

The Affordable Care Act in Missouri:

Overview, Impact, and Current Status

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Overview

- 1) **The Affordable Care Act: Main Themes and Issues**
- 2) **Delivery System Reform: Emerging Models and Reducing Costs**
- 3) **Covering the Uninsured: The Health Insurance Marketplace and Medicaid Expansion in Missouri**
- 4) **The ACA's Impact on Nursing Homes**
- 5) **Looking into the Future**



1) What was Reform *REALLY* About?

- **Expanding Health Insurance Coverage**
- **Focus on Population Health and Stewardship**
- **Signaling that “Business As Usual” is Over**
 - **New Models of Care – Incentive Realignment**
 - **Changing Obsolete Business Models**
 - **Increasing Focus on Quality**
 - **Insurance Regulations**



2) Delivery System Reforms

- The days of Fee-for-Service are coming to an end
- New models that bundle payments and pay for quality and outcomes
- Meant to improve patient care and reign in costs
- Requires coordination and realignment of systems
- It's scary



Innovation Center Portfolio

ACO Suite:

- Shared Savings Program
- Pioneer ACO Model
- Advance Payment ACO Model
- Accelerated and Learning Development Sessions

Primary Care Suite

- Comprehensive Primary Care Initiative (CPCI)
- Federally Qualified Health Center Advanced Primary Care Practice Demonstration
- Multi-Payer Advanced Primary Care Practice (MAPCP) Demonstration
- Independence at Home
- Medicaid Health Home State Plan Option

Bundled Payment Suite

- Bundled Payment for Care Improvement

Dual Eligible Suite:

- State Demonstration to Integrate care for Dual Eligible Individuals
- Financial Alignment to Support State Efforts to Integrate Care
- Demonstration to Reduce Avoidable Hospitalizations of Nursing Facility Residents
- Medicaid Health Home State Plan Option

Diffusion and Scale Suite:

- Partnership for Patients
- Million Hearts Campaign
- Innovation Advisors Program
- Care Innovations Summit

Healthcare Innovation Challenge

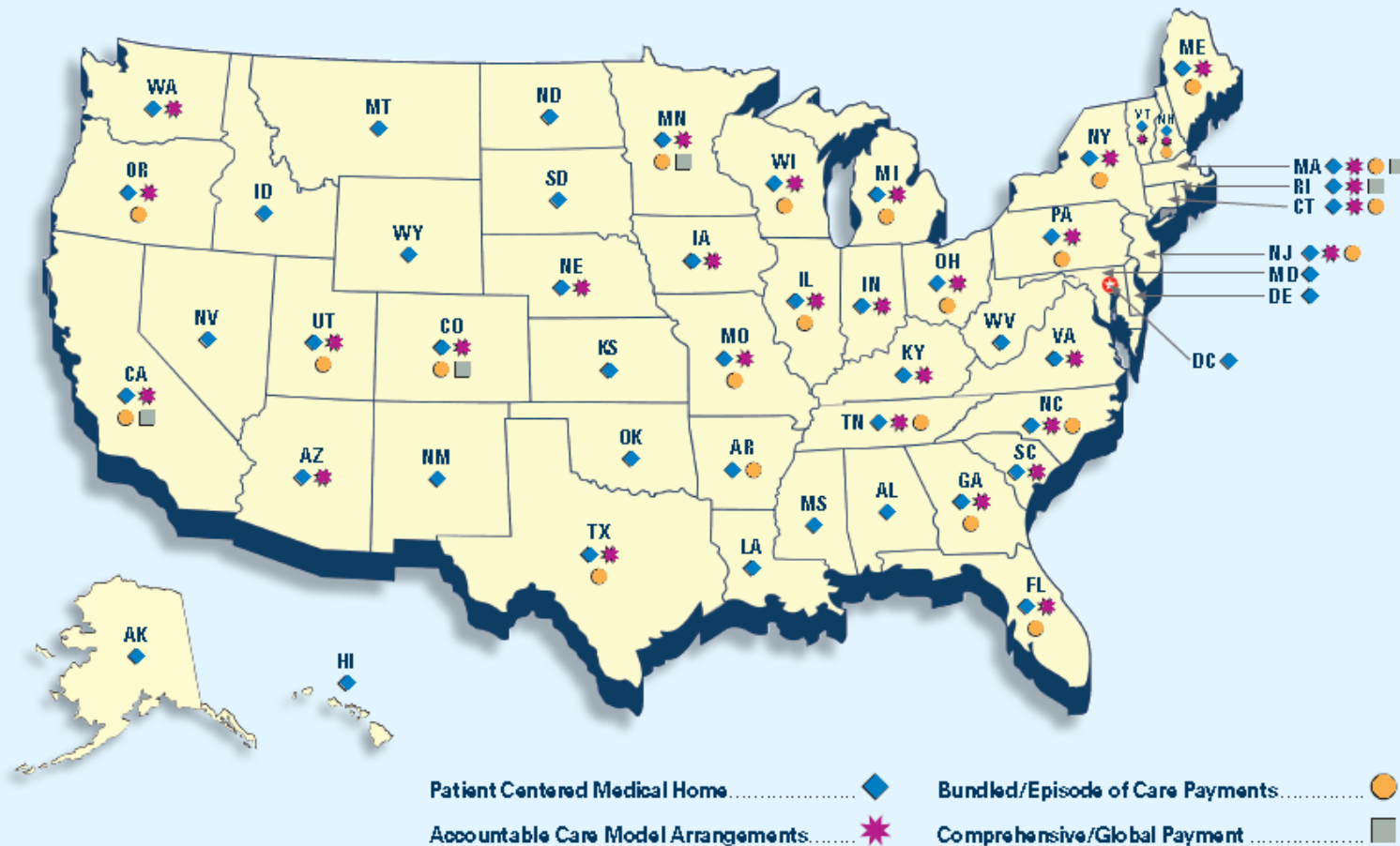
Rapid Cycle Evaluation and Research Learning and Diffusion



