

Public Options to Expand Health Insurance Coverage: Medicaid & High Risk Pools

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Recommendations from August Meeting

- Further outreach and simplification, to encourage currently eligible to apply and maintain eligibility
- Recommend that the General Assembly expand Medicaid
 - Top priority is to cover all working parents with incomes up to 200% FPG under Medicaid benefits light package

Outreach and Simplification: Potential Recommendation

- The Division of Medical Assistance should increase outreach and further simplify the Medicaid application and recertification process to encourage those who are currently eligible to apply and maintain their eligibility. DMA should consider, but not be limited to, the following:
 - Increase number of outstationed eligibility workers
 - Eliminate the requirement for face-to-face application interview for adult coverage (i.e. for people who are blind or have disabilities and elderly people)
 - Simplify the adult application form
 - Streamline the recertification process

Outreach and Simplification: Potential Recommendation

- The NC General Assembly should enact legislation to reduce administrative barriers and increase processing efficiency, including:
 - Eliminate the asset (resource) test for low-income parents
 - Expand the eligibility certification period from six months to 12 months

Medicaid Expansion: Limited Benefit Package

- Outstanding issues
 - Hospital inpatient
 - \$5,000 deductible?
 - \$10,000 total?
 - Hospital outpatient
 - \$5,000 limit?
 - Limit does not include:
 - Diagnostic imaging (subject to prior approval and 20% coinsurance)
 - Life-saving therapy (chemo and radiation therapy)
 - Outpatient clinic visits (primary care and specialty), subject to 5/year doctors visit

<u>Services</u>	<u>Medicaid Light</u>	<u>Modified Medicaid "Light"</u>
Inpatient hospital (Non-maternity, non-BH)	Covered: \$5,000 deductible or \$10,000 total; 20% coinsurance (only includes facility IP costs)	Add \$100 deductible to \$10,000 plan (to discourage inpatient use when outpatient available)
Outpatient hospital	Covered 20% coinsurance	<i>Suggestion: \$5,000 outpatient hospital limit (chemo and radiation therapy not included in limit)</i> <i>Outpatient diagnostic imaging subject to prior approval</i> <i>Outpatient hospital clinic visit subject to same limits as physicians</i>
Emergency room	Covered, \$100 copay (waived if admitted), 20% coinsurance	Covered, \$100 copay (waived if admitted), 20% coinsurance

<u>Services</u>	<u>Medicaid Light</u>	<u>Modified Medicaid "Light"</u>
Skilled nursing	Not covered	Not covered
Primary care physician	Covered (sliding scale copay: \$10, \$20 for below/above 150% FPG)(5 visit limit)	5 visit applies to outpatient primary care and specialty (total). Individuals actively participating in care management or disease management can have additional visits with prior approval by PCP. Same limits for outpatient hospital clinics
Wellness visit	Well visits and immunizations only (not full EPSDT coverage)	One annual visit per year not included in the doctors visit limit

<u>Services</u>	<u>Medicaid Light</u>	<u>Modified Medicaid "Light"</u>
Specialty physician	Covered (sliding scale copay: \$20, \$40 for below/above 150% FPG)(24 visit limit)	5 visit applies to primary care and specialty (total). Individuals actively participating in disease or care management can have additional visits with prior approval by PCP.
Eye exam		1 visit with prior auth from PCP (no glasses) Podiatrist excluded
Outpatient therapy	Covered, 20% coinsurance, 25 visit limit for PT, OT, Speech therapy, with PA	Covered, 20% coinsurance, 25 visit limit for PT, OT, ST, chiropractic, with prior approval by primary care provider

<u>Services</u>	<u>Medicaid Light</u>	<u>Modified Medicaid "Light"</u>
Inpatient behavioral health hospital	\$5,000 deductible or \$10,000 total; 20% coinsurance	In \$5,000 deductible package, should limit inpatient behavioral health to 20 days, substitution allowed
Outpatient behavioral health	Covered. Sliding scale copay (\$20, \$40 for below/above 150% FPG) 20% coinsurance, 20 visit limit/yr., PA after 8 visits for adults	Covered. Sliding scale copay (\$20/\$40 for below/above 150% FPG), 20% coinsurance, 20 visit/yr limit. PA after 8 visits.
Behavioral health other	Not covered	Intensive day treatment allowed as substitution for inpatient with prior approval

<u>Services</u>	<u>Medicaid Light</u>	<u>Modified Medicaid "Light"</u>
Pharmacy	Covered: \$15 copay (generic), \$25 (brand), \$60 (brand, non-preferred) (6 script limit/mo.).	<p>2 script/mo. limit; waived for maintenance drugs for chronic illnesses when in CCNC disease or care management.</p> <p>Copay modified to: \$5 (Tier 1), \$30 (Tier 2), \$60 (Tier 3)</p> <p>2 script limit does not include contraceptives. Encourage 3 months supply for chronic medications</p>
Family planning	Contraceptives only	Contraceptives only, not included in 2 script limit/mo.

