Massachusetts Health Care Reform
Lessons for Implementation:
The Medicaid Part of the Picture

Commonwealth of Pennsylvania
Health Care Reform Implementation
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HEALTH MANAGEMENT ASSOCIATES
Today’s Discussion: Lessons for Implementation

- How was the Massachusetts implementation influenced by unique circumstances?
- What issues does this raise in other states?
- How do the Exchange and Medicaid interrelate?
- What are common implementation concerns?
Basic Elements of the Plan(s)

- Medicaid and CHIP expansions
- Subsidized coverage for low-income adults
- Health Insurance Exchange (i.e. Connector)
- Changes to the insurance market to help individuals and small businesses
- Individual mandate
- Employer responsibilities (for larger firms)
Health Reform: Applicability of the Model

- Low rate of uninsurance
- Expansive Medicaid program and 1115 Waiver
- Significant funding for uncompensated care was in place
- Federally-supported payments to safety net plans/hospitals were in question
- Heavily-regulated health insurance market
- Integrated application for state health programs through the EOHHS Virtual Gateway

In 2005 in Massachusetts…
## Insurance Exchange Responsibilities

| Market Organizer and Regulator | Qualify plans for participation  
|                               | Standardize benefit packages  
|                               | Ratings based on quality/cost  
|                               | Review/report on premium increases  
|                               | Risk Adjustment  
| Public Education and Outreach | Navigator Grants  
|                               | HCR and mandate public education  
| Eligibility and Enrollment    | Enroll individuals and businesses  
|                               | Operate web site  
|                               | Customer Service and call center  
|                               | Determine eligibility for subsidies  

Some Apparently Learned Lessons

Outreach and Public Education is Essential

- Traditional Public Program Outreach
  - Community Health and outreach workers will be funded through Exchanges
- Education about the mandate and the exchange
  - Tax consequences
  - Affects risk selection in the exchange
  - Use of health brokers is key for small business market

People will move between programs; eligibility must be integrated

- PPAC Act requires fully integrated system, through the Exchanges and possibly administered through Medicaid Programs
  - An initial and very consequential state decision
  - No matter what, significant prep work in every state
Medicaid Eligibility Requirements

- Establish minimum eligibility threshold: 133% FPL
- Adopt MAGI as basis for (most) income determinations
- Eliminate all asset tests and income disregards for eligibility determinations using MAGI
- Track “newly eligible” individuals and those who are previously-eligible
The Insurance Exchange

Enrollment Requirements

- Determine eligibility for subsidies
- Administer subsidies
- Enroll individuals and businesses into plans
- Develop and maintain website
- Run a call center

- Functions of the exchange may be contracted to state Medicaid agencies
The Insurance Exchange
Integrated Eligibility

Federal Reform Requires

– Single application form for Medicaid/CHIP and Exchange subsidies
– Available online, in person, by phone, on paper
The Insurance Exchange
Massachusetts approach

Direct contract with Medicaid agency for
Eligibility Determinations

– IT systems changes
  • MMIS
  • Eligibility System (called MA-21)
  • Web Portal for applications (Virtual Gateway)
  • Regular updates to all
– Significant noticing changes
– Initial application call volume increases
– Other policy and project planning – devoted staff
Medicaid and the Exchange
Implementation and Planning Essentials

- IT Systems Assessment
- Business Processes Analysis
- Current Vendors and Capacities
- Progress by 2013 means planning now
- Whether it takes time to sort out Governance or not – Federal grants coming out soon
Discussion and Questions?

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