

What Does the Affordable Care Act Mean for Medicaid in Illinois?



Community Catalyst
Making Health Care Reform Work for Illinois:
A Statewide Health Care Reform Implementation Planning Summit
September 2010

About Community Catalyst

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Community Catalyst is a national non-profit advocacy organization that works with national, state and local consumer organizations, policymakers and foundations to build consumer and community leadership to improve the health care system.

We support consumer advocacy networks that impact state and federal health care policy, and ensure consumers have a seat at the table as health care decisions are made.

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Presentation Overview

- Key eligibility changes
- Short-term challenges & opportunities
- Long-term challenges & opportunities
- Two Key Takeaways



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Key Eligibility Changes




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Medicaid: A Coverage Cornerstone


- Enrollment in Illinois' Medicaid program will increase by 25.8% by 2019
- Of those made newly eligible for coverage in Illinois, 27% will be in Medicaid



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Medicaid/CHIP Income Eligibility in Illinois


	In 2009	Under the ACA
Children	200% FPL	200% FPL
Parents	185% FPL	133% FPL
Childless adults	N/A	133% FPL



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Medicaid Eligibility Changes

- 133% of the federal poverty level (FPL) by 2014
- Maintenance of effort until 2014 for adults, 2019 for children
- State option to expand eligibility started in April 2010
- Five-year bar for immigrants still exists



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Short-Term Challenges & Opportunities



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**Challenge:
Sustain Medicaid During Transition to 2014**

- Medicaid is critical for successful implementation in 2014
- Fiscal stress may lead state policymakers to look to Medicaid for savings
- Maintenance of Effort does not protect against all cuts
 - Adults above 133% FPL
 - Provider rates, optional benefits, etc.



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**Opportunity:
Savings Options Abound**


- Care Coordination
 - Dually Eligible
 - Medical Homes state option
- Payment reform demonstration projects:
 - Bundled payments
 - Global payments
 - Pediatric Accountable Care Organizations
 - TBD from Center for Medicare and Medicaid Innovation



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**Opportunity:
(More!) Savings Options Abound**

- No payments for preventable errors
- Grants for incentives for healthy behaviors
- Incentives for preventive services
- Incentives to expand community-based long-term care
- ACA public health investments beyond Medicaid
- Other options beyond ACA provisions



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**Long-Term Challenges &
Opportunities**



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Medicaid Financing

Calendar Year	FMAP for Newly Eligibles
2014	100%
2015	100%
2016	100%
2017	95%
2018	94%
2019	93%
2020 and beyond	90%



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Benefits for Newly Eligible

- “Benchmark benefits” for newly eligible
- Minimum “actuarial value”: 60 percent
- Must offer essential benefits as specified in the law
- Medically frail have access to current benefits



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Enrollment and Retention

- Coordination with Exchange
 - Single application form
 - Simplified income determination
 - Still some gaps
- Web-based enrollment
- Outreach to vulnerable, immigrant and rural populations



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Adequate Provider Network



- Community Health Center funds
- National Health Service Corps
- Enhanced rates for primary care clinicians



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Safety-Net Hospitals

- Reductions to disproportionate share hospitals (DSH) funding
- Largest reduction in states that do not target payments



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What Are The Key Takeaways?




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Key Takeaway #1:

Sustaining Medicaid through the current downturn is critical to the success of reform

- Expansion doesn't happen until 2014
- Pressure to cut program in the meantime
- Positive savings opportunities included in ACA
- States must be proactive in electing those savings opportunities




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Key Takeaway #2:

Long-term planning is needed to ensure the program is ready to serve new enrollees in 2014


- Integrated, simplified enrollment systems and appropriate outreach
- Benefit package that meets enrollees' needs
- Adequate provider network



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