NGA HEALTH

Kansas Governor's Council on Medicaid Expansion

Monday, September 30, 2019

Conference of Governors at the White House, 1908

Who We Are

Over 100 years of serving our nation's governors

Founded in 1908, the National Governors Association (NGA) is the nonpartisan organization of the nation's 55 governors. Through NGA, governors share best practices, address issues of national and state interest and share innovative solutions that improve state government and support the principles of federalism.

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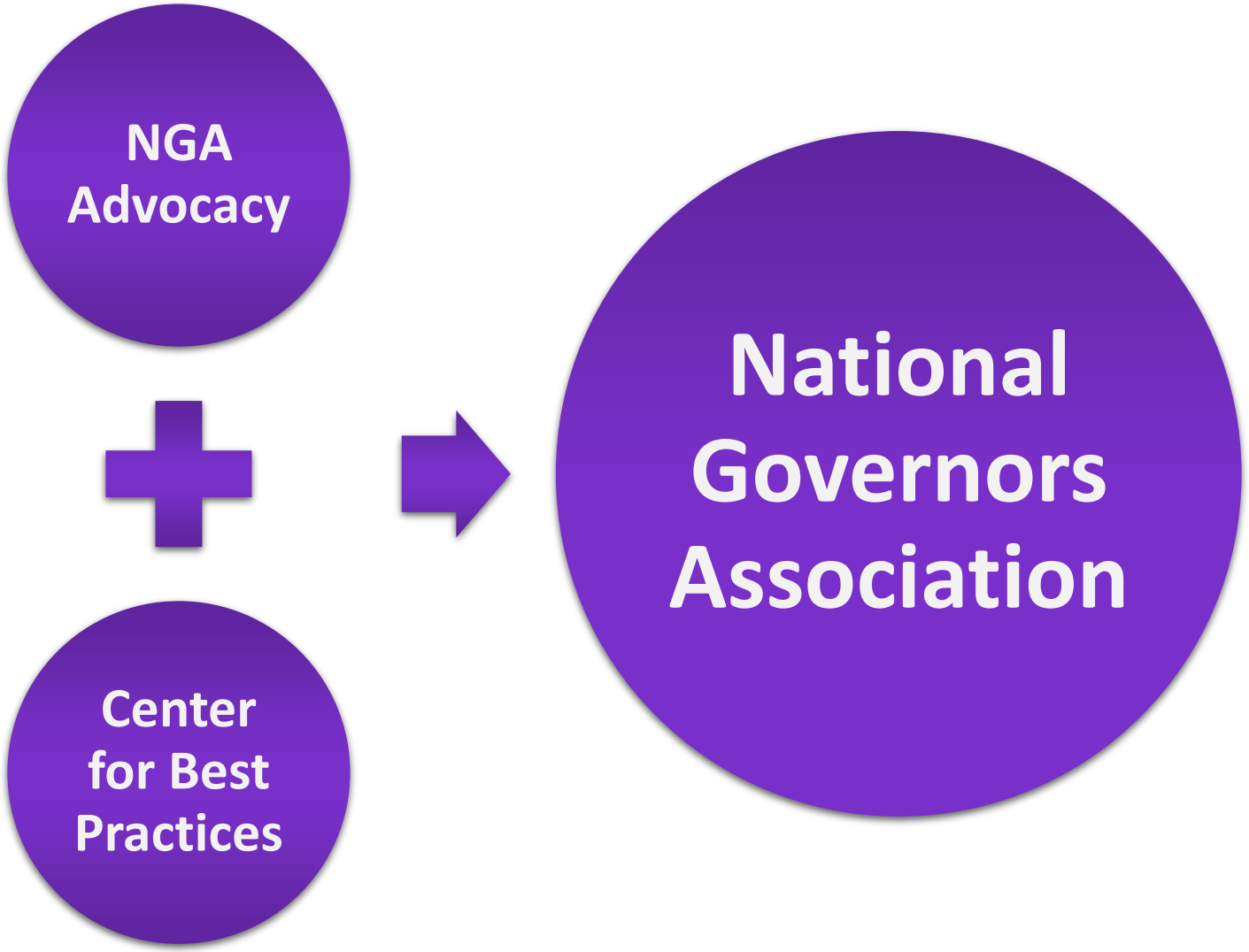
Who We Are

Organization

The NGA Center for Best Practices is a 501(c)(3) and part of our larger organization.



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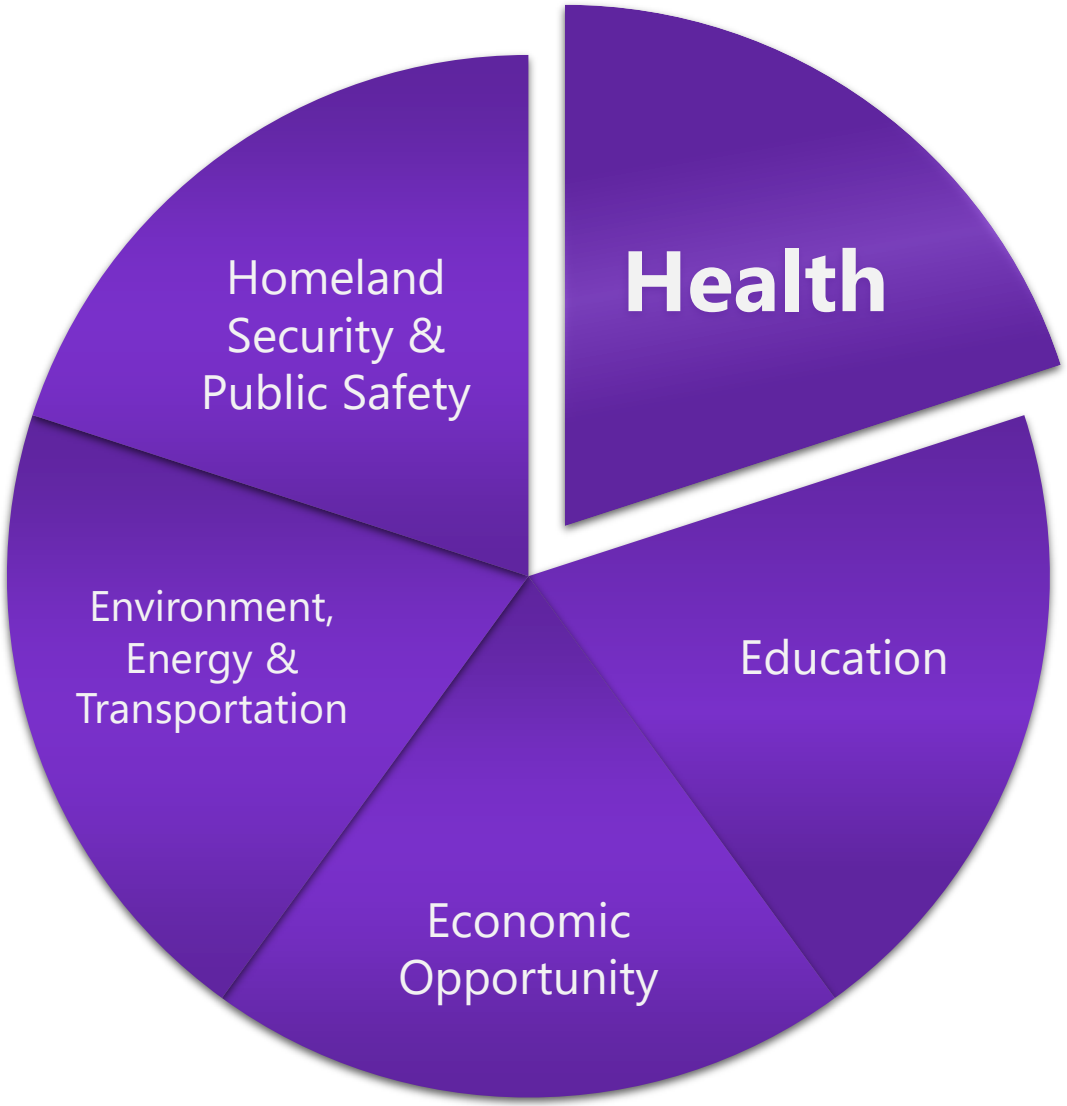
Who We Are

The Center for Best Practices Five Divisions



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NGA's Work on Medicaid Expansion

Governors' Session on Medicaid Expansion
National Governors Association Winter Meeting
February 2019

State Roundtable on Medicaid Expansion
June 2019

Medicaid Expansion Breakfast Session
Governors' Health Policy Leaders Institute
September 2019

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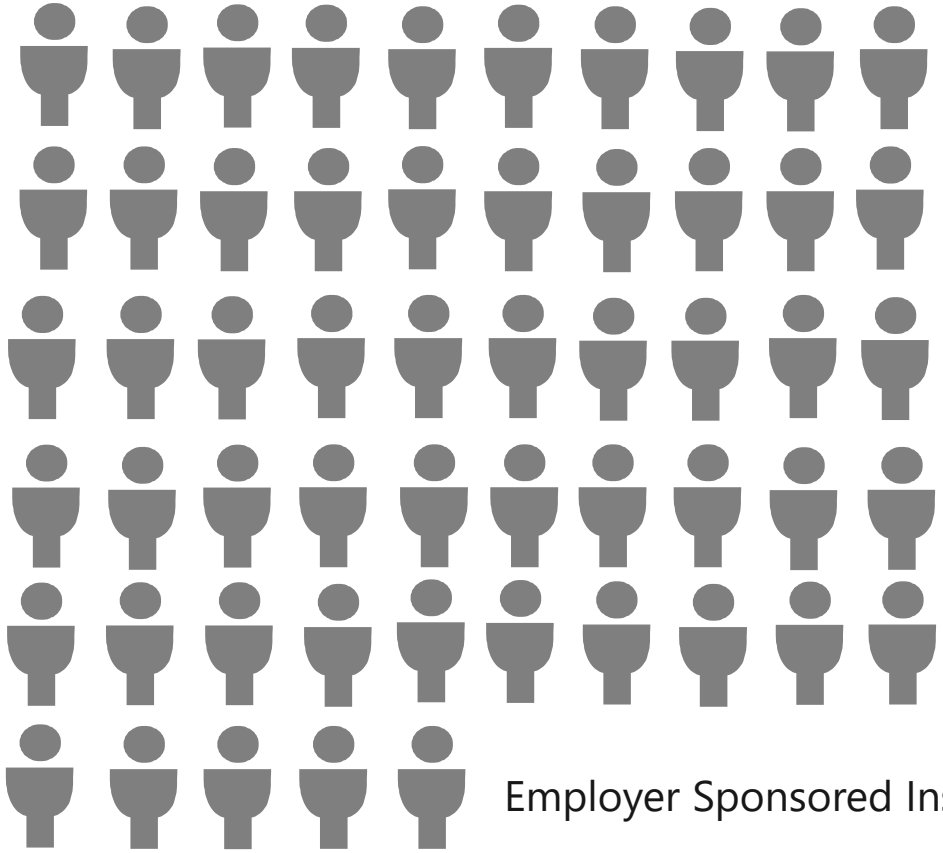
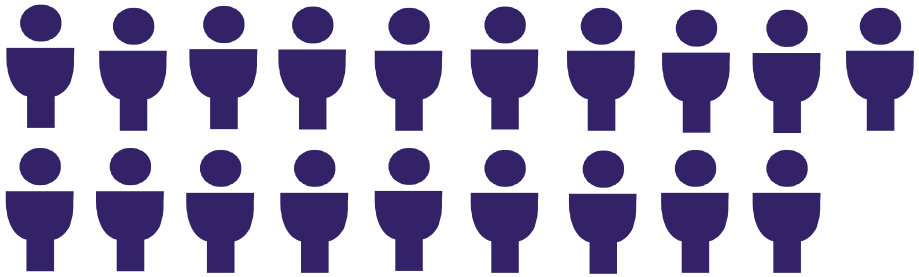
Snapshot of Health Insurance Coverage in the United States, FY2018



Employer Sponsored Insurance 55%



Medicaid 19%

Medicare 17%

Individual Market 11%

Uninsured 9%

Health Insurance Coverage in the United States 2018, U.S. Census

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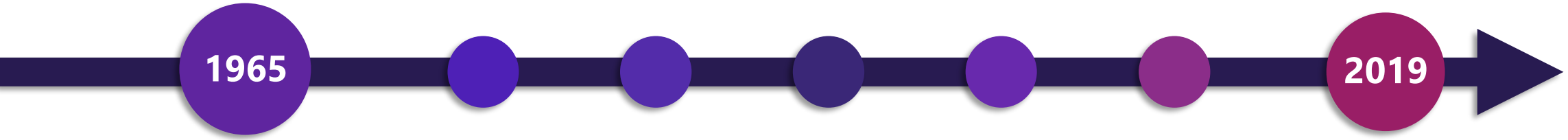
Medicaid Evolution



Medicaid History

- An entitlement program created as a companion to the Medicare program*
- Federal-state partnership where the federal government provides matching funds for state expenditures on health care services for low-income individuals

Medicaid Today

- Currently serving 74 million low-income Americans
- Spending of $553 billion (with over 50% of long-term care spending)
- Nation's largest health insurer and the nation's long-term care program
- States must comply with baseline federal requirements but have flexibility to design their programs

**Social Security Act Amendments of 1965, P.L. 89-97 (July 30, 1965)*

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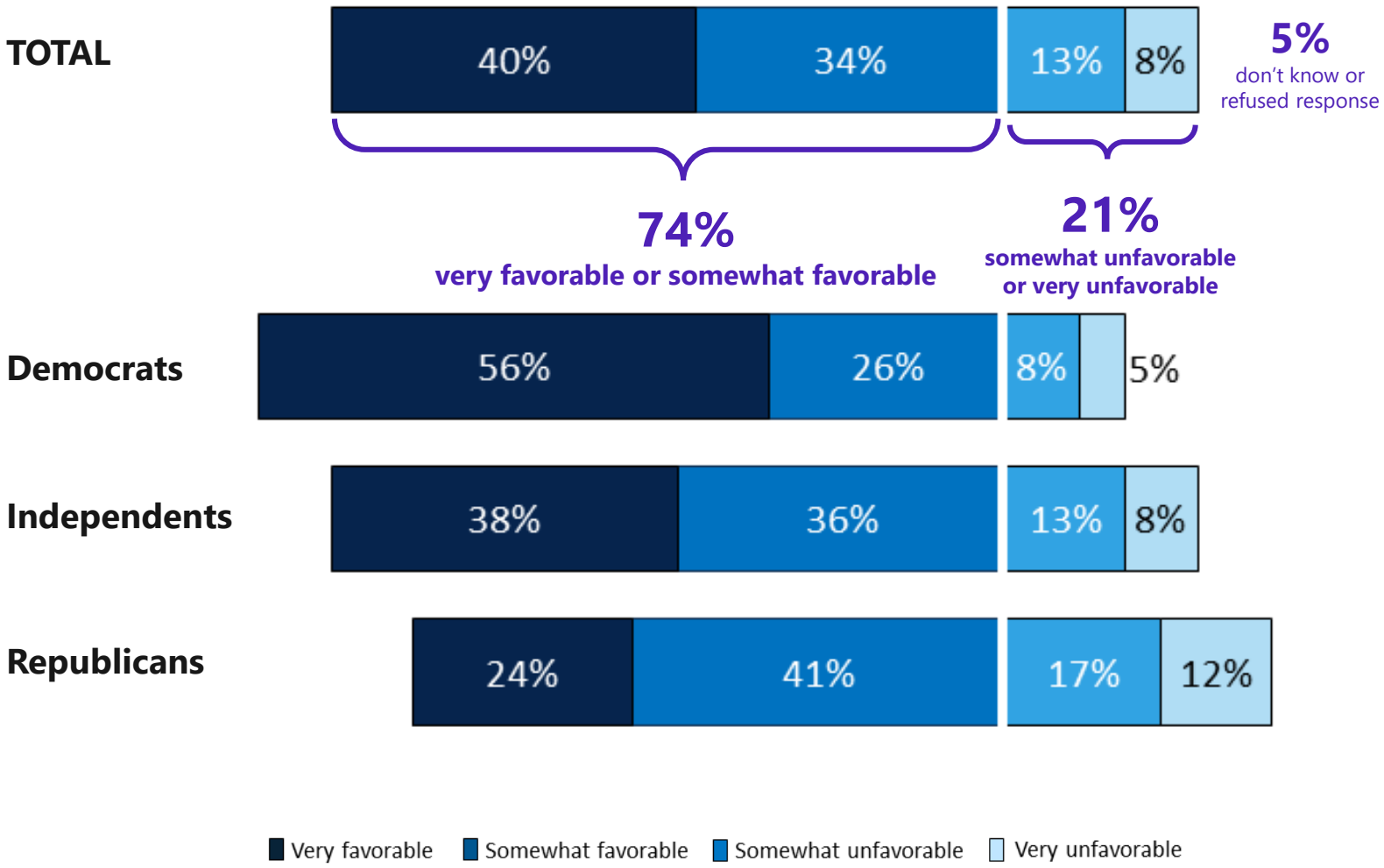
Do you have a favorable/unfavorable opinion of Medicaid?



Kaiser Family Foundation Health Tracking Poll (February 2018); don't know and refused responses are not shown.

