

1115 Medicaid Waiver Proposal

DPHHS
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Waiver Overview

- Background and History of Concept
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 - State Plan Medicaid
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- Proposed Waiver Concepts
- Questions & Comments

Background and History of Concept

- Started with the 2003 Legislature and HJ 13
- Outline options to redesign health programs administered by the Department.
- Montana's Public Health Care Redesign Project
 - Public Health Care Advisory Council (PHCAC)
 - Meetings from Nov 2003 through May 2004
 - Report finished June 2004

Background and History of Concept

- Report contained 18 recommendations
- Recommendation #12 – Submit a Health Insurance Flexibility and Accountability Waiver.
- 2005 Legislature - DPHHS requested enabling legislation for this proposal (SB 110).
 - Waiver proposal presented to the legislature – (Draft January 2005)
 - Legislature passed SB 110 and Governor Brian Schweitzer signed in to law.
- 9/30/2005 -Waiver proposal updated & issued for Public Comment.

State Planning Grant Information

- Grant to conduct an analysis of Montana's uninsured population.
- Report issued August 2004
- Key Findings
 - 19% of the population uninsured (173,000 Montanans)
 - Young adults (between the ages of 19 and 25) were more than twice as likely to be uninsured than the general population (39% uninsured).

Comment from Governor Brian Schweitzer

In a letter to public health clinics, associations and medical providers across the state Governor Schweitzer said, "As Governor of the State of Montana, I am focused on ensuring affordable and accessible health care is a reality for all Montanans with special concern for our citizens that are the last and have the least. Based on estimates from the Montana State Planning Grant survey conducted in 2003, approximately 19% of Montanans are uninsured. This level is unacceptable to me. The Department of Public Health and Human Services has identified an opportunity to seek a Medicaid waiver from the federal government to increase health care coverage for the uninsured. My staff has reviewed the proposal and report that it may provide health care for an additional 5,000 uninsured Montanans. Now, I want to hear from all Montanans."

- Source: Press release Tuesday, October 4, 2005
State Seeks Comments Regarding Proposal for 1115 Medicaid Waiver Concept Paper
Looks To Address Needs Of Uninsured Montanans

Medicaid and Waivers 101

■ State Plan Medicaid

- Under federal law, if a state chooses to participate in Medicaid, then every resident of the state who meets the State's Medicaid eligibility requirements is entitled to have payment made on his or her behalf for covered services.
- State Plan services are the fundamental basis of the Montana Medicaid program that provides the health care safety net for low-income Montanans.

Medicaid and Waivers 101

■ Waivers

- Vehicle used by the federal government that enables States to experiment with new ways of delivering healthcare.
- Waiver provisions of the Social Security Act
 - 1115 Research and Demonstration Waiver
 - 1915(b) Freedom of Choice Waivers
 - 1915(c) Home and Community Based Services
- Waiver authority has the ability to change the basic concept of entitled benefits that only applies to waiver eligible clients.

1115 Research and Demonstration Waiver

- An 1115 Medicaid Waiver allows States to develop innovative plans to address the healthcare needs of the uninsured by waiving certain requirements of the Social Security Act, such as:
 - Comparability of Services
 - State-Wideness
 - Freedom of Choice
 - Early and Periodic Screening, Diagnostic and Treatment Services (EPSDT)
 - Cost Sharing

HIFA Waivers!

- Health Insurance Flexibility and Accountability.
- Simply another form of an 1115 Research and Demonstration Waiver with the intent to:
 - Provide greater flexibility in operating Medicaid programs.
 - Increase the number of low income people with healthcare benefits.
 - Restrain the rate of growth in Medicaid.

HIFA

- The HIFA waiver concept gives states the ability to:
 - Serve new low-income eligibility groups using Medicaid funding.
 - Provide a different set of Medicaid services to the new eligibility groups.
 - Limit enrollment of, and total spending on services to, new Medicaid eligibility groups.
- Under certain conditions allow states to convert state funded health care program to Medicaid funding.
 - As long as the savings are reinvested in expanded health care coverage for low-income people who are uninsured.

Existing 1115 Waiver!

- Montana has an approved 1115 research and Demonstration Waiver!
Basic Medicaid Waiver for Able-Bodied Adults
 - Effective 2/1/2004
 - Basically an extension of the FAIM program implemented in 1996.
 - Clients receive a reduced package of Medicaid services.

The Proposed Waiver Concept

- Amended the existing 1115 waiver and incorporate HIFA concepts.
 - Goal is to provide healthcare to over 5,000 uninsured Montanans.
- Leverage cost savings under the existing 1115 waiver to meet the federal budget neutrality requirement.

Key features of the proposed waiver

- Secure Medicaid funding for portions of the Mental Health Services Plan (MHSP).
- MHSP currently a state funded program.
- Funding MHSP with Medicaid frees up a significant amount of state funding.
 - Roughly 70% of the state funding
- All of this funding must then be reinvested in healthcare benefits for uninsured people with low incomes.

