WHAT THE Medicaid Expansion Means For WV
What is Medicaid and the Medicaid Expansion?

Who is eligible for Medicaid and the Expansion?

Medicaid Expansion impact on families and communities
  • Economy and jobs
  • Individuals and families

Medicaid and the State Budget

IF YOU WANT TO HELP . . . JOIN US
What is Medicaid?
It’s not Medicare

• Created in 1965 along with Medicare
• Medicaid is a public health insurance program plus long-term care
• It’s not welfare
• Covers preventive services, acute care and long-term care
• A federal/state partnership – state program within federal regulations
Medicaid in WV Before 2014 Expansion

• About 400,000 enrolled
• Children
• Impoverished parents on TANF
• People with mental and physical disabilities
• Low income seniors
2014 Medicaid Expansion

• Every state has a Medicaid program; 30 states have a Medicaid expansion

• WV Expansion effective January 2014

• **Covers WV earning less than 138% of the FPL**

• More than 170,000 enrolled in expansion

• 100% federal funding for first three years
Eligibility is Based on Income Only – Less than 138% of Federal Poverty Level (2015)

FAMILY SIZE: 1 | 2 | 3 | 4 | 5
---|---|---|---|---
$16,242 | $21,983 | $27,724 | $33,465 | $39,205

Source: U.S. Department of Health and Human Services, April 2015 to April 2016
Who is the Medicaid Expansion Population in WV?

- Low income workers
- Majority have a source of income
  - 63% (DHHR)
  - 70,000 working adults (FUSA)
- Dependents of wage earners
- Students
- Former foster children to age 26
- 5,300 Veterans became eligible for Medicaid
Medicaid Expansion: Who Can Enroll?

- Under age 65 earning less than 138% of FP
- Assets are not counted
- Must be resident of WV
- Undocumented immigrants not eligible; home documented immigrants are eligible
- Enroll any time
- No premiums or deductibles; but there are co-pays
Medicaid Expansions Evolving

• Other States w/o expansion still debating it
• Some states changing expansion to look more like private coverage (at 1115 waivers )
• In WV 56,000 uninsured are eligible (Kaiser Commission, Feb 2016)
• WV Medicaid expansion population in managed care
  ➢ Coventry /Aetna
  ➢ UniCare /Anthem
  ➢ The Health Plan of Upper Ohio Valley
  ➢ Family Health (Highmark)
Medicaid Expansion Impact on State, Communities & Families
Communities: New Spending of $700 million = New Spending in Communities

• Health care providers get new revenue
• Helps keep struggling rural hospitals open
• Reduces hospital charity care and bad debt
• Supports behavioral health and substance abuse services
  • $43 million for behavioral health
• Helps small business
  • Keeps workers healthy
  • New spending on non-health care goods and services
Impact of Medicaid Expansion on West Virginia

Even conservative macro-economic modeling shows the Medicaid expansion is good medicine for the WV economy

• Create 9,100 new jobs 2014-2017

• $1.59 billion in additional GDP

Calculations by Urban Institute, Congressional Budget Office, Council of Economic Advisors, published July 2014
Health Care Growing Sector in West Virginia's Economy

Expansion is a Bridge to the Middle Class

• Supports work
• Protects assets
• Reduces bankruptcy
• Supports health
The Effect of the Patient Protection and Affordable Care Act Medicaid Expansions on Financial Well-Being

Luojia Hu, Robert Kaestner, Bhashkar Mazumder, Sarah Miller, Ashley Wong
NBER Working Paper No. 22170
Issued in April 2016
NBER Program(s): HE

- Reduced number of unpaid bills and the amount of debt sent to third-party collection agencies.
- Reduced collection balances between $600 to $1000
- Findings suggest that the ACA Medicaid expansions had important financial impacts beyond health care use.
Does Medicaid Expansion Improve Health of Adults?

• More research needed

• Many getting preventive care for first time

• It’s saving lives

• Oregon Medicaid study showed decrease in depression (2008)

• Patrick Flavin Study shows improvement in subjective well-being (2015)
Better Health?

NBER Working Papers, No. 22265, May 2016

• Increased use of preventive care (dental care, cancer screening)
• Modest improvements in self-assessed health
• Decreases in number of work days missed due to poor health
Expansion States
Annals of Internal Medicine, April 2016

• More likely to see health care provider
• More likely to have overnight hospital stay
• More likely to be screened first time for high blood pressure, cholesterol
The expansion of Medicaid has saved lives and preserved families. Drug and alcohol abuse are at the center of much of the domestic violence in West Virginia.

Prior to the Medicaid expansion drug and alcohol treatment was simply beyond the financial means of most defendants and their families.

Without treatment it was very difficult to break the cycle of violence. Now, with Medicaid expansion, treatment is an option.

