Covering the Low-Income, Uninsured in Oklahoma: *Recommendations for a Medicaid Demonstration Proposal*

Presented to the OHCA Board
June 27, 2013
# Prevalence of Select Risk Factors Among Oklahoma Adults Age 18–64, 2010

<table>
<thead>
<tr>
<th>Select Risk Factor</th>
<th>Annual Wage &lt; $25,000</th>
<th>Annual Wage &gt; $50,000</th>
<th>Increased likeliness &lt; $25,000 has risk factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health is Fair or Poor</td>
<td>37.3%</td>
<td>6.0%</td>
<td>6.2</td>
</tr>
<tr>
<td>Current Smoker</td>
<td>46.2%</td>
<td>14.0%</td>
<td>3.3</td>
</tr>
<tr>
<td>Diabetes</td>
<td>13.7%</td>
<td>5.5%</td>
<td>2.5</td>
</tr>
<tr>
<td>Heart Disease</td>
<td>4.7%</td>
<td>2.0%</td>
<td>2.3</td>
</tr>
<tr>
<td>Asthma</td>
<td>13.9%</td>
<td>7.4%</td>
<td>1.9</td>
</tr>
<tr>
<td>Obesity</td>
<td>40.7%</td>
<td>28.6%</td>
<td>1.4</td>
</tr>
<tr>
<td>Heavy Drinking</td>
<td>4.1%</td>
<td>3.5%</td>
<td>1.2</td>
</tr>
<tr>
<td>High Blood Pressure</td>
<td>32.4%</td>
<td>27.7%</td>
<td>1.2</td>
</tr>
<tr>
<td>High Cholesterol</td>
<td>38.3%</td>
<td>34.1%</td>
<td>1.1</td>
</tr>
</tbody>
</table>
Oklahoma Plan:

• Incorporates public health approaches
• Improves the community’s health outcomes
• Addresses individual accountability for wellness
• Aligns with plans to reduce the number of uninsured, reduce reliance on Medicaid, and support the State’s economic base
Foundation For Recommendation

• Streamline current Medicaid eligibility to gain program efficiencies

• Utilize the Insure Oklahoma framework to provide care for the low-income, uninsured
  – Oklahoma grown (strong community support)
  – Robust enrollment and business involvement
  – Reduces churn
  – Provides a leverage point for multi-payer initiatives
Streamline Current Medicaid Eligibility

- **Annual Income**
  - 250% FPL: $57.6K
  - 200% FPL: $46.1K
  - 185% FPL: $42.6K
  - 133% FPL: $30.6K
  - 100% FPL: $23.0K
  - 79.4% FPL: $8.9K
  - 30.4% FPL: $6.9K

- **CHIP and SoonerCare Expansion**
  - Ages 0-19 & Pregnant Women.

- **TANF State Option**
  - Pregnant Women and Children Ages 0-5
  - Children Ages 6-19

- **Breast and Cervical Cancer (BCC) Treatment**
  - Age 65 and younger

- **Family Planning Services Coverage Only**
  - Age 19 and older

- **BCC Age <65 American Indian**

- **OKLAHOMA CARES**
  - Non-Pregnant Parents

- **OKLAHOMA SOONERPLAN**
  - Breast and Cervical Cancer Treatment
  - Family Planning Services Coverage Only

- **INSURE OKLAHOMA**
  - ESI Employer-Sponsored Insurance
    - 99 or fewer employees
    - Employment allowance
    - Ages 0-64
    - Spouses & Dependents
  - IP Individual Plan
    - Temporary Unemployed
    - Working families not qualified for ESI (self-employed)
    - Working disabled
    - Ages 0-64
    - Spouses & Dependents
  - ABD State Option
    - College Students Ages 19-22
    - Health Insurance Premium Subsidy Only

- **SOONERCARE TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF) also known as Parents and Children**

- **SOONERCARE: AGED, BLIND & DISABLES (ABD)**
Streamline Current Medicaid Eligibility

- **Annual Income**
  - 400% FPL: $94.2K
  - 185% FPL: $43.6K
  - 133% FPL: $31.3K
  - 100% FPL: $23.5K
  - 80% FPL: $9.1K
  - 30% FPL: $7.0K

- **INSURANCE EXCHANGE**
  - **ADVANCED PREMIUM TAX CREDIT**
  - **ELIGIBLE**

- **CHIP**
  - Children Ages 0-19

- **INSURE OKLAHOMA**
  - ESI Employer-Sponsored Insurance
  - IP Individual Plan
  - Disabled & Medically Frail
  - Aged, Blind, and Disabled

- **SOONERCARE**
  - Non-Pregnant Parents
  - Adults Age 19-64
Alternative Plan for Disabled and Frail

• Modified IO Individual Plan—with health home benefits

• Use of care coordination and behavioral health benefits to reduce barriers to achieving individual accountability

• Maximum allowable cost sharing—with appropriate reductions

• New payment strategies that focus on improving individual and population health outcomes

• Integration of public health infrastructure and initiatives
System Overview

Income < 138% FPL, but don’t currently qualify for Medicaid

Income > 138% FPL
- Commercial insurance purchased individually or with APTCs

Disabled and Medically Frail
- Modified IO Plan
  - Alternative Option and Wrap-Around Coverage

Healthy, Higher Income
- Exchange QHP plans purchased with Medicaid Premium Assistance

Access to ESI
- Commercial insurance purchased with Medicaid Premium Assistance

Health home sites and benefits
Behavioral health & care coordination
New payment strategies
Increased cost sharing and incentives
Indian Health System Proposals

• Continue full federal reimbursement to I/T/Us through Medicaid for categorical groups moving to the exchange

• Allow full federal reimbursement through Medicaid for uncompensated care provided by I/T/Us

• Implement payment strategies that reward positive outcomes on developed quality metrics
Estimated 10-year Impacts

- Newly Enrolled: 187,000 – 275,000

- Costs to the State (in millions):

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
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<tbody>
<tr>
<td>Direct Cost</td>
<td>$850</td>
</tr>
<tr>
<td>Net Cost</td>
<td>$640</td>
</tr>
<tr>
<td>Net Cost + Add. Savings</td>
<td>$158</td>
</tr>
<tr>
<td>Net Cost + Tax Rev.</td>
<td>-$464</td>
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### Estimated 10-year Impacts

#### Estimates of 10-Year Financial Cost and Economic Impact of the Proposed Demonstration Program, 2023

<table>
<thead>
<tr>
<th>Take-Up</th>
<th>New Enrollees</th>
<th>Total Cost (Federal and State)</th>
<th>Net Cost to State (Surplus)</th>
<th>Total Economic Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>204,911</td>
<td>$10.5 billion</td>
<td>($486 million)</td>
<td>$13.6 billion</td>
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<tr>
<td>Medium</td>
<td>233,334</td>
<td>$12.0 billion</td>
<td>($465 million)</td>
<td>$15.6 billion</td>
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<tr>
<td>High</td>
<td>257,493</td>
<td>$13.3 billion</td>
<td>($447 million)</td>
<td>$17.3 billion</td>
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Next Steps

• Determine which recommendations to pursue
• Form a steering committee to oversee the review and implementation of proposals
• Engage in Tribal consultation process
• Work with CMS to determine bottom-line issues
• Refine proposal and engage in State policy making processes
A health care intelligence business

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