The Private Insurance Sector is Following Along...



Alternative Delivery and Payment Models—Private Sector Initiatives



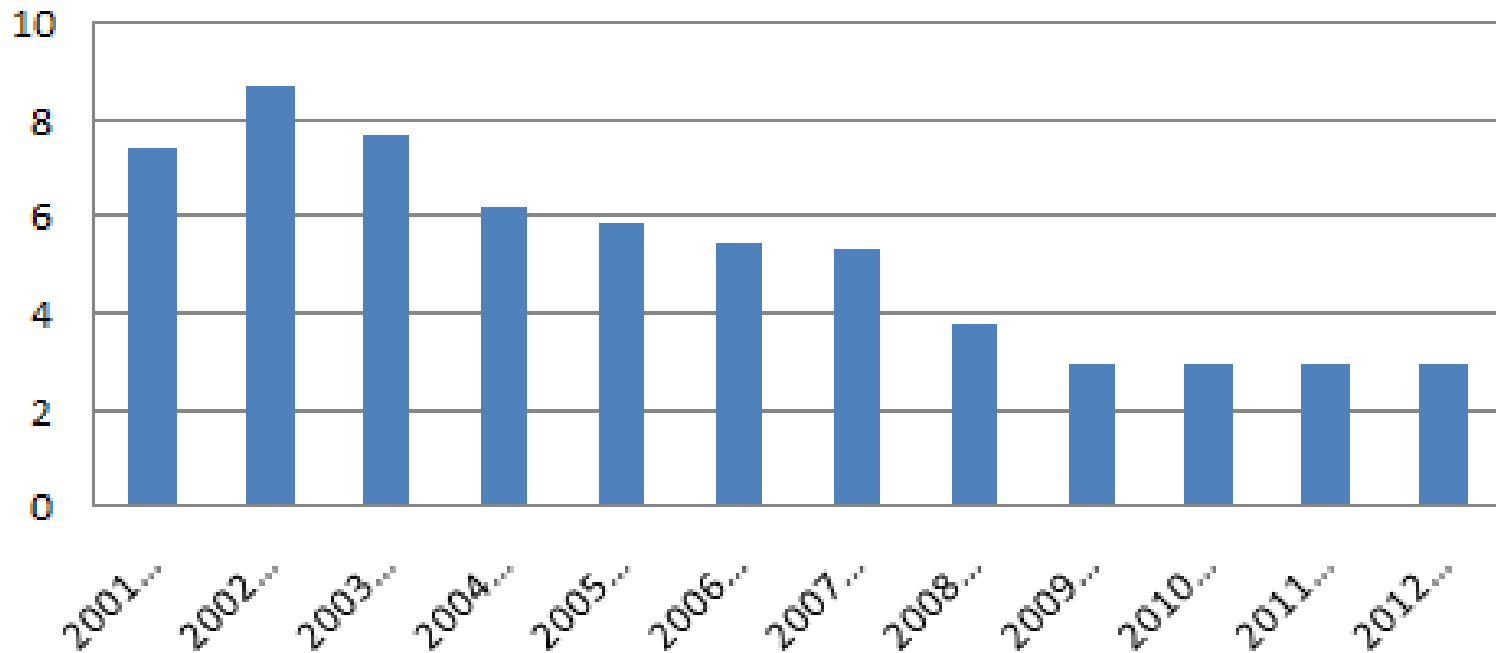
NOTE: Icons may represent multiple partnerships within the state



