rhonda Busek**  
**Interim Director, Medical Assistance Programs**



# Strategies to Mitigate, Avoid or Reduce Churn

# Committee Timeline: Churn Recs (2014)



# Recap of Committee Process

- Introduced the issue of “churn” in new ACA environment in Oregon
- Learned about potential estimates of “churn”
- Oregon Health Study and Oregon churn assessment
- Environmental scan of state options to mitigate churn
- State of Washington churn assessment and coverage context
- Strategies to mitigate churn disruptions
  - Basic Health Plan, Bridge Plan, and Wraparound program
  - Advantages and disadvantages including financial implications
- Strategies to reduce or avoid churn
  - Income alignment, continuous 12 month eligibility, contractual mechanisms
  - Advantages and disadvantages
- Additional considerations including administrative issues, benefit differences, and consumer affordability

# Recap: May MAC meeting

- Reviewed Basic Health Plan, Medicaid Bridge, and Wraparound options
- Several considerations were highlighted:
  - Any potential cost savings is based on provider reimbursement
  - Enhancing alignment between coverage/access of mental and physical health services for OHP enrollees
  - Potential for increased administrative complexities for BHP and Bridge
  - Timing for BHP or Bridge implementation in 2015 not feasible; Cover Oregon IT Transition Project
- Committee opted to not recommend BHP or Medicaid Bridge as policy options to mitigate “churn”
- Preliminary mitigation recommendation: “Wraparound” as most feasible option among the three alternative coverage options
  - Suggested “subsidizing” dental and non-emergency medical transport (NEMT) as potential targeted benefit(s) for wrap
  - Prioritize additional “benefit wrap” over “cost-sharing” subsidies
- Other considerations?

# Committee Principles for Evaluation of Churn Mitigation Strategies

Maximize affordability, benefit coverage, and continuity of care for individuals and families.

Consider and support the health needs of diverse racial and ethnic communities, parents, pregnant women, children, persons with disabilities, and residents in rural and frontier areas, among others served by OHP.

Balance consumer needs with the need for financial viability and operational self-sufficiency in the state Medicaid program, the health insurance Marketplace, and the health care delivery system.

Promote coverage options that ensure access and continuity to comprehensive health services and result in the lowest net level of churn.

## Aligning Medicaid and Tax Credits' Income Budget Periods

<b>Overview:</b>	Medicaid/CHIP eligibility is based on monthly income; tax credits/cost sharing reductions' eligibility is based on projected annual income. When individual is found ineligible for Medicaid based on monthly income and ineligible for tax credits/cost sharing reductions based on projected annual income, regulations require Medicaid eligibility to be based on projected annual income. As a result, the individual will be eligible for Medicaid.
<b>Eligibility:</b>	OHP eligibility up to 138%FPL
<b>Enrollee Benefits and Costs:</b>	No additional costs to State; potential savings by keeping individuals in same provider network.
<b>Financing:</b>	For new OHP applicants, state may take into account reasonably predictable changes in income. For Medicaid MAGI beneficiaries renewing their coverage, the state may use a projected annual budget period as well as take into account "reasonably predictable changes" in income
<b>Financial Implications:</b>	Undetermined
<b>State Admin:</b>	Minimal
<b>Timing and Legislation:</b>	OHA and Cover Oregon will begin exploring the legal parameters for this option. Need to consider OHP and QHP contracting timelines.

## 12 Month Continuous Medicaid Eligibility

**Overview:**

Regardless of change in income eligibility individuals remain eligible for 12 months. Option available for children and adults. 1115 Waiver required for adult 12-month continuous eligibility.

**Eligibility:**

Adults up to 138%FPL; Continuously eligibility already in CHIP.

**Financing:**

CMS assessed that 99 percent of the cost should be financed at the enhanced matching rate available for newly-eligible adults and the remaining 1 percent at a state's regular Medicaid matching rate through enhanced FMAP until 2017.

**Financial Implications:**

FMAP 99 percent of the cost of providing 12 month continuous coverage for Expansion. Non-expansion FMAP has not been determined by CMS.

