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Medicaid Expansions In Context

Presentation to
FINANCE (DIVISION III) JOINT WITH
HEALTH, HUMAN SERVICES AND ELDERLY
AFFAIRS,
Representatives Hall

March 7, 2013

"...to raise new ideas and improve policy debates through quality information and analysis on issues shaping New Hampshire's future."

**The Affordable
Care Act**

**Changes to private
market results
in increase in private
insurance coverage**

~ 75,000 newly covered

**Medicaid expansions results in
reduction of uninsured and
some shift from Private to
Medicaid**

~25,000 newly covered

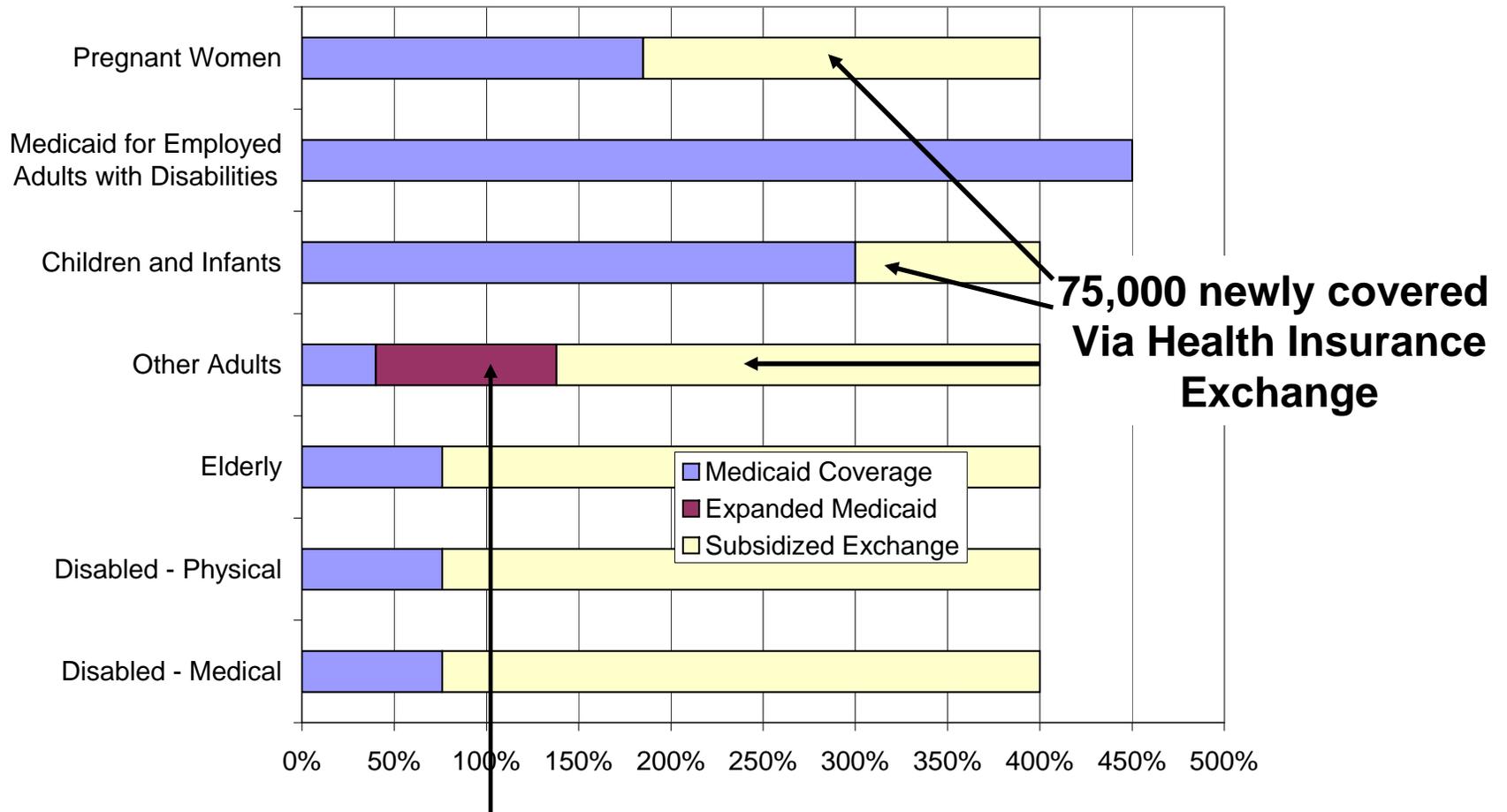
Impacts

**Individuals
State expenditures
Economic Development
Other Impacts**

**Estimates based on the Lewin Report and
Follow up clarifications**

The ACA and A Medicaid Expansion Up to 138% of the FPL

Expanded Medicaid Eligibility



58,000 new Medicaid enrollees of which only 25,000 are newly covered