*The map is current as of February 2013. As new programs are identified the map will be updated accordingly.

Cost Growth is Decreasing

Percentage change in per capita cost of health care



3) Expanding Coverage to the Uninsured

- **48 million uninsured Americans**
 - 794,000 uninsured Missourians
- **ACA provided two coverage mechanisms:**
 - Health Insurance Marketplaces (Exchanges)
 - Medicaid Expansion
- **Estimated to cover 25-35 million of the 48 million uninsured in the US**



Health Insurance Marketplace

The Marketplace Is...

- **A resource for individuals, families, and small businesses to:**
 - Learn about private insurance coverage options
 - Compare and choose private insurance plans
 - Find out if eligible for subsidies/tax credits
- **Open Enrollment Periods (Nov. 15, 2014 – Feb. 15, 2015)**
- **Special Enrollment Periods (60 days after life change event)**
- Found at **www.healthcare.gov**



Health Insurance Marketplace

Selected Marketplace Features:

- **Gives buying power to individuals and small business**
- **Ten Essential Health Benefits**
- **Must be used to receive subsidies**
 - Individuals and families with income between 100%-400% FPL
 - Small employers with fewer than 25 employees
- **Encourages competition among private insurance**
- **“No wrong door” access for consumers**
- **Free enrollment assistance is available**



Missouri: Initial Results

Missouri's Federally Facilitated Marketplace Update

- Initial enrollment: 152,335 Missourians enrolled in Marketplace plans
- Total exceeds CMS' projections by 29%
- 85% received financial assistance
- 63% have chosen a Silver Plan
- 30% are between the ages of 18-34
- 55% Female and 45% Male

