



Agency for Health Care Administration

Overview of National Health Care Reform Proposals

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Appropriations Committee

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Proposals

- ▶ **Senate: HR 3590 – Patient Protection and Affordable Care Act (Manager’s Amendment 12/24/2009)**
- ▶ **House: HR 3962 – Affordable Health Care for America Act (11/7/2009)**

Key Elements

- Individual mandate for health insurance coverage
- Assistance for premiums and cost sharing
- Requirements for businesses to offer employee coverage
- New regulations/requirements for health insurers
- Creation of health insurance exchanges or cooperatives
- Public Option
- State Opt Out
- Medicaid and CHIP Maintenance of Effort
- Federal pharmacy rebate pricing
- Reduction in Disproportionate Share funding to states
- Medicaid Fraud and Abuse Requirements
- Medicaid Expansion
- CHIP Changes
- Administrative Costs for States

Where Florida is Now?

- According to 2008 Census Bureau statistics, there are 3,641,933 uninsured persons in Florida.
 - 1,259,378 of those people are under 133% of the Federal poverty level.
 - 1,467,337 of those people are under 150% of the Federal poverty level.
- Florida is expected to spend more than \$18 billion on Medicaid in 2009-10 and currently has nearly 2.7 million people enrolled in Medicaid.
- Florida offers coverage to most children up to 100% FPL under the Medicaid program and the remainder of children up to 200% FPL under the CHIP program.
- Florida currently covers pregnant women up to 185% of the FPL.

Where Florida is Now?

- Currently, under the enhanced federal funding provided through the American Reinvestment and Recovery Act (ARRA), the federal government contributes 67.64% of every dollar spent on Medicaid services for FY 2009-2010.
- For FY 2010-11, the blended FMAP will be 61.54% with an FMAP of 67.64% for July – December 2010 and an FMAP of 55.45% for January-June 2011.
- The current House Affordable Health Care for America Act would extend the ARRA enhanced FMAP for two additional quarters:
 - Currently, ARRA enhanced FMAP will end December 31, 2010.
 - Under the House Proposal, ARRA enhanced FMAP will end June 30, 2011.
 - Maintenance of Effort requirements under ARRA will remain in place if extended.



Changes to Medicaid and CHIP

KEY ELEMENT	Senate Patient Protection and Affordable Care Act (12/24/2009)	House Affordable Health Care for America Act (11/7/2009)
Medicaid Expansion	Expand eligibility to 133% Federal Poverty Level – beginning 1/1/2014 •133% FPL for a family of 4: \$29,326	Expand eligibility to 150% Federal Poverty Level – beginning 1/1/2013 •150% FPL for a family of 4: \$33,075.
FMAP/ Expansion	Provides for enhanced FMAP for expansion population: •100% CY 2014 •100% CY 2015 •100% CY 2016 •57.44% + 34.3 = 91.74% CY 2017 •57.44% + 33.3 = 90.74% CY 2018 •57.44% + 32.3 = 89.74% in CY 2019 and beyond	Provides for enhanced FMAP for expansion population: •100% CY 2013 •100% CY 2014 •91% CY 2015 •91% CY 2016 •91% CY 2017 •91% CY 2018 •91% CY 2019 and beyond
FMAP/ Current Eligibility Level	Regular FMAP (57.44%)	Regular FMAP (57.44%)
CHIP Transition	Children under 133% FPL move from Title XXI CHIP Program to Title XIX Medicaid program 1/1/2015 (Through regular annual eligibility redetermination process)	Children under 150% FPL move from Title XXI CHIP Program to Title XIX Medicaid Program 1/1/2014
FMAP/ CHIP	Enhanced FMAP for CHIP Population begins 10/1/2013 (134% Federal Poverty Level and above) •10/1/2013 - 70.21+23.0=93.21% •Note: Detailed analysis shows impact from 1/1/2014 forward.	CHIP Program ends 12/31/2013. Those below 150% FPL move to Medicaid and those above 150% FPL move to exchange and receive subsidies and tax credits to assist with cost of coverage
Increased Rate for Practitioners	Not addressed	Increases payments to Medicaid Primary Care Providers to the Medicare rate. Phased in over three years. Federal government to pay: •100% CY 2010-2014 •91% CY 2015 and beyond