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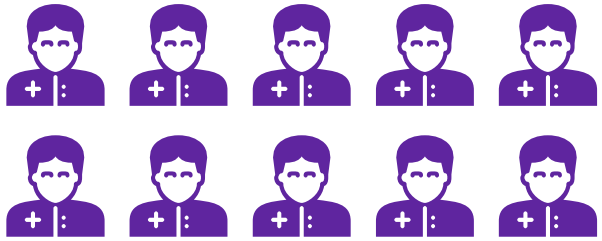
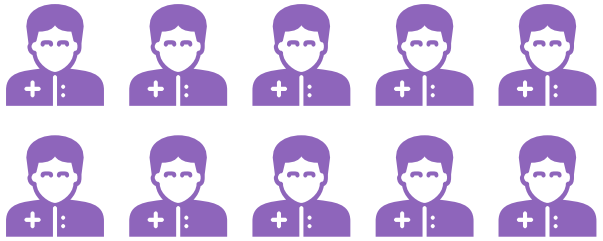
Medicaid Eligibility

Covers four broad categories- aged, disabled, children, and adults



Mandatory Populations

- Low-income children
- Low-income pregnant women
- Families who would have qualified under the state's 1996 criteria for Aid to Families with Dependent Children
- Aged, blind and disabled who qualify for Social Security Income
- Low-income Medicare beneficiaries



Optional Populations

- Low-income children and pregnant women at higher income levels
- Medically Needy
- Medicaid Expansion under the Affordable Care Act – adults with income up to 138% of Federal Poverty Level

*Undocumented immigrants are not eligible for Medicaid unless they have an emergency condition as defined under federal law

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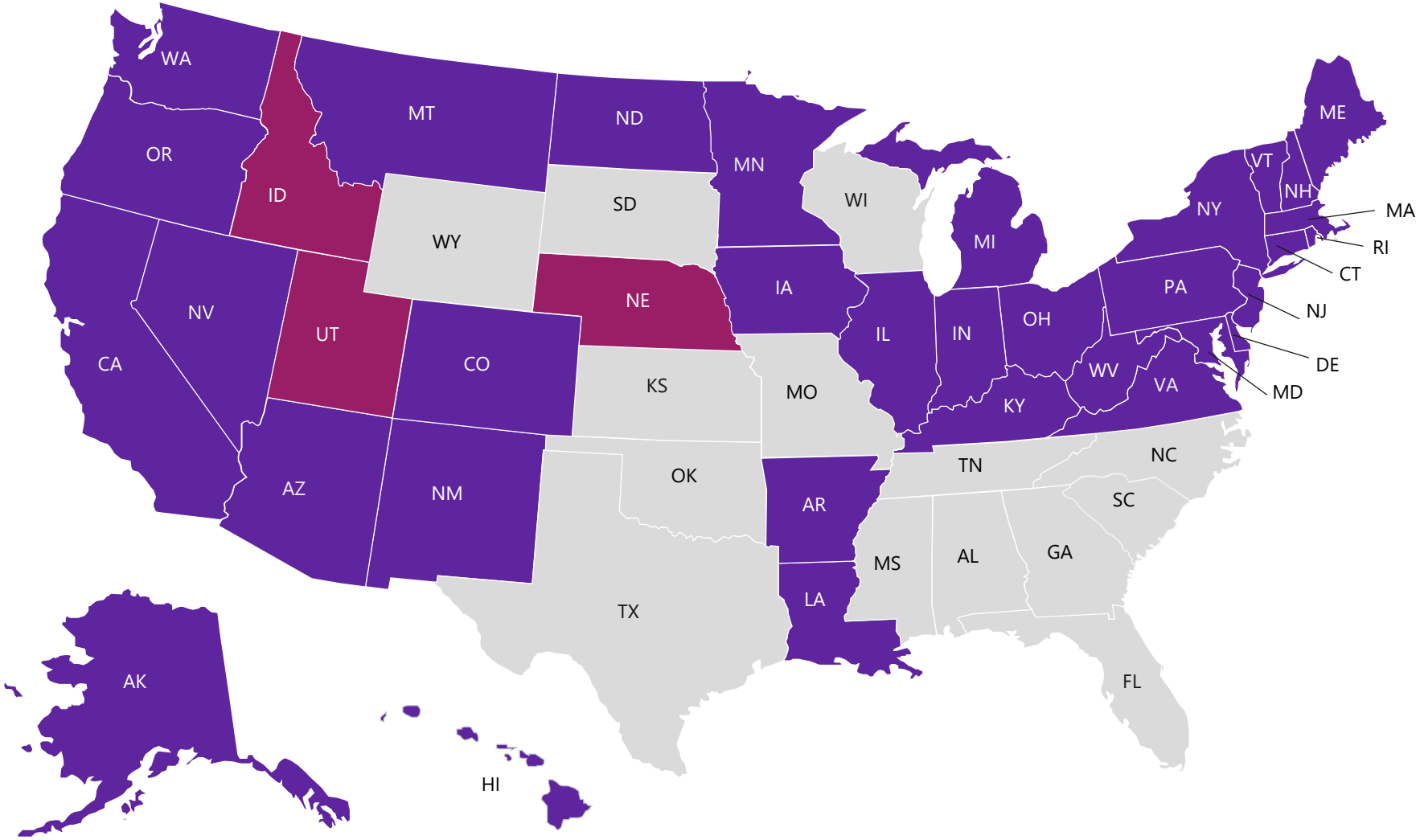
Medicaid Expansion



Since 2014, 33 states and DC have accepted federal funding to expand Medicaid

2019 Medicaid Expansion Ballot Initiative

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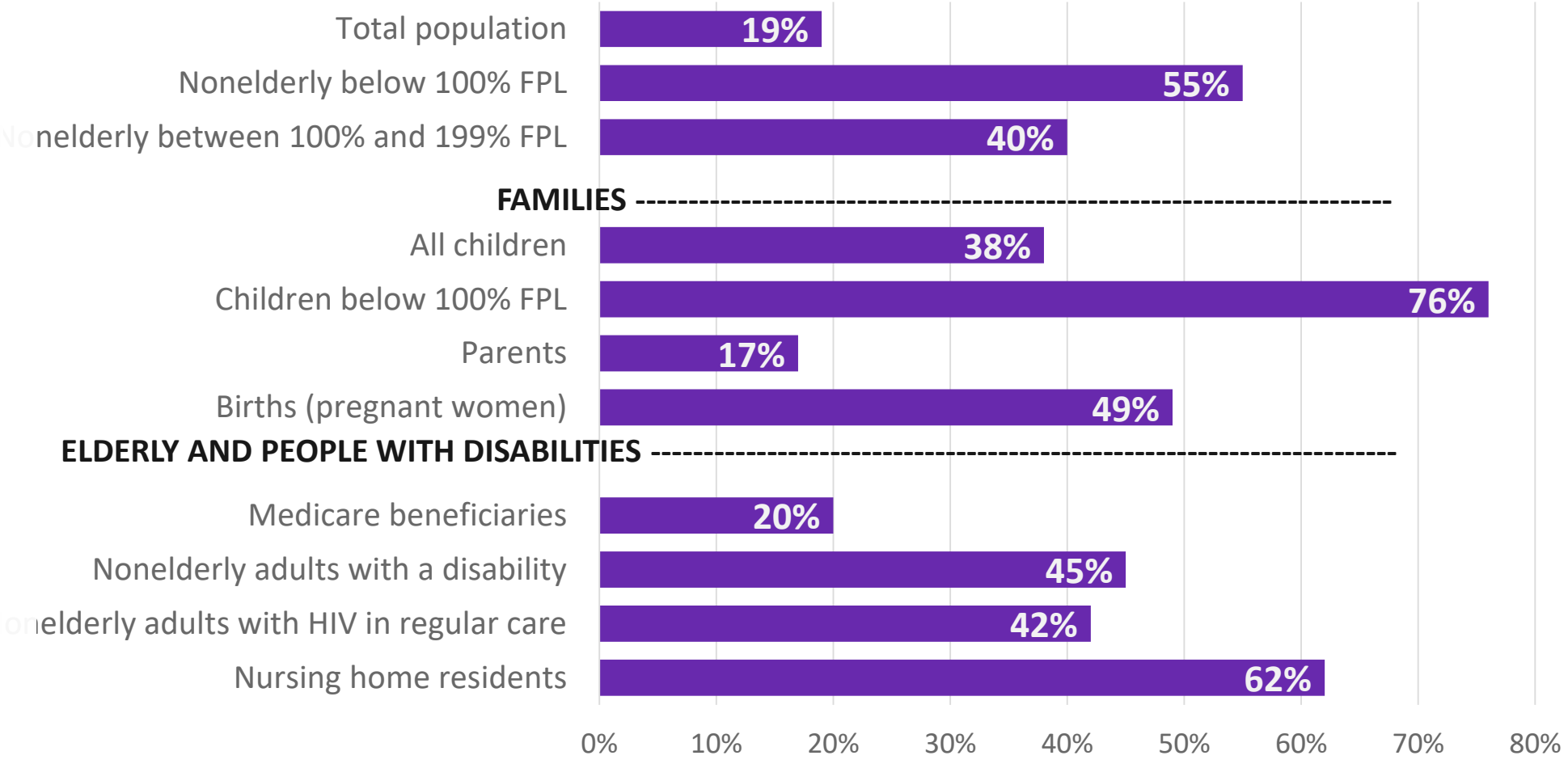
Medicaid Covers 1 in 5 Americans

Percent with Medicaid Coverage



Kaiser Family Foundation: 10 Things to Know about Medicaid (2018)

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Medicaid Plays a Key Role in Promoting Health and Wellbeing of Beneficiaries

Medicaid improves long-term health outcomes for recipients[1]

Medicaid is the most successful at reducing poverty rates, compared with all other types of health insurance[2]

Medicaid improves financial outcomes for recipients[3]

1. Boudreaux, et al (2015). The Long-Term Impacts of Medicaid Exposure in Early Childhood: Evidence from the Program's Origin
2. Remler, et al (2017). Estimating the Effects of Health Insurance and Other Social Programs on Poverty Under the Affordable Care Act
3. Baiker, et al (2013). The Oregon Experiment—Effects of Medicaid on Clinical Outcomes

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Medicaid Benefits

Mandatory

- Physician services
- Lab and x-ray services
- Inpatient hospital
- Outpatient Hospital
- Early and periodic screening diagnostic and treatment (EPSDT) services for individuals under 21
- Family planning
- Rural and federally qualified health center (FQHC) services
- Nurse midwife services
- Nursing facility (NF) services for individuals 21 and over
- Home health for certain populations

Optional

- Prescription drugs
- Clinic services
- Dental services, dentures
- Physical therapy and rehab
- Prosthetic devices, eyeglasses
- Primary care case management
- Institutions for individuals with intellectual disabilities, formerly intermediate care facilities for the mentally retarded (ICF/MR) services
- Inpatient psychiatric care for individuals under 21
- Personal care services
- Hospice services
- Alcohol and Drug Treatment

Expansion Medicaid

- Essential Health Benefits ("Benchmark Coverage")
  - Ambulatory patient services
  - Emergency services
  - Hospitalization
  - Pregnancy, maternity, and newborn care
  - Mental health hand substance use disorder services
  - Prescription Drugs
  - Rehabilitative and Habilitative services
  - Laboratory services
  - Preventive services
  - Pediatric services

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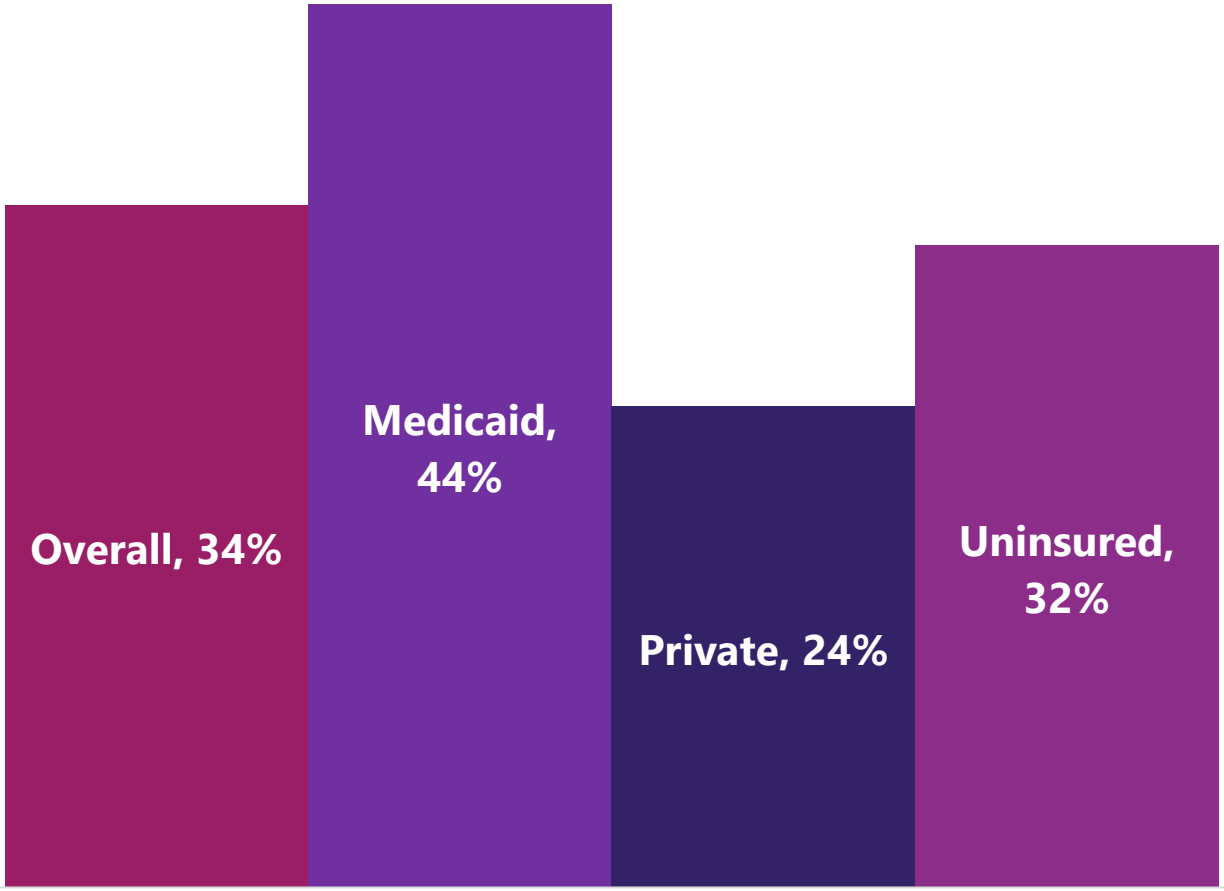
Medicaid's Role in Addressing the Opioid Epidemic



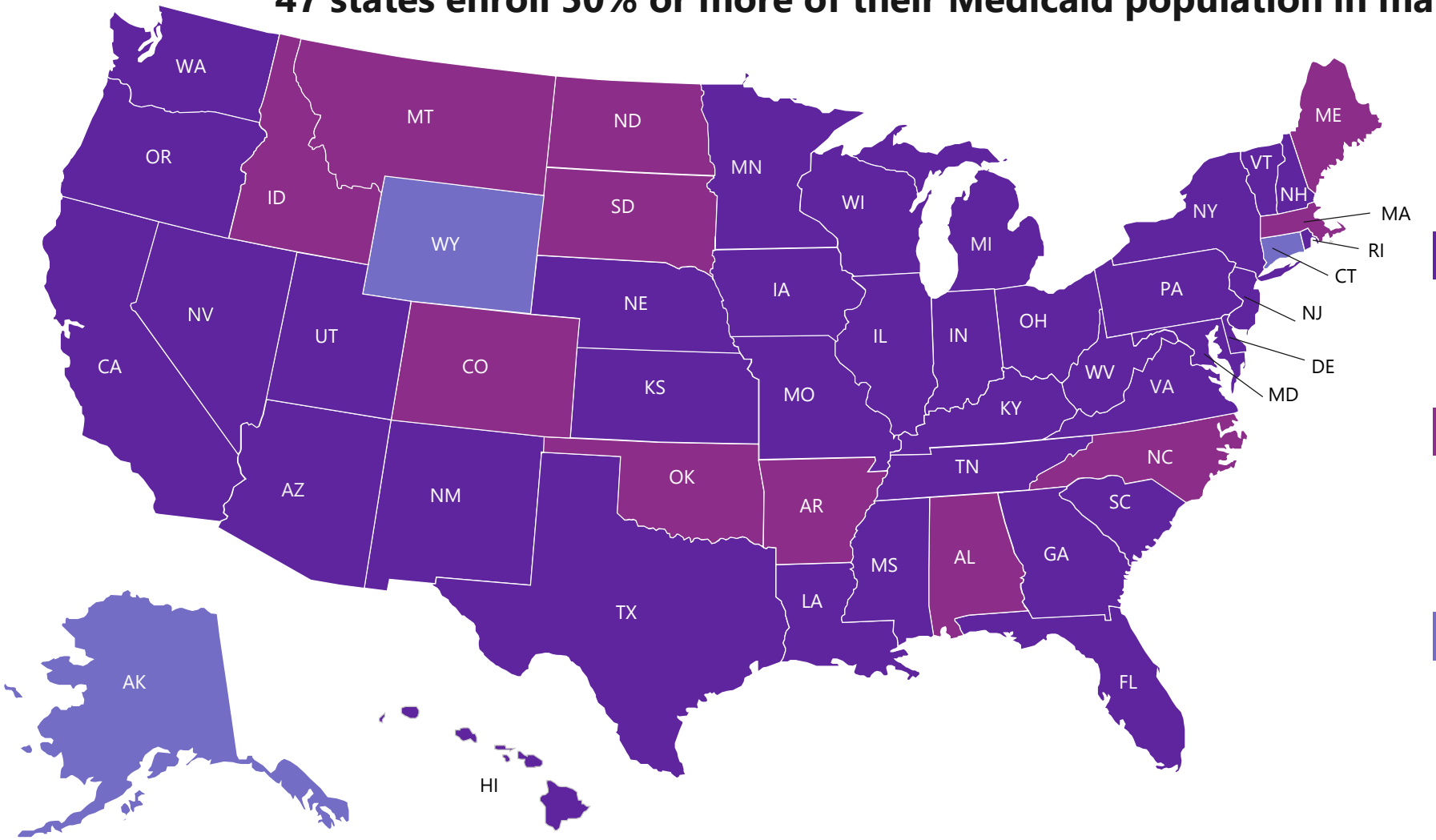
Substance Use Treatment

Kaiser Family Foundation, Medicaid's Role in Addressing the Opioid Epidemic, 2019

Individuals with an Opioid Use Disorder are More Likely to Receive Treatment under Medicaid than with Any Other Payer

Medicaid Managed Care Enrollment by State

81% of the Medicaid population nationwide is enrolled in managed care and 47 states enroll 50% or more of their Medicaid population in managed care



36 states enroll 50% or more of their Medicaid population in comprehensive managed care organizations (MCOs)

An additional 11 states enroll 50% or more of their Medicaid population in limited benefit MCOs or primary care case management (PCCM)

Only three states (WY, AK, CT) do not have any Medicaid managed care program

CMS 2016 Medicaid Managed Care Enrollment Summary. Comprehensive managed care includes acute, primary care and specialty benefits as well as PACE programs. Any type of managed care also includes limited benefit MCOs and PCCMs.