**Timing and Legislation:**

Would require state dollars to fund. Would need legislatively approved budget authority.

# Initial Draft Recommendations: Reduce and Avoid Churn

# Draft Recs to Reduce and Avoid Churn

- ***Oregon Health Plan Eligibility and Enrollment Performance Indicator(s)***: Starting in 2015, OHA should report on OHP eligibility and enrollment performance indicators as required by the Centers for Medicare and Medicaid Services (CMS).
- ***OHP Enrollment Simplification***: As OHA re-assumes responsibility for OHP eligibility processing, it should take steps to minimize administrative challenges and burdens for initial enrollment and renewals.
- ***Aligning Medicaid and Tax Credit Income Budget Periods***: By 2016, for individuals applying for coverage, OHA should transition from a “current” monthly income budget period for eligibility determination to one that accounts for “reasonably predictable changes.”

# Draft Recs to Reduce and Avoid Churn

- **12 Month Continuous Eligibility for all OHP Beneficiaries.** In 2015, OHA should analyze the costs and benefits of adopting 12-month continuous eligibility for OHP MAGI eligible adults, contingent on additional guidance from CMS on the federal match rate (or FMAP) for the non-expansion Medicaid population.
- **Contractual Mechanisms.** By 2016, OHA and Cover Oregon should adopt contractual mechanisms to streamline care transitions between Medicaid CCOs and commercial QHPs.

**BREAK**

# Initial Draft Recommendations: Mitigate Disruption

## Basic Health Plan (BHP)

<b>Overview:</b>	Optional program for states to use federal tax credits and costs sharing reductions to subsidize coverage for individuals with incomes below 200% FPL who would otherwise be eligible to purchase coverage through the Marketplace. Depending on design, the BHP may also help consumers maintain continuity across plans and providers as their income fluctuates above and below Medicaid levels.
<b>Eligibility:</b>	Individuals with incomes between 138% and 200% FPL (and under 138% FPL for lawful immigrants subject to Medicaid 5 year bar), under age 65, and who meet all other eligibility requirements for QHPs. <i>Estimated uptake in 2016: 72,412.</i>
<b>Benefits and Costs:</b>	Enrollees must receive at least the same benefits and pay no more in premiums and cost sharing than they would in the Marketplace.
<b>Financing:</b>	The federal government pays the state 95% of value of the premium tax credits and cost sharing reductions it would have provided to eligible individuals enrolled in the applicable 2 <sup>nd</sup> lowest cost silver Marketplace plan.
<b>Financial Implications:</b>	Potential to reduce annual consumer out-of-pocket costs from \$460-\$1,500 (break-even scenario); Provider impact varies depending on reimbursement rate(s).
<b>State Admin:</b>	Estimated state admin costs \$6-\$14 million, annually. OHA would need to set up a trust fund to receive federal funding for subsidies; administrative costs are not federally funded.
<b>Timing and Legislation:</b>	<ul style="list-style-type: none"><li>• BHP feasibility study due to the legislature in November 2014 per HB 4109 (2014).</li><li>• Earliest implementation date for states is 2015; earliest feasible implementation date for Oregon would likely be 2016.</li><li>• Would need legislatively approved budget authority, as federal funds are not available for state costs to establish and administer the program.</li></ul>