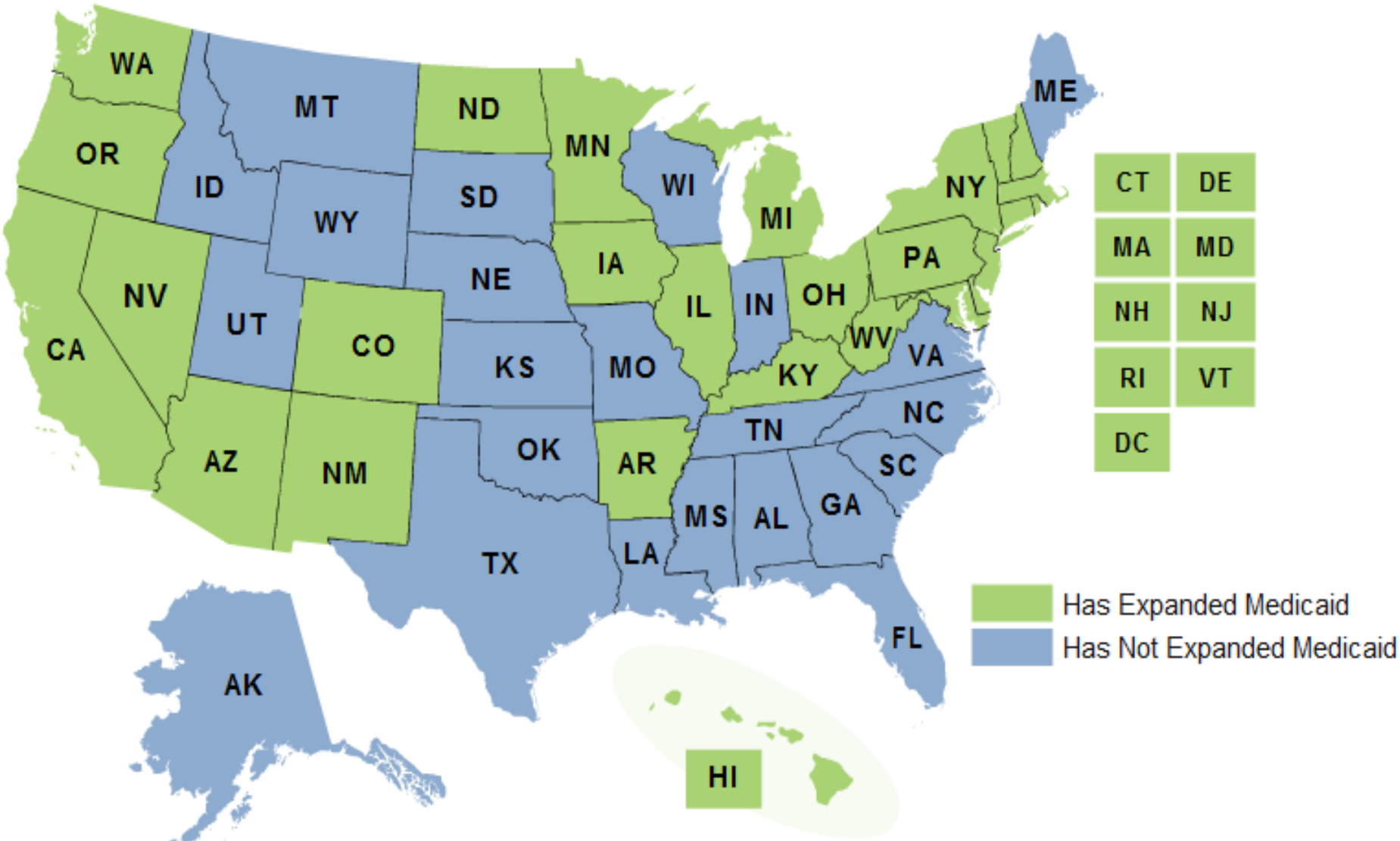


Medicaid Expansion

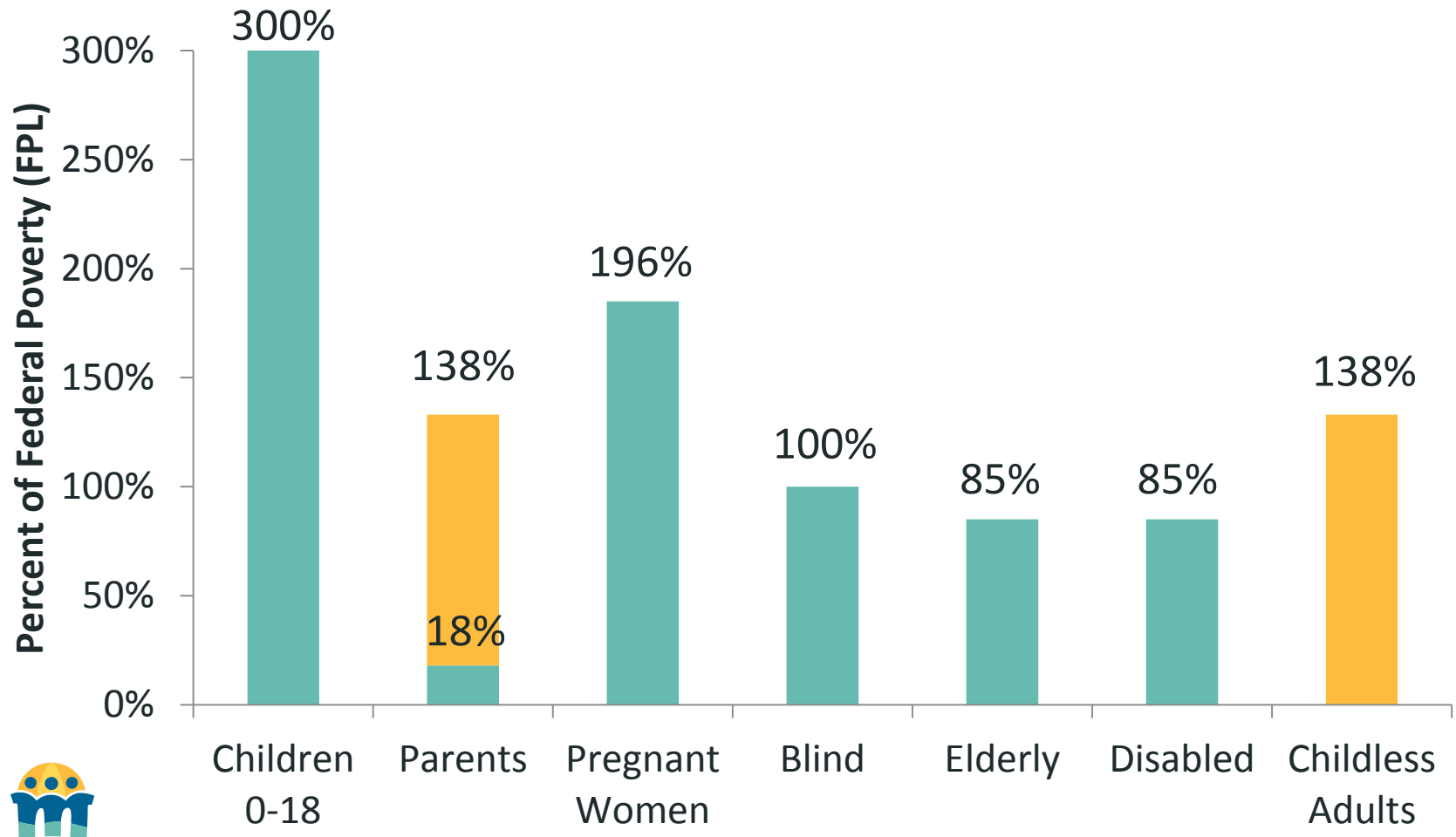
- Originally was a mandatory expansion
- Supreme Court ruling made Medicaid expansion optional
- Expand Medicaid to 133% (138%) of FPL for non-Medicare individuals and families
- 100% federal funding through 2016, steps down to 90% in 2020 and later years