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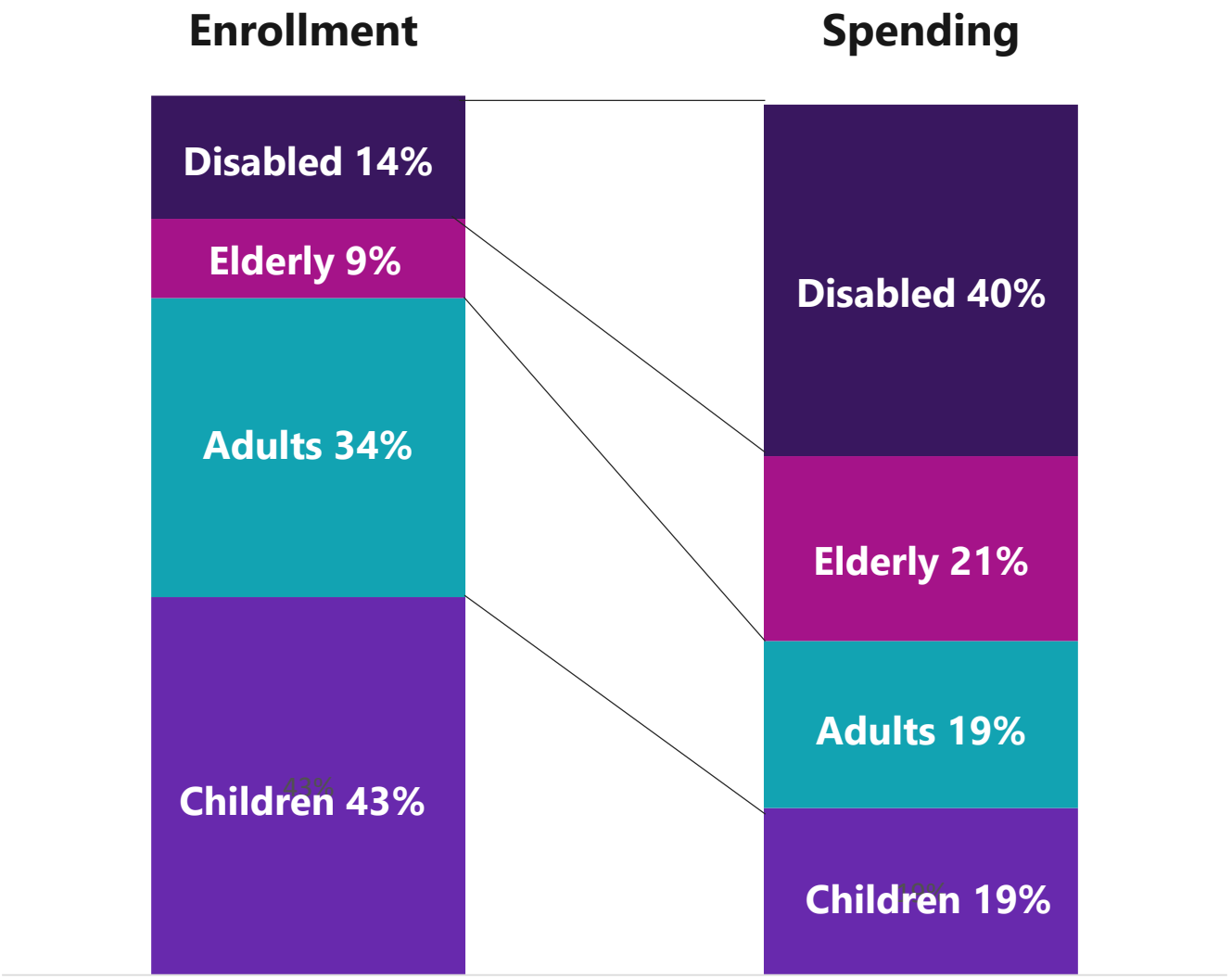
Two Thirds of Medicaid Spending is on the Elderly and Disabled Populations

Medicaid Spending by Population, FY 2014



Enrollees Total = 80.7 Million

Expenditures Total = $462.8 Billion

Kaiser Family Foundation, Medicaid Financing: The Basics 2019)

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Financing: What is the Federal and State Share?

- The federal government "matches" most state Medicaid expenditures based on a formula established in federal law
- Federal Medical Assistance Percentage (FMAP) for services provided to Medicaid recipients
  - Calculated annually for each state using a formula based on per capita income in the states. Range is from 50 to 83 percent.
  - Services for ACA Medicaid expansion group qualifies for a 90% FMAP starting in 2020
- Federal match rates for other categories of expenditures are identified in federal law. For example:
  - Administrative costs are matched at 50%
  - Costs related to the design or development of a Medicaid data system (MMIS) are matched at 90%

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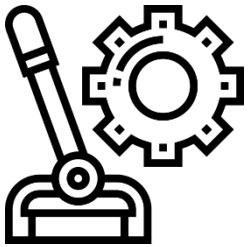
Financing: How do States Pay for Their Share of Medicaid Expenditures?

- State general revenue (which must account for at least 40% of total state Medicaid expenditures)
- Local government funds - Transfers or certifications of cost from eligible public entities (such as counties or public hospitals)
- Provider taxes and fees
- Other sources

Medicaid Policy Levers



Medicaid State Plan

- An agreement between a state and the federal government describing how that state administers its Medicaid program within federal requirements
- States can request changes to their state plans through an amendment process

Medicaid Waivers

- A written approval from the federal government that allows states to vary from the standard federal requirements of the Medicaid Program
- There are several types of waivers that CMS offers, the option that offers states the most flexibility, and comes with the most requirements, is Section 1115 waivers

Medicaid Demonstrations

- Under section 1115 of the Act, the Secretary of Health and Human Services has the authority to waive federal requirements and authorize new funding if a demonstration is likely to assist in promoting the objectives of the Medicaid program
- Demonstrations allow a state to continue to receive federal funds without complying with all the federal Medicaid requirements, as approved by the federal government
- As of August 2019, 40 states have at least one approved Section 1115 demonstration; 18 states have at least one demonstration pending with the federal government
- Common types of Medicaid 1115 demonstration include:
  - Eligibility and enrollment changes
  - Community engagement and work requirements
  - Delivery system reform
  - Behavioral health (including substance use disorder treatment)
  - Premiums, copays, and/or benefit restrictions
  - Managed long-term services and supports
- To date, the federal government has not approved drug testing as a condition of eligibility for the Medicaid population

Contact Information

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Medicaid Overview | September 2019

How Does Medicaid Work In Kansas?

Single State Medicaid Agency (SSMA) – KDHE – responsibilities:

- Maintains State Plan, and has accountability for 1115 Waiver
- Sets eligibility policy, within federal guidelines, to allow people to apply for Medicaid
- Contracts for Medicaid Management Information System (MMIS) and Kansas Eligibility Enforcement System (KEES)
- Contracts with three Managed Care Organizations (MCOs)
- Primary contact with Centers for Medicare and Medicaid Services (CMS) at the federal level for drawing down federal funds, Maintaining program integrity and combating fraud and abuse, and Submitting federal reports

What is Covered by Medicaid?

Mandatory Services

- Inpatient hospital services
- Outpatient hospital services
- EPSDT: Early and Periodic Screening, Diagnostic, and Treatment Services
- Nursing Facility Services
- Home health services
- Physician services (with limitations)
- Rural Health Clinic services
- Federally qualified health center services
- Laboratory and X-Ray services
- Family planning services
- Nurse Midwife services
- Certified Pediatric and Family Nurse Practitioner services
- Freestanding Birth Center services (when licensed or otherwise recognized by the state)
- Transportation to medical care
- Tobacco cessation counseling for pregnant women

What is Covered by Medicaid?

Optional Services the State Covers

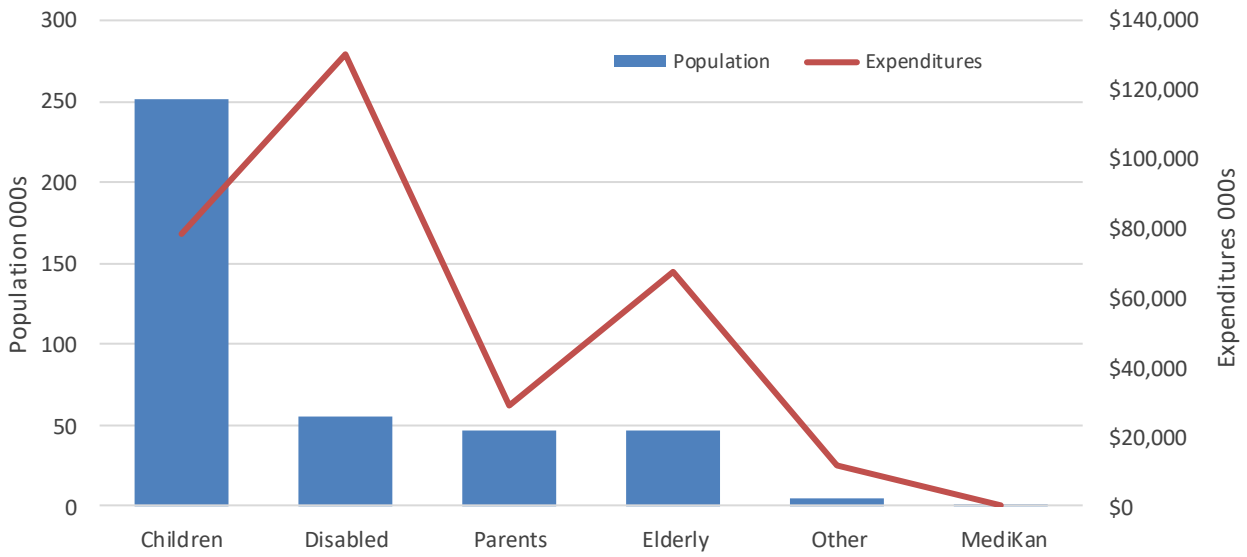
- Prescription Drugs
- Clinic services
- Physical therapy
- Occupational therapy
- Speech, hearing and language disorder services
- Respiratory care services
- Other diagnostic, screening, preventive and rehabilitative services
- Optometry services
- Dental services (EPSDT for Kids, Value Add for Adults)
- Prosthetics
- Eyeglasses
- Other practitioner services
- Private duty nursing services
- Personal care
- Hospice
- Case management
- Services for Individuals Age 65 or Older in an Institution for Mental Disease (IMD)
- Services in an intermediate care facility for individuals with Intellectual Disability
- Inpatient psychiatric services for individuals under age 21
- Health Homes for Enrollees with Chronic Conditions (Effective January 1, 2020)
- Other services approved by the secretary

Average Monthly Members in Kansas Medical Assistance Programs: FY 12-18

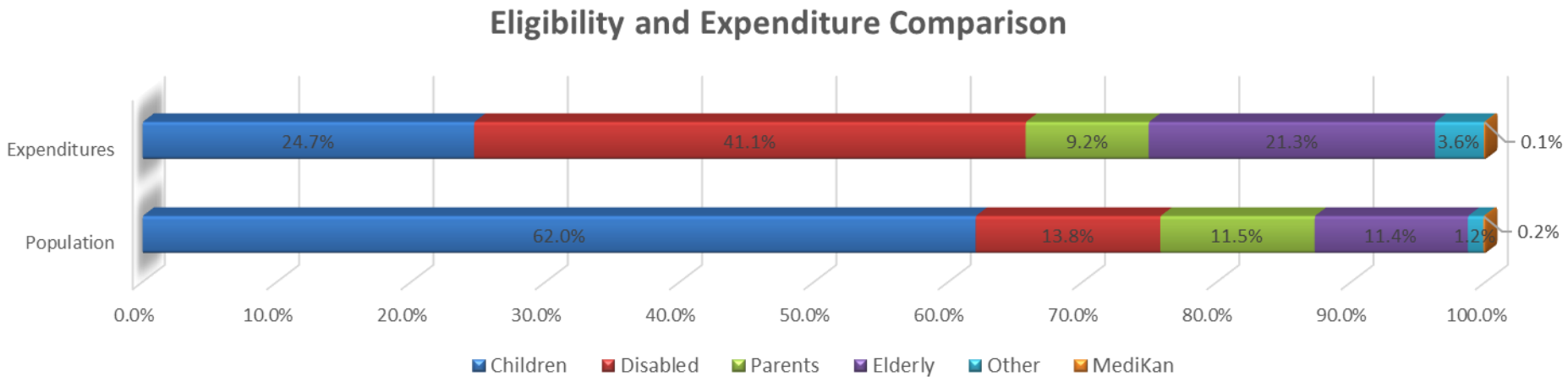
Population	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Families	227,999	231,982	240,765	257,513	272,553	282,078	267,032
Disabled	64,209	63,742	63,398	62,420	61,678	61,817	61,942
CHIP	47,235	51,691	56,753	54,652	49,502	38,364	39,578
Aged	40,876	42,271	43,832	43,969	44,050	45,557	46,885
Foster Care and Adoption	14,516	15,004	15,287	16,025	16,708	16,927	17,536
Other Populations	1,168	1,262	1,330	1,379	1,486	1,425	1,442
MediKan	766	566	588	692	803	1,248	1,107

Medicaid/CHIP Member Eligibility and Expenditures

Calendar Year 2019 (Jan - Jun)



	% Total	
	Population	Expenditures
Children	62.0%	24.7%
Disabled	13.8%	41.1%
Parents	11.5%	9.2%
Elderly	11.4%	21.3%
Other	1.2%	3.6%
MediKan	0.2%	0.1%



Waivers

1115 Research & Demonstration Waiver

- KanCare is operated under a comprehensive 1115 Waiver
  - The waiver governs the entire program, and each of the 1915(c) waivers are under the 1115 umbrella (these are the HCBS waivers administered by KDADS)
  - Authority to require most beneficiaries to receive all their services through managed care plans
  - Authority for MCOs to manage HCBS waiver services along with physical and behavioral health services
  - Over 100 special terms and conditions (STC) that must be monitored

Medicaid Waiver Cost/Budget Requirements

- 1915(c) or HCBS waivers must be cost neutral – per capita costs do not exceed average cost of institutional settings

- 1115 waivers must demonstrate budget neutrality – federal spending cannot exceed what would have been spent in the absence of the waiver

Eligibility

General Requirements

- An application must be received
- The applicant must be able to act on their own behalf – at least 18 years old – Guardian and/or Conservator has to apply
- To qualify for medical coverage, persons must be a US citizen or eligible non-citizen. Foster Care Medical can cover any non-citizen child
- The applicant must be a resident of Kansas
- The applicant must provide all needed information and cooperate with the application process
- All persons residing in the household must be included on the application
- Financial requirements vary, depending on which population one is classified as (i.e. – Family Medical, Disabled, Pregnant, etc.)