Impact of Proposals – Assumptions

- **Expenditures:**
 - Expenditures are based on November 10, 2009, SSEC estimate for SFY 2012-13 and then held flat for remainder of analysis.
 - FMAP used is based on estimates from November 2, 2009, FMAP Estimating Conference for SFY 2012-13 and then held flat for remainder of analysis.

- **Caseload**
 - Caseloads are based on October 19, 2009, Caseload Conference estimate for SFY 2012-13 and then held flat for remainder of analysis.
 - The expansion caseload is based on 2008 U.S. Census data regarding the uninsured. Increased by 1.6% through 2014 and then held flat for remainder of analysis.

Impact of Proposals – Assumptions

➤ Newly Eligible Population

- Assumed 40% of new enrollees for the first year of expansion (beginning 1/1/2013 for the House and 1/1/2014 for the Senate).
- Assumed 90% of new enrollees for the second year of expansion (beginning 1/1/2014 for the House and 1/1/2015 for the Senate).
- Assumed 100% of new enrollees for the third year of expansion and beyond (beginning 1/1/2015 for the House and 1/1/2016 for the Senate).

➤ Eligible but not enrolled:

- Assumed that 20% of the uninsured population would be eligible for Medicaid under the current program and for those enrollees the state would receive the normal FMAP. A weighted average FMAP is then used to calculate the cost to the program of the total caseload, including that 20%. Assumed the Title XIX expansion population will receive the enhanced FMAP beginning 1/1/2013 for House and 1/1/2014 for Senate.

Impact of Proposals – Assumptions

- **Crowd Out:**
 - Assumed that 80% of those under 133%/150% FPL (respectively for Senate and House analysis) who are currently privately purchasing insurance (excludes employer sponsored insurance) will enroll in Medicaid under these proposals.
 - Assumed that 40% would be enrolled year 1, 90% year 2, 100% year 3. Assumed enhanced FMAP would be received for these enrollees.
 - The Crowd Out caseload is based on 2008 U.S. Census data. Increased by 1.6% through 2014 and then held flat for remainder of analysis.

- **Children transitioning from CHIP to Medicaid:**
 - **House:** Assume that for children under 150% FPL who move from CHIP to Title XIX we receive “enhanced” CHIP FMAP (70.21%).
 - **Senate:** Assume that for children under 133% FPL who move from CHIP to Title XIX we receive regular Medicaid FMAP.

Impact of Proposals – Assumptions

- **House - Primary Care Practitioner Rates:**
 - Increased reimbursement to primary care providers is phased in: 80% of Medicare rate in 2010, 90% of Medicare rate in 2011, 100% of Medicare rate in 2012.
 - Increased reimbursement to primary care providers is 100% federally funded through 2014, and then 91% federally funded going forward.

- **Other Assumptions**
 - Based on analysis of those under 64 years of age
 - House: There is some indication that the House intends for the expansion to extend to those 65 and over. This would increase the caseload of dual eligibles in Florida by more than 600,000.

Impact of Proposals – Assumptions

- Senate: Enhanced match rate for CHIP begins 10/1/2013.
 - Cost of CHIP eligible but not enrolled (10/1/2013 – 12/31/2014)
 - Total: \$18,939,669
 - State: \$1,214,265
 - Savings to CHIP Program for those between 134-200% FPL due to increased match rate (10/1/2013 – 12/31/2014)
 - State: (\$15,785,174)
 - Net to state: (\$14,570,909)



Preliminary Estimated Fiscal Impact Coverage of Florida Medicaid and CHIP Population

