THE DEPARTMENT OF HEALTH POLICY PRESENTS

RESEARCH INTO POLICY AND PRACTICE LECTURE

Caring for the Uninsured: A National, State, and Local Perspective

Monday, November 16, 2015
4:00–5:00 p.m.
208 Light Hall

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Department of Health Policy | School of Medicine  
VANDERBILT UNIVERSITY  
Co-sponsored by Robert Wood Johnson Foundation Center for Health Policy at Meharry Medical College
Caring for the Uninsured: A National, State and Local Perspective
Nicole Comeaux, JD, MPH, Deputy Executive Director
November 16, 2015
Overview:

Kentucky

kynect Overview

Medicaid Overview

Outcomes

Open Enrollment 2016
Kentucky at a Glance

- 120 - Counties
- 4.3 - Million Kentuckians
- $43,399 - Median Household Income
- 1.3 - Million served through Medicaid
- 100,000 - Served on State Based Exchange (kynect)
Overview of kynect:

- State-based Marketplace
- Commissioned Workforce Capacity Study & White Paper on Exchange Implementation & Medicaid Expansion
- Submitted an Exchange Blueprint to Department of Health & Human Services (HHS) in December 2012
- Governance: State Agency
- Medicaid Expansion in May 2013
- Built a Completely Integrated System
kynect: Insurer Participation 2014-2016

Individual Plans

2014
- Anthem
- Humana
- Kentucky Health Care Cooperative

2015
- Anthem
- Humana
- Kentucky Health Care Cooperative
- Caresource
- WellCare

2016
- Anthem
- Humana
- Caresource
- WellCare
- Aetna
- UHC of Kentucky
- Bluegrass Family Health

Small Employer Group (SHOP) Plans
- Anthem
- Bluegrass Family Health
- UHC of Kentucky
Enrollees:

- Current QHP Enrollments: 103, 292
- 69% of enrollees receive a tax credit to subsidize their premium costs
- Enrollment by Metal Level:
  - 20% Bronze
  - 52% Silver
  - 14% Gold
  - 13% Platinum
  - 1% Catastrophic
- Age Categories:
  - 33% of enrollees are under the age of 34
  - 38% of enrollees are between the ages of 35-54
  - 29% of enrollees are 55+
Medicaid: Overview

At a Glance:

• 1.3 Million Members
• $9 Billion Budget
• Managed Care Delivery System
• ACA Changes
  • Medicaid Expansion
  • Behavioral Health Delivery System
  • Expanded Provider Network
  • State Based Exchange – kynect
  • Streamlined Eligibility and Enrollment
2013 Predictions

The 2013 white paper estimated that 147,634 newly eligible members would enroll by the end of state fiscal year (SFY) 2014, with total enrollment increasing to 187,898 by the end of SFY 2021.

The 2013 whitepaper anticipated a decrease in the uninsured rate, but did not contain a quantifiable estimate. Stressed individuals with insurance are healthier. Rate of uninsured estimated at 20.4%.

The 2013 whitepaper projected a net positive impact of $841.3 million to the state budget from SFY2014 to SFY2021 as a result of expanding Medicaid eligibility.

The 2013 whitepaper did not have projections for uncompensated care but stressed that hospitals would be forced to take on additional financial burdens with reductions in DSH.

The 2013 whitepaper estimated that a total of 17,000 new jobs would be added to the Kentucky economy through SFY 2021 as a result of expansion.

The 2013 whitepaper predicted Medicaid expansion would have a net positive cumulative impact of $15.6 billion between SFY2014 and SFY2012.

2015 Facts and Projections

Medicaid expansion enrollment increased by 375,175 by the end of calendar year (CY) 2014, with the expansion population representing 8.5% of the total state population.

Compared with all other states, Kentucky experienced the second largest decrease in its uninsured rate; the uninsured rate dropped from 20.4 percent in 2013 to 9.8 percent in 2015.

The net difference between expanding and not expanding is now projected to have a positive $919.1 million impact on the state budget from SFY2014 to SFY2021.