Eligibility Federal and State Comparisons

Eligibility Group	Federal Minimal Requirement as Percentage of Federal Poverty Level[19]	Range of state eligibility by Percentage of Federal Poverty Level
Children ages 0-1	138%	144-324%[20]
Children ages 2-5	138%	138%-324%[20]
Children ages 6-18	100%	133%-324%[20]
Pregnant women	138%	138%-380%[20]
Parents	11%	18%-221%[21]
Disabled	75%	75%-100%[22]
Elderly (65+)	75%	75%-100%[22]
Childless adults	For expanded states: 138% Non-expanded states: none	Expanded states: 138%-215% Non-expanded states: no coverage, except for Wisconsin, which covers 100% FPL[21]

Source: Medicaidinnovation.org

Kansas Eligibility Guidelines

Caretaker Medical	
Household Size	38% Caretakers and Children
1	396.00
2	536.00
3	676.00
4	816.00
5	956.00
6	1096.00
7	1236.00
8	1376.00
Extra Person	140.00

	Medicaid Children and Pregnant Women						M-CHIP	
Household Size	113% Children ages 6 – 18		149% Children ages 1-5		171% PW & Infants under age 1		113 - 133% Children ages 6–18	
	Lower Limit	Upper Limit	Lower Limit	Upper Limit	Lower Limit	Upper Limit	Lower Limit	Upper Limit
1	0	1177	0	1551	0	1780	1177.01	1385
2	0	1593	0	2100	0	2410	1593.01	1875
3	0	2009	0	2649	0	3040	2009.01	2365
4	0	2425	0	3198	0	3670	2425.01	2854
5	0	2842	0	3747	0	4300	2842.01	3344
6	0	3258	0	4295	0	4930	3258.01	3834
7	0	3674	0	4844	0	5559	3674.01	4324
8	0	4090	0	5393	0	6189	4090.01	4814
Extra Person		417		549		630		490

	CHIP Children										
Household Size	134 - 166% Children ages 6–18 No premium		150 - 166% Children ages 1–5 No premiums		167 - 191% Children ages 0–18 $20 premium			192 - 218% Children ages 0–18 $30 premium		219 - 225% Children ages 0-18 $50 premium	
	Lower Limit	Upper Limit	Lower Limit	Upper Limit	Lower Limit Infants under 1	Lower Limit Children 1-18	Upper Limit	Lower Limit	Upper Limit	Lower Limit	Upper Limit
1	1385.01	1728	1551.01	1728	1780.01	1728.01	1988	1988.01	2270	2270.01	2446
2	1875.01	2340	2100.01	2340	2410.01	2340.01	2692	2692.01	3072	3072.01	3312
3	2365.01	2951	2649.01	2951	3040.01	2951.01	3396	3396.01	3875	3875.01	4178
4	2854.01	3563	3198.01	3563	3670.01	3563.01	4099	4099.01	4678	4678.01	5043
5	3344.01	4174	3747.01	4174	4300.01	4174.01	4803	4803.01	5481	5481.01	5909
6	3834.01	4785	4295.01	4785	4903.01	4785.01	5506	5506.01	6284	6284.01	6774
7	4324.01	5397	4844.01	5397	5559.01	5397.01	6210	6210.01	7087	7087.01	7640
8	4814.01	6008	5393.01	6008	6189.01	6008.01	6913	6913.01	7890	7890.01	8506

- Kansas does not provide a Medicaid option for childless adults, regardless of income
- Non-pregnant parents and caretakers are restricted to income of 38% of FPL to be eligible for KanCare
- Because the Federal Exchange does not provide subsidies until one is at 100% of FPL, there is a **coverage gap in Kansas for those between 38% and 100% of FPL**

Next Steps

- Expansion in Kansas would most efficiently be implemented by amending our current 1115 Waiver to include the expansion population (up to 138% of FPL) as a covered population
- Would provide access to comprehensive, integrated care for low income adults in our state
  - Mothers would receive health care *prior* to becoming pregnant
  - Expansion would provide greater capacity to serve those in need of behavioral health and SUD services, which has been the experience of other states

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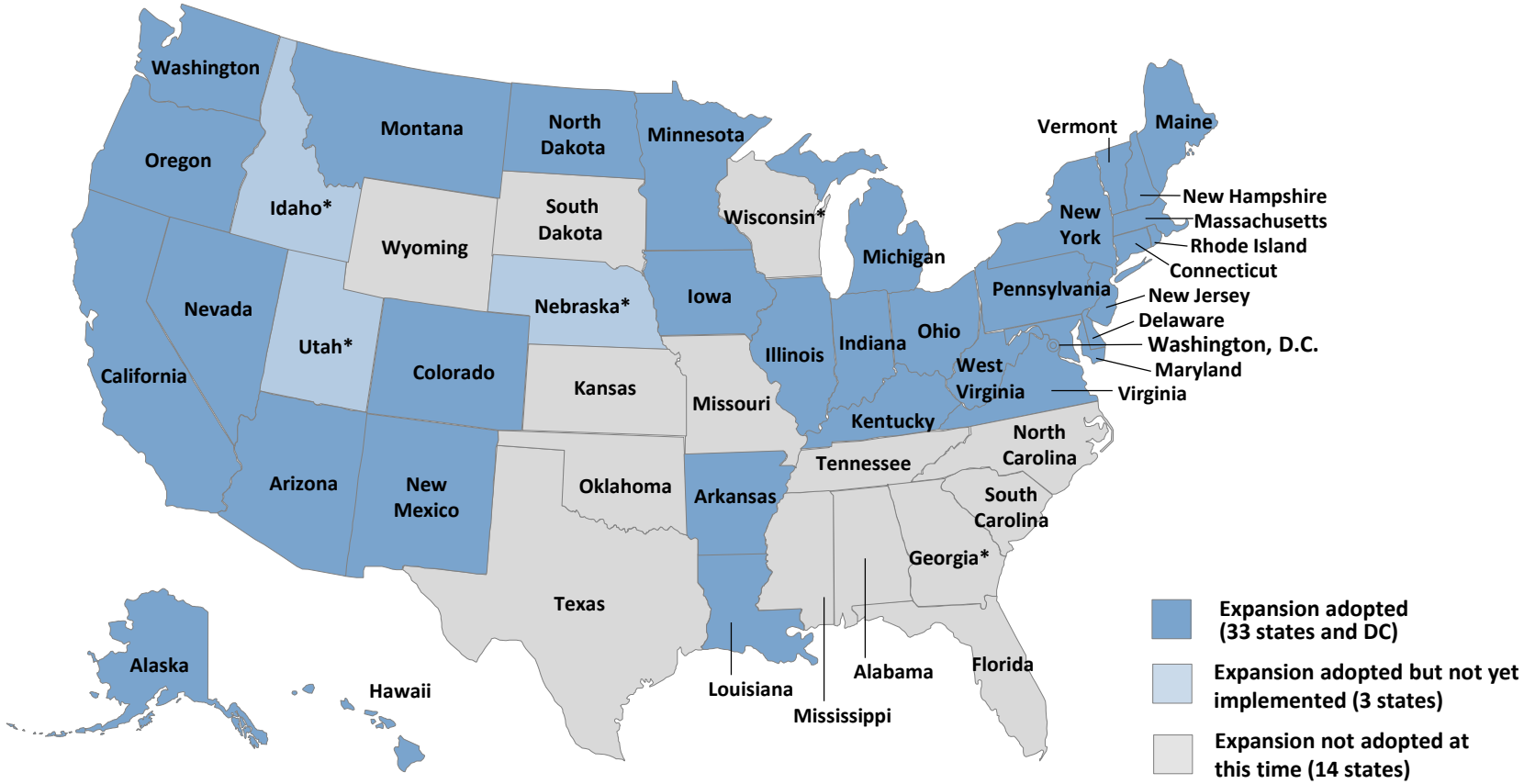
Medicaid Expansion Experience Across States

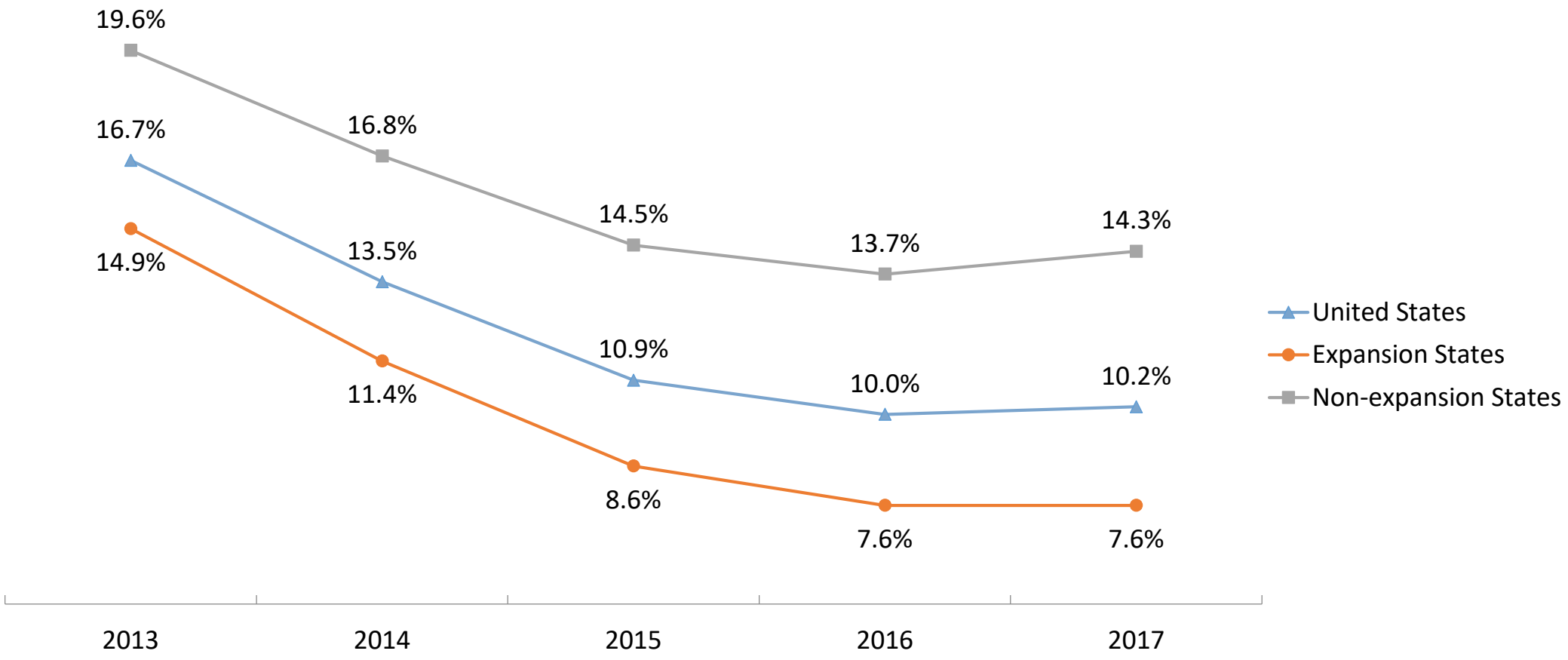
September 30, 2019

Medicaid Expansion Landscape, as of September 2019



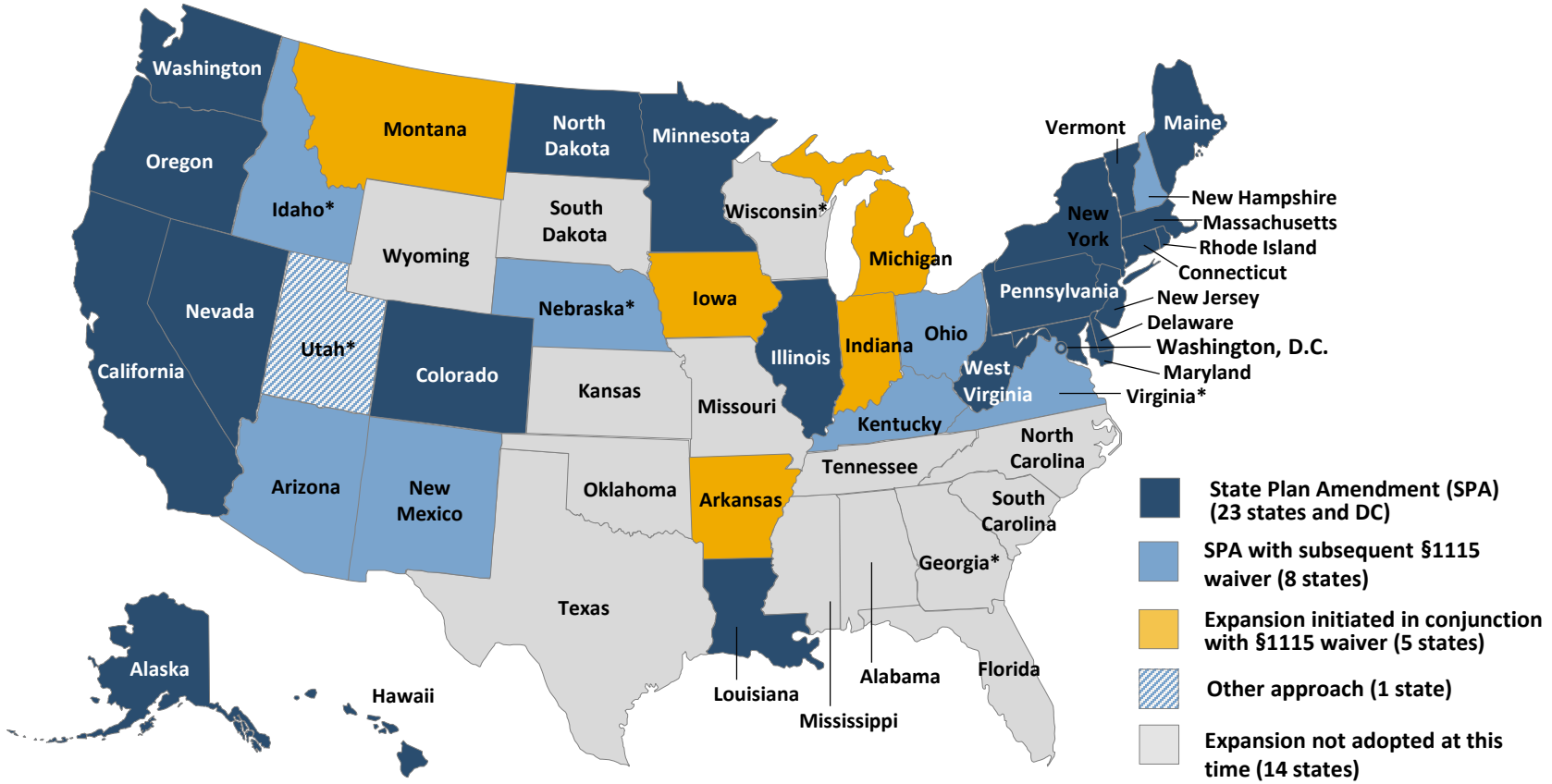
Note: Idaho, Nebraska, and Utah have adopted but not yet implemented Medicaid expansions approved through ballot initiatives. All three modified the law to add other coverage limitations requiring waivers. Utah implemented a partial expansion (up to 100% FPL) at regular match, sought enhanced match for a partial expansion, keeping full expansion as the back up if CMS denied the request. CMS turned down that request but has not formally denied the waiver. Georgia passed legislation seeking §1115 waiver authority for a partial expansion at the enhanced federal matching rate. Wisconsin covers individuals up to 100% FPL at the regular federal matching rate. Updated as of September 2019.

Nonelderly Uninsured Rate, 2013-2017



Note: State Medicaid expansion status as of Jan 1, 2017. Data include persons under age 65.
Source: U.S. Census American Community Survey, 2013 – 2017.

State Approaches to Medicaid Expansion



Notes: Idaho, Nebraska, and Utah have adopted but not yet implemented expansions approved through ballot initiatives. All three modified the ballot-initiated legislation in ways that require waivers. Idaho and Nebraska are pursuing waivers but under state law expansion can proceed while waivers are under review (or if waivers are denied in whole or in part). Utah implemented a partial expansion (up to 100% FPL) at regular match, sought enhanced match for a partial expansion, keeping full expansion as the back up if CMS denied the request. CMS turned down that request but has not formally denied the waiver. Georgia law directs the state to apply for a waiver for a partial expansion at the enhanced federal matching rate. Wisconsin covers individuals up to 100% FPL at the regular federal matching rate. Virginia has not yet received CMS approval for its §1115 waiver. Updated as of September 2019.

Coverage-Related Waivers: Guardrails Established to Date

Each of these Medicaid coverage-related waiver proposals has been turned down by the Trump Administration based on policy or legal grounds:

- Lifetime enrollment limits (Arizona)
- Asset test (New Hampshire)
- Drug testing as a condition of eligibility (Wisconsin)
- Federal Medicaid funding for work supports in conjunction with work/community engagement requirements (General Guidance)
- Partial expansion and enrollment caps in conjunction with the enhanced match for expansion adults (Utah)

Medicaid Expansion Cost Projections

- States rely on key data points about the newly eligible Medicaid population to make accurate state budget projections, including:

Health status of the uninsured

Health care utilization of new Medicaid enrollees

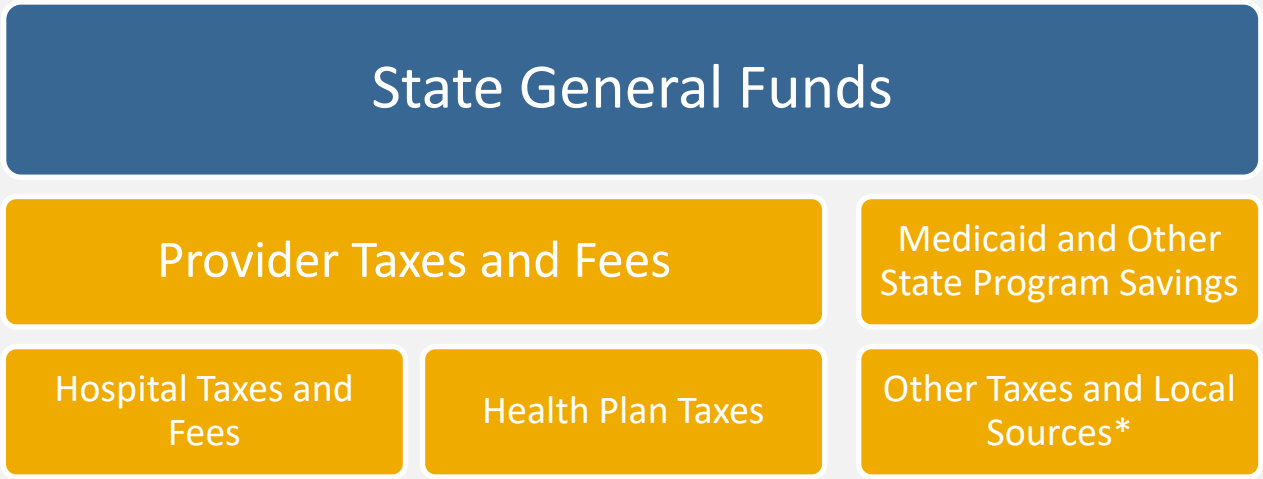
New Medicaid enrollment and take-up rate

Medicaid and non-Medicaid state program savings

- Prior to 2014, little data were available on these metrics. Some states under and overestimated the impact of Medicaid expansion on state budgets.
- Better information is now enabling more recently expanding states to more accurately predict the fiscal impacts of Medicaid expansion.

Sources of Funding for Medicaid Expansion

- Sources of non-Federal funding for the Medicaid expansion are similar to those for the regular Medicaid program.
- Most states use state general funds and a combination of funding sources.
- Medicaid expansion has generated state savings by offsetting costs related to behavioral health services, the criminal justice system, SSI program costs, and by covering populations previously funded at the regular federal match rate.



*Note: *"Other" includes cigarette taxes (IN), increases in drug rebates (KY), local government funds (IL), and "other revenue" (NH).*
Source: KFF, Medicaid Enrollment & Spending Growth: FY2018 & 2019, October 2018.

