Alphabet Soup

Making Sense of Medicaid Family Planning and the Affordable Care Act

January 2015
You have a penalty flag – use it!
Medicaid as a Payer

- Medicaid is payer of last resort
- Fee-for-service (FFS) v. managed care
- Good-cause exception to third-party liability when “it is anticipated that cooperation will result in reprisal against, and cause physical or emotional harm to, the individual or other person.”
- States have the option to provide immediate temporary Medicaid coverage to applicants who seem eligible (aka “presumptive eligibility”)

Medicaid Before Health Reform

• Eligibility: Broke +

• Federal Medical Assistance Percentage (FMAP)
  • = Federal government share of Medicaid costs:
  • Varies by state; can vary by service or population
  • National average FMAP = 57%

• Family planning:
  • Required service since 1972
  • Enhanced match: 90/10
Medicaid and Family Planning

- Broad range of services: contraceptive methods, pap tests, other associated exams and lab tests
- Exempt from cost-sharing
- Can receive family planning services from provider of choice (aka “freedom of choice”)
Medicaid Family Planning Expansions
as of December 2014

Source: NFPRHA and Guttmacher Institute data.
## Family Planning Expansions

<table>
<thead>
<tr>
<th>Issue</th>
<th>Waivers</th>
<th>State Plan Amendments (SPAs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget Neutrality</td>
<td>Required</td>
<td>Not required</td>
</tr>
<tr>
<td>Research and Evaluation</td>
<td>Required</td>
<td>Not required</td>
</tr>
<tr>
<td>Application</td>
<td>Drafted by state</td>
<td>2.5 page template</td>
</tr>
<tr>
<td>Timeline for Approval</td>
<td>No (average 15+ months)</td>
<td>Yes (federally mandated)</td>
</tr>
<tr>
<td>Renewal</td>
<td>Generally every 3 years; many were set to end December 31, 2014</td>
<td>None; no end date</td>
</tr>
<tr>
<td>Eligibility</td>
<td>At state’s discretion; can set limits based on age and gender; may not be strictly income-based</td>
<td>Up to state’s pregnancy eligibility level; Based only on income and pregnancy status</td>
</tr>
</tbody>
</table>
The Affordable Care Act (ACA)
ACA Insurance Eligibility

- **> 400%** = Exchanges
- **138%*-400%** = Exchanges with subsidies
- **Up to 138%** = Medicaid
### Exchanges

<table>
<thead>
<tr>
<th>State-based exchange</th>
<th>State partnership exchange</th>
<th>Federally facilitated exchange</th>
</tr>
</thead>
<tbody>
<tr>
<td>- State responsible for all exchange functions</td>
<td>- State can be responsible for certain functions</td>
<td>- Core functions managed by federal government</td>
</tr>
<tr>
<td>- State can use federal government for certain functions, such as premium tax credit determinations and reinsurance program</td>
<td>- Model moves to state-based exchange over time</td>
<td>- Interact with state agencies as necessary</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Model may or may not be able to move to state-based exchange</td>
</tr>
</tbody>
</table>
Insurance Market Reforms

Insurance Reforms:
- No Gender Rating
- No lifetime or annual insurance limits

Coverage of Preventive Services:
- No Denial of Coverage for Pre-Existing Conditions
- Women’s Preventive Benefit: Birth Control at no cost

Coverage of Preventive Services:
- No Denial of Coverage for Pre-Existing Conditions
- Women’s Preventive Benefit: Birth Control at no cost
Qualified Health Plans

**Essential Health Benefits**
- 10 items and services
- Individual & small group markets

**Preventive Health Benefits**
- USPSTF
- Women’s Preventive Health

**Cost-sharing limitations**
- Medical management allowed
Medicaid Benefits

- New adult population gets ABPs
  - “Benchmark” plans = alternative benefit plans (ABPs)
  - ABPs must cover EHB

- “Traditional” Medicaid population
  - Not required to get EHB, unless in ABP
MEC and the Penalty

- Starting January 1, 2014, most individuals must have “minimum essential health coverage” (MEC) or face a financial (tax) penalty.
- QHPs, Medicaid are MEC.

<table>
<thead>
<tr>
<th>Year</th>
<th>Penalty Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$95/adult and $47.50/child (up to $285/family) or 1% of family income</td>
</tr>
<tr>
<td>2015</td>
<td>$325/adult and $162.5/child (up to $975/family) or 2% of family income</td>
</tr>
<tr>
<td>2016 and beyond</td>
<td>$695/adult and $347.50/child (up to $2,085/family) or 2.5% of family income</td>
</tr>
</tbody>
</table>
ACA Insurance Eligibility

- > 400% = Exchanges
- 138%*-400% = Exchanges with subsidies
- Up to 138% = Medicaid
ACA Insurance Eligibility

- **> 400% = Exchanges**
- **100%*-400% = Exchanges with subsidies**
- **Up to 138% = Medicaid**
Medicaid Eligibility

<table>
<thead>
<tr>
<th>Medicaid Eligibility</th>
<th>Premium Subsidies</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td>138%</td>
<td>400%</td>
</tr>
</tbody>
</table>

Premium Subsidies

Parents

Childless Adults

Medicaid Non-Expansion States

The Medicaid Gap
Different Paths to Medicaid Expansion

1. Medicaid Expansion
2. State expands Medicaid eligibility to 138% FPL
3. State gets federal money to pay for services for Medicaid enrollees
Different Paths to Medicaid Expansion

Medicaid Expansion

- State expands Medicaid eligibility to 138% FPL
  - State gets federal money to pay for services for Medicaid enrollees

- State seeks waiver to expand Medicaid eligibility to 138% FPL
  - State gets federal money to pay premiums for commercial insurance plans for Medicaid beneficiaries; additional restrictions/requirements
  - or
  - State gets federal money to pay for services for Medicaid enrollees; additional restrictions/requirements

and
Status of State Medicaid Expansion
as of October 2, 2014

- Expanded (24)
- Expanded With Alt. Model (4)
- Not Expanding (23)
Status of State Medicaid Expansion
as of October 2, 2014

- Expanded (23)
- Expanded With Alt. Model (4)
- Alt. Model Under Discussion (10)
- Not Expanding (14)
Questions?