

Second National Congress on the Un and Under Insured

Legal Issues in Organizing a Local Initiative

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Clifford E. Barnes, JD, MBA
Epstein Becker & Green, P.C.

Strategies to Expand Coverage

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- States have used a variety of strategies to expand health care coverage for the uninsured population
- 49 of 50 states and DC have implemented at least one strategy to expand coverage for the uninsured population (exception: NC)
- States aiming to achieve universal coverage: MA, VT, ME, NJ, HI



Strategies to Expand Coverage

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- Specific strategies include (as of end of 2007):
 - Medicaid, SCHIP, and Federal Authority (33 states)
 - Reinsurance (7 states)
 - High-Risk Pools (34 states)
 - Limited-Benefit Plans (13 states)
 - Group Purchasing Arrangements (8 states)
 - Dependent Coverage (14 states)
 - Other strategies (27 states)



Strategies to Expand Coverage

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- Presentation focuses on 2 strategies
 - Waivers
 - Medicaid-SCHIP Waivers
 - HIFA Waivers
 - Managed Care



Medicaid Waiver Strategies

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- Section 1902(a) of the SSA imposes certain requirements on State Medicaid programs, including:
 - Freedom of choice
 - State-wideness
 - Eligibility standards
 - Income limitations
- States may apply to CMS to “waive” certain federal requirements
- States have used waivers to expand coverage to low-income uninsured children and adults



Medicaid Waiver Strategies

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- **Section 1115 Waiver**
 - Grants broad authority to the Secretary of HHS to waive certain federal requirements to conduct pilot, experimental, or demonstration projects
 - Section 1115 waivers used to expand coverage; SCHIP Section 1115 waivers have been used to expand coverage to parents
 - Section 1115 waivers must be budget neutral; SCHIP Section 1115 waivers must limit federal spending to what is available under the state's SCHIP allotment



Medicaid Waiver Strategies

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- Section 1915(b) Waiver
 - Grants authority to Secretary of HHS to issue waivers that allow states to implement managed care delivery systems, or otherwise limit beneficiary's choice of provider under Medicaid
 - States are permitted to waive state-wideness, comparability of services, and freedom of choice
 - Section 1915(b) waivers are limited in that they apply to existing Medicaid eligible beneficiaries and cannot be used for eligibility expansions



Medicaid Waiver Strategies

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- 33 states, including DC, have used Medicaid-SCHIP waivers to expand coverage to previously uninsured children and adults
- Populations that have benefited include:
 - Low-income children
 - Pregnant women
 - Low-income parents and adults
 - Disabled and elderly population



Medicaid Waiver Strategies

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Use of Waivers to Expand Coverage based on Percentage of Federal Poverty Level

	Children	Pregnant Women	Parents	Adults	SSI Disabled, (non-elderly)
Baseline	100% / 133%*	133%	42%**	N/A	74%
AZ	200%	133%	200%	100%	100%
CA	250%	300%	100%	73%	102%
DC	200%	200%	200%	50%	74%
IL	200%	200%	185%	N/A	100%
NY	250%	200%	150%	100%	74%

* Children age 6 and older below 100% FPL; Children under age 6 below 133% FPL

** Parents below a state's AFDC cutoffs as of July 1996 (median=42% FPL)

Medicaid Waiver Strategies

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- Health Insurance Flexibility and Accountability (HIFA) Waiver
 - New Section 1115 Waiver initiative
 - Encourages new approaches to increase the number of individuals with health insurance coverage within current level Medicaid and SCHIP resources



Medicaid Waiver Strategies

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- To be considered a HIFA demonstration, a proposal must:
 - Expand coverage;
 - Include public-private coordination;
 - Monitor changes in the rate of uninsured population;
 - Promise to meet maintenance of effort; and
 - Satisfy a test of budget neutrality (for Medicaid funds) or allotment neutrality (for SCHIP funds)



Medicaid Waiver Strategies

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Comparison of Eligibility of Insurance Coverage - HIFA Waivers