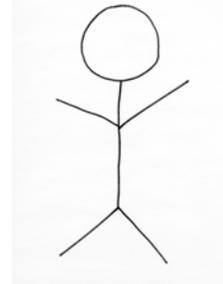
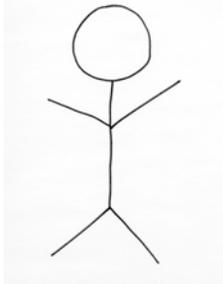
Who would be affected by a Medicaid Expansion?

**138% of the
Federal Poverty Level**

**\$15,856 in
annual income**

**\$21,404 in
annual income**

**Non-Disabled
Individuals**



**40% of the
Poverty Level**

**\$4,596 in
annual income**

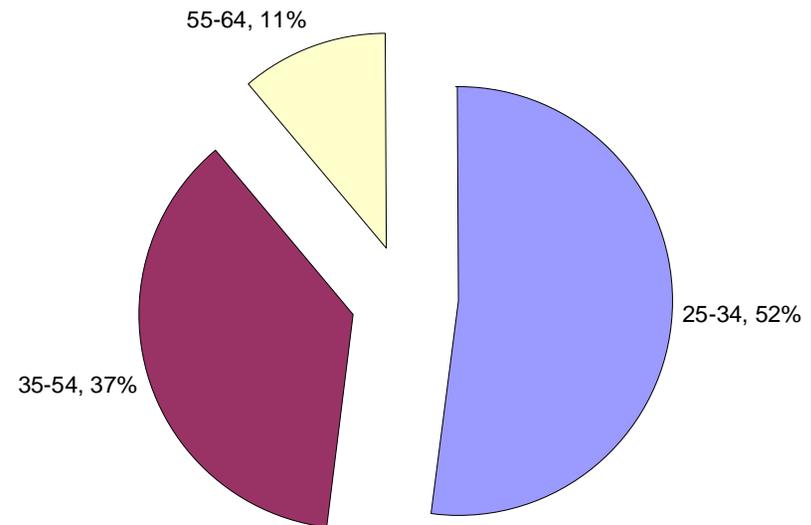
**\$6,204 in
annual income**

Not otherwise covered via other Medicaid programs

What would happen to population in the absence of the Expansion?

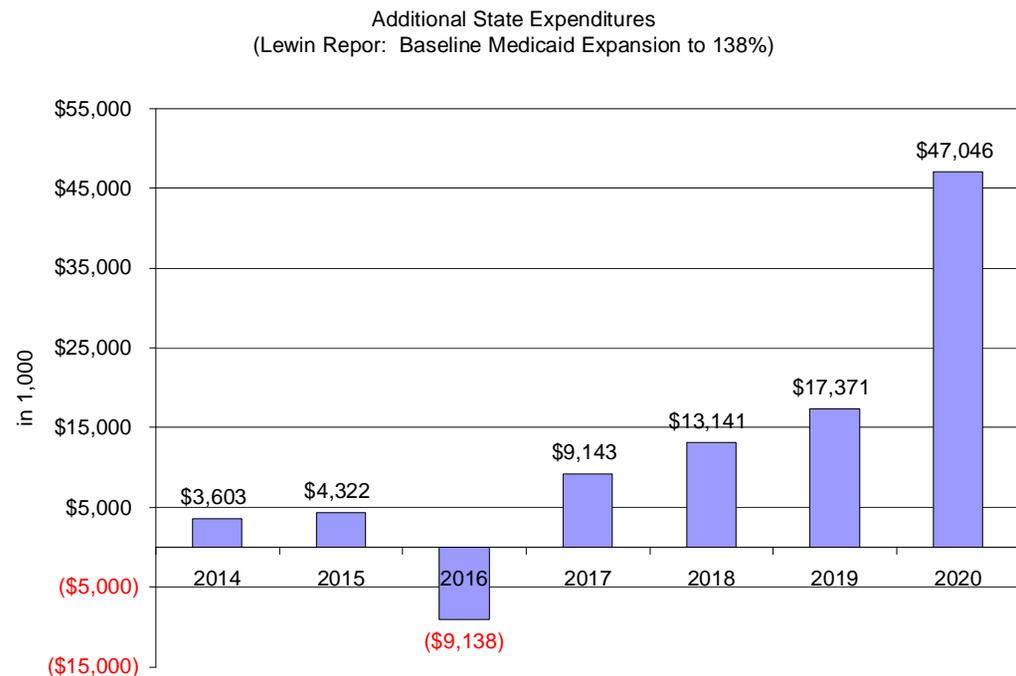
- Over half of these individuals may be younger adults.
- Without expansions, non-disabled individuals with incomes between 40% and 100% of FPL will face the same circumstances they currently face.
- Uninsured individuals with incomes between 100% and 138% will have access to subsidized coverage via health insurance exchange capped at a % of their income.

