

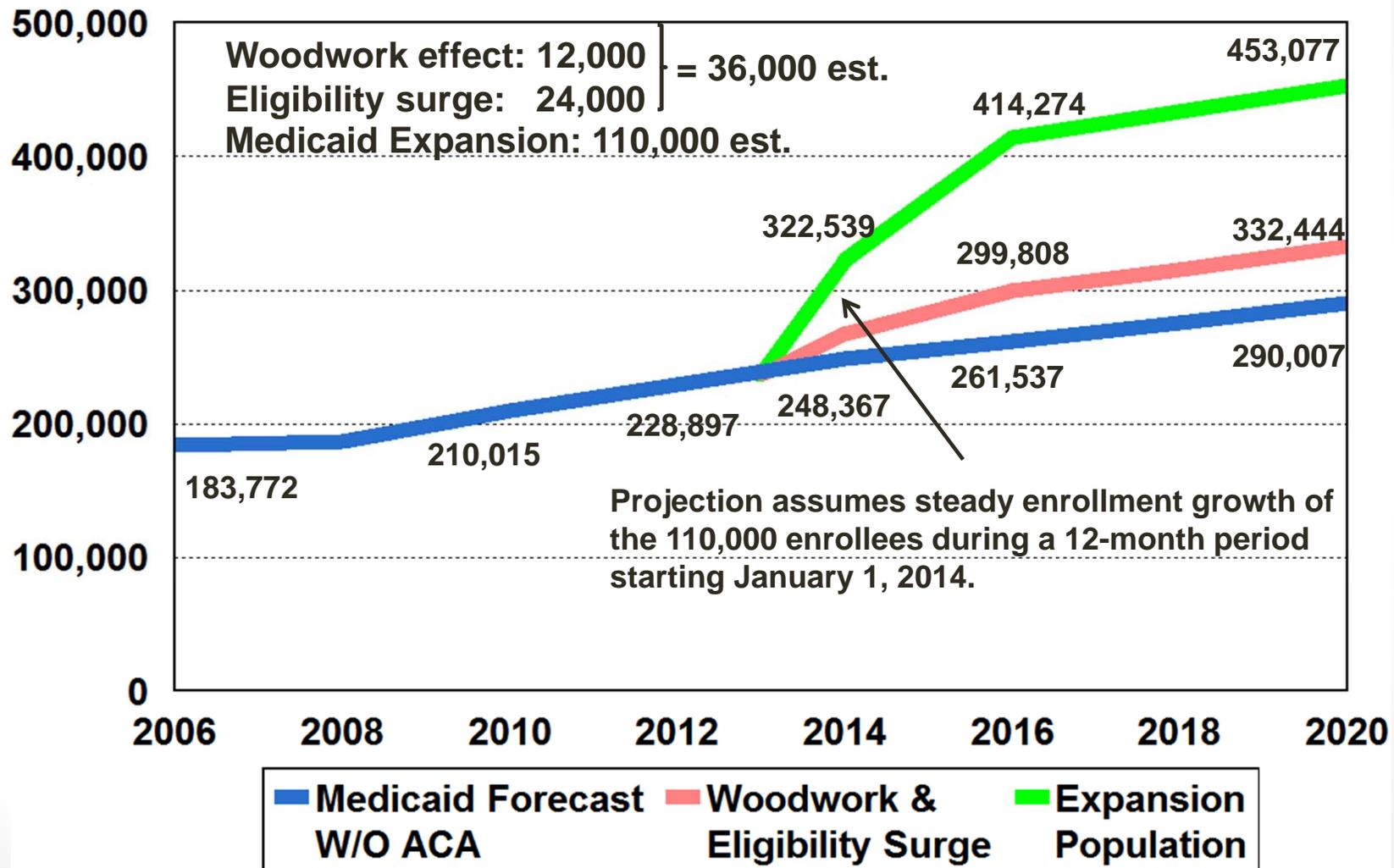
# **Option 3-Medicaid Expansion**

**Expand Medicaid Eligibility to 138% of Federal Poverty Level (FPL)**

# Population Characteristics

- **Anticipate 97,066 -111,525 new eligibles**
- **Low income adults 18-64 years old**
- **New population includes:**
  - 1. Younger, relatively healthy population; AND**
  - 2. Older population suffering from chronic conditions (includes treatable diagnoses like diabetes and hypertension, as well as serious chronic conditions such as cancer, coronary related)**

# Medicaid Expansion By the Numbers



# Population Characteristics

- **New population has prevalent mental health issues**
- **Anticipated pent-up need for services that are not currently available to this population**
- **Includes a large childless adult population in single person households**
- **75% have incomes below 100% of poverty**
  - **65% of this group are working Idahoans**

# Income at Idaho Minimum Wage

- Idahoan working 40 hours/week at minimum wage (\$7.25/hour) earns \$15,100 annually. 60 hours/week = \$22,620
- 100% of federal poverty level (FPL) for a family of four is \$23,050
- Most minimum wage jobs do not provide health insurance, and employees often cannot afford to purchase coverage.

# Federal Funding Support for Medicaid Expansion

- Medicaid benefits for expansion population covered at 100% federal funds for three years (2014-2016)
- Federal match for 2017-- 95%
- Federal match for 2018-- 94%
- Federal match for 2019-- 93%
- Federal match for 2020 and beyond— 90%
- Additional administrative costs to state matched by federal funds at 50%.

# **Anticipated Impact on other DHW Programs**

- **Shift of 95% of mentally ill patients in state behavioral health service programs to Medicaid results in projected savings of \$11 M. in Behavioral Health state general funds.**
- **Estimated 75% of ADAP (AIDS Drug Assistance Program) clients would be eligible for expanded Medicaid services. May save \$800,000 in SGF for ADAP used as match for a \$1.3 M. federal grant.**

# **Anticipated Impact on External Providers/Programs**

- **Shift of uninsured population to Medicaid reduces need/costs for County Indigent/CAT Program-results in savings to county and state general funds**
- **Shift of uninsured population to Medicaid reduces impact of loss of DSH payments to hospitals. ACA was designed to have an increased number of Medicaid clients offset reduction in DSH payments.**

# Anticipated Impact on External Providers/Programs

**49% of patients served by Federally Qualified Health Centers (FQHCs) in Idaho are currently uninsured.**

- **The shift of many of these patients to Medicaid coverage means FQHCs would receive additional Medicaid revenue.**
- **Additional revenue could be used by FQHCs to increase access to primary care.**
- **Investment in primary care results in healthier population and decreases in more expensive hospital and ED care.**

# **Cost/Savings Related Considerations Regarding Expansion**

- **State and county governments are currently incurring costs by paying for health care for uninsured adults (19-64 years) through the County Indigent and CAT Fund programs.**
- **Cost shifting to private paying individuals and companies is occurring due to hospital bad debt write-offs.**
- **This population is accessing care at the wrong time (waiting until crisis) wrong place (emergency and hospital services) and wrong price (most costly services).**

# **Cost/Savings Analysis**

- **DHW working with Milliman to conduct cost/savings analysis of Medicaid expansion.**
- **Anticipate preliminary cost/savings analysis will be presented at October 23<sup>rd</sup> Medicaid Expansion Workgroup meeting.**