

Medicaid
Expansion Options
community workgroup

**Partial Expansion with
Benchmark Benefits**

Summary

- This option would provide coverage to adults not currently eligible for Medicaid who meet residency and citizenship requirements. Undocumented individuals continue to be eligible for emergency services only.
- Coverage would be provided up to 100% of the federal poverty level (FPL).
- Premium subsidies would be provided through the exchange for those who are employed.
- These newly eligible adults would receive a benefit that is actuarially equivalent to the benchmark plan (PEHP basic plus plan with sufficient mental health benefits included to comply with federal mental health parity requirements) and an added focus on lower cost **sub-acute care model for behavioral health (similar to current Medicaid model)**.
- This option would cover 54,000 individuals by 2020.

Opportunities

- Takes expansion only to level where federal tax credits on the exchange come into play.
- Reduces risk of currently insured in private market converting to public coverage (**crowdout**).
- Expands Medicaid on Utah terms and footprint but does not overexpose the state financially.
- Brings federal dollars to Utah to reduce uncompensated care and cost shift to employers.
- Provides access points to primary care and chronic disease management giving alternatives to 911-calls and uncompensated emergency room use and hospitalizations.
- Many under 100% FPL are less healthy than the average population. Partial expansion shifts these higher health risk individuals, including the chronic behavioral health population, to a federal program thereby reducing the cost shift to the employer market.
- Mitigates losses to hospitals and providers from reductions in federal funding designed to cover the uninsured (DSH, substance abuse, etc.).

Challenges

- Have to seek Centers for Medicare and Medicaid Services (CMS) approval for full 100% federal match which will be a difficult political process. Without 100% federal match, partial expansion is more expensive than full expansion according to the PCG report and not recommended as a viable option by the subgroup.
- Leaves 57,000 Utahns uninsured by Medicaid (although they could be covered by the federal Health Insurance Marketplace).
- Some people may remain uninsured as premiums may be unaffordable to those at 101% – 138% FPL even with tax credits, perpetuating poor health, increased mortality and uncontrolled health care costs due to cost shifting from uninsured to insured patients.

Cost and Source of Payment

- If CMS were to approve 100% federal match for a partial expansion, it is estimated that this option would cost the state of Utah approximately \$13.7 million per year starting in 2020.
- If CMS only approves current federal match (70%) for a partial expansion, the cost to the state of Utah would be approximately \$36.7 million starting in 2020.
- These figures do not include potential savings from reduced reliance on other public assistance programs or from increased tax revenues generated from increased federal spending in the state.
- County funds currently used to provide services for adults not eligible for Medicaid could be used to provide the state match for the behavioral health services components of the benchmark health plan.
- State funds currently used for providing medical services to adults not eligible for Medicaid could be used for the state match for a portion of the remainder of the benchmark health plan benefits

Who Is Covered

- This option would expand coverage to all adults currently not eligible for Medicaid and who meet residency and citizenship requirements.
- This option would cover 54,000 adults by 2020. This would leave 57,000 individuals without coverage under Medicaid.
- This option would not cover adults with incomes 101% - 138% FPL. Those individuals are eligible for coverage through the health insurance exchanges.
- The group not covered by this option would obtain coverage by using tax credits to purchase health insurance through the exchanges. Individuals with incomes 101% – 138% FPL that did not purchase coverage would receive services through a variety of community resources. In other words, nonprofit charity care providers would continue to provide care to the uninsured. EMTALA requirements would remain in place and uncompensated life-saving care would be provided by hospitals.

Sub Group Participants

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