



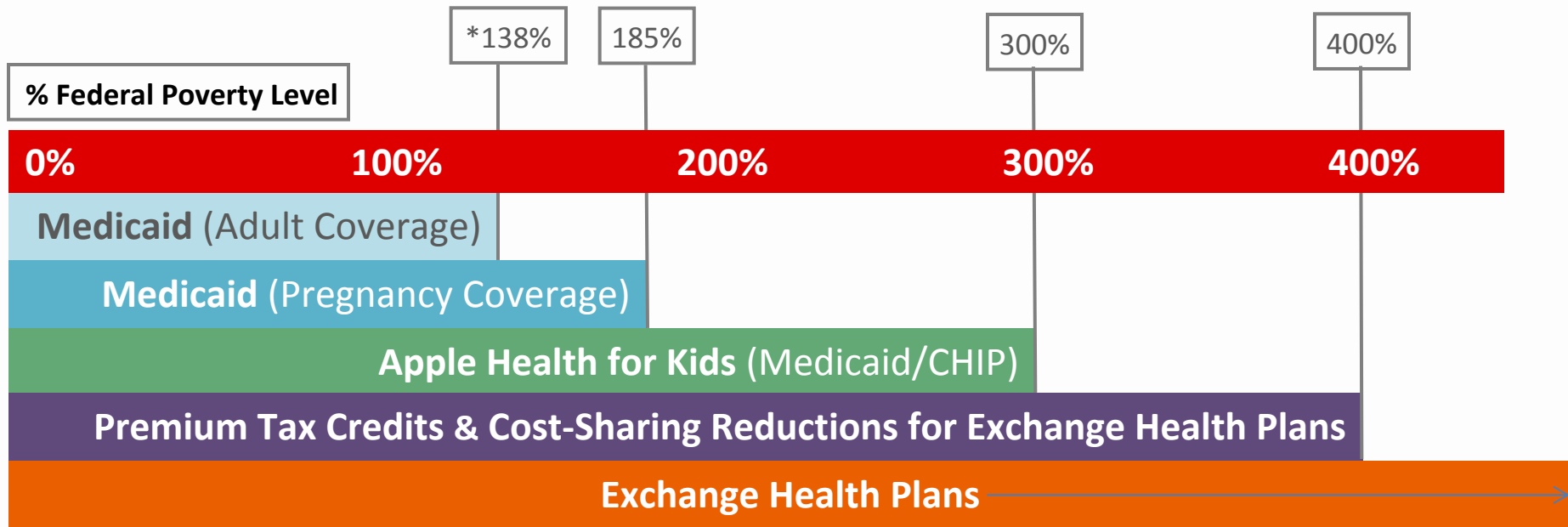
## Apple Health *Plus* – Washington's Churn Solution

Health Insurance Exchange Summit  
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# Health Care Coverage in 2014

## New Continuum of Affordable Options



# Churn/Split Family Coverage

- **Changing life circumstances & different Medicaid eligibility levels for children, parents & pregnant women result in:**
  - ❖ Mixed coverage from different plans – Washington Apple Health programs and Qualified Health Plans in the Exchange differ
  - ❖ Disruption of provider relationships and care
  - ❖ Unnecessary duplication of tests and treatment plan revisions
  - ❖ Increased administrative expense for health plans
  - ❖ Decreased incentive for health plans and providers to invest in longer-term care management and coordination activities
  - ❖ Administrative difficulty in managing benefits and measuring quality when enrollees switch health plans frequently

# How do we know churn is a problem?

Income at Initial Determination v. Actual Annual Income for Enrollment Year

Row Percent	[- ..... Final FPL Range ..... -]				
Initial FPL Range	<139% FPL	139%-400% FPL	>400% FPL	TOTAL	
<139% FPL	68.9%	23.7%	7.4%	100.0%	
139%-400% FPL	21.7%	65.5%	12.8%	100.0%	
>400% FPL	13.5%	46.1%	40.3%	100.0%	
<b>TOTAL</b>	47.0%	39.9%	13.1%	100.0%	
Initial FPL Range	<139% FPL	139%-200% FPL	201%-400% FPL	>400% FPL	TOTAL
<200% FPL	63.0%	13.3%	16.3%	7.3%	100.0%
139%-200% FPL	33.0%	24.2%	35.8%	unreliable	100.0%
201%-400% FPL	15.8%	14.2%	54.2%	15.7%	100.0%
>400% FPL	13.5%	8.1%	38.0%	40.3%	100.0%

