



MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

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THE MONTANA HEALTH AND ECONOMIC LIVELIHOOD PARTNERSHIP ACT (HELP ACT)

WHAT IS THE HELP ACT?

The Affordable Care Act (ACA) of 2010 expanded the Medicaid program in all states. Subsequent action by the Supreme Court upheld the ACA and determined that states could not be forced to expand Medicaid, but instead have the opportunity to choose whether or not to participate. The HELP Act (SB 405), passed in 2015 by the 64th Montana Legislature authorized the expansion of Medicaid in Montana. The HELP Act contains a sunset date of June 30, 2019.

Medicaid is a partnership between state and federal governments. In the Medicaid program already in place prior to the expansion, Montana receives approximately 65% federal reimbursement for medical benefits. The matching rate is being phased-in, each year the state covers an increasing share of expenditures until 2020, at which point the matching rate will be 90% federal and 10% state.

Federal Match Rate		
Calendar Year	Federal Share	State Share
2016	100.0%	0.0%
2017	95.0%	5.0%
2018	94.0%	6.0%
2019	93.0%	7.0%
2020+	90.0%	10.0%

HOW IS MONTANA'S MEDICAID EXPANSION DIFFERENT FROM OTHER STATES?

The HELP Act approved Medicaid expansion with several differences from ACA-prescribed expansion as part of what has been termed a "uniquely Montana solution." Parts of these differences required official "waivers" from the Center for Medicare & Medicaid Services (CMS). These unique aspects include:

- Premium payments and Co-pays
- Workforce Development Program
- Third Party Administrator (No longer part of the waiver)

Premiums and Co-pays

The HELP Act stipulated that participants must pay a premium equaling 2% of their income, and co-pays for medical services to the maximum allowed by federal law. Federal restrictions to total cost-sharing in Medicaid limit an individual's total exposure to 5% of their income, effectively capping the total co-pays and premiums paid. Additionally, when CMS approved the waiver for cost sharing, those individuals earning less than 50% of the federal poverty level were specifically excluded from this requirement. As a result, only those participants earning between 100-138% of the federal poverty level are paying premiums.

Workforce Development

Another unique aspect of the HELP Act that did not require a waiver from CMS rules was the inclusion of a workforce development training program to assist in helping participants develop the skills needed to move up the pay scale and out of the Medicaid program. Participants in Medicaid expansion have access to an entire suite of workforce development resources provided by the Montana Department of Labor & Industry (DLI). In FY 2018, DLI spent \$885,398 of state special funds on this program.

Third Party Administrator

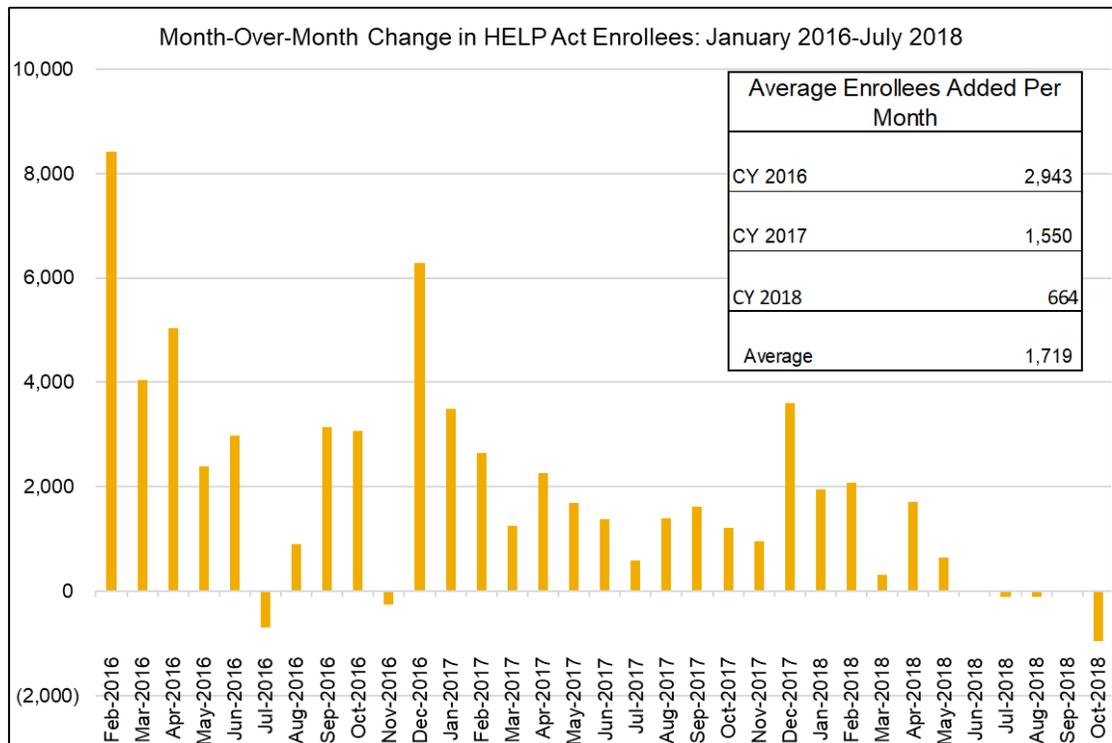
The HELP Act differed from other states by including a provision for a third-party administrator (TPA) to administer claims. Blue Cross Blue Shield (BCBS) of Montana was chosen to serve as the TPA. In 2017 the legislature passed SB 261, section 14 required termination of the TPA contract if revenues and transfers failed to reach a specified amount. Revenues did not meet the specified amount and the TPA contract expired at the end of calendar year 2017. DPHHS now administers claims for all HELP participants.

