Idaho
Department of Health & Welfare

Medicaid Readiness Initiative &

Medicaid Expansion: Mandatory and Optional

September 27, 2012

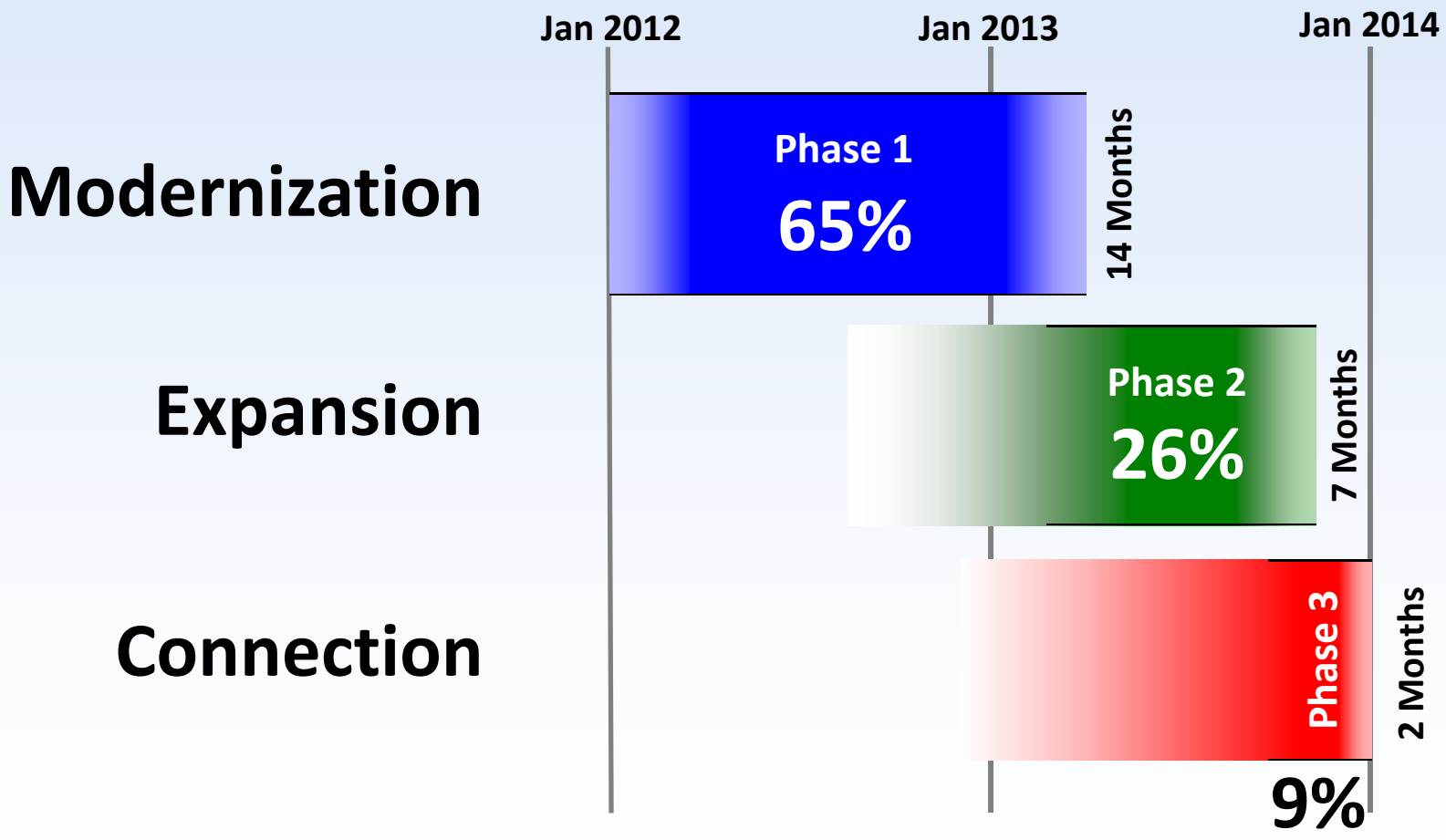
IDAHO Department of Health and Welfare

The Affordable Care Act – A Quick Review

- ☑ Aug 2011 ACA: Health Care with Insurance & Medicaid
- ☑ Feb 2012 Modernization phase of Medicaid Readiness
- ☑ Jun 2012 Supreme Court: Mandate is constitutional
- ☑ Jun 2012 Supreme Court: State option to Expand
- ☑ Mar 2013 Rules Engine work underway
- ☑ Oct 2013 Open enrollment – interaction with Exchange
- ☑ Jan 2014 implementation (Oct 2013 open enrollment)

Idaho's Medicaid Readiness Initiative (early estimates)

Project Strategy: 1) Be Prepared 2) Be Cautious



Phase 2

Medicaid Expansion

Supreme Court Decision: What is required in Expansion Phase?

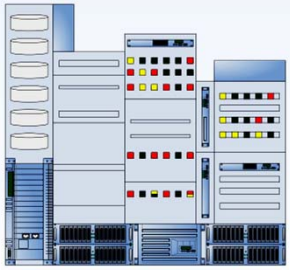
Phase 2
26%

REQUIRED