Impacts of Medicaid Expansion

The body of evidence related to impacts of Medicaid expansion on coverage, health outcomes, access to care, and state budgets continues to grow. For example:

Coverage

- Medicaid expansion has resulted in significant coverage gains among low-income and vulnerable populations and reductions in disparities.
- Multiple studies have found limited to no evidence of Medicaid expansion "crowd-out" of private insurance coverage following the Medicaid expansion.

Access to Care

- Multiple studies have demonstrated increased utilization of preventive care for a range of conditions including cancer, diabetes, and heart disease.
- Medicaid expansion is associated with 30 additional diabetes prescriptions filled per 1,000 population among adults ages 20 to 64 in 2014-2015 relative to states that did not expand Medicaid.

Health

- Low-income individuals in Kentucky and Arkansas reported a 23 percentage point increase in "excellent" self-reported health from 2013 to 2016.
- Mean infant mortality rates declined in Medicaid expansion states but rose slightly in non-expansion states from 2014 to 2016.

Sources: KFF, The Effects of Medicaid Expansion under the ACA: Updated Findings from a Literature review, March 2018; The Effects of Medicaid Expansion Under the ACA, State Health & Value Strategies, September 2018; Sommers et. al., Three-Year Impacts of the Affordable Care Act: Improved Medical Care and Health Among Low-Income Adults, Health Affairs 2017;36(6):1119-28.

Impact of Medicaid Expansion, *continued*

Affordability

- Multiple studies show large declines in out of pocket costs, delays in seeking care due to cost, and medical debt among Medicaid expansion enrollees.
- Medicaid expansion has resulted in significant declines in uncompensated care for hospitals, clinics, and other providers.

Labor Market

- Ohio Medicaid expansion enrollees reported that Medicaid enrollment made it easier to seek employment and continue working.
- Medicaid expansion created 31,074 additional jobs in Colorado as of FY2015-2016 and will create an estimated 40,000 jobs in Kentucky through SFY2021 with an average salary of $41,000.

State Budget Impacts

- Montana's state budget savings through state fiscal year 2017 exceed $36 million as a result of Medicaid expansion.
- As of March 2018, Medicaid expansion in Louisiana created nearly 19,000 jobs and enhanced state revenues by more than $100 million.

Sources: KFF, The Effects of Medicaid Expansion under the ACA: Updated Findings from a Literature review, March 2018; Manatt Health, Medicaid expansion: How it affects Montana's state budget, economy, and residents, Montana Healthcare Foundation, 2018; Richardson et. al., Medicaid expansion and the Louisiana economy, LSU. 2018.

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August 2019

Montana Medicaid Expansion Experience

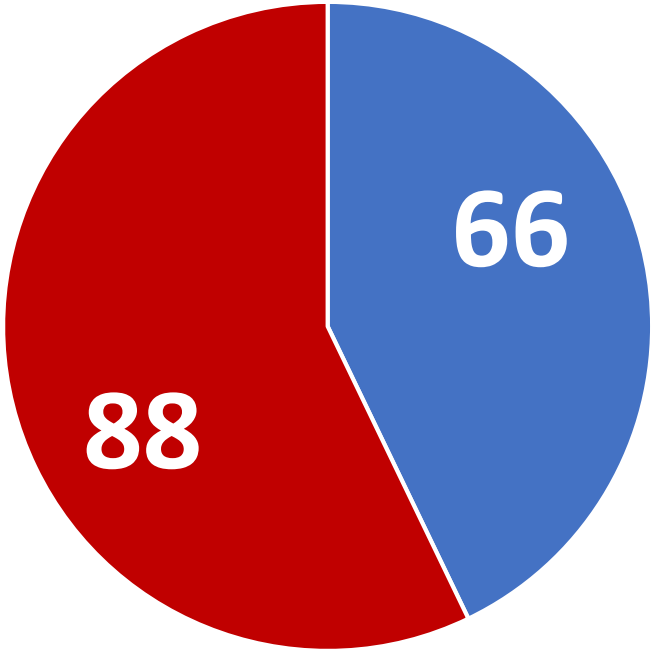
Montana

2013 Did not expand, failed by 1 vote, a 50-50 tie on a procedural issue

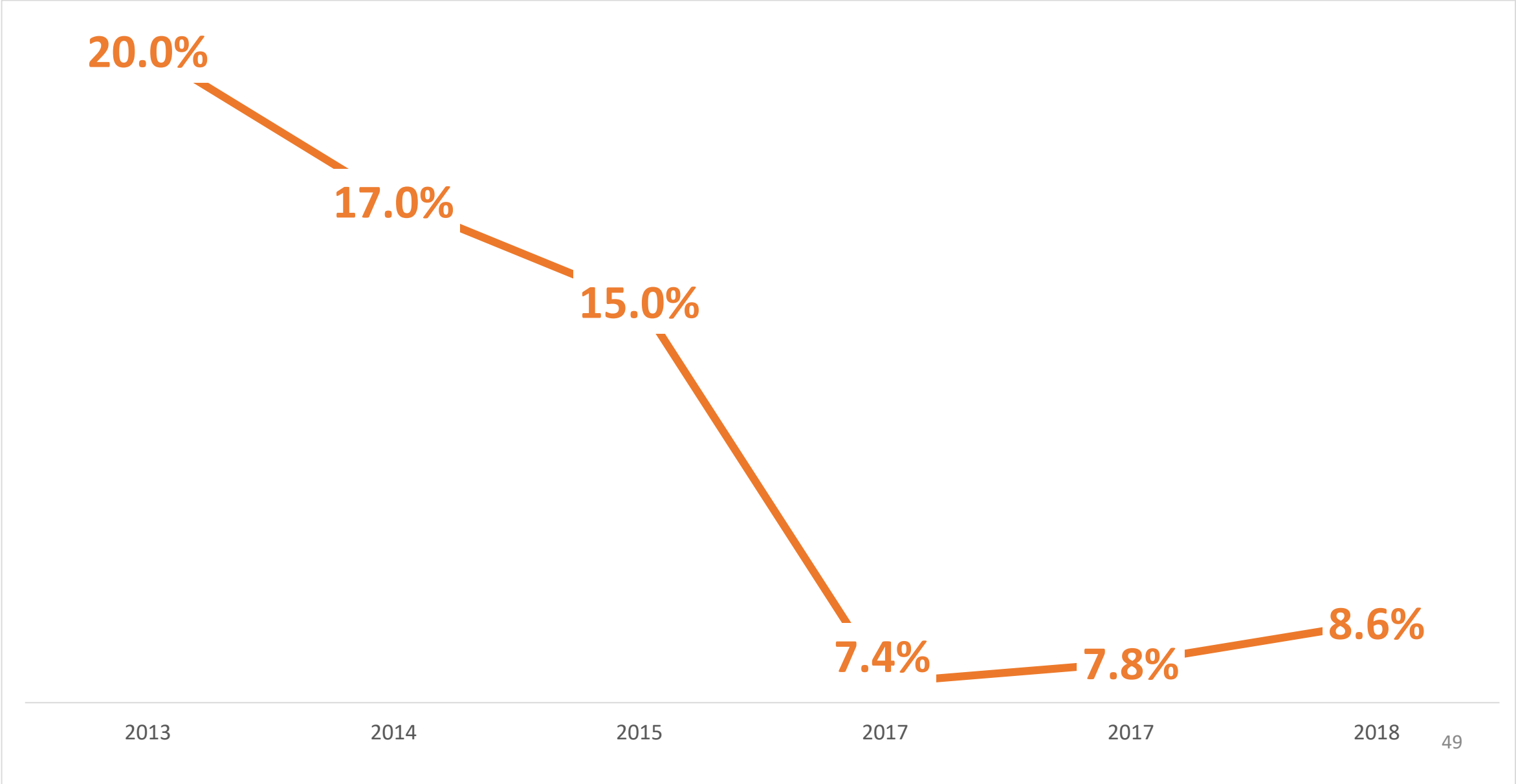
2015 Passed in 2015 with GOP sponsor and bi-partisan support

2016 Coverage began January 1st

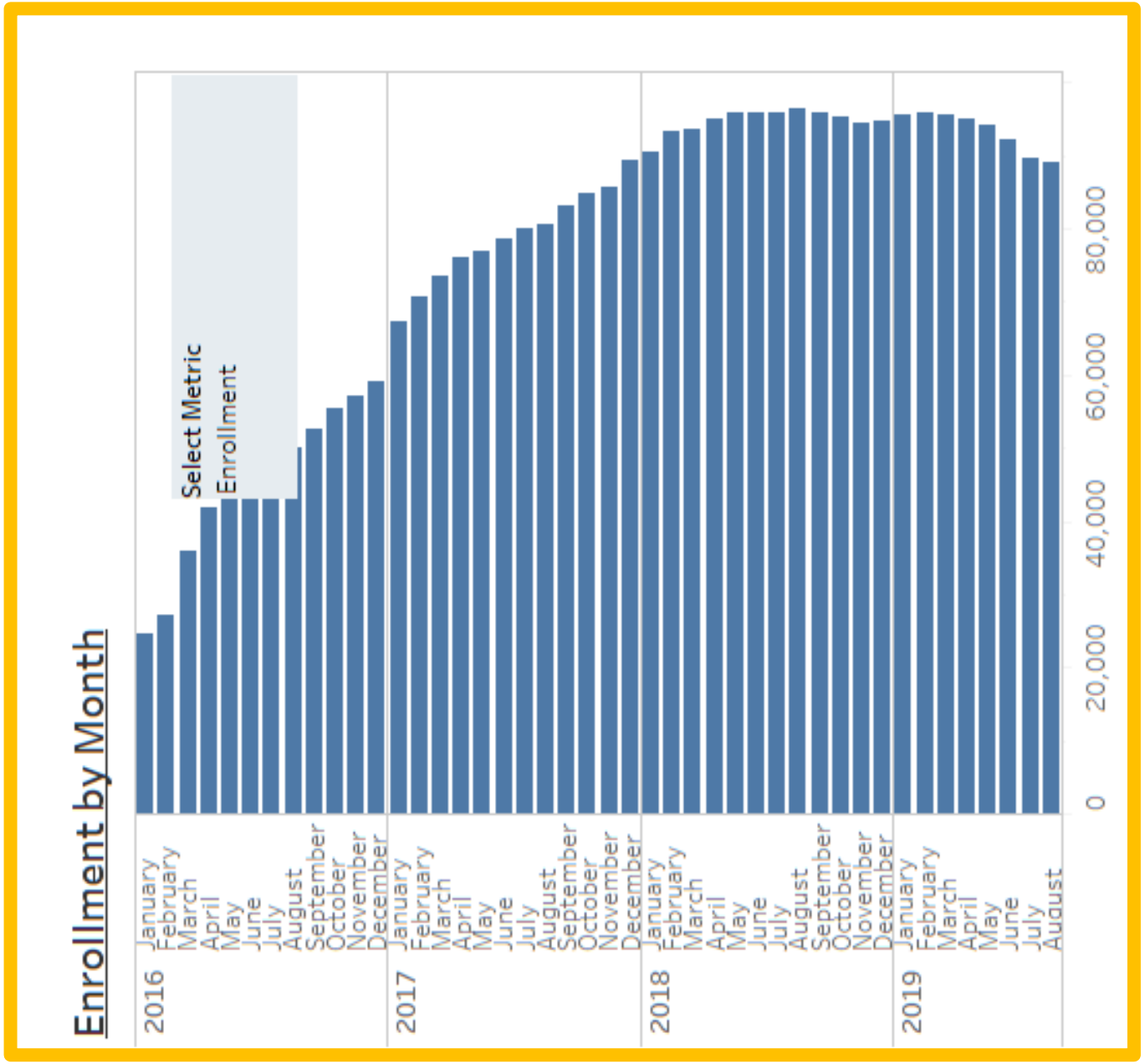
Montana Legislature Combined House and Senate Partisan Composition



Uninsured Rate Has Fallen by More Than Half Since 2013



Medicaid expansion covers 89,779 people today, nearly 1 in 9 Montanans.



A Healthier Montana

Montana's Medicaid Expansion Has Enabled Access to Critical Preventive Services

Preventing problems before they occur

- Expansion enrollees have received over 9,257 breast cancer screenings, 8,172 colon cancer screenings – with 3, 015 possible cases of colon cancer averted.
- 2,580 adults have been newly diagnosed and now treated for hypertension.
- 1,186 adults newly diagnosed and now treated for diabetes.

Preventing problems from worsening

- Screenings help to identify harmful conditions early, maximizing treatment success and minimizing long-term treatment costs.
- 9,505 people received a breast cancer screening, 142 people are now being treated.

Over **102,835** Montana Medicaid expansion adults accessed preventive services

*January 2016-June 2019.

Healthier People, Healthier Communities

Nearly half of expansion enrollees report improved general health since becoming covered by the plan.

Nearly 12,000 adults have received substance use treatment.

More than 39,000 people have received mental health services.

Without Medicaid expansion, 75% of enrollees would have difficulty paying for basic housing needs or food. 90% would struggle to pay for medical visits, medication, or other healthcare.

Healthy Montanans work. Medicaid coverage makes it easier to work, find a new job, and succeed in today's economy.

Veterans and their families

Before Medicaid expansion, Montana had the highest percentage of uninsured veterans in the nation. About 9,500 Montana veterans and their families are eligible for coverage.[2]

24 % of Montana veterans are not eligible for VA health care.[3]

In 2015, only 40 % of all eligible veterans were enrolled in the VA health care system.[1]

Because the VA only has one main medical center in our state, Medicaid gives veterans and their family members who live in rural communities access to care closer to home.[4]

Medicaid expansion has **reduced** the number of Montanans on Social Security Disability.

- Before Medicaid expansion, many Americans with disabilities were locked into poverty to maintain eligibility for Medicaid coverage.
- Thanks the bi-partisan group of leaders in the Montana legislature, people can now qualify for coverage without first going through a disability determination process and declaring an inability to work to obtain Supplemental Security Income.
- Medicaid expansion coverage also allows for greater employment earnings for parents who were eligible for Medicaid before the HELP Act passed.
- The number of those who report not working because of a disability has declined in expansion states, including Montana.

Rural Communities that Thrive

Medicaid expansion has improved access to quality, affordable health care for low-income Montanans and supported our communities and our state's economy

Healthy communities isn't a red or a blue issue: it's a Montana value.

Medicaid Expansion has been a lifeline for access to care and rural communities.

Supporting Rural Montana – Keeping Rural Hospitals and Clinics Open

Almost half (48%) of Medicaid expansion enrollees live outside of Montana's seven largest urban areas.

Not one rural hospital or clinic has closed since passage of the Medicaid bill, while hospitals in non-expansion states are 6 times more likely to close.

Medicaid expansion led to decreasing hospital's uncompensated care costs $103 million – 45% – in the first year of expansion alone, and an increase in Medicaid revenue for community health centers of $11.7 million.

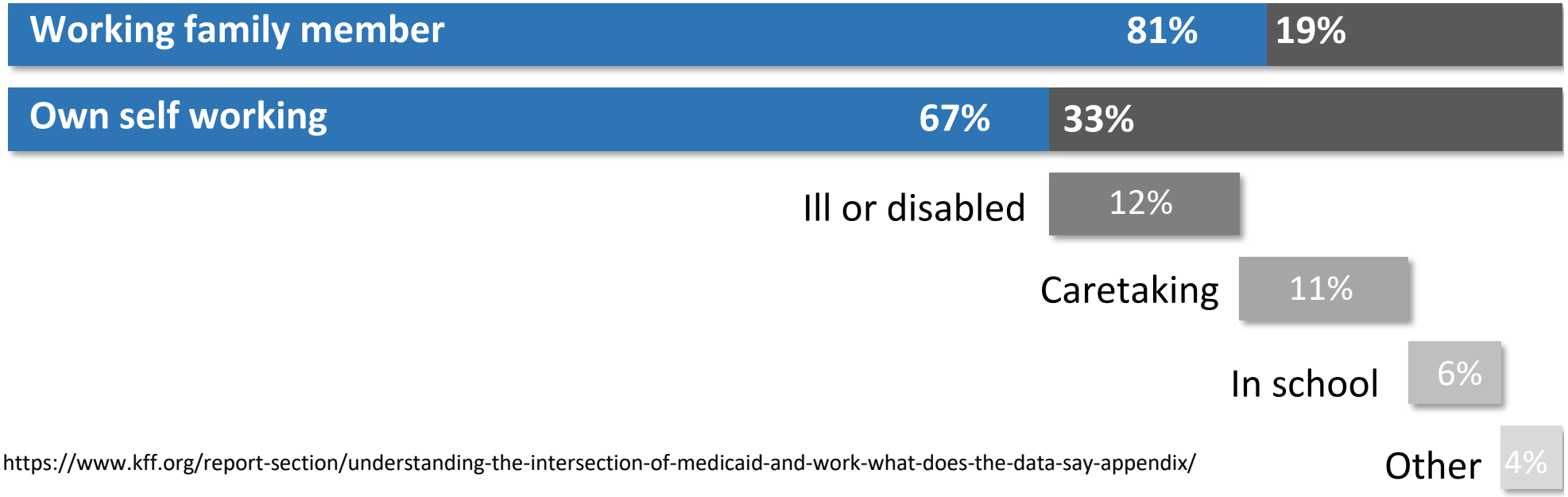
MT's national health status ranking has increased to #21 – the highest its been in a decade.

Montana Workforce Landscape

- In Montana only 35% of private sector employers offer health benefits.
- MT's economy is driven by industries that include agriculture and tourism, natural resources –which have seasonal aspects in our cold northern climate.
- Low-wage jobs are also unstable, with frequent turnovers that leave people unable to find work in some months.

Healthy Montanans Work

- Among adults with Medicaid expansion coverage in Montana:
  - More than **8 in 10** live in working families.
  - Nearly **7 in 10** are themselves working, ranking Montana in the top 10 for all states.
  - Of those not working, more than **1 in 3** are ill or disabled; the remainder reported that they were taking care of family or home, in school, or had another reason (e.g., were looking for work but could not find it).