Medicaid Expansion Decisions



Medicaid Expansion's Impact in Missouri



2014 Federal Poverty Levels (FPL)

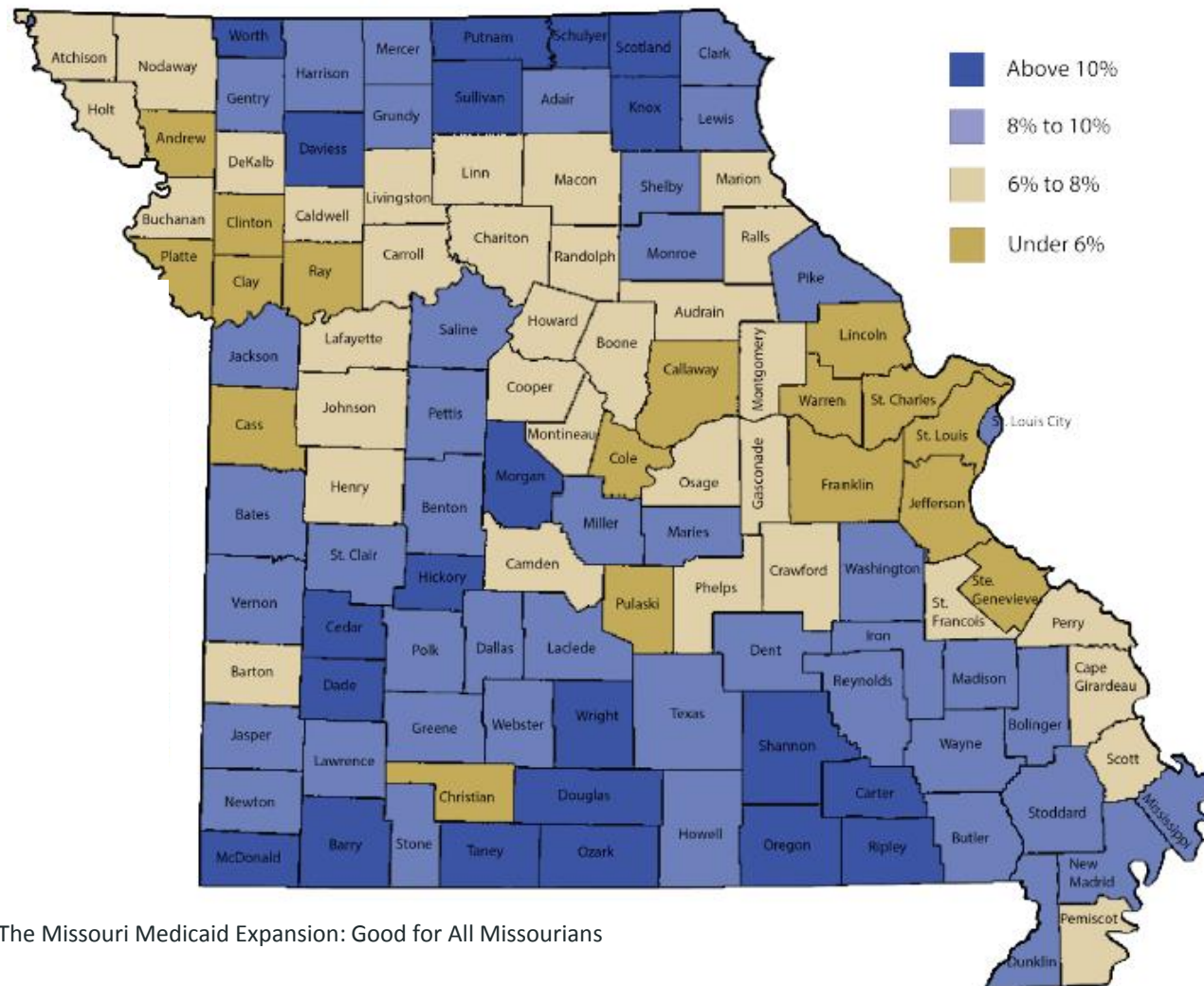
Family Size	Parents ~18%	85%	100%	138%	196%	300%
1	N/A	\$9,920	\$11,670	\$16,105	\$22,873	\$35,010
2	\$2,892	\$13,371	\$15,730	\$21,707	\$30,830	\$47,190
3	\$3,612	\$16,974	\$19,790	\$27,310	\$38,788	\$59,370
4	\$4,236	\$20,273	\$23,850	\$32,913	\$46,746	\$71,550