# Bridge Plan

<b>Overview:</b>	Permit Medicaid CCOs certified as QHPs to offer plans to certain populations that would serve as a "bridge" between Medicaid/CHIP and Marketplace coverage.
<b>Eligibility:</b>	Limit enrollment to individuals previously enrolled in Medicaid and their family members, with incomes below 200% of the FPL, and parents of CHIP children up to 200% FPL. Limit enrollment to 12 months or less. (*California's Bridge plan under review by CMS does not limit to 12 months) <i>Estimated uptake in 2016: Previously OHP Eligible, 69,451; CHIP Parents, 40,444</i>
<b>Benefits and Costs</b>	Bridge Plans must meet QHP certification requirements. Enrollees would receive at least the same benefits and pay no more in premiums and cost sharing than they would for benchmark coverage in the Marketplace.
<b>Financing</b>	OHA/Cover Oregon would create a "new" second lowest cost silver plan (SLCSP) for Bridge Plan eligible. Bridge Plan is expected to be a lower cost alternative because it is built off the Plan's existing Medicaid provider network.
<b>Financial Implications</b>	Relative to QHP coverage, reduce consumer total annual out-of-pocket costs by \$600-\$1,725 (previously eligible/CHIP parents); Provider impact varies depending on reimbursement rate(s). Providers would receive lower reimbursement rates in BHP vs. QHP: either Medicaid or average b/w Medicaid/commercial reimbursement.
<b>State Admin:</b>	Estimated state admin costs \$2.1-\$5.7 million, annually.
<b>Timing and Legislation:</b>	RFA process for carriers for plan benefits year 2016 from Dec. 2014 – April 2015. June/July, 2015, CO certifies plans. Oct. 2015, 2016 plans become publicly available (open enrollment begins).

## Wraparound of Benefits and/or Consumer Premiums and Cost Sharing

<b>Overview:</b>	Two options: (1) State subsidizes the cost of premiums and cost sharing down to Medicaid levels using state-only dollars, and/or (2) States also have the option to wrap additional Medicaid benefits not offered by a QHP using state-only dollars (e.g., non-emergency transportation, vision, dental).
<b>Eligibility:</b>	Must meet OHP eligibility requirements; Limit income eligibility up to 200% of the FPL.
<b>Benefits and Costs:</b>	Requires state funds to subsidize premium and cost-sharing for eligible individuals, and/or to purchase benefits covered in OHP that are not included in the QHP benchmark.
<b>Financing:</b>	No federal funding available; state only dollars.
<b>Financial Implications:</b>	Relative to QHP coverage, potential to reduce per capita consumer total out of pocket costs by \$1,209-\$2,427 (previously eligible/CHIP parents); estimated State costs to provide wrap range from \$22.68-\$266,600 million; no known impact to providers, would still receive commercial reimbursement.
<b>State Admin:</b>	Estimates State admin costs \$2.1-\$8.8M
<b>Timing and Legislation:</b>	Would require state only dollars to fund wrap. Would need legislatively approved budget authority.

## Benefits and Provider Network Alignment Strategy

<b>Overview:</b>	<p>Leverage QHP contracting process to mitigate disruptions in coverage and care during transition period.</p> <ul style="list-style-type: none"><li>• Maximize CCOs participating as QHPs; require or incent CCOs/QHPs to maintain same providers in their networks.</li><li>• Require QHPs to cover on-going medical treatment and medications during transition period; out of network care during transition period and honor prior authorization during transition.</li></ul>
<b>Eligibility:</b>	N/A
<b>Benefits and Costs:</b>	No known additional costs to State; potential savings by keeping individuals in same provider network.
<b>Financing:</b>	No known federal or state funding required.
<b>Financial Implications:</b>	Undetermined
<b>State Admin:</b>	Minimal
<b>Timing and Legislation:</b>	Consider OHP and QHP contracting timelines. Undetermined whether legislation is needed.

# Draft Recs to Mitigate Churn Disruptions

- ***Wraparound of Benefits and/or Consumer Out-of Pocket Costs.*** In 2015, OHA should seek funding to: 1) subsidize premiums and/or cost-sharing for former Medicaid enrollees enrolling in QHPs; and/or 2) provide coverage for (or “wrap”) a limited set of targeted Medicaid benefits that are not offered by QHPs (e.g., non-emergency transportation or adult dental).
- ***Market Alignment.*** In 2015 and forward, OHA should seek to maximize CCOs participation as QHPs to promote alignment between Medicaid and the commercial market. OHA and Cover Oregon should also explore ways to encourage CCOs and QHPs to maintain similar provider networks, including physical, mental and dental health care providers, to support uninterrupted care coordination.

# Strategies to Mitigate, Avoid or Reduce Churn

- Confirm:
  - Final set of draft recommendations
  - Missing rationale, additional considerations?
  - Additional info needed for final July report
- Adopt preliminary set of churn recommendations
- Next steps

# Public Comment or Testimony