Source: https://www.kff.org/report-section/understanding-the-intersection-of-medicaid-and-work-what-does-the-data-say-appendix/

Medicaid expansion has saved Montana businesses millions in health care costs.

3 in 5 businesses

Medicaid expansion works as a small business subsidy with 3 out of 5 businesses -- at least 30% in every county--employing Montanans covered by Medicaid.

16% of private workforce

Roughly 16% of Montana's private sector workforce had health coverage provided by Montana Medicaid.

The full report and additional details are available at lmi.mt.gov/Portals/193/ Publications/LMI-Pubs/Special Reports and Studies/MT-Medicaid_Report.pdf.

Medicaid Helps Montana's Key Industries

Nearly **90%** of employers in the accommodations and food service sector have employees covered by Medicaid.

Over **half** of construction firms had employees covered by Medicaid expansion.

67% of retail businesses had employees covered by Medicaid expansion.

Medicaid expansion has helped make Montana an even better place to live, work and do business while better positioning our state for economic growth.

- Economic benefits of Medicaid expansion far exceed costs.
- Medicaid expansion has added **$600 million** in economic output to Montana's economy **each year.**
- It has fueled **9,715** new jobs, **$793 million** in associated wages and **$30.5 million** in new state tax revenue.
- Additionally, Medicaid is expected to generate **$1.6 billion** in personal income and **$2.1 billion** in economic output or new sales during its first five years.

Offers Montanans new help increasing earning potential, finding new work and help getting new job skills or education.

Personalized assessments so people can be matched with the best programs to meet their needs.

Intensive one-on-one **employment planning and job search services**, help with resumes and cover letters.

Access to subsidized **job training** resources that help employees and businesses.

Labor market information – to **help identify high growth, high demand jobs.**

Paying for licensing, certification, training programs and even 2 years of community college

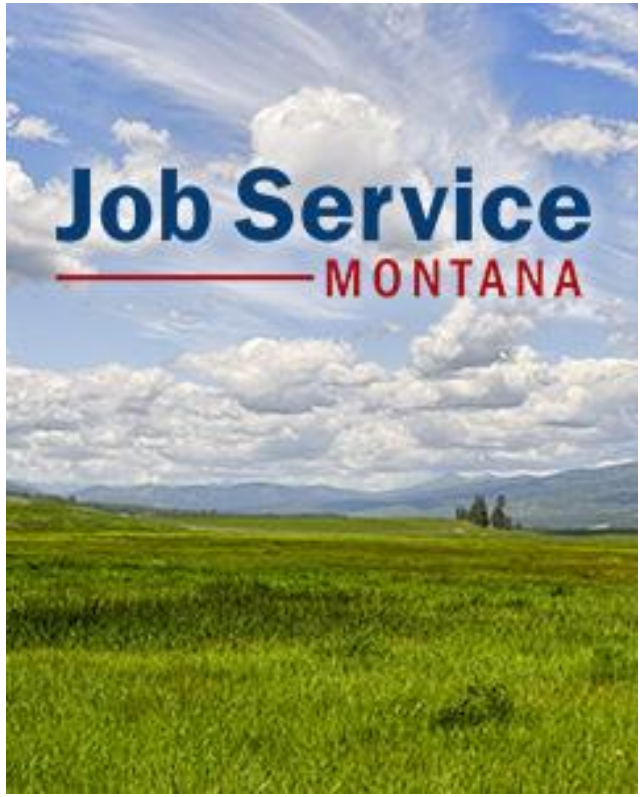
Help removing **barriers to employment**, such as lack of child care or poor credit rating.

Barriers to Employment

Personal finances/credit history	16.9%
Felony/misdemeanor conviction	12.6%
Lack of transportation	9.7%
Poor physical health	8.4%
Mental illness	6.6%
Physical disability	6.4%
Lack of childcare	5.6%
Lack of housing	5.2%
Lack of telephone	4.3%
Caring for a family member with health issues	3.8%
Learning disability	3.5%
Probation	2.8%
Substance use disorder	2.6%
Domestic violence	1.9%
Court mandated programs or classes	1.2%

Operating HELP-Link

- Voluntary program launched by Montana's Department of Labor and Industry with existing resources repurposed for this effort, including redirecting a portion of state unemployment tax and use of existing WIOA and other funds. Not a work requirement.
- No new FTE, no new state general fund dollars.
- Healthy people work. Medicaid coverage makes it easier to work, find a new job, and succeed in today's economy.
- Montana's Medicaid benefits include dental and vision. It's hard to get a good job if you can't see or smile.



Montana's HELP-Link is the **only** model in the nation proven to increase workforce participation among Medicaid eligible population.

- Medicaid expansion has contributed a **6% increase** in Medicaid-eligible adults **joining the workforce.**
- For the over 29,000 Montana Medicaid recipients receiving some type of workforce training, **81% are employed** in the quarter after completing training.
- About **71% experience wage increases** in the year after participation (compared to the year before).
- With a **median increase of $8,060** annually a median wage after completion of $16,784.

Thank you

For more information:

https://dphhs.mt.gov/helpplan/medicaidexpansiondashboard

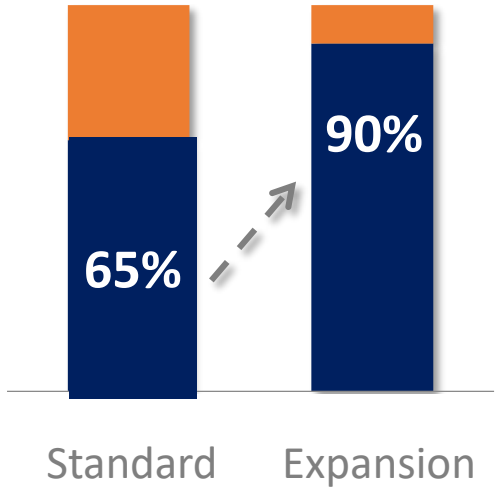
Differences in implementation of Medicaid expansion across space and time create fertile opportunities for evaluation.

Hundreds of studies have found that Medicaid expansion effects important outcomes, including:

- Medicaid expansion improves self-reported health. Residents in expansion states were 5.1 percentage points more likely to report excellent health than residents of non-expansion states.
- Medicaid expansion improves health care quality, particularly in rural areas.
- Medicaid expansion improves financial health. It has reduced medical debts, prevented 50,000 bankruptcies, and improved credit terms available to low-income borrowers.
- Medicaid expansion reduces crime by more than 3%, generating social benefits of over $13B annually.

For an expansive recent bibliography see: Antonisse, L., Garfield, R., Rudowitz, R., & Artiga, S. (2018). The Effects of Medicaid Expansion under the ACA: Updated Findings from a Literature Review. https://www.kff.org/medicaid/issue-brief/the-effects-of-medicaid-expansion-under-the-aca-updated-findings-from-a-literature-review-march-2018/

Medicaid Expansion Generates State Budget Savings in Two Ways



1 Montana receives higher federal "match rates" for some existing Medicaid populations

Match rate or federal medical assistance percentage (FMAP):
The proportion of covered state Medicaid service costs eligible for federal reimbursement. The higher the match rate for a population or service type, the more the federal government will contribute to service cost payment.

2 Montana gains access to new federal dollars that replace State spending for some other services and populations

1 Expansion Saves Montana About $30 Million Every Year (Costs Avoided)

Populations with savings from moving to enhanced federal match include:

Certain enrollees with limited coverage under a previous waiver

– Savings of **$9.8 million** through SFY 2017

Pregnant women

– Savings of **$5.0 million** through SFY 2017

Medically needy

– Savings of **$4.0 million** through SFY 2017

Breast & cervical cancer enrollees

– Savings of **$1.0 million** through SFY 2017

2 Expansion Saves Montana About $30 Million Every Year (Costs Avoided)

Mental Health Services = Savings of $3.1 million (Through SFY 2017)		
Pre-Expansion		**Post-Expansion**
The Montana Mental Health Services Program (MHSP) served Montanans up to 150% FPL who would otherwise lack coverage.	→	A substantial portion of individuals served by the MHSP transferred to full Medicaid coverage of their mental health and other service needs.

Substance Use Disorder (SUD) Treatment = Savings of $3.0 million (Through SFY 2017)		
Pre-Expansion		**Post-Expansion**
Montana Medicaid did not play central role, and SUD treatment services were funded by a patchwork of federal block grant, State alcohol tax and State general funds.	→	Many people receiving State-funded SUD treatment gained Medicaid coverage of those services. State alcohol tax and general funds were freed up as a result of the new federal Medicaid dollars.

Health Care for Inmates = Savings of $10.5 million (Through SFY 2017)		
Pre-Expansion		**Post-Expansion**
The State paid for 100% of costs for most inmate hospitalizations, at commercial rates.	→	Many inmates now qualify for Medicaid, which covers their hospitalizations (over 24 hours) at Medicaid rates.

Ohio's Medicaid Expansion

Greg Moody, Executive in Residence
John Glenn College of Public Affairs

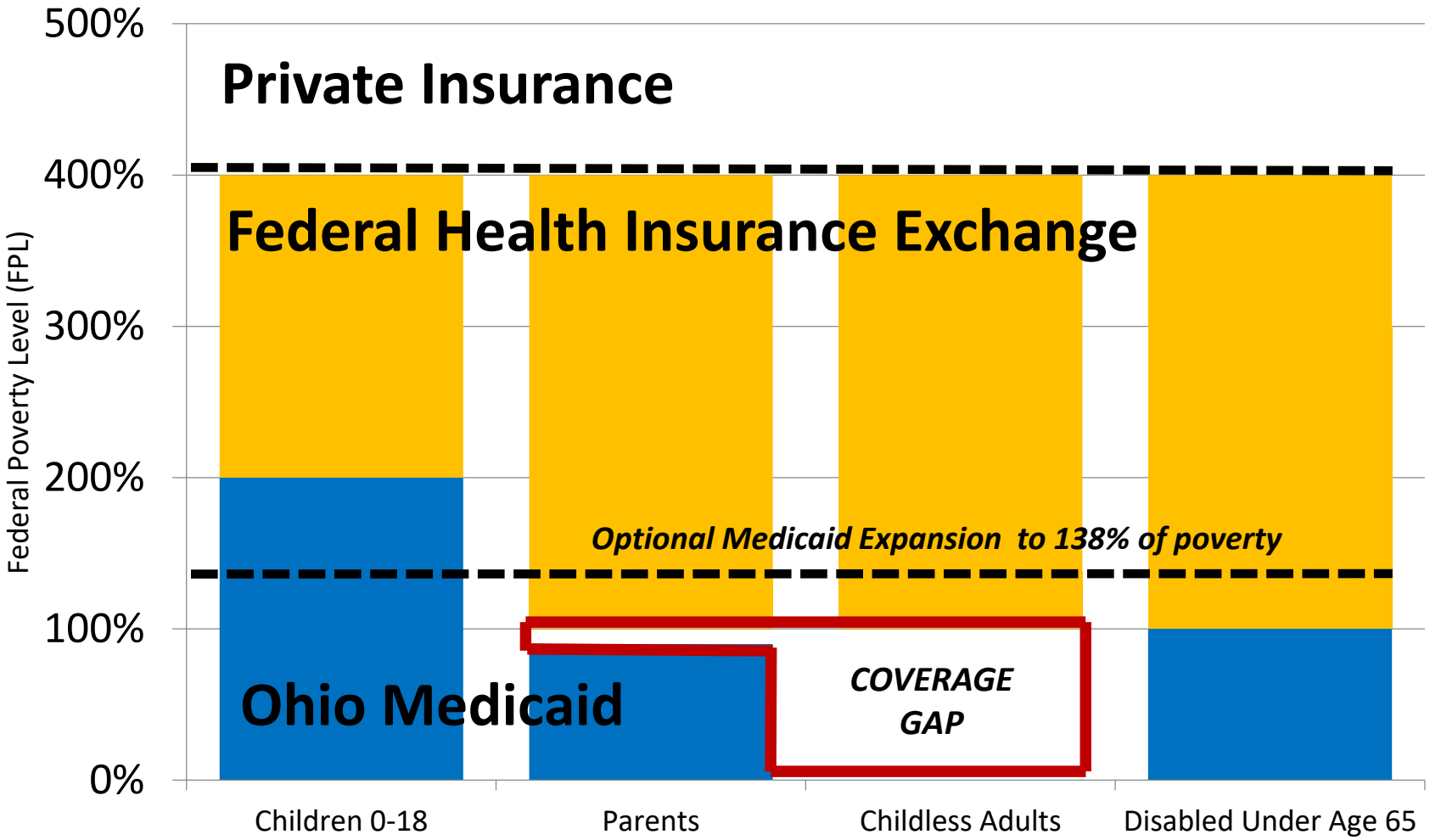
Kansas Governor's Council on Medicaid Expansion
September 20, 2019

Ohio's Path to Medicaid Expansion

- 2010 – Governor Kasich took office under a federal mandate to expand with Medicaid growing 10% annually and $8 billion state budget deficit.
- 2012 – by the time the Supreme Court made expansion optional, Ohio Medicaid was growing 3% with $2 billion in the rainy-day fund.
- A majority in the legislature – including a majority in the Republican caucus – supported expansion but didn't want to take the vote.
- 2013 – Governor Kasich submitted Ohio's State Plan Amendment (SPA) without legislative approval and CMS approved in October.
- The Ohio General Assembly's Controlling Board voted 5-2 to increase the federal appropriation necessary to receive expansion funds.
- January 1, 2014 – Ohio Medicaid expanded to 138% of poverty.

Governor Kasich's policy team preparing for Controlling Board, October 2013

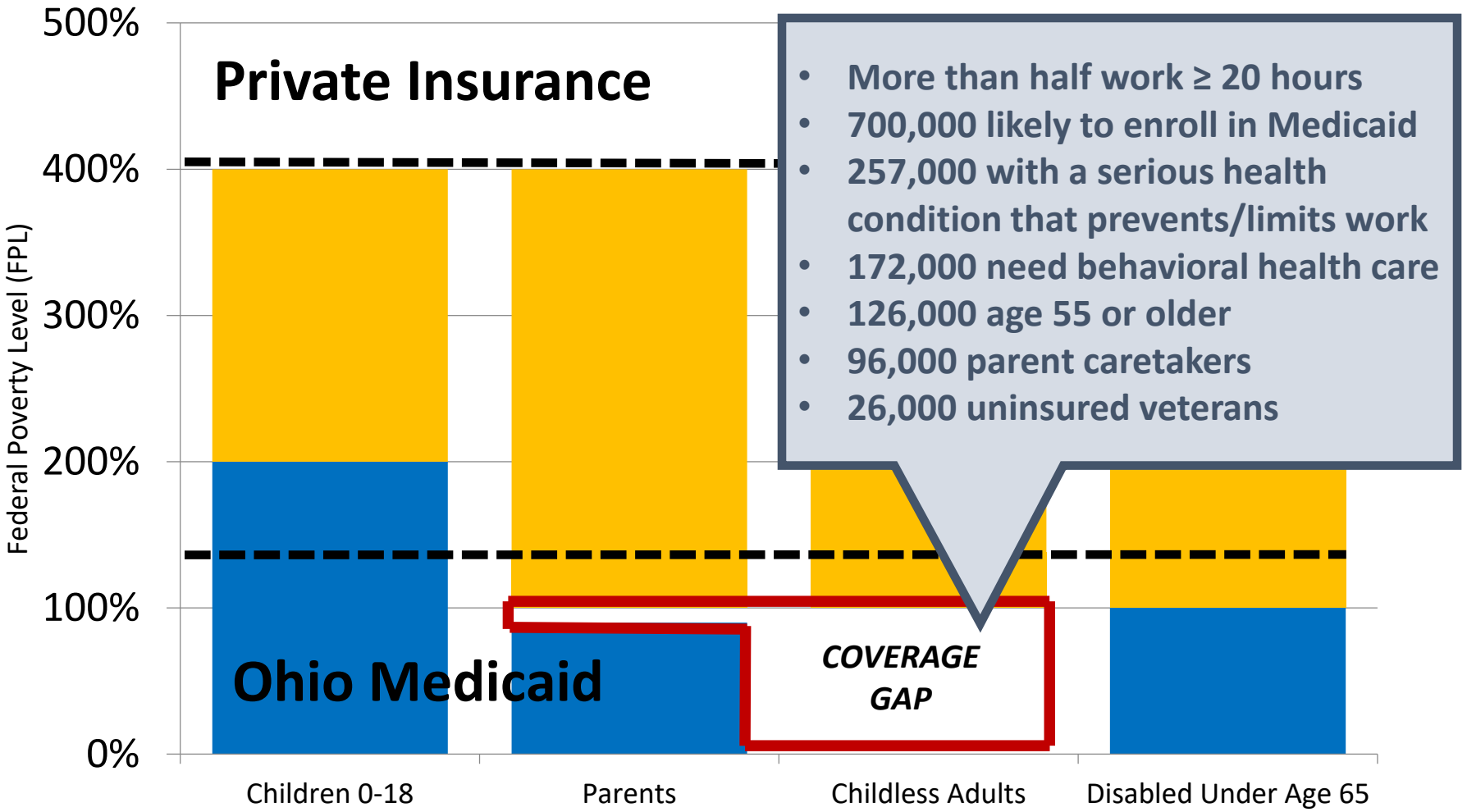
Ohio Income Eligibility Levels for Health Coverage, 2013



JOHN GLENN COLLEGE OF PUBLIC AFFAIRS
Inspiring Citizenship, Developing Leadership

SOURCE: Ohio Governor's Office of Health Transformation (2013).