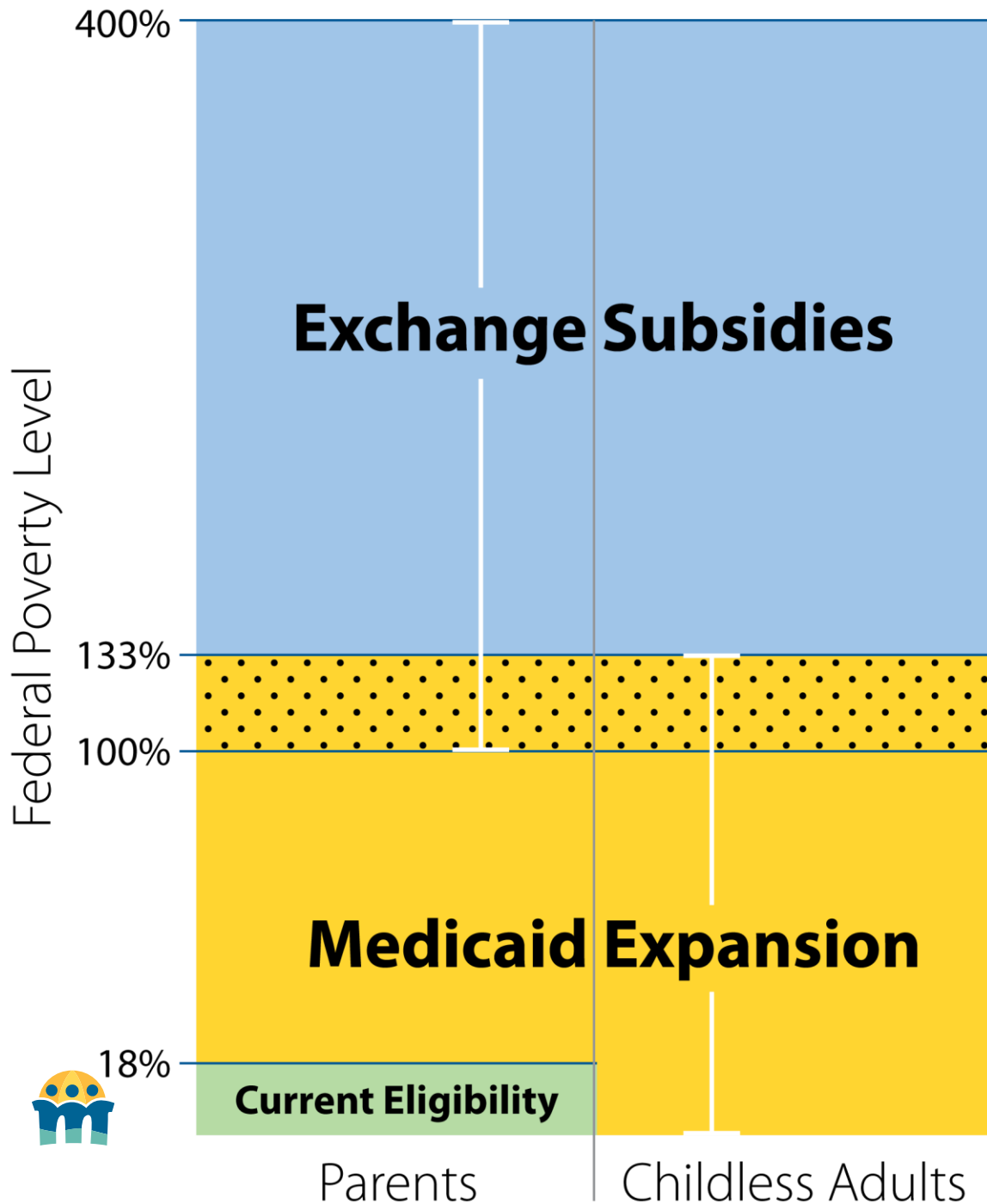
Projected Medicaid Enrollment with Expansion