KEY ELEMENTS	Senate Patient Protection and Affordable Care Act (Manager's Amendment 12/24/09)		House Affordable Health Care for America Act (11/7/2009)	
	<i>Fiscal Impact</i>	<i>Additional Enrollment</i>	<i>Fiscal Impact</i>	<i>Additional Enrollment</i>
Total Cost CY 2013	\$18,939,669	33,643	5,323,938,078	
State Cost CY 2013	(\$14,570,909)		213,678,756	746,219
Total Cost CY 2014	\$2,819,204,311		9,280,698,360	
State Cost CY 2014	\$149,481,226	708,623	478,694,831	1,591,317
Total Cost CY 2015	\$6,300,697,417		10,159,218,476	
State Cost CY 2015	\$431,478,573	1,594,401	1,343,762,034	1,776,432
Total Cost CY 2016	\$7,005,497,158		10,159,218,476	
State Cost CY 2016	\$484,633,596	1,771,556	1,343,762,034	1,776,432
Total Cost CY 2017	\$7,005,497,158		10,159,218,476	
State Cost CY 2017	\$937,060,310	1,771,556	1,343,762,034	1,776,432
Total Cost CY 2018	\$7,005,497,158		10,159,218,476	
State Cost CY 2018	\$991,833,520	1,771,556	1,343,762,034	1,776,432
Total Cost CY 2019	\$7,005,497,158		10,159,218,476	
State Cost CY 2019	\$1,046,606,730	1,771,556	1,343,762,034	1,776,432

Senate Patient Protection and Affordable Care Act 12/24/09)		Cost Title XIX: Expansion to 133% FPL	Cost Title XIX: Currently Eligible but not enrolled	Cost Title XIX: "Crowd Out" Expansion to 133%/ Previously Private Insured	Cost Title XIX: Under 133% FPL in CHIP program moving into the Title XIX Program	Savings CHIP : Under 133% FPL now in the CHIP program moving into the Title XIX Program *	Cost CHIP: Currently eligible but not enrolled 134-200% FPL	Savings CHIP: Enhanced FMAP for current population between 134-200% FPL	Total: All Key Elements
2014	FMAP	100%	57.44%	100%	N/A	N/A	93.21%		
	State Cost	\$0	\$202,907,800	\$0	N/A	N/A	\$9,714,120	(\$63,140,694)	\$149,481,226
	Total Cost	\$1,907,032,503	\$476,757,050	\$283,897,406	N/A	N/A	\$151,517,352		\$2,819,204,311
	Enrollment	443,301	110,825	87,211	N/A	N/A	67,286		708,623
2015	FMAP	100%	57.44%	100%	57.44%	70.21	93.21%	93.21%	
	State Cost	\$0	\$456,543,924	\$0	\$83,094,308	(\$66,875,734)	\$21,856,769	(\$63,140,694)	\$431,478,573
	Total Cost	\$4,290,822,055	\$1,072,706,589	\$638,766,722	\$195,240,385	(\$237,752,376)	\$340,914,042		\$6,300,697,417
	Enrollment	997,427	249,357	196,224	105,581	(105,581)	151,393		1,594,401
2016	FMAP	100%	57.44%	100%	57.44%	70.21	93.21%	93.21%	
	State Cost	\$0	\$507,270,417	\$0	\$83,094,308	(\$66,875,734)	\$24,285,299	(\$63,140,694)	\$484,633,596
	Total Cost	\$4,767,579,106	\$1,191,894,776	\$709,741,887	\$195,240,385	(\$237,752,376)	\$378,793,380		\$7,005,497,158
	Enrollment	1,108,252	277,063	218,027	105,581	(105,581)	168,214		1,771,556
2017	FMAP	91.74%	57.44%	91.74%	57.44%	70.21	93.21%	93.21%	
	State Cost	\$393,802,034	\$507,270,417	\$58,624,680	\$83,094,308	(\$66,875,734)	\$24,285,299	(\$63,140,694)	\$937,060,310
	Total Cost	\$4,767,579,106	\$1,191,894,776	\$709,741,887	\$195,240,385	(\$237,752,376)	\$378,793,380		\$7,005,497,158
	Enrollment	1,108,252	277,063	218,027	105,581	(105,581)	168,214		1,771,556
2018	FMAP	90.74%	57.44%	90.74%	57.44%	70.21	93.21%	93.21%	
	State Cost	\$441,477,825	\$507,270,417	\$65,722,099	\$83,094,308	(\$66,875,734)	\$24,285,299	(\$63,140,694)	\$991,833,520
	Total Cost	\$4,767,579,106	\$1,191,894,776	\$709,741,887	\$195,240,385	(\$237,752,376)	\$378,793,380		\$7,005,497,158
	Enrollment	1,108,252	277,063	218,027	105,581	(105,581)	168,214		1,771,556
2019	FMAP	89.74%	57.44%	89.74%	57.44%	70.21	93.21%	93.21%	
	State Cost	\$489,153,616	\$507,270,417	\$72,819,518	\$83,094,308	(\$66,875,734)	\$24,285,299	(\$63,140,694)	\$1,046,606,730
	Total Cost	\$4,767,579,106	\$1,191,894,776	\$709,741,887	\$195,240,385	(\$237,752,376)	\$378,793,380		\$7,005,497,158
	Enrollment	1,108,252	277,063	218,027	105,581	(105,581)	168,214		1,771,556

