

Covering Low-Income Individuals

North Carolina Institute of Medicine
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Isabel Friedenzohn
Deputy Director, State Coverage Initiatives



Using Medicaid/SCHIP

Approach:

- Increase eligibility levels for participation in public programs or reach out to 'optional groups'

Advantages:

- Maximizes use of federal funds
- Uses existing program infrastructure

Disadvantages:

- Crowd-out
- "Welfare" stigma
- Cost to state budget
- Political resistance to expanding public programs
- Impact on access to current Medicaid/SCHIP providers if rolls expand
- May be difficult given federal budget neutrality requirements

Using Medicaid/SCHIP: Premium Assistance/Buy-In Program

Approach:

- Supply subsidies to certain predetermined populations (low-income; small employers)
- Apply to individual insurance or employee portion of ESI
- Could specify what minimum benefits the insurance would need to provide

Advantages:

- Market-based: buying private insurance in private market
- Less social stigma than public program
- Direct subsidy to those in need

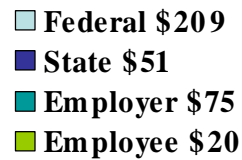
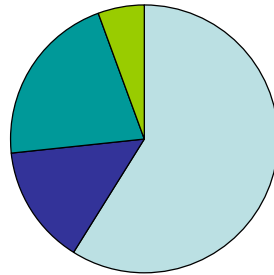
Disadvantages:

- May need substantial subsidy to induce take-up: substantial funding source
- Need standards to determine eligibility (e.g., not for those eligible for federally matched programs/those already covered by ESI)
- Vigorous outreach/education may be needed to find eligible individuals/employers

Medicaid Strategies Address Low Offer Rates

- New insurance products for small firms with low-wage workers – small businesses were not offering coverage
- Employers, individual and Medicaid pay premium
 - **New Mexico** – open to uninsured adults <200% FPL, individuals may pay employer contribution
 - **Oklahoma** covers workers and spouses <200% FPL who work for small firms; program begins with voucher; safety-net option will be provided for workers with employers unwilling to participate
 - **Arkansas** offers limited benefit product to small firms, Medicaid funding will be available for low-wage workers (<200% FPL)

New Mexico State Coverage Insurance



Insure Oklahoma

- HIFA Waiver, tobacco tax financing
- Goal to cover 70,000 uninsured workers
- Open to workers and spouses under 200% FPL who work for small employers and those “seeking” work
- Voucher for small businesses to provide coverage
 - Employer pays 25%; employee pays 15%; state & federal funds 60%
- All products available in small group market meet the eligibility requirements
- Safety-net option for workers with employers unwilling to participate



- Affordable healthcare coverage
 - Premiums shared equally by employer, individual and state
 - Individual's monthly premium share ranges between \$37 and \$109
 - Premiums vary depending on age, tobacco use, and obesity
 - No deductibles; reasonable co-pays
- Portable
 - Owned by the individual
 - Individual can keep coverage even if they leave an employer
 - Provides continued coverage during brief periods of unemployment
- Basic
 - Provide most services most people need



Who Can Participate

- Employers with 50 or fewer full-time equivalent employees, and half of the employees earn \$43,000 or less annually
- Individuals at employers with 50 or fewer employees, and who work at least 20 hours-a-week, on average
- Employees at companies that do not offer employer-sponsored health insurance, or CoverTN, and who earn \$43,000 or less annually
- Self-employed individuals who work at least 20 hours-a-week, on average, and earn \$43,000 or less annually



ARHealthNet

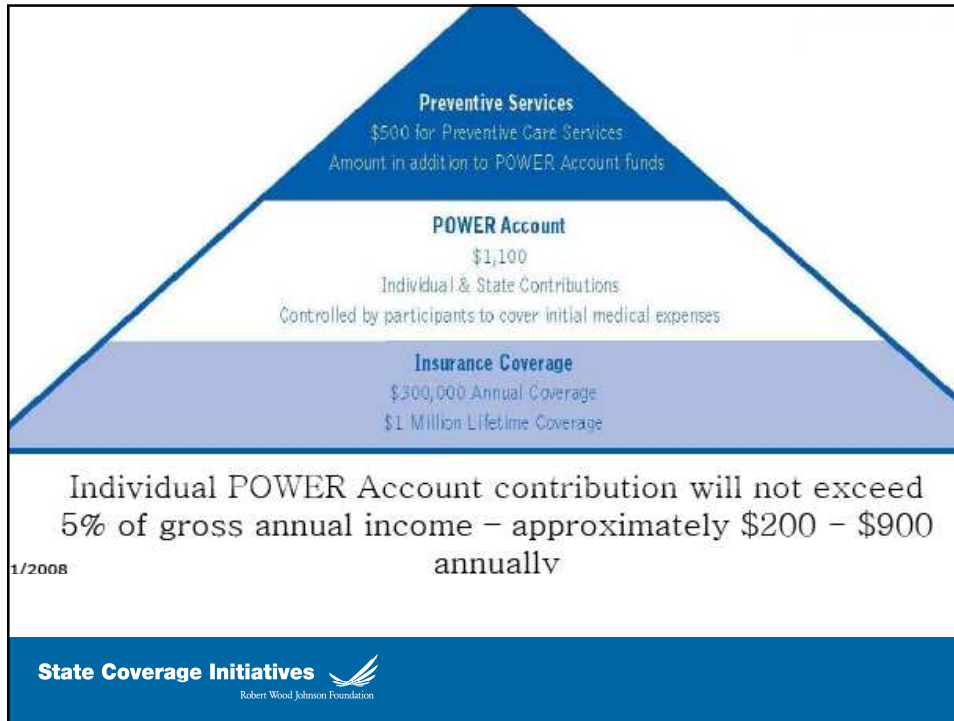
- ARHealthNetworks provides a limited package of the most needed and used benefits, including:
 - 7 inpatient days per year
 - 2 major outpatient services per year, including emergency room and major services performed in the office
 - 2 prescriptions per month
 - Maximum annual benefit or \$100,000
 - Renewable each 12 months

ARHealthNet – Out of Pocket Expense

- \$100 annual deductible (does not apply to office visits and Rx)
- After deductible, 15% co-pay will be required
- \$1,000 maximum out of pocket annually, including deductible
- In network health providers must be used for benefits to be paid (including ER)
- On-going discounts apply after benefits are exhausted

Healthy Indiana Plan

- Non-Disabled Adults Ages 19-64:
- **Caretaker Relatives** of dependent children with family incomes from 22% to 200% FPL
- **Childless adults** with family incomes under 200% FPL
- Enrollment Cap: 34,000 childless adults each year



Strategies for Comprehensive Reform

	Maine	Massachusetts	Vermont
Individual Mandate	No	Yes	No <i>Will consider if coverage targets not met</i>
Purchasing Mechanism	DirigoChoice	Health Insurance Connector	Catamount Health
Subsidies for Low-Income	Up to 300% FPL	Up to 300% FPL	Up to 300% FPL
Public Program Expansion	Parents <200% FPL Childless Adults <125% FPL	Adults <100% FPL Children <300% FPL	<i>Builds upon previous expansions</i> Children <300% Parents <185% Childless Adults <150% FPL
Employer Requirements	<i>Voluntary</i> Participating employers must pay 60% of premium	\$295/employee fee for non-offering Must offer §125 Plan	\$365/FTE fee for non-offering

State Coverage Initiatives
Robert Wood Johnson Foundation