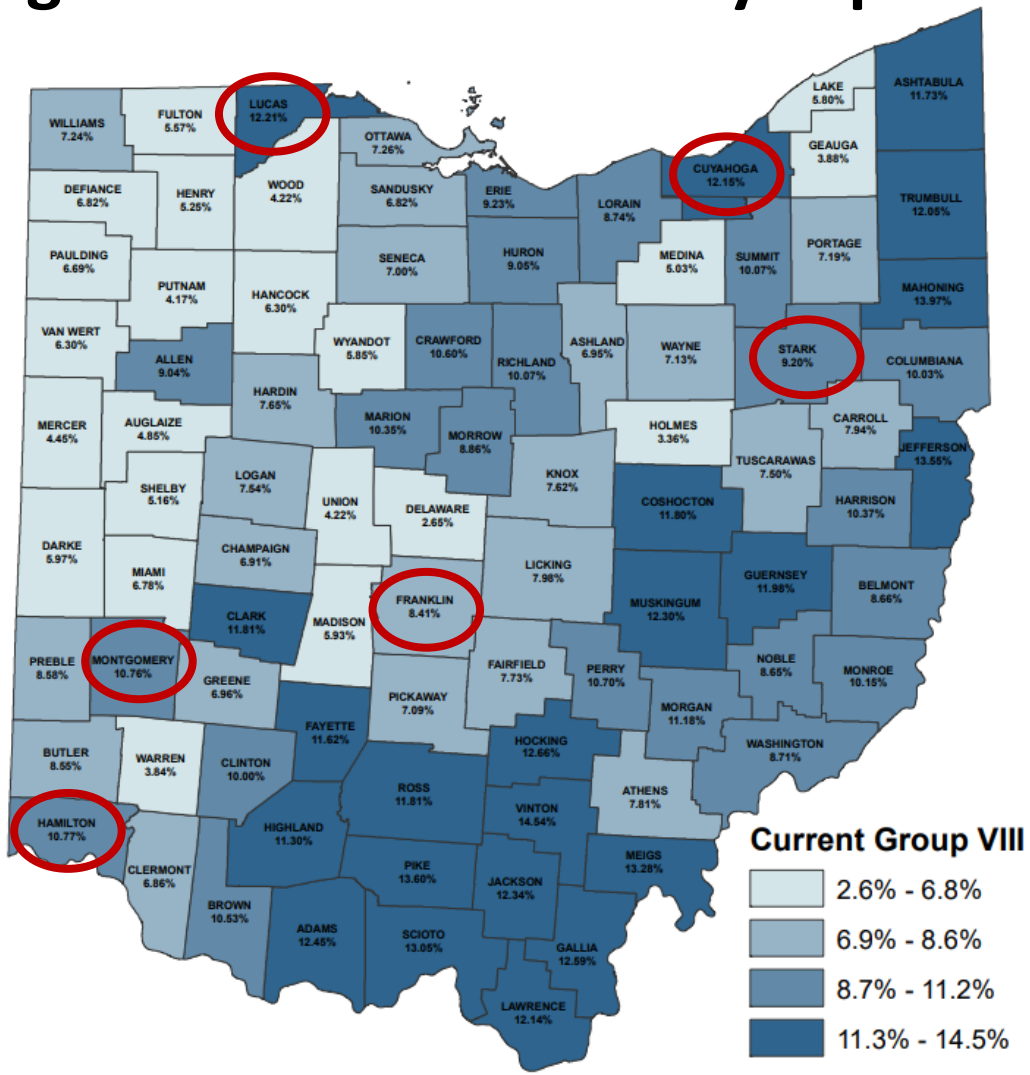
Ohio Income Eligibility Levels for Health Coverage, 2013



- More than half work ≥ 20 hours
- 700,000 likely to enroll in Medicaid
- 257,000 with a serious health condition that prevents/limits work
- 172,000 need behavioral health care
- 126,000 age 55 or older
- 96,000 parent caretakers
- 26,000 uninsured veterans

SOURCE: Ohio Governor's Office of Health Transformation (2013).

Percentage of Adults Covered by Expansion, 2017



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SOURCE: Ohio Department of Medicaid, *2018 Medicaid Group VIII Assessment* (August 2018).

Cultivate a Broad and Transparent Coalition

Obviously …

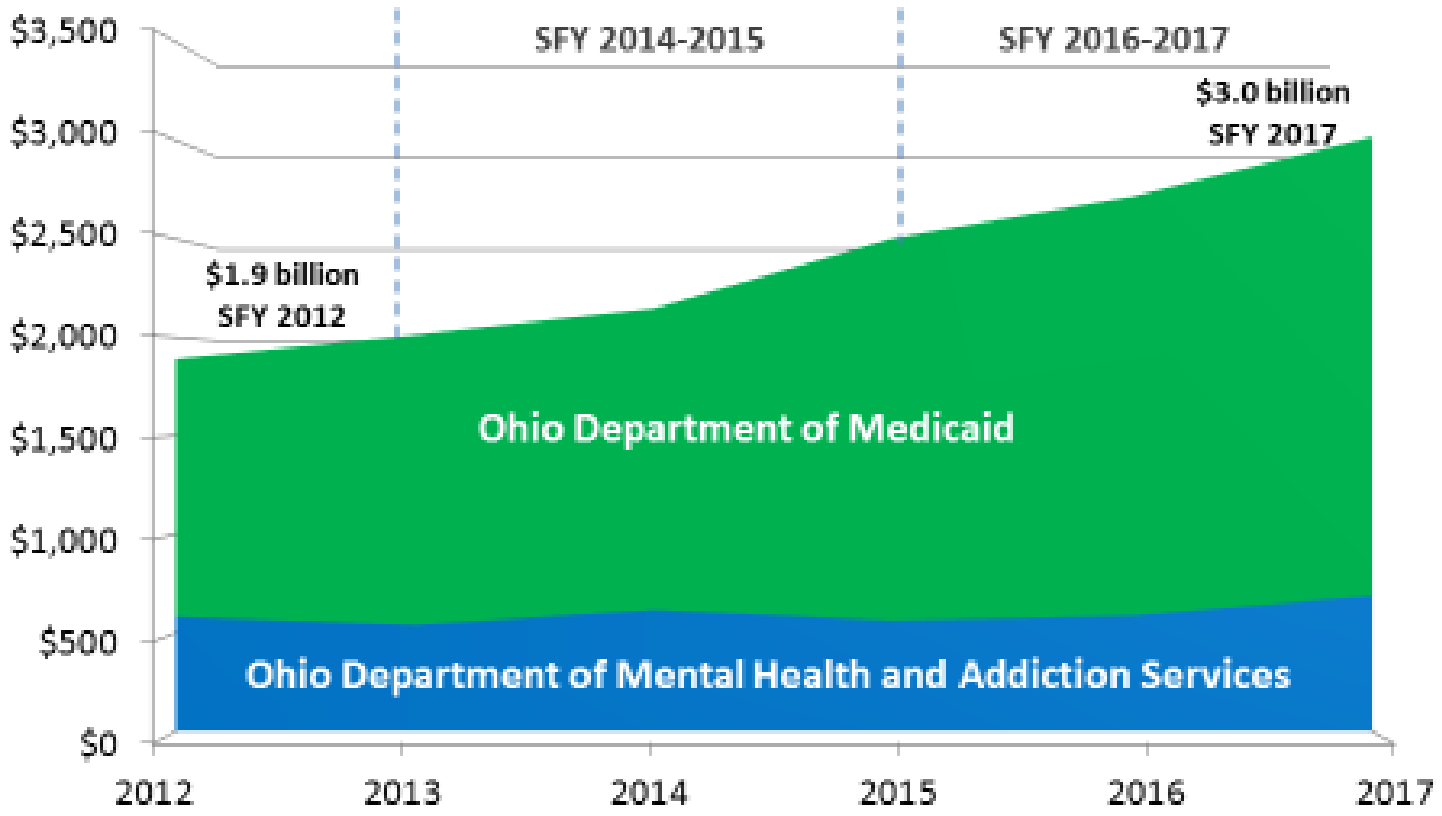
- Health plans, hospital systems, and other providers
- Legal aid and other patient and family advocates

More compelling …

- Rural hospitals
- Sheriffs (untreated addiction in jails)
- Right to Life (Hyde Amendment)
- Chambers of Commerce (cost shift)
- Veterans and their families
- Families impacted by addiction

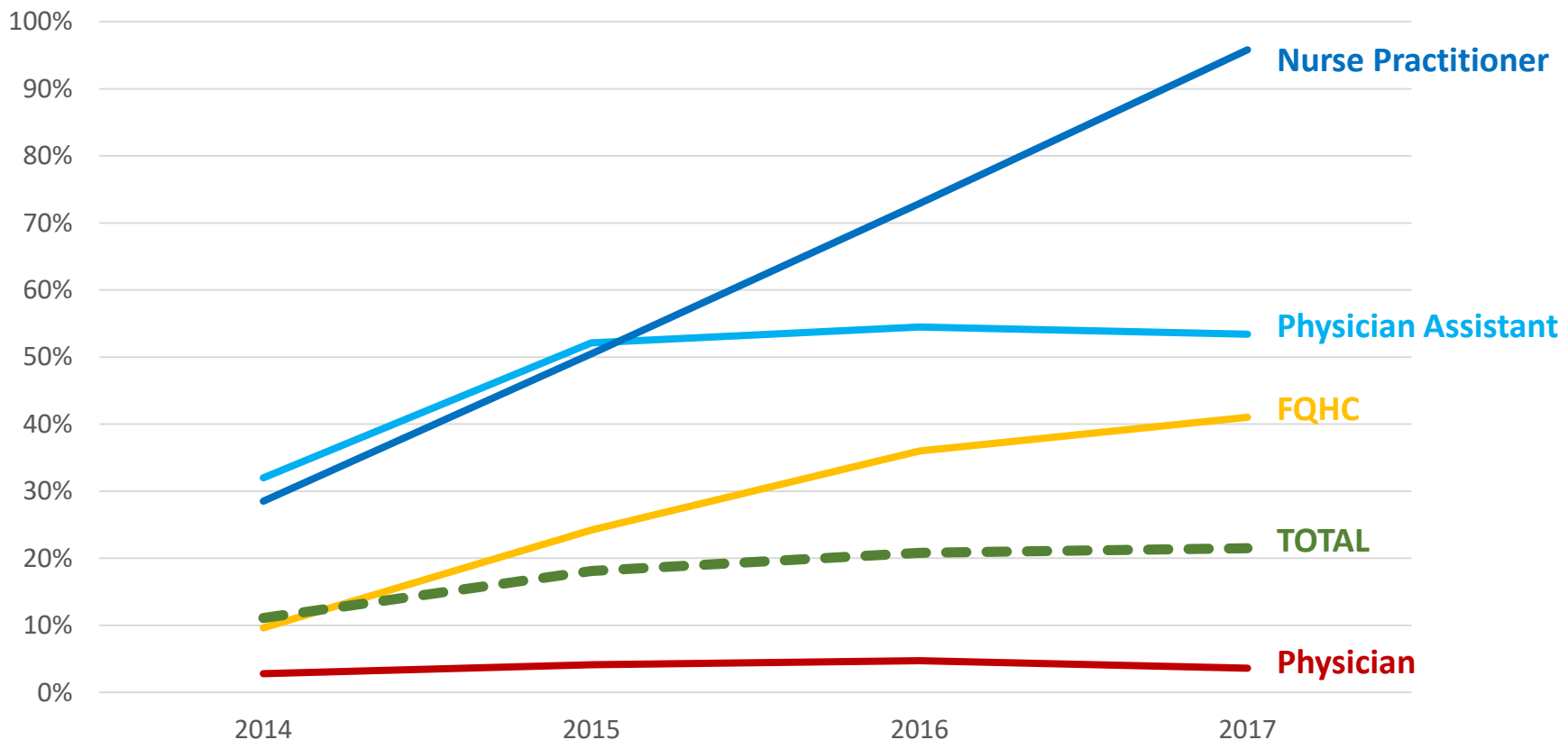
- **Ohio created an informal, come-one-come-all Coalition that enabled instant communication.**
- **The state team shared the same information with everyone at the same time, including the press.**

Medicaid expansion increased Ohio's behavioral health system capacity 60 percent over five years



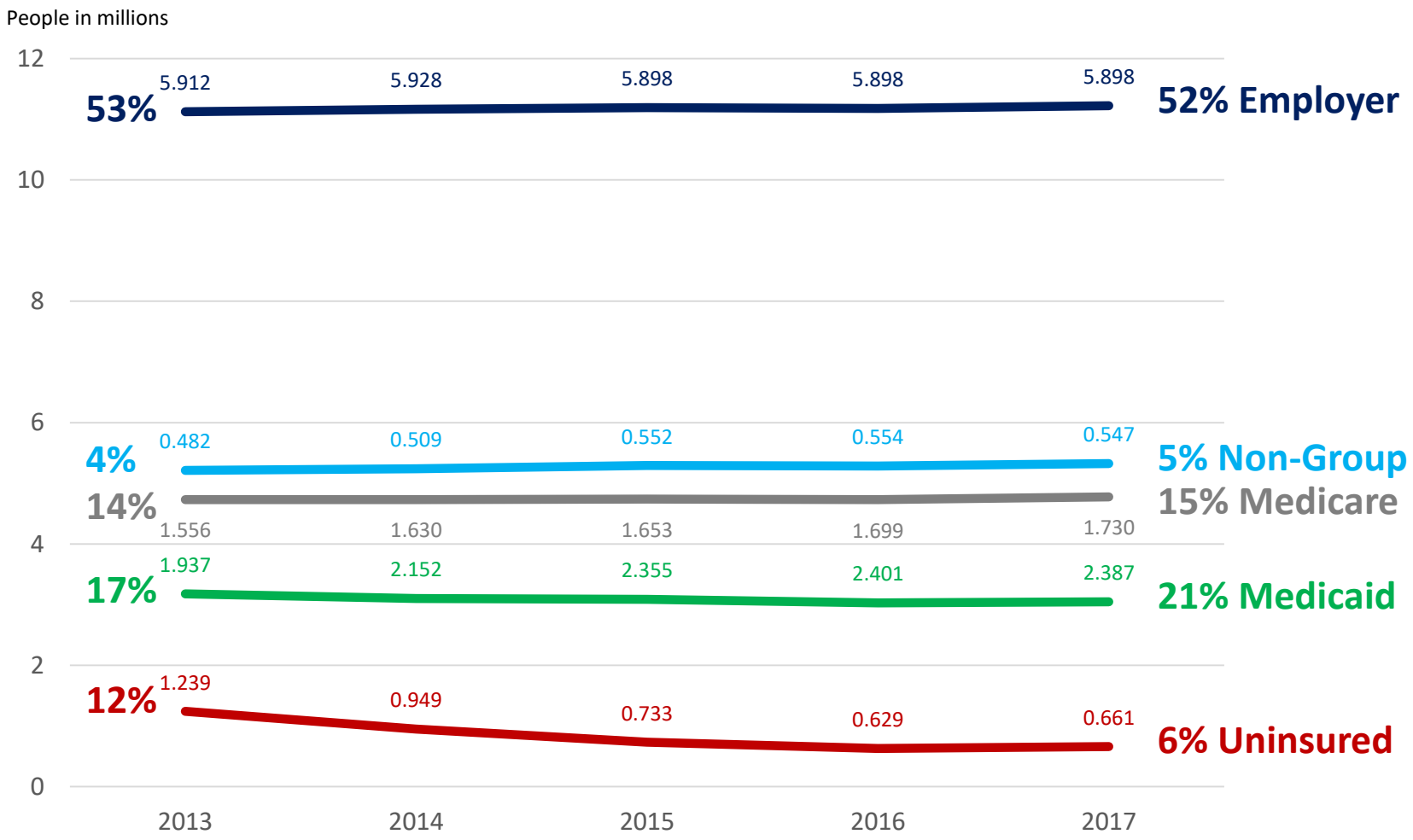
SOURCE: Ohio Departments of Medicaid and Mental Health and Addiction Services (January 2017).

20% Increase in Medicaid Primary Care Practitioners since 2013



SOURCE: Ohio Department of Medicaid, *2018 Medicaid Group VIII Assessment* (August 2018).

Non-Medicaid coverage remained stable throughout expansion



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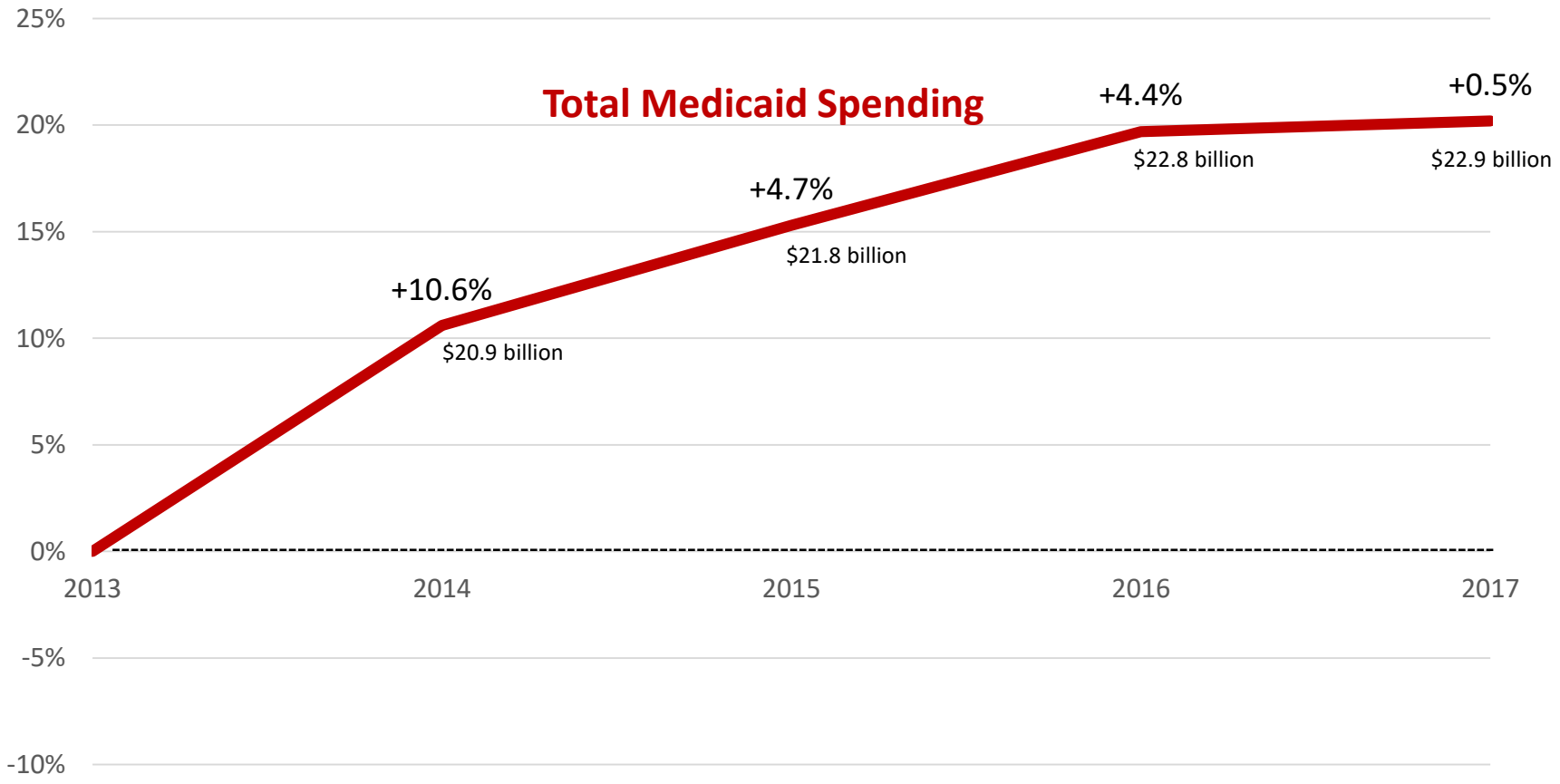
SOURCE: Kaiser Family Foundation estimates based on the Census Bureau's March Current Population Survey (2008-2017).