Uncompensated care costs for Kentucky hospitals were $1.15 billion lower during the first three quarters of CY2014 compared with the same period in CY2013.

Revised estimates indicate the state will recognize the creation of approximately 40,000 new jobs as a result of expansion.

Between SFY2014 and SFY2021, Medicaid expansion is now estimated to have a net positive cumulative impact of $30.1 billion on Kentucky’s economy.
Uncompensated Care

Figure 15. Total Billed Charges for Uncompensated Care – Rural and Urban
Outcomes
Outcomes

Gallup: Second Largest Decrease in Uninsured in the Country

- Population under 65 years of age
- From 20.4% to 9.8%
- 52% reduction in the rate of uninsured Kentuckians
Outcomes

Census: Largest Decrease in Uninsured rate in the Country

- Entire Population
- From 14.3% to 8.5%
- 40% reduction in the uninsured rate
Outcomes

Figure 9. Uninsured Population Per Capita

Pre-ACA

Figure 9. Uninsured Population Per Capita

Post-ACA
Medicaid Enrollment Since 2012
### Medicaid Expansion Pays For Itself

<table>
<thead>
<tr>
<th>Source</th>
<th>FY 2017-2018 (millions)</th>
</tr>
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<tbody>
<tr>
<td>Medicaid Expansion State Match</td>
<td>$257.3</td>
</tr>
<tr>
<td>General Fund Savings (Federal Funds now paying for services previously paid by General Fund)</td>
<td>$265.0</td>
</tr>
<tr>
<td>Additional Revenue (economic activity creating state income &amp; sales taxes)</td>
<td>$246.8</td>
</tr>
<tr>
<td>New Restricted Fund Revenue</td>
<td>$45.7</td>
</tr>
<tr>
<td><strong>Total Sources to Pay for Expansion</strong></td>
<td><strong>$557.5</strong></td>
</tr>
<tr>
<td><strong>Net Financial Impact of Expansion</strong></td>
<td><strong>$300.2</strong></td>
</tr>
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## Preventive Services Usage

<table>
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<tr>
<th>CY 2014: More Screenings = Better Health</th>
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<tbody>
<tr>
<td>17,000 screened for colorectal cancer</td>
</tr>
<tr>
<td>26,000 received mammograms</td>
</tr>
<tr>
<td>34,000 screened for cervical cancer</td>
</tr>
<tr>
<td>46,000 screened for diabetes</td>
</tr>
<tr>
<td>13,000 received treatment for substance abuse</td>
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<tr>
<td>80,000 had preventive dental visits</td>
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</tbody>
</table>
Retail Store

Success in 2014

- 7,592 visitors
- 5,938 applications for new coverage

Two Locations in 2015

- Lexington
- Louisville
Consumer Decision Support Tool
**Intelligent & Informed Shopping**

The objective of a decision support system is to provide an intelligent & informed shopping framework to help the user identify the best overall plan offered on kynect, tailored to user’s unique circumstances.

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### Intelligent & Informed Shopping Framework

- **Provider Selection**
  - Filter plans by doctors and hospitals used by family members

- **Annual Medical Cost Forecast (AMCF)**
  - Coverage Cost
    - Annual premium
    - Minus available premium tax credit
  - Prescriptions Cost (out of pocket)
    - Generics vs. branded drugs
    - Dosage
    - Recurring vs. non-recurring
  - Care Cost (out of pocket)
    - Doctor visits (Primary and specialist)
    - Hospital care (in-patient and out-patient)
    - Procedures
    - Other medical services

- **Incident Cost Forecast (ICF)**
  - Total out of pocket cost after insurance coverage
Mobile & Tablet Apps
Mobile & Tablet Apps

6 Household Members
$35,000 Annually
Boone County

Health Insurance Plans
With Payment Assistance

$180.45
per month for your household
3 household members may be eligible

Health Insurance Plans
No Payment Assistance

$308.21
per month for your household
5 household members may be eligible

KCHIP
Based on your responses, no one in your household may be eligible

There may be 17 health insurance plan options for your household. Tap a plan to learn more about it.