Distribution of the Uninsured with Incomes Less than 138% of the Federal Poverty Level by Age

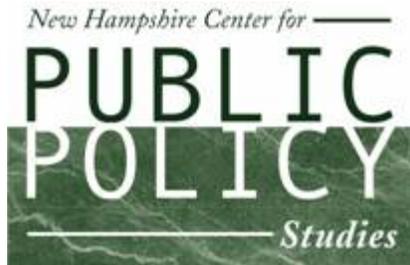


Costs and Coverage

- How much would a Medicaid expansion decrease the number of uninsured? ~25,000
- This would reduce out of pocket costs for those individuals to zero.
- How much would that expansion cost the state in 2014-2015 biennium? Approximately \$8 million
- What about over the 2014-2020 period?
 - \$85,488,000 for the state
 - \$2,510,922,000 for the federal government.



Other offsets to state expenditures are possible, but it is difficult to assess the likelihood and timing



Governor's Proposal: HB2

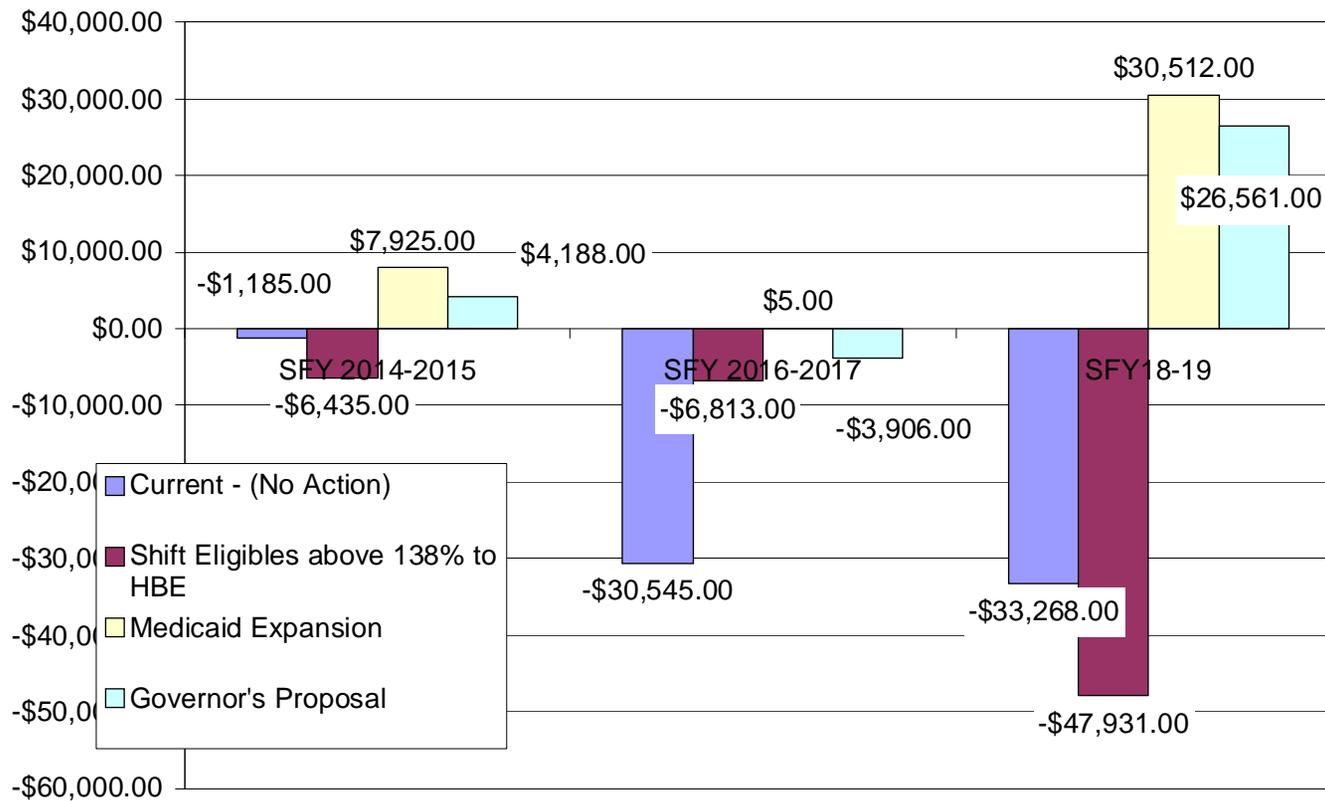
HB 2-FN-A-LOCAL - AS INTRODUCED

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1 73 Department of Health and Human Services; Medicaid Breast and Cervical Cancer Program.
2 Enrollment in the Medicaid breast and cervical cancer program, under 42 U.S.C. section 1396a(aa),
3 shall be suspended effective December 31, 2013 conditioned upon implementation of the Medicaid
4 expansion group pursuant to RSA 126-A:5, XXII. Any individual covered under the Medicaid breast
5 and cervical cancer program prior to December 31, 2013 shall continue to be covered for the program
6 unless his or her medical treatment has concluded, or until the next redetermination of his or her
7 eligibility by the department, whichever event occurs later; whereas after, the individual's eligibility
8 for the Medicaid expansion group shall be determined by the department pursuant to RSA 126-A:5,
9 XXII. Commencing January 1, 2014, administrative rule He-W 641.09 shall be limited in its
10 application to only those individuals enrolled in the Medicaid breast and cervical cancer program
11 receiving treatment as of December 31, 2013 conditioned upon implementation of the Medicaid
12 expansion group pursuant to RSA 126-A:5, XXII.

There is more than 'one' way to expand coverage to NH residents depending on your goals

Medicaid Expenses Associated with Different Options Identified by Lewin