*Note: Offset due to Grants and Donations (Family Contribution).

House Affordable Health Care for America Act (11/7/09) <u>Changes to Title XIX and XXI Enrollment</u>		Cost to Title XIX: Expansion to 150% FPL	Cost to Title XIX: Currently Eligible but not enrolled	Cost Title XIX: "Crowd Out:	Cost to Title XIX: Under 150% FPL now in CHIP program moving into the Title XIX Program	Savings CHIP/ State: Under 150% FPL now in CHIP program moving into the Title XIX Program*	Savings to State: Elimination of CHIP for those over 150% FPL	Total: Changes to Title XIX and Title XXI Eligibility
2013	FMAP	100%	57.44%	100%	70.21%	70.21%	70.21%	
	State Cost	\$0	\$265,753,608	\$0	\$96,581,692	(\$101,326,561)	(\$47,329,983)	\$213,678,756
	Total Cost	\$2,497,692,717	\$624,421,071	\$314,061,578	\$324,208,433	(\$360,231,346)	(\$168,265,291)	\$3,231,887,162
	Enrollment	592,370	148,092	96,477	143,974	(159,971)	-74,723	746,219
2014	FMAP	100%	57.44%	100%	70.21%	70.21%	70.21%	
	State Cost	\$0	\$520,038,458	\$0	\$107,312,917	(\$101,326,561)	(\$47,329,983)	\$478,694,831
	Total Cost	\$4,887,587,922	\$1,221,894,872	\$706,637,736	\$360,231,342	(\$360,231,346)	(\$168,265,291)	\$6,647,855,235
	Enrollment	1,159,174	289,793	217,073	159,971	(159,971)	-74,723	1,591,317
2015	FMAP	91%	57.44%	91%	70.21	70.21%	70.21%	
	State Cost	\$488,758,371	\$577,821,904	\$70,663,709	\$107,312,917	(\$101,326,561)	(\$47,329,983)	\$1,095,900,357
	Total Cost	\$5,430,648,562	\$1,357,664,249	\$785,152,317	\$360,231,342	(\$360,231,346)	(\$168,265,291)	\$7,405,199,833
	Enrollment	1,287,970	321,993	241,192	159,971	(159,971)	-74,723	1,776,432
2016	FMAP	91%	57.44%	91%	70.21%	70.21%	70.21%	
	State Cost	\$488,758,371	\$577,821,904	\$70,663,709	\$107,312,917	(\$101,326,561)	(\$47,329,983)	\$1,095,900,357
	Total Cost	\$5,430,648,562	\$1,357,664,249	\$785,152,317	\$360,231,342	(\$360,231,346)	(\$168,265,291)	\$7,405,199,833
	Enrollment	1,287,970	321,993	241,192	159,971	(159,971)	-74,723	1,776,432
2017	FMAP	91%	57.44%	91%	70.21%	70.21%	70.21%	
	State Cost	\$488,758,371	\$577,821,904	\$70,663,709	\$107,312,917	(\$101,326,561)	(\$47,329,983)	\$1,095,900,357
	Total Cost	\$5,430,648,562	\$1,357,664,249	\$785,152,317	\$360,231,342	(\$360,231,346)	(\$168,265,291)	\$7,405,199,833
	Enrollment	1,287,970	321,993	241,192	159,971	(159,971)	-74,723	1,776,432
2018	FMAP	91%	57.44%	91%	70.21%	70.21%	70.21%	
	State Cost	\$488,758,371	\$577,821,904	\$70,663,709	\$107,312,917	(\$101,326,561)	(\$47,329,983)	\$1,095,900,357
	Total Cost	\$5,430,648,562	\$1,357,664,249	\$785,152,317	\$360,231,342	(\$360,231,346)	(\$168,265,291)	\$7,405,199,833
	Enrollment	1,287,970	321,993	241,192	159,971	(159,971)	-74,723	1,776,432