I personally saw people on a spiral toward death from substance abuse come back from treatment to resume a normal life as a caring parent and spouse and a taxpaying citizen.

Witnessing that was always among the highlights in my career on the bench
Medicaid Impact on Children

• Become healthier adults
• Greater academic achievement
• Greater economic success as adults

Medicaid at 50: a Look at the Long-Term Benefits of Childhood Medicaid, Georgetown University Health Policy Institute, July 2015
2014 Medicaid Enrollment by County

Let’s look at impact in your county

- Enrollment by County
- Medicaid Expenditures by County
- Reduction in Uncompensated Care by Hospital

WV Medicaid Coalition

Enrollment % by County Population

- 56.10%
- 42.00%
- 34.00%
- 17.60%
CHALLENGES: The State Medicaid Budget
West Virginia’s Medicaid Budget is $3.9 Billion, SFY 2016
(in millions)

- Federal Revenue: $2,971 (76%)
- General Revenue: $583 (15%)
- Appropriated Special Revenue: $315 (8%)
- Non-Appropriated Special Revenue: $55 (1%)

Source: WV Bureau for Medical Services
Medicaid Costs (in millions)

2014
- West Virginia: $897
- Federal: $2,311
- Total: $3,208

2015
- West Virginia: $957
- Federal: $2,773
- Total: $3,730

2016
- West Virginia: $951
- Federal: $2,828
- Total: $3,779

Source: WV Bureau for Medical Services
Medicaid Funding Gaps

• **SFY2015 (100% Federal funding for expansion)**
  - Partially funded by $100 million of Rainy Day funding
  - Partially funded by $26.8 million of excess Lottery

• **SFY2016 (100% Federal funding for expansion)**
  - Estimated shortfall of an additional $27 million
  - Cost containment efforts totaling $10.1 million to offset the $27 million increase

Source: WV Bureau for Medical Services
Federal Match for Expansion

100%  2014
100%  2015
100%  2016
95%   2017
90%   2020
WV Medicaid Expansion Cost:
Cost to State
(in millions)

$0 $0 $0 $17.5 $42 $49 $70

*Numbers based on $700 million in federal spending in SFY 2015; numbers don’t include inflationary costs
Enrollment & Spending in WV Medicaid, 2014

Medicaid Enrollment
- Children: 39%
- Adults: 35%
- Aged: 6%
- Blind & disabled: 20%

Medicaid Spending
- Blind & disabled: 46%
- Children: 19%
- Aged: 20%
- Adults: 15%
Medicaid Spending Grows Slower than Private Insurance

Cumulative Growth in Per Capita Public and Private Health Spending

Source: Kaiser Family Foundation analysis of data from the Office of the Actuary, Centers for Medicare and Medicaid Services
How Do We Address the Funding Challenges?

Options

• Control health care costs
• New taxes (alcohol, tobacco, soda)
• Ask hospitals, insurance companies to help
• All of the above

For Tax Options see [www.wvpolicy.org](http://www.wvpolicy.org)
Cutting Medicaid is not an option

“If you cut the Medicaid budget, you are cutting off your nose to spite your face.”

State Senate Finance Chair
Mike Hall
Controlling Health Costs: A Heavy Lift

• **Pharmaceuticals – third tier specialty drugs**
  7 States have capped out-of-pocket costs
  Bipartisan interest in Congress to address high cost of drugs

• **Control use of high tech procedures, prescriptions and diagnostic tests**
  Choosing Wisely

• **New delivery and payment models**
  Incentives/Penalties for hospital acquired infections, readmissions has saved $20 billion 2010-2015 according to fed report
WV Medicaid
Addressing Costs

- Pharmaceutical costs – Drug Rebates
- Managed care; prior authorizations
- $50 Fee for non-emergency use of ER
- Co-pays for pharmaceuticals
- DHHR Health Collaborative
- State Innovation Model (SIM) Plan
What Americans Support for Cost Control
Harris Poll, November 2015

• 73 percent support price controls on drug and device manufacturers.
• 70 percent would like price controls placed on hospitals.
• 66 percent want to authorize Medicare to negotiate drug prices.
• 63 percent support price controls on payments to doctors.
• 56 percent want to be able to import less expensive drugs from other countries
What You Can Do

• Meet with your local officials and educate them about Medicaid
• Write letters to the editor re: Medicaid expansion
• Share your Medicaid story
• Fill out the survey https://www.surveymonkey.com/r/ZBTNZ2J
Summary: Medicaid Expansion is Good for West Virginia But State Funding is a Challenge

• Supports the economy, creates jobs and helps rural hospitals
• Saved the state dollars in other state programs and services
• Provides economic security of families
• Protects the health of working West Virginians
• Supports work
• Supports treatment of substance abuse/mental health
JOIN US

WV Medicaid Coalition