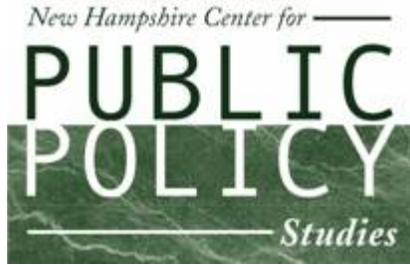
Does not account for other potential savings

Economic Development

- Economic Development - Most of the economic value of the ACA comes from the private expansions
 - Cumulative impact of ACA without a Medicaid expansion (2.9%)
 - Cumulative impact of ACA with a Medicaid expansion (.5%)
- Medicaid impact may be overstated.
 - More than ½ of the additional Medicaid coverage – and thus a significant portion of the estimated GSP increase – is a substitution for existing private spending due to crowd-out.
 - An additional portion (difficult to estimate) includes charitable care that is already being spent here in New Hampshire.
- These dollars flow to managed care companies (perhaps) and to providers. The economic development implications of these will depend on what providers do with the additional resources
 - Premium reductions?
 - Build new facilities?
 - Hire new nurses and doctors?

Not all questions are answered

- What are the state goals and which set of options best meets the state's goals?
- The costs of not expanding are largely born by individuals in the form of additional cost sharing and premium costs, but we do not have a clear sense of what this looks like.
- The data is not yet available to understand the implications on individuals of some of the other Medicaid expansion options included in the Lewin report.
 - Are there other approaches to shifting beneficiaries from Medicaid to the Health Insurance Exchanges that meet the goals of the legislature?
- Other options currently being considered (e.g Family Planning Waiver) are not included in this analysis
- Other states across the country are now looking to implement waivers which further maximize federal funds. Is now the time to think through such an effort?
- Not all providers, or even providers of a similar type, are affected equally by expansions but no geographic or provider specific analysis has been completed.



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