*Note: Offset due to Grants and Donations (Family Contribution).

House Affordable Health Care for America Act (11/7/09) <u>Impact of Increased Rates for Primary Care Practitioners</u>		Cost to Title XIX: Increased Rates for Primary Care practitioners for the newly eligible	Cost to Title XIX: Increased Rates for Primary Care practitioners for eligible but not enrolled population	Cost to Title XIX: Increased Rates for Primary Care practitioners current population	Cost to Title XIX: Increased Rates for Primary Care Practitioners for the "Crowd Out: Population	Total: Impact of Increased Rates for Primary Care Practitioners
2013	FMAP	100%	100%	100%	100%	N/A
	State Cost	\$0	\$0	\$0	\$0	\$0
	Total Cost	\$399,636,497	\$99,908,787	\$1,542,260,410	\$50,245,222	\$2,092,050,916
	Enrollment	592,370	148,092	N/A	96,477	N/A
2014	FMAP	100%	100%	100%	100%	N/A
	State Cost	\$0	\$0	\$0	\$0	\$0
	Total Cost	\$782,025,147	\$195,505,950	\$1,542,260,410	\$113,051,618	\$2,632,843,125
	Enrollment	1,159,174	289,793	N/A	217,073	N/A
2015	FMAP	91%	91%	91%	91%	N/A
	State Cost	\$78,202,447	\$19,550,642	\$138,803,437	\$11,305,151	\$247,861,677
	Total Cost	\$868,916,081	\$217,229,358	\$1,542,260,410	\$125,612,794	\$2,754,018,643
	Enrollment	1,287,970	321,993	N/A	241,192	N/A
2016	FMAP	91%	91%	91%	91%	N/A
	State Cost	\$78,202,447	\$19,550,642	\$138,803,437	\$11,305,151	\$247,861,677
	Total Cost	\$868,916,081	\$217,229,358	\$1,542,260,410	\$125,612,794	\$2,754,018,643
	Enrollment	1,287,970	321,993	N/A	241,192	N/A
2017	FMAP	91%	91%	91%	91%	N/A
	State Cost	\$78,202,447	\$19,550,642	\$138,803,437	\$11,305,151	\$247,861,677
	Total Cost	\$868,916,081	\$217,229,358	\$1,542,260,410	\$125,612,794	\$2,754,018,643
	Enrollment	1,287,970	321,993	N/A	241,192	N/A
2018	FMAP	91%	91%	91%	91%	N/A
	State Cost	\$78,202,447	\$19,550,642	\$138,803,437	\$11,305,151	\$247,861,677
	Total Cost	\$868,916,081	\$217,229,358	\$1,542,260,410	\$125,612,794	\$2,754,018,643
	Enrollment	1,287,970	321,993	N/A	241,192	N/A