92% **Phase 2 Mandatory**

Phase 2 Optional

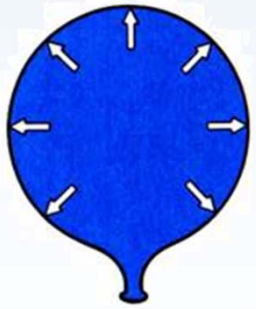
REQUIRED



Create Automation

Operate with new MAGI Eligibility

Exchange Connection



Expansion with New Eligibles

Revised Medicaid Readiness Project Budget

State and Federal Costs by Phase [in Millions]

		Federal Share	State Share	Total Cost
Phase 1	[Modernization]	$20.4	$2.3	$22.7
	✓ Improve Eligibility and MMIS Systems			
Phase 2	Required Expansion	$ 7.5	$0.8	$ 8.3
	✓ Change Eligibility Rules			
Phase 3	Connection	$ 2.8	$0.3	$ 3.1
	✓ Connect to an Exchange			
		$30.7	$3.4	$34.1

Phase 2

Medicaid Expansion

Mandatory Requirements: "Woodwork" and "Surge" effects

Estimated Number of Newly Eligible in Idaho, 2014		
	Low Estimate	High Estimate
Newly Eligible	97,066	111,525
Currently Eligible, but Not Enrolled	9,806	12,299
Total	**106,872**	**123,824**

SOURCE: Leavitt Partners.