<u>Services</u>	<u>Medicaid Light</u>	<u>Modified Medicaid "Light"</u>
Case management	CCNC only	Participation in CCNC required, must select medical home
Home health	Not covered	Not covered
Personal care	Not covered	Not covered
Dental, podiatry		Not covered

<u>Services</u>	<u>Medicaid Light</u>	<u>Modified Medicaid "Light"</u>
Lab & radiology	Covered, 20% coinsurance; requires pre-authorization of MRI/PET scan	Covered, 20% coinsurance; requires pre-authorization of MRI/PET/CT scan
Dental	Not covered	Not covered
DME/Supplies	Covered, 20% coinsurance. \$500 limit (includes glasses) (diabetic supplies unlimited)	Glasses not covered; prior approval required
Ambulance	Covered, \$150 copay (waived if admitted), 20% coinsurance	Covered, \$150 copay (waived if admitted), 20% coinsurance

<u>Services</u>	<u>Medicaid Light</u>	<u>Modified Medicaid "Light"</u>
Maternity	Covered <i>prenatal care only</i> for adult women with incomes > 185% FPG (<185% covered by Medicaid); not covered dependents.	Covered prenatal care only for adult women with incomes > 185% FPG (<185% covered by Medicaid); not covered dependents.
Annual benefit limit	\$1 million	\$1 million
Out-of-pocket maximum	None	\$2,500/person out-of-pocket maximum on coinsurance

Medicaid Expansion: Potential Recommendation

- The NC General Assembly should expand Medicaid to cover more uninsured low-income people. First priority should be to cover working parents with incomes below 200% FPG with the limited benefits package.
- The NC General Assembly should direct the NC Division of Medical Assistance to seek an 1115 waiver to develop a limited benefit package. As part of the 1115 waiver, the NC General Assembly should:
 - Implement a voluntary premium assistance program, so that those low-income individuals with access to employer sponsored insurance can use Medicaid funds to pay for their share of the premium, if cost effective to the state

Medicaid Expansion: Potential Recommendation

- Enroll participants in CCNC and provide incentives to actively participate in disease and case management
- Charge a lower premium to non-smokers
- The NC General Assembly should cover the county's share of the cost of expansion.

Medicaid Expansion: Possible Recommendation

- The NC Division of Medical Assistance should pilot the use of a health risk assessment (HRA) in one or more of the CCNC networks to:
 - Determine the health risks of the Medicaid population
 - Identify priorities for wellness initiatives
 - Assess the costs of implementing a HRA program statewide or with targeted eligibility groups
 - Assess the potential cost savings from targeted wellness initiatives

High Risk Pool: Benefit Design

- What benefits should be offered in the high-risk pool?
 - Comprehensive. Multiple PPOs with differential deductibles (deductible don't apply to doctors visit), w/HSA option
 - *Maximum out-of-pocket expenses?*
 - *Should there be annual and lifetime limits? If so, what should they be?*
 - Disease management and/or case management should be included

High Risk Pool: Eligibility Criteria

- What are the eligibility criteria that would qualify someone to enroll in the high-risk pool.

Examples:

- Ineligibility for other coverage (Medicaid, Medicare, COBRA)
- Unable to purchase a policy except with a premium higher than that offered through the pool
- 6 months look back and exclusionary period for pre-existing conditions unless have had continuous coverage (private, COBRA, Medicaid)

High Risk Pool: Eligibility Criteria

- Should high-risk pool serve as the insurance product for:
 - HIPAA individual guaranteed product
 - Trade Adjustment Act

High Risk Pool: Premium Costs

- What are allowable factors to vary rates
 - *age, sex, use of tobacco, geography?*
- What is the maximum that can be charged for the premium
 - 150% of the standard risk
- Any subsidy for low income families
 - Use public funds to help subsidize low-income individuals (e.g., below 300% FPG on sliding scale)
 - *How would this operate?*

High Risk Pool: Financing

- Financing:
 - BCBSNC projected cost was \$43 million/year for claims costs above 150% standard premium rate
 - Does not include additional costs of subsidy to individuals with incomes <300% FPG
 - Suggested financing mechanisms:
 - Assessment on insurers (broadly defined to include insurers, reinsurers, MEWAs, TPAs)
 - Lower reimbursement rates to providers (e.g. Based on Medicare rates)
 - *Other financing mechanisms?*