Anthem Health Plans of KY

$399.72
monthly payment

Anthem Blue Cross and Blue Shield Silver DirectAccess, a Multi-State plan

$25
for prescription medication (generic)
$20
doctor visits co-pay (in-network)
$4,600
maximum out-of-pocket costs

Wellcare

$644.81
monthly payment

Anthem Bronze Pathway X PPO 0 for HSA

Health Plans of Kentucky one hundred character long name lorem

$5,000
maximum out-of-pocket costs
Welcome to kynect,
Kentucky’s Healthcare Connection!

Most Americans must have health insurance. kynect is the only place for Kentuckians to explore and apply for all available plans, including free and low-cost options. Just answer a few questions to see if you may qualify for cost savings or assistance programs. Or, apply for health insurance now by answering more specific questions and sharing documents.

Great! Tell me more.

Get advice and support

Whether you need support from an agent, sign-up help from a certified kynector, or to find a walk-in event to meet kynectors in your community now, it’s easy to find free help from people who know how to kynect.

Sounds good!
The Affordable Care Act At 5

David Blumenthal, MD, MPP
President, The Commonwealth Fund

Caring for the Uninsured: A National, State and Local Perspective
Nashville, Tennessee
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Agenda

• Why the ACA?
• What’s happened?
Why the ACA?
COST

- $Billions in unnecessary and wasteful spending
- Overuse puts patients at risk, drains resources, and makes healthcare less accessible and less effective

QUALITY

Despite rapid advances, thousands of patients die each year from medical error

COVERAGE

55 million uninsured; many more underinsured

A BROKEN SYSTEM
What’s Happened So Far?
Insurance Marketplaces by State

Note: FFM=Federally-facilitated marketplace; FFM*=FFM with state plan management.
Medicaid Expansion by State

- **Expanding (24 + DC)**
- **Approved Customized Medicaid Expansion (6)**
- **Medicaid Expansion Under Discussion (4)**
- **Not expanding (16)**
Over 25 Million People Estimated to Have Insurance Under the Provisions of the Affordable Care Act, as of June 2015

Millions of people who have gained coverage or enrolled in a new plan under the Affordable Care Act

- **2.3** increases in the number of young adults ages 19-25 covered under a parent's policy
- **9.9** enrolled in a marketplace plan*
- **13.1** enrolled in Medicaid/CHIP**
- **25.3** total covered under provisions of the ACA

*Number of Americans that had paid their premiums and had an active Health Insurance Marketplace policy at the end of June 2015.

**Increase in Medicaid and CHIP enrollment between October 2013 and June 2015.

Sources: HHS-ASPE, and CMS
Number of Uninsured Has Fallen Significantly

Millions of adults age 18-64 without insurance

Source: CDC/NCHS, National Health Interview Survey.
Most Adults Newly Enrolled in Marketplace or Medicaid Coverage are Satisfied with their Plan

Overall, how satisfied are you with this new health insurance?

- Very satisfied: 40%
- Somewhat satisfied: 45%
- Not very satisfied: 6%
- Not at all satisfied: 5%
- Don’t know/refused: 4%

Adults ages 19–64 who are currently enrolled in marketplace coverage
Or have had Medicaid for less than two years

Estimated ACO Covered Lives, by Hospital Referral Region

- 744 accountable care organizations in the U.S.
- 23.5 million lives covered.

Medicare Hospital Readmissions Declining

Percent, 12-month moving average

Decline in Hospital-Acquired Conditions Between 2010 and 2013 Prevents 50,000 Deaths

Spending Growth Rate Slowed in Recent Years

Source: National Health Expenditure Accounts.
Past Problems, Future Questions

• Start-up problems for healthcare.gov and some state exchanges.
• Unanticipated policy cancellations for non-compliant plans.
• Coverage gap in states not expanding Medicaid.
• Failure of 12 out of 23 Co-op plans.
• Slow projected growth in Marketplace enrollment for 2016.
• Uncertainty about cost and quality of insurance available in ACA marketplaces.
Question and Answer