Optional versus Mandatory Expansion

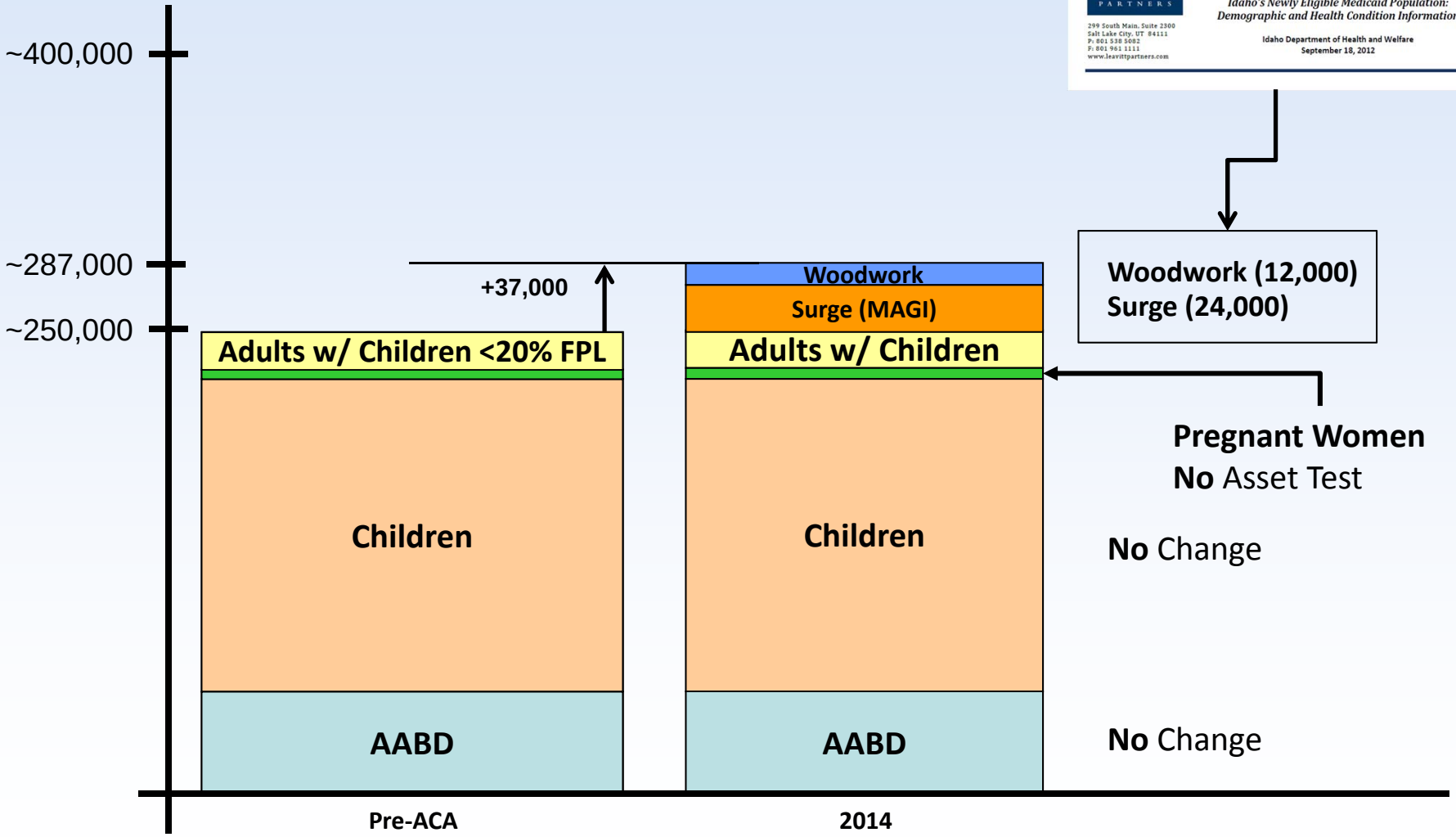
While the Supreme Court ruling allows states to opt out of the Medicaid expansion, other PPACA provisions will effectively expand Medicaid eligibility above current state levels, regardless of whether states choose to expand or not. These changes essentially create an optional and a mandatory Medicaid expansion. The mandatory expansion is based on several factors, including: 1) the use of Modified Adjusted Gross Income to determine income eligibility; 2) the elimination of asset tests; 3) changes in the definition of a household; 4) changes in the application and redetermination process; and 5) coordination of eligibility determinations.

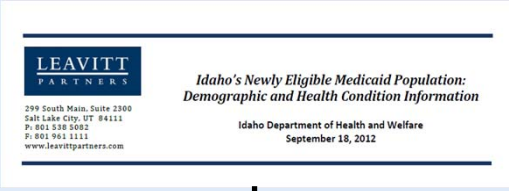
IDHW estimates that these factors could increase Idaho's Medicaid enrollment by 5% to 10%, regardless of whether the State decides to expand or not (also known as "eligibility surge" this number does not take into account the newly eligible or the currently eligible, but not enrolled, who may enroll in Medicaid in an expansion scenario).