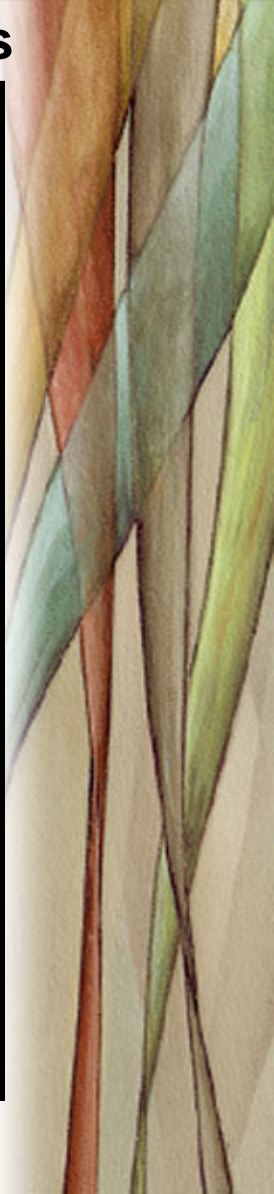
	Arkansas Safety Net Benefit Program	New Mexico State Coverage Insurance	Oklahoma Employer/ Employee Partnership for Insurance Coverage (O-EPIC)
Eligibility: Individuals	Uninsured individuals working for participating employers. State subsidy to those with income < 200% FPL	Uninsured working adults with family income < 200% FPL	Workers (and spouses) who work in firms with ≤ 50; self-employed, unemployed seeking work; individuals whose employers do not offer health coverage and with incomes ≤ 185% FPL
Eligibility: Employers	Employers with 2 to 500 workers that has not offered employee health plan for ≥ 12 contiguous months	Employers with < 50 employees who has not voluntarily dropped commercial health insurance in past 12 months	Small employers with < 25 workers that offer a participating health plan

Medicaid Waiver Strategies

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Comparison of Eligibility of Insurance Coverage - HIFA Waivers

	Arkansas Safety Net Benefit Program	New Mexico State Coverage Insurance	Oklahoma Employer/ Employee Partnership for Insurance Coverage (O-EPIC)
Individual premiums/ cost-sharing	\$15/month premium & 15% co-insurance with \$1,000 maximum out of pocket	3-tiered monthly premiums and cost-sharing; individuals not with employers pay both employee and employer premium; out of pocket not to exceed 5% annual family income	Lesser of 15% of premium or 3% of gross income; states pay for costs above these amounts
Employer premium	Actuarially determined	\$75/month per employee	25% of the total cost of employee premiums
Benefits	6 clinical visits, 7 hospital days, 2 outpatient procedures/ ER visits per year, 2 prescriptions. No catastrophic coverage.	Similar to basic commercial plan, includes a \$100,000 annual benefit limit.	Dependent upon the participating health plan



Managed Care Strategies

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- States use managed care strategies to expand coverage to low-income individuals and individuals with pre-existing conditions
- Wide array of managed care strategies have been employed to expand coverage
- States use managed care to promote preventative care
- Are managed care strategies effective in providing coverage to low-income individuals and individuals with pre-existing conditions?



Managed Care Strategies

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- DC Healthcare Alliance
 - Provides free health care uninsured childless adults with income below 200% FPL
 - Delivery of care via Medicaid managed care organizations
 - Funded solely by the District



Managed Care Strategies

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- Maryland Health Insurance Plan
 - State-managed health insurance program for individuals who have been unable to obtain insurance
 - Public-private collaboration to offer access to several managed care plans
 - Board of Directors establishes monthly premiums
 - Funding through hospital assessments, interest from state funds, premiums
 - Low or moderate income individuals may qualify for reduced premiums



Managed Care Strategies

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- MinnesotaCare
 - State-managed health care coverage to uninsured through prepaid health plans
 - Eligibility
 - Pregnant women and children under 21: 275% FPL
 - Families with children: 275% FPL
 - Childless adults: 200% FPL (increase to 215% FPL in 2009)
 - Must not have access to employer-subsidized health care coverage
 - Must not have had health insurance coverage for 4 months prior to application or renewal



Managed Care Strategies

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- Funded through a tax on health care providers, enrollee premiums, Medicaid-SCHIP Section 1115 waivers



Conclusion

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- Several strategies are used by states to address coverage of uninsured
- Haphazard approach to coverage
- Is this approach effective?



For More Information

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Contact:

Clifford E. Barnes, JD, MBA
Epstein Becker & Green, P.C.
1227 25th Street, N.W., 7th Floor
Washington, DC 20037
Phone: (202) 861-1856
E-mail: cbarnes@ebglaw.com