WHO IS ELIGIBLE FOR THE MEDICAID EXPANSION?

The expansion of Medicaid specifically targets individuals between the ages of 19-64 earning less than 138% of the federal poverty level (FPL). In 2018, this was the equivalent of \$16,753 for an individual, or \$34,638 for a family of four. Prior to the expansion, the only eligible adults in this age range were pregnant women under 157% of the FPL, blind or disabled individuals meeting income and asset tests, and parents making less than 54% of the FPL.

Enrollment

As of October 2018, there were 95,128 individuals enrolled in Medicaid expansion. Month over month average enrollment has decreased each year, however, expansion growth has remained robust through July 2018 and it is still unclear if Montana has reached saturation in HELP enrollment.



In June 2018 the Center for Medicare & Medicaid Services (CMS) reported a total of 278,950 individuals covered under Medicaid and CHIP (Children’s Health Insurance Program). This would indicate that 34.5% of the total Medicaid enrollment in Montana was covered at that time through the HELP Act.

WHAT IS THE COST OF THE MEDICAID EXPANSION?

In addition to medical benefits, the state experiences costs associated with the management of Medicaid. Typically, these costs are matched by the federal government at a lower rate than for direct medical benefits to enrollees. This matching rate can vary from 90% federal for approved technology development to a simple 50-50 match for many administrative activities. The table below summarizes HELP Expenditures since its inception January 1, 2016.

HELP Expenditures FY 2016 - FY 2018				
General Fund	FY 2016	FY 2017	FY 2018	Total
Admin	\$4,176,918	\$8,535,488	\$10,671,875	\$23,384,281
Benefits	<u>1,426,491</u>	<u>16,275,348</u>	<u>31,961,909</u>	<u>49,663,749</u>
Subtotal	5,603,410	24,810,836	42,633,784	73,048,030
Federal Funds				
Admin	8,004,159	7,882,367	11,652,574	27,539,100
Benefits	<u>129,057,813</u>	<u>541,639,188</u>	<u>661,335,201</u>	<u>1,332,032,202</u>
Subtotal	137,061,972	549,521,554	672,987,775	1,359,571,301
Grand Total	\$142,665,382	\$574,332,390	\$715,621,560	\$1,432,619,332

HELP OVERSIGHT COMMITTEE

The HELP act included a section requiring the establishment of an oversight committee. The committee has a total of 9 voting members including two senators, two representatives, and five others appointed by the governor. In August 2018 the HELP committee submitted their summary findings and recommendations to the Governor. Four recommendations were submitted:

1. The committee recognizes the absolute importance of continuing Montana's bi-partisan Medicaid plan/the HELP Act in Montana and recommends it be continued beyond its scheduled sunset date and recommends making sure that, one way or another, the state's budget has the money to fund the state's small share of the cost.
2. To date, more than 25,244 HELP participants have received or are currently receiving workforce services from the Department of Labor through HELP-Link, WIOA, and RESEA programs. We recommend continuing and strengthening HELP-Link funding to continue to provide participants with access to workforce training and assessment and assist them with removing barriers to employment and greater earnings.
3. Montana should continue and build upon its efforts to eliminate fraud, waste, and abuse. The departments administering the act should evaluate ways to make the programs more efficient and effective, including economies of scale or shared contracts where possible.
4. Montana should explore the use of health care claims, clinical data, and data from the Medicaid and HELP-Link workforce program to increase data-based decisions, leading to refinements which could result in improved health outcomes; reductions in unnecessary, fraudulent, duplicative and wasteful expenditures; and increased workforce opportunities for HELP Plan participants. Policymakers should pay particular attention to the impact of policy changes on access to coverage, avoiding unnecessary barriers to enrollment that will negatively impact health outcomes and reduce access to coverage.