Phase 2

Medicaid Expansion

Mandatory Requirements: Increased Medicaid Participation in 2014

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Idaho's Newly Eligible Medicaid Population: Demographic and Health Condition Information

Idaho Department of Health and Welfare
September 18, 2012

Woodwork (12,000)
Surge (24,000)

Pregnant Women
No Asset Test

No Change

No Change

Phase 2

Medicaid Expansion

Mandatory Requirements: Increased Medicaid Participation due to 'Surge'

- ☑ New MAGI methods increase eligibles
- ☑ Resource test removed
- ☑ Changes in household definitions
- ☑ Application/Re-evaluation Processing changes
- ☑ Coordination of Medicaid processing
- ☑ Other criteria (shifts between groups; otherwise eligible)

Phase 2

Medicaid Expansion

Budget methodology examples due to 'Surge'

The Jones Family
James, Cindy, Michael and Julie
a "1931(b) eligible" family in 2013

BUDGET

James has earnings of $680 per month
Cindy has earnings of $500 per month
Child care cost of $200 for Michael and $500 for Julie

$90 earned income disregard for James and Cindy
$30 & 1/3 earned income disregard for James and Cindy
Allowable dependent care disregards for children:
$175 for Michael and $200 for Julie

Countable income is $376,
Eligibility limit is $382 (budget unit of 4)
Eligible for Medicaid
Gross income: $1180

Approximate MAGI equivalent value needed in order to keep this family eligible in 2014: 63%
(today ongoing eligibility limit is at 20% of FPL)

Phase 2

Medicaid Expansion

Budget methodology examples

Miller Family

Thompson Family

Smith Family

John has earnings of $1180/mo. His wife, Jane, stays home with their two kids. With no child care deductions, this family is not eligible in 2013, but is under 63% FPL. Under MAGI rules the Smith family would qualify in 2014.

Phase 2

Medicaid Expansion

Budget methodology examples

Smith Family

Miller Family

Thompson Family

Melissa is a single mom of two children. She has income of $1180/mo. and no child care expenses. She is over-income in 2013. However, her brother lives with her and she claims him as a tax dependent. MAGI uses a tax household definition so with a family size of four the Thompson's are under 63% FPL and would qualify in 2014.

Phase 2

Medicaid Expansion

Budget methodology examples

Thompson Family

Smith Family

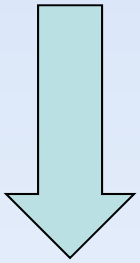
Miller Family

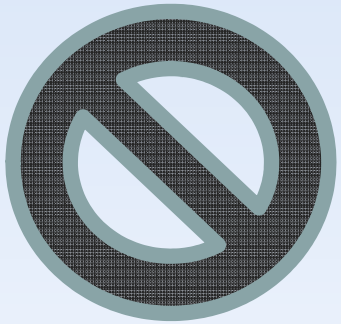
Paul earnings of $800/mo. Sue has earnings of $380. The couple has one child in common and Sue's child from a previous relationship. Sue receives $400/mo. in child support. They have no child care expenses; child support makes the Millers ineligible. MAGI disregards Child support so the family is under 63% FPL and under MAGI would qualify in 2014.

Phase 2

Medicaid Expansion

Budget methodology examples





Wilson Family

James has earnings of $1230/mo. With his wife Cindy he as one child in common and Cindy's child from a previous relationship. Cindy is eligible for Medicaid in 2013 with her child, even with a portion of James' earning "deemed" to Cindy ($248). Under MAGI rules, the family must apply together and Cindy would lose her Medicaid. The children could still get Medicaid (<185%).