Key Elements of Fiscal Analysis (House)

House Affordable Health Care for America Act (11/7/09)		Total: Impact of Changes to Title XIX and Title XXI	Total: Impact of Increased Rates for Primary Care Practitioners	Grand Total All Elements
2013	FMAP		N/A	
	State Cost	\$213,678,756	\$0	\$213,678,756
	Total Cost	\$3,231,887,162	\$2,092,050,916	\$5,323,938,078
	Enrollment	746,219	N/A	746,219
2014	FMAP		N/A	
	State Cost	\$478,694,831	\$0	\$478,694,831
	Total Cost	\$6,647,855,235	\$2,632,843,125	\$9,280,698,360
	Enrollment	1,591,317	N/A	1,591,317
2015	FMAP		N/A	
	State Cost	\$1,095,900,357	\$247,861,677	\$1,343,762,034
	Total Cost	\$7,405,199,833	\$2,754,018,643	\$10,159,218,476
	Enrollment	1,776,432	N/A	1,776,432
2016	FMAP		N/A	
	State Cost	\$1,095,900,357	\$247,861,677	\$1,343,762,034
	Total Cost	\$7,405,199,833	\$2,754,018,643	\$10,159,218,476
	Enrollment	1,776,432	N/A	1,776,432
2017	FMAP		N/A	
	State Cost	\$1,095,900,357	\$247,861,677	\$1,343,762,034
	Total Cost	\$7,405,199,833	\$2,754,018,643	\$10,159,218,476
	Enrollment	1,776,432	N/A	1,776,432
2018	FMAP		N/A	
	State Cost	\$1,095,900,357	\$247,861,677	\$1,343,762,034
	Total Cost	\$7,405,199,833	\$2,754,018,643	\$10,159,218,476
	Enrollment	1,776,432	N/A	1,776,432

House Affordable Health Care for America Act – Fiscal Impact of Increased Reimbursement for Primary Care Practitioners

- House Affordable Health Care for America Act increase to reimbursement rates for Primary Care Providers begins in 2010 – Prior to the start date for the Medicaid program expansions contemplated in either the House or Senate proposal
- The rate increase is 100% federally funded through 2014
- The cost for the rate increase on the current Medicaid population (before the expansion) will be as follows for 2010 through 2012
 - 2010: \$1,233,808,328
 - 2011 \$1,388,034,369
 - 2012: \$1,542,260,410
- The cost for 2013 forward for both the current Medicaid population and the expansion population are captured in the comprehensive chart on slide 11 and on slide 15.

Key Elements: Administrative Costs for Medicaid

- 1.7 million new eligibles
 - Eligibility Determination
 - Claims processing
- Systems: ACCESS/ FLORIDA/ FMMIS
 - Enrollment Broker/ Provider Enrollment
 - Tracking eligibles for federal reporting
- Operations
 - Field Staff
 - Central Office Staff
 - Fraud and Abuse resources
- Federal funding amount/formula not clear

Key Elements: Administrative Costs for Medicaid

- Current analysis based on impact of increased enrollment under the proposals.
- Each bureau/ unit within Medicaid and Medicaid Program Integrity will be impacted differently by the reform proposals, but all will likely need additional staff
 - Staffing needs range from 20%-40% increase over current staffing levels.
 - Depending on salary levels, additional staffing costs could range from \$12 - \$23 million.
- Some of our vendors have clauses in their contracts that trigger price increases based on certain enrollment thresholds.
 - Fiscal agent, enrollment broker, peer review, prior authorization, and utilization management.
- DCF has indicated that they will need significant additional staff for eligibility determination function.



Questions?