Administration estimate: 260,000 in 2014 to 308,000 by 2022

Percent of County Populations Eligible for Insurance Under the Expansion



Source: The Missouri Medicaid Expansion: Good for All Missourians



90% of the currently uninsured have incomes below 400% of poverty.

66% of the currently uninsured have incomes below 200% of poverty.



18%

Current Eligibility

Parents

Childless Adults

Medicaid Expansion

Exchange Subsidies

Federal Poverty Level

400%

133%

100%

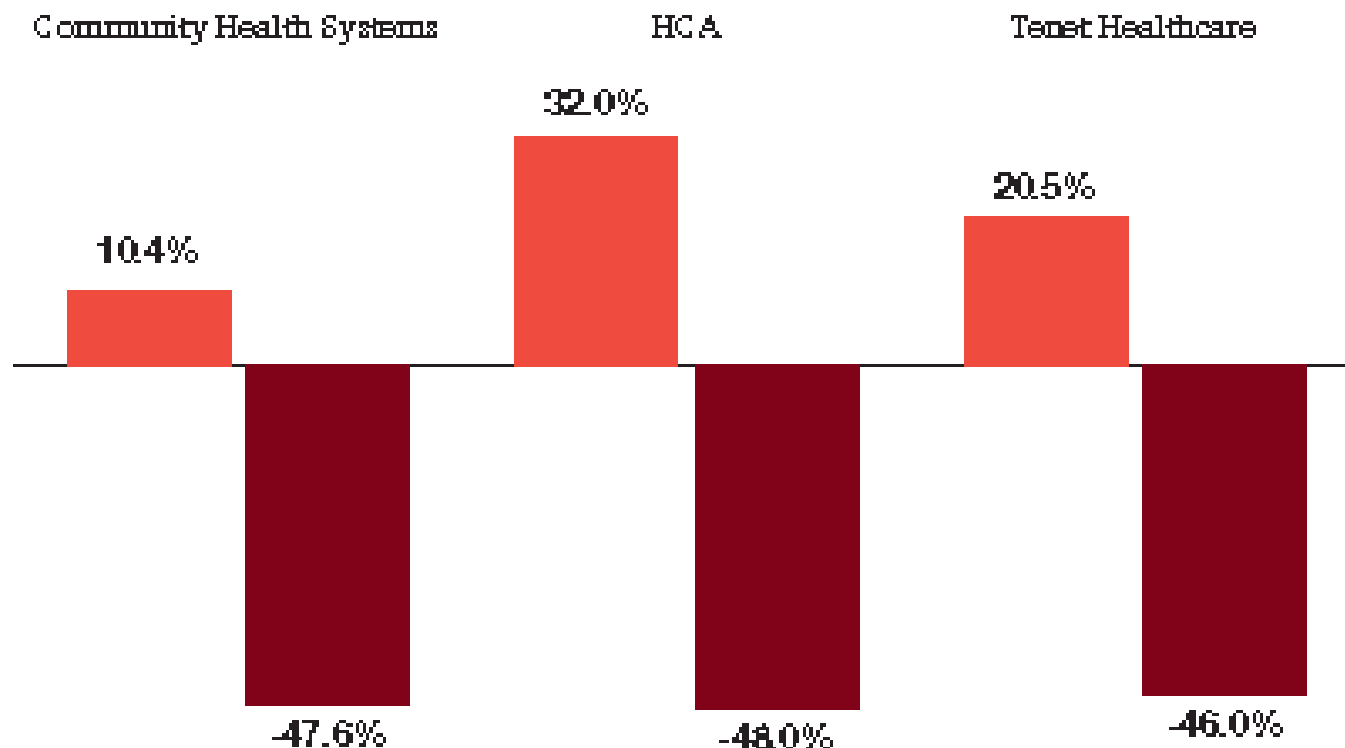
18%

Why Does Medicaid Expansion Matter to States and Health Systems?

- Reductions in uncompensated care dollars, Medicare payments, and a federal Medicaid funding reduction for hospitals
- Health systems in expansion states have been able to offset the negative impact of these changes
- Hospitals in states that have not expanded Medicaid are feeling the burden (cuts in staff and hospital closures)
- Medicaid expansion states are expected to receive an additional \$83.6 billion in federal funding from 2014 to 2016
- States choosing not to expand Medicaid will be giving up roughly \$88.1 billion over that period



In States that Expanded Medicaid...



Medicaid admissions



Self-pay admissions



Note: Same facility admissions (first half 2014 vs first half 2013)

Source: PwC Health Research Institute analysis

4) The ACA's Impact on Nursing Homes

Improving Nursing Home Transparency and Accountability:

- Nursing homes must disclose detailed information about individuals and entities that have a direct or indirect ownership interest in or managing control of their operations (in addition to other parties that provide governance, management, administration, operations, finances, and clinical services)
- CMS must establish a national system to collect and report payroll data on direct care staffing levels, including nursing hours, turnover, and retention rates
- CMS must redesign its Medicare cost reports, and nursing homes must report expenditures by functional category, including direct care, indirect care, capital assets, and administrative services



The ACA's Impact on Nursing Homes

Improving Nursing Home Transparency and Accountability:

- CMS must add new information to its Nursing Home Compare website (www.medicare.gov), including staffing information, health inspections, penalties, and consumer complaints
- CMS must develop a standardized complaint form and a complaint resolution process that assures that residents and their representatives are not retaliated against for filing complaints
- Nursing homes must establish and operate compliance and ethics programs to prevent and detect criminal, civil, and administrative violations, and CMS must conduct an independent monitor demonstration program to test oversight of nursing home chains



The ACA's Impact on Nursing Homes

Targeting Enforcement:

- CMS must revise civil monetary penalty (CMP) requirements, including providing for escrowing CMPs when nursing homes appeal and allowing federal CMPs to be allocated to programs to benefit residents
- CMS must establish requirements for 60-day prior written notification of impending nursing home closures and appropriate protection and relocation of residents
- CMS must establish and fund national demonstration projects on culture change and the use of information technology to improve resident care
- Nurse aides must be trained in dementia care and resident abuse prevention



The ACA's Impact on Nursing Homes

Prevention of Abuse and Other Crimes Against Nursing Home Residents:

- CMS must support development of state programs to conduct national criminal background checks on applicants for jobs with direct access to nursing home residents and other recipients of long-term care services
- Nursing homes, other long-term care facilities that receive federal funds, and their employees must report suspected crimes against residents to law enforcement



Implementation of Affordable Care Act Provisions To Improve Nursing Home Transparency, Care Quality, and Abuse Prevention

kaiserfamilyfoundation.files.wordpress.com/2013/02/8406.pdf



5) Where are we headed?

- **On Delivery System, including Nursing Homes**
 - Push for efficiency, transparency and new business models will continue
 - Will have to address workforce and scope of practice issues
- **On the Marketplaces:**
 - Lots of variability in pricing across states
 - Lots of issuers joining
- **On Medicaid Expansion:**
 - Math trumps ideology, eventually
 - It would be wise of Feds to allow many waivers



Potential Disruptors

- **State and National Elections**
- **Consumer experience with insurance**
- **Insurance company behavior: pricing, entering or leaving markets**
- **Medicaid decisions**
- **Public understanding of Obamacare**
- **Eligibility and enrollment system improvements**



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