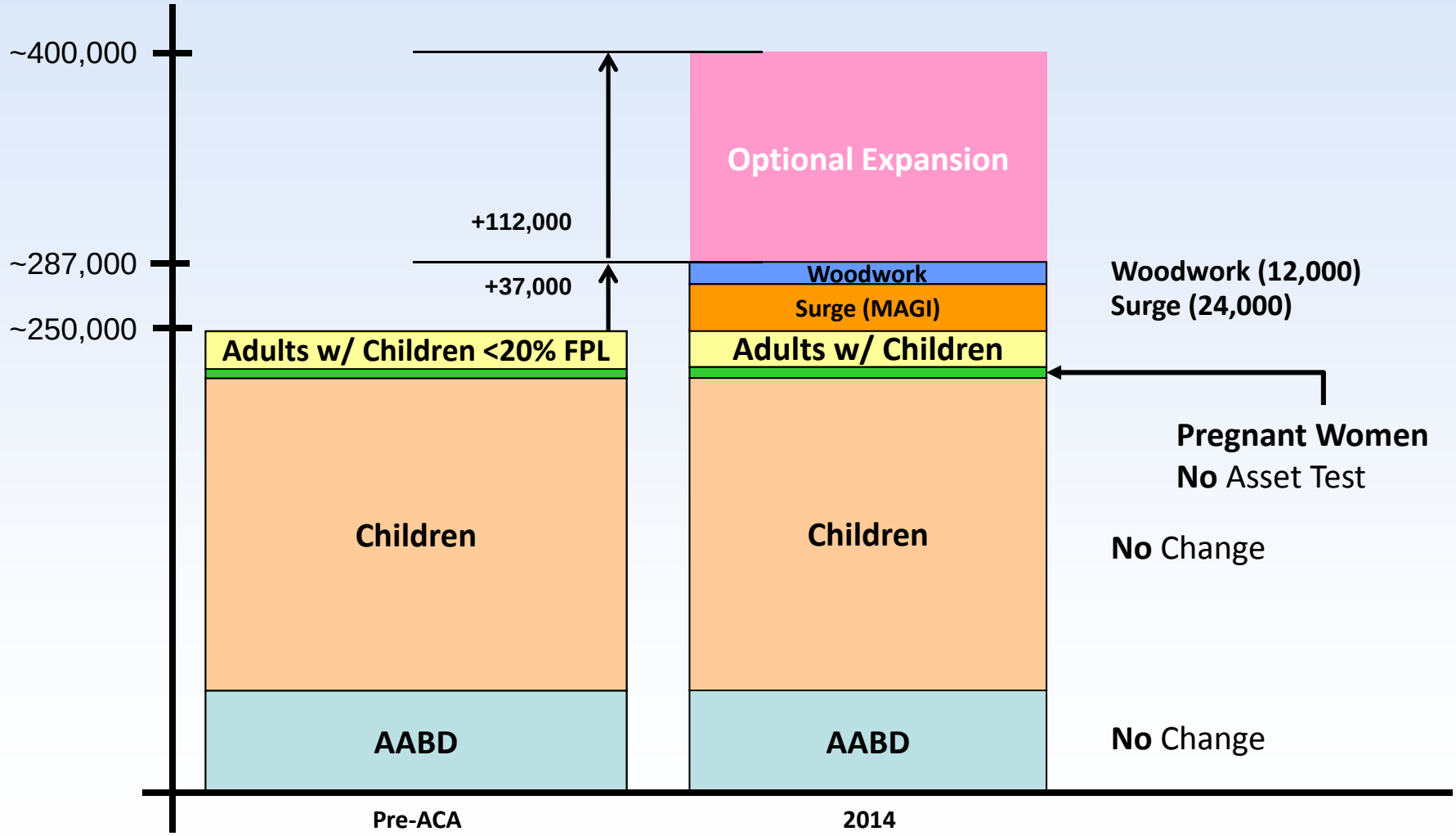
Brown Family

Jim has income of $4000/mo. Jane has no income and stays home with her two kids from a previous relationship. She receives $200/mo. in child support. With no children in common, Jane and her kids are eligible for Medicaid in 2013. Because the Brown's file a joint tax return claiming the children as dependents, under MAGI, as a family of four will be over-income for Medicaid in 2014.

Phase 2

Medicaid Expansion

Optional Expansion: Increased Medicaid Participation



Questions??