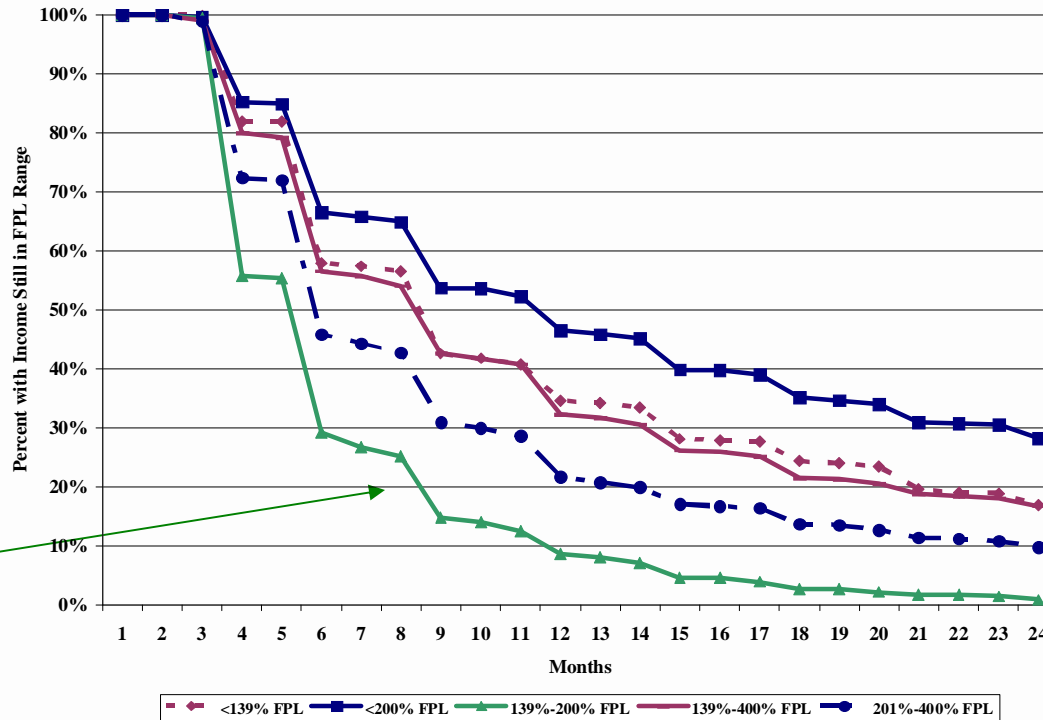
Notes: Based on Washington State adults age 19-64 without employer-sponsored insurance (ESI) at initial determination. FPL = federal poverty level. Source: SIPP analysis by John A. Graves, Ph.D.

<http://www.hca.wa.gov/hcr/me/Pages/policies.aspx#churn>

# Who is likely to experience churn?

- Over several years, very few stay in the 139-200% FPL income range

Retention in Initial (Current) Income Level (WA Adults 19-64)



139%-200% FPL



# Apple Health *Plus* – one solution

# Apple Health *Plus* - Overview

- Exchange QHPs NOT participating in Medicaid can do so on a LIMITED basis to serve adult churners & children of QHP parents
  - ❖ Plan participation being solicited through an open RFA process
  - ❖ All Medicaid contractual requirements apply to Apple Health *Plus* plans
  - ❖ Align Exchange/Medicaid eligibility, renewal and enrollment periods for adults and children to the extent possible
  - ❖ Same QHP provider network must be offered in Apple Health *Plus*
  - ❖ Apple Health *Plus* provides full Medicaid benefits
  - ❖ Targeting February 2014 start-up
  - ❖ Apple Health *Plus* could serve as a bridge to a more comprehensive churn/whole-family coverage solution or better marketplace alignment.

# Apple Health *Plus* - Populations

- **Medicaid/CHIP eligible children of parents enrolled in QHPs** remain in Apple Health *Plus* for full duration of 12-month continuous eligibility
- **Pregnant women** receive full Medicaid coverage through Apple Health *Plus* with no cost-sharing / return to same QHP after post-partum period
- **Adult churners** have Apple Health *Plus* option until next renewal period
- For more information:

<http://www.hca.wa.gov/hcr/me/Pages/policies.aspx#churn>



# Churn / Split-Family Coverage

## Medicaid Managed Care



## Family of Three

Income:

\$42,390 = 217% FPL



**GOAL:**

Continued coverage & care  
although circumstances change

## Qualified Health Plans



GroupHealth



# Churn / Split-Family Coverage

## Medicaid Managed Care



## Mom Becomes Pregnant

Income (Family of Four):

\$42,390 = 180% FPL



## GOAL:

Continued coverage & care  
although circumstances change

## Qualified Health Plans



GroupHealth



KAISER PERMANENTE



# Churn / Split-Family Coverage

## Medicaid Managed Care



## Family of Four

Income:

\$42,390 = 180% FPL



**GOAL:**

Continued coverage & care  
although circumstances change

## Qualified Health Plans



GroupHealth



# Churn / Split-Family Coverage

## Medicaid Managed Care



## Dad Loses His Job

Mom's Income:  
\$20,000 = **Approx. 85% FPL**



## Qualified Health Plans



GroupHealth



# Churn / Split-Family Coverage

## Medicaid Managed Care



## Dad RE-EMPLOYED

Income (Family of Four):  
\$60,000 = 254% FPL



GOAL:

coverage & care  
all instances change

## Qualified Health Plans



GroupHealth



# What have we learned?

- **The new marketplace is dynamic** – evolution of Medicaid and Exchange markets will continue into 2015 and beyond.
- **Solutions need to be flexible** to accommodate rapidly changing environment.
- **Churn in the context of a continuum of coverage** is a new policy challenge requiring new interventions.
- **Clear and convincing policy rationale is a prerequisite** – but no replacement for translation into implementation with adequate resources.
- **Clear communication is essential through every stage** – new ideas are often not self-explanatory.