Waiver Proposed Groups DPHHS & MHSP funding matched with Medicaid

- Reinvest the savings to provide healthcare benefits for the following uninsured people:
 - Mental Health Services Plan (adults).
 - Uninsured Working Parents with Children on Medicaid or CHIP.
 - Uninsured Children.
 - Uninsured Seriously Emotionally Disturbed (SED) Youth age 18 through 20.

Mental Health Services Plan (MHSP)

- Provide coverage for up to 1500 uninsured MHSP clients.
- Program currently provides services for approx 2200 clients
 - Approx One third do not qualify for the waiver because they have healthcare coverage under Medicare or private health insurance.
- Propose to provide the following healthcare benefits:
 - Continue existing MHSP mental health services
 - Enhance MHSP services with a new s/t Inpatient Hospital Acute Psychiatric Services, and
 - Provide a physical healthcare benefit.

Mental Health Services Plan (MHSP)

- Physical healthcare benefit
- Flexible strategy that provides a choice of three options:
 - Employer Premium Assistance (\$166/mo)
 - Individual Private Health Insurance Plan (\$166/mo)
 - Medicaid Individual Healthcare Benefit (\$166/mo)

Uninsured Working Parents with Children on Medicaid or CHIP

- Provide coverage for up to 600 uninsured Working Parents with Children on Medicaid or CHIP.
- Physical healthcare benefit – choice of 3 options, the same as MHSP clients.
 - Employer Premium Assistance (\$166/mo)
 - Individual Private Health Insurance Plan (\$166/mo)
 - Medicaid Individual Healthcare Benefit (\$166/mo)

Uninsured Children

- Provide coverage for up to 1600 uninsured children.
- This target group will be children who apply for or lose Medicaid eligibility because they do not meet the income and resource requirements for Medicaid.
- Children maybe eligible for CHIP but cannot access services because the CHIP is full and has a cap on the number of the children served.
- Healthcare benefit package identical to the one provided by the CHIP program.

Uninsured Seriously Emotionally Disturbed (SED) Youth age 18 to 20

- Provide coverage for up to 300 uninsured SED youth.
- Provide high risk uninsured SED youth with:
 - Medicaid funded physical healthcare benefit identical to the one provided by the CHIP program.
 - A set of therapeutic & support services to assist in making a successful transition to adulthood.

Proposed Waiver Group MCHA Premium Subsidy Program

- Montana Comprehensive Health Association (MCHA).
- Premium Subsidy Pilot Program.
- Provide coverage for up to 260 individuals.
 - Approx 10% do not qualify for the waiver as they have healthcare coverage under Medicare.
- The waiver proposes to adopt the existing MCHA eligibility criteria, benefit package and operational procedures.
- Refinance MCHA state funding with Medicaid

MCHA Premium Subsidy Program

- Reinvest the savings in the MCHA Premium Subsidy Program and Match with Medicaid to address options for strengthening MCHA:
 - Maintaining or increasing the percentage of the monthly premium that MCHA pays for eligible individuals;
 - Eliminating the current waiting list for MCHA Premium Assistance Program; and
 - Ensuring the continued financial viability of the MCHA Premium Assistance Program.

Proposed Waiver Group
Uninsured Parents With Children and Uninsured Youth

- Provide coverage for up to 1200 individuals.
- House Bill 667 – Small Business Insurance Pool
- Small business employers join a purchasing pool
- Receive assistance from the State of MT in paying a portion of monthly insurance premiums. The assistance will be available in two forms:
 - Premium Assistance payments for the employee
 - Premium Incentive payments for the employer.

Proposed Waiver Group
Uninsured Parents With Children and Uninsured Youth

- HB 667 has provision to seek a Medicaid Waiver to fund a portion of the program for employees that may be Medicaid eligible.
- DPHHS will coordinate with State Auditor's Office.
- DPHHS proposes to match a portion of the new funding under HB 667 with Medicaid.

Proposed Waiver Group

Uninsured Parents With Children and Uninsured Youth

- Medicaid Waiver Target Group will be employees who are not currently eligible for Medicaid or CHIP, but meet the following criteria:
 - Group One - Uninsured adults ages 19 through 64 who have children under the age of 21, and have incomes equal to or less than 200% of FPL;
 - Group Two - Uninsured youths age 18 through 20 who have incomes equal to or less than 200% of FPL.

1115 Medicaid Waiver Concept Paper

- The proposed effective date is July 1, 2006.
 - This depends on the approval process from the federal government.
- Estimated economic impact will be an additional \$15 million dollars in federal Medicaid funding for Montana.
- Over 5,000 uninsured Montanan's will obtain healthcare coverage.
- No additional cost to the state general fund!

What the Waiver will not do!

- Reduce the quality or quantity of Medicaid benefits or services currently available for any of the existing eligibility groups in Montana
- Increase co-payments or deductibles for any existing Medicaid eligibility groups in Montana; or
- Impose an additional annual expenditure limit or growth cap on payments for services to any existing Montana Medicaid eligibility group.

End

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