Annual Percentage Increase in Ohio Medicaid Spending



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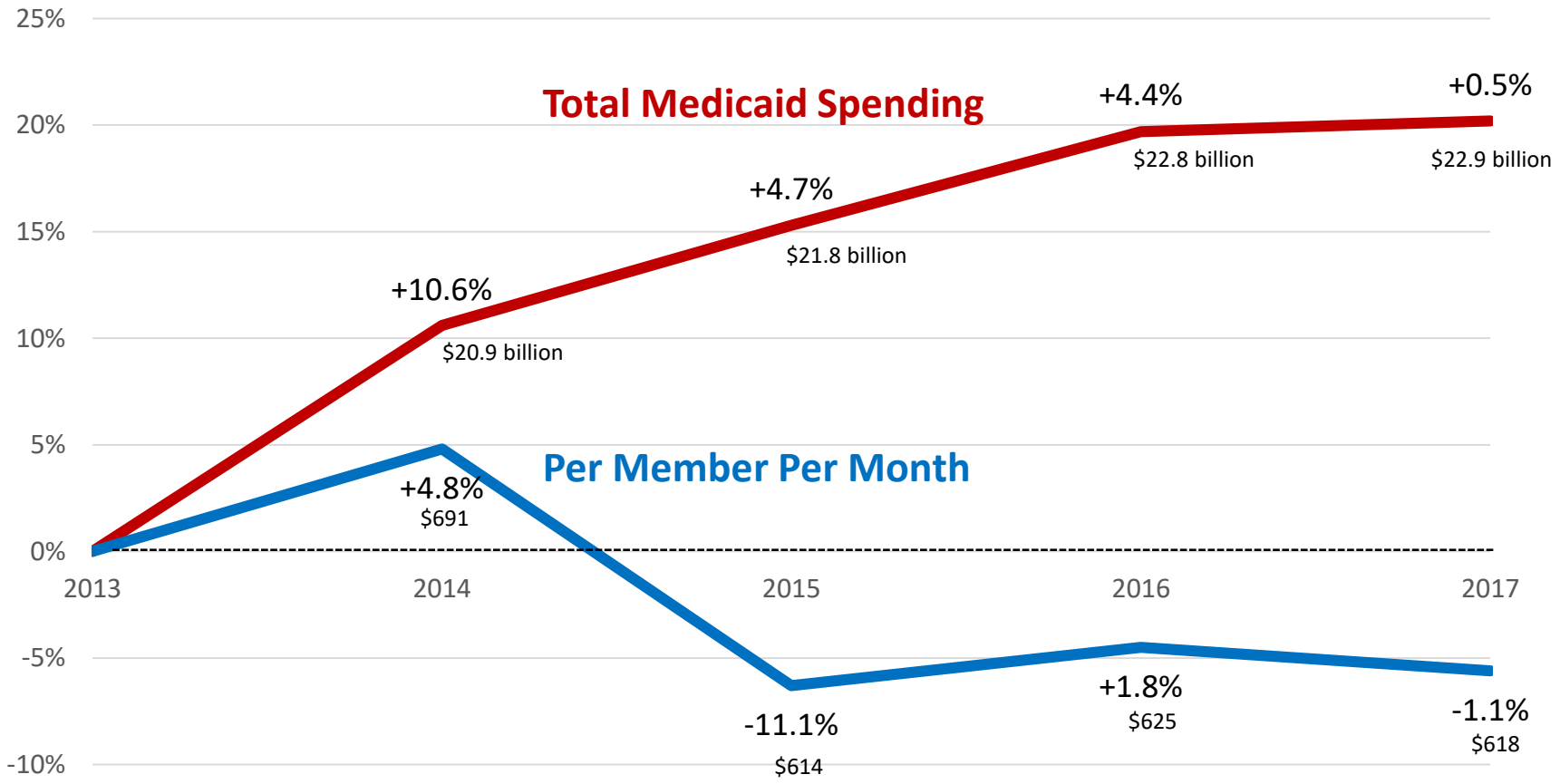
SOURCE: Ohio Legislative Service Commission Budget Central for Ohio Medicaid total spending and Ohio Medicaid Caseload Reports for enrollment to calculate per member per month growth.

Annual Percentage Increase in Ohio Medicaid Spending



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SOURCE: Ohio Legislative Service Commission Budget Central for Ohio Medicaid total spending and Ohio Medicaid Caseload Reports for enrollment to calculate per member per month growth.

Ohio's Share of Medicaid Expansion Costs (in millions)

	SFY 2019	SFY 2020	SFY 2021
Total Group VIII cost	$4,814	$5,074	$5,348
Match rate (state fiscal year)	*6.5%*	*8.5%*	*10%*
Ohio share of Group VIII cost	**$313**	**$431**	**$534**
Drug rebates	($43)	($58)	($72)
DRC medical expense savings	($18)	($18)	($18)
Enhanced FMAP for hospital UPL	($40)	($38)	($36)
MCO member-month tax	($198)	($198)	($198)
MCO HIC tax	($45)	($48)	($50)
Net Impact on Ohio	**($31)**	**$72**	**$161**
Effective match rate	*0%*	*1.4%*	*3.0%*

SOURCE: Ohio Office of Budget and Management analysis (July 2018).

2018 Ohio Medicaid Group VIII Assessment

General findings …

- a large decline in the uninsured rate to the lowest level on record;
- most enrollees (89%*) were uninsured prior to obtaining Medicaid coverage;
- better access to care was associated with a reduction in unmet medical needs;
- high-cost emergency department use decreased (17%);
- many enrollees (27%*) detected previously undiagnosed chronic conditions;
- health status improved for many (31%);
- more than one third (37%) quit smoking and said Medicaid helped them quit;
- many enrollees (25%) screened positive for depression or anxiety;
- easier to work (84%) or if unemployed to look for work (60%);
- most enrollees (49%) said it was easier to pay for necessities like food and rent;
- the percentage of enrollees with medical debt fell by half (from 56% to 31%*).

SOURCE: Ohio Department of Medicaid, *2018 Medicaid Group VIII Assessment* (August 2018) and (*) 2016 Group VIII Assessment (December 2016).

2018 Ohio Medicaid Group VIII Assessment

Medicaid expansion has benefitted enrollees by …

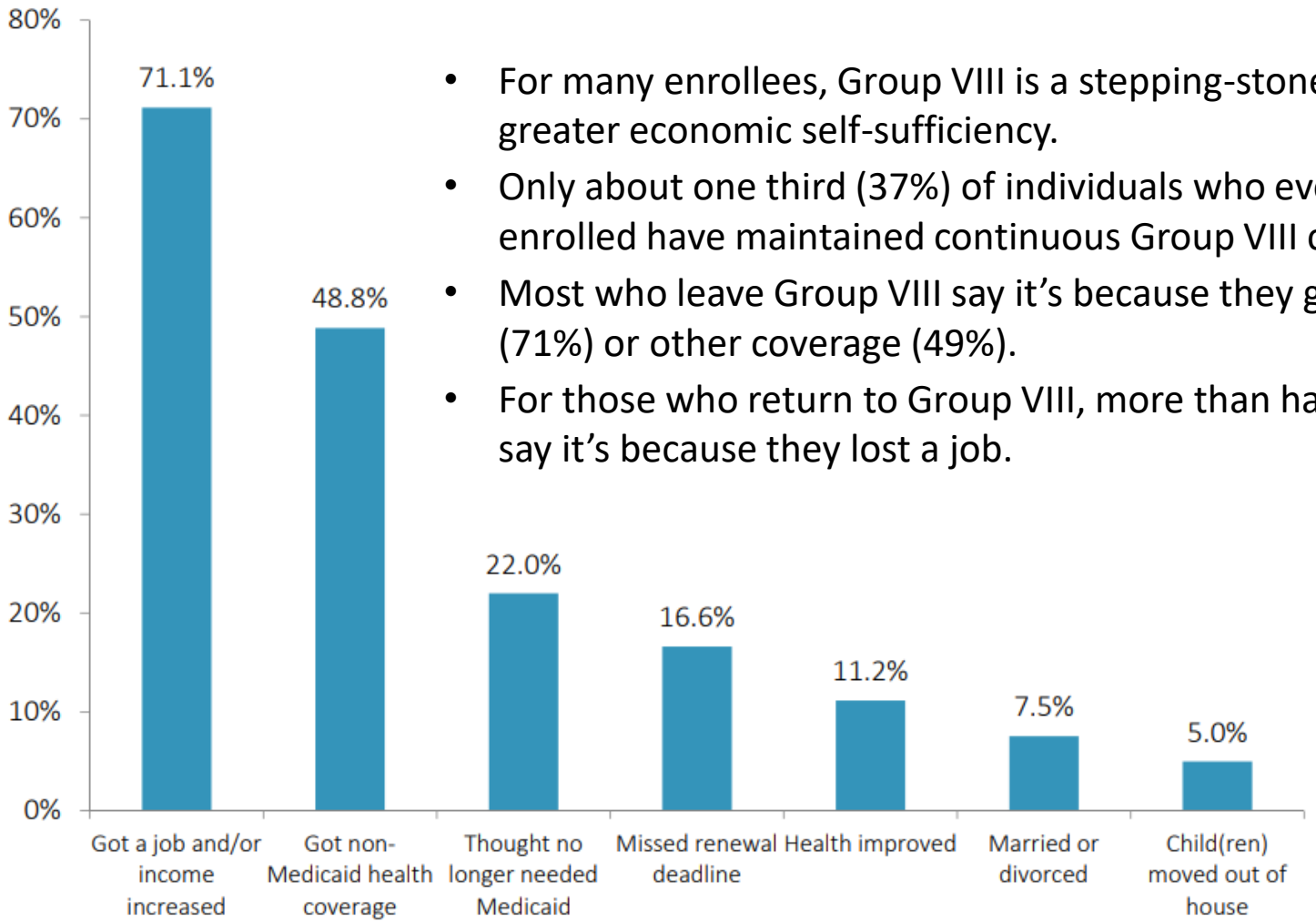
- facilitating continued employment, new employment, and job seeking;
- increasing primary care and reducing emergency department use;
- lessening medical debt and financial hardship;
- improving mental health;
- assisting in addressing unhealthy behaviors such as tobacco use; and
- enabling enrollees to act as caregivers for family members.

Compared to 2016 assessment, a higher percentage of 2018 enrollees …

- are now employed;
- access primary care providers and use emergency department services less;
- report better mental health; and
- are optimistic about their individual functioning.

SOURCE: Ohio Department of Medicaid, *2018 Medicaid Group VIII Assessment* (August 2018).

Work is the most common reason for leaving expansion coverage



- For many enrollees, Group VIII is a stepping-stone to greater economic self-sufficiency.
- Only about one third (37%) of individuals who ever enrolled have maintained continuous Group VIII coverage
- Most who leave Group VIII say it's because they got a job (71%) or other coverage (49%).
- For those who return to Group VIII, more than half (54%) say it's because they lost a job.

SOURCE: Ohio Department of Medicaid, *2018 Medicaid Group VIII Assessment* (August 2018).

Correcting Misconceptions

"Ohio's newly eligible enrollment is 60% over what had been projected."

In fact, enrollment is 13% below original projections and stable.

Ohio's expansion "costs per enrollee are surging 35% annually ."

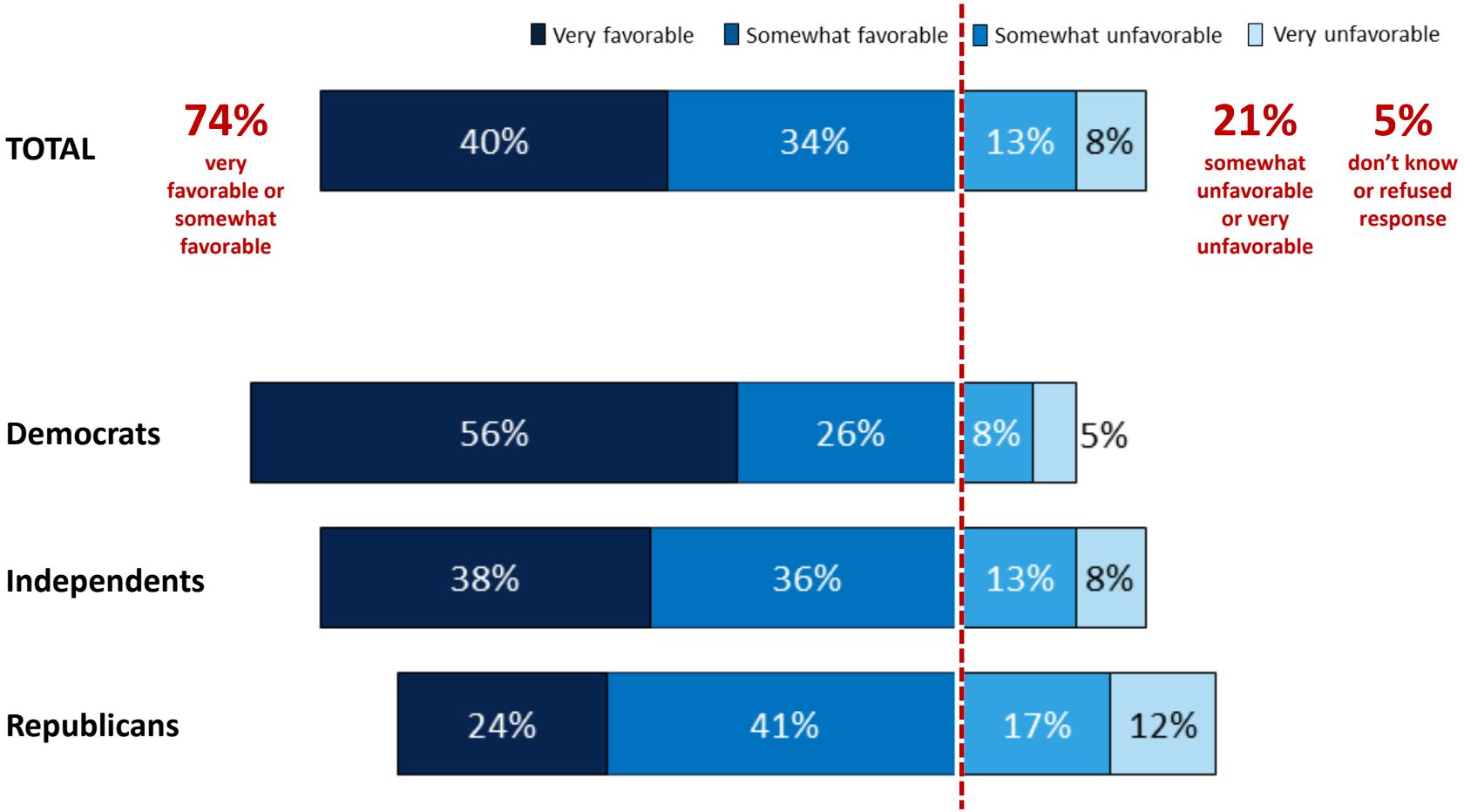
In fact, costs are growing at a manageable 3.3% annually.

Disabled Ohioans are stuck on Medicaid waiting lists because expansion shoved them to "the back of the line … without the care they need."

In fact, at the same time Ohio expanded Medicaid the state added 22,000 disability waivers and eliminated waiting lists.

SOURCE: Ohio Medicaid response to Senator Ron Johnson (October 2017) and Michael Hiltzik, *How I got caught in the crossfire between VP Pence and Ohio Gov Kasich over Medicaid* in the Los Angeles Times (July 17, 2017).

Do you have a favorable/unfavorable opinion of Medicaid?



Kaiser Family Foundation Health Tracking Poll (February 2018); don't know and refused responses are not shown.

Reflecting on Ohio's path to Medicaid expansion …

- Get organized and commit leadership
- Cultivate a broad coalition of stakeholders
- Look at the evidence in other states
- Reduce impact on the state budget
- Use expansion to achieve other reform priorities
- Make smart political adjustments
- The trend is only in one direction …

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