

Medicaid
Expansion Options
community workgroup

Block Grant-Like Waiver

Summary

- Waiver would expand coverage to 138% federal poverty level (FPL) for adults
- Waiver would operate much like a block grant
- Federal funding would be based on per person estimates that would be calculated on eligibility groups
- Utah would be at risk if costs exceeded estimates. Utah could reinvest savings in program if costs were less than estimates.

Summary (Continued)

- Coverage over 100% FPL would be provided through premium assistance
- Coverage under 100% FPL would receive coverage through Medicaid Accountable Care Organizations (ACOs)
- Health savings accounts would be used to help individuals appreciate premiums and other cost sharing

Opportunities

- Utah would not be at risk for increased enrollment or a changes in the mix of enrollees
- Waiver would contain a circuit breaker that would end the agreement if the federal match rate changed
- Method of providing services would highlight the strengths of private health insurance and Utah's unique ACOs
- Unlike a compact or true block grant, the waiver would not require Congressional action

Opportunities (Continued)

- If the waiver rates are lower than current Medicaid rates (or what Medicaid rates would have been without a waiver), then Utah will have budget savings (or reduced demands for budget increases)
- If Utah experiences costs lower than the waiver rates, the savings could be used to add individuals to the program or to provide services not currently covered by Medicaid (e.g., adult dental), preferably for items that are one-time in nature

Challenges

- Utah would be at risk if costs exceed projections within waiver
- Waiver would require federal approval. Federal agency may not approve desired flexibility
- ACOs may not be a viable option in all counties in the near future

Costs

- Costs will likely be similar to Full Expansion, Benchmark Benefits annual estimates of service costs
 - \$28.2 million in state funds (in 2020)
 - \$253.8 million in federal funds (in 2020)
- These costs do not include the increased costs to the State of Utah due to the mandatory Medicaid changes from the Accountable Care Act or administrative costs

Source of Payment

- General principle – those who benefit should help pay for state costs
- Priority order for covering costs:
 - Savings from programs that will now be covered by Medicaid (e.g., Primary Care Network)
 - Revenues from increased economic activity
 - Hospital assessment
 - General tax increase

Who Is Covered

- Adults up to 138% FPL
- Estimated enrollment of 111,000 by 2020
- Would not cover:
 - Legal, documented immigrants who have been in the country less than five years
 - Undocumented immigrants

Sub Group Participants

- Senator Todd Weiler
- Michelle McOmber
- Wesley Smith
- Royce Van Tassell