



# Alignment with the Patient Protection and Affordable Care Act

Ways & Means Subcommittee on Human Services  
April 17, 2013

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# Public Program Changes

- **Medicaid/Children's Health Insurance Program (CHIP)**
  - Coverage expansion for low income adults up to 138% of poverty (2014)
  - Enhanced federal funding for new eligibles
    - 100% in 2014-16
    - 95% in 2017
    - 94% in 2018
    - 93% in 2019
    - 90% in 2020 and beyond

# Private Market Changes



- **Insurance Regulation**

- Guaranteed issue and renewability (starts 2014)
- Pre-existing conditions exclusions prohibited (for children 6 months from enactment and for adults by 2014)
- Prohibits lifetime limits, allows certain annual limits until 2014
- Eliminates waiting periods of more than 90 days for group coverage (starts 2014)

- **Reinsurance**

- Transitional federal reinsurance program, individual and small group (2014-2016)



# Oregon's Strategic Approach

- **Governor's directive to achieve alignment related to ACA activities between...**
  - Oregon Health Authority
  - Oregon Insurance Division
  - Cover Oregon
  - Governor's Office



# Oregon's Strategic Approach

- **Coordinated Care Organizations**
  - 15 across the state
  - Coordinating services -- designed to encourage wellness, not just treat illness
  - Global budget
  - Accountable to outcome metrics
- **Health Reform 2.0**
  - Align purchasing of care model- begin with Oregon Health Plan – extend to other state purchasing and align with private sector purchasing



# Medicaid/Oregon Health Plan

- Currently covers children up to 300% Federal Poverty Level (FPL), categorical adults and about 60,000 non-categorical adults through OHP standard lottery.
- ACA allows expansion to all adults age 19-65 with incomes less than 138% FPL
  - Single person – \$15,856 year
  - Family of four - \$32,499
- Expert analysis of financial implications to Oregon completed in January



## Impact of ACA

- ~180,000 uninsured adults could come on to the Oregon Health Plan next biennium
  - ~2/3 below poverty
  - ~1/3 living under 50% of poverty
- Diminished cost shift to those with insurance.
- County mental health and community corrections programs and mental health and drug courts, should see many of those they currently provide services to, having OHP coverage.

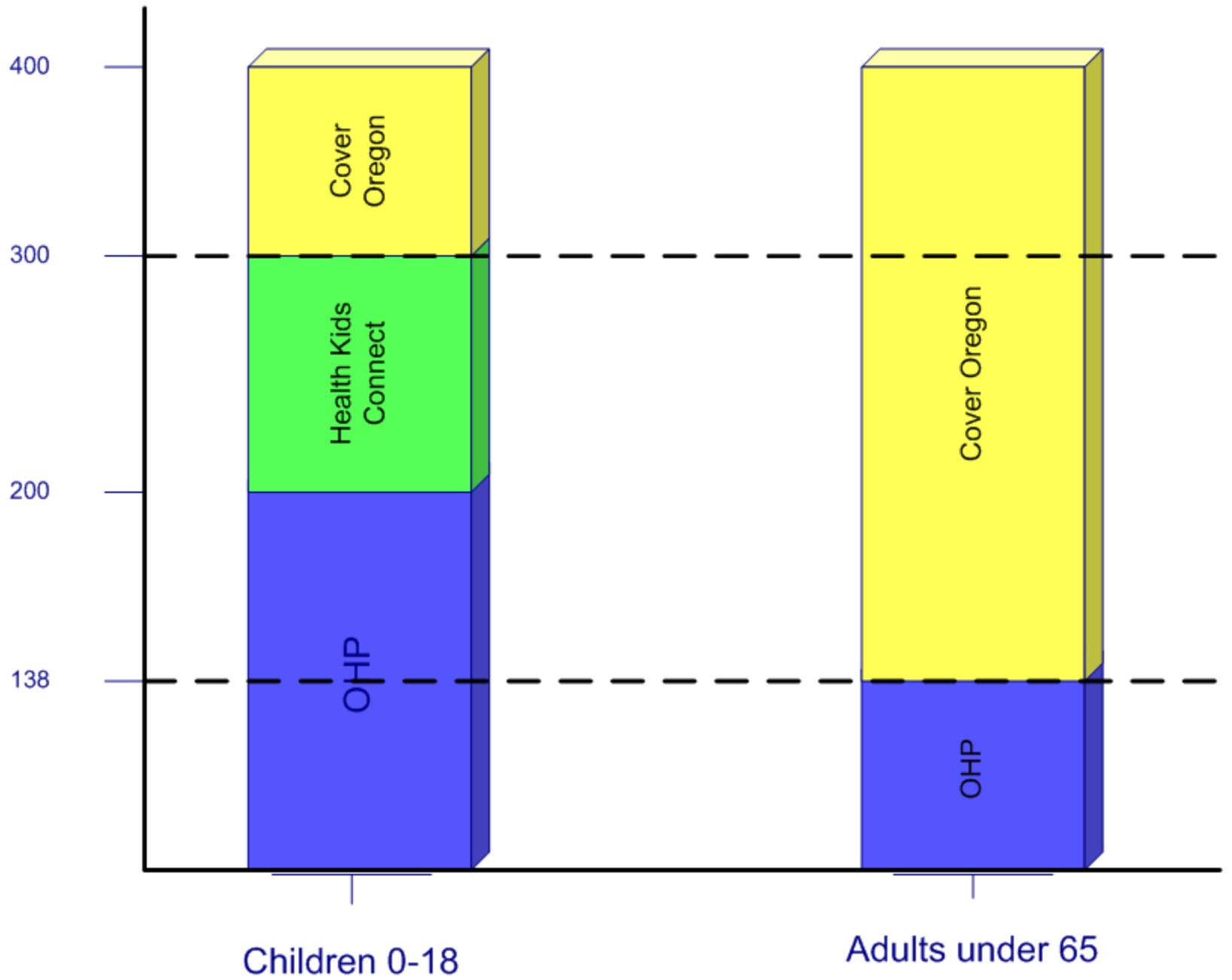


## Program changes

- More efficient eligibility and enrollment through Cover Oregon web site and customer service call centers
- Single OHP Benefit Package – OHP Plus
  - Federal requirement for essential benefit package
  - OHP Standard does not meet federal benchmark
  - Medicaid Advisory Committee had a strong public process to recommend Oregon's Medicaid benefit



# Federal Poverty





# Children

- OHP for children under 300% FPL
- Less costly for state to administer, better value for families
- Opportunity to give families choice of OHP or using CHIP dollars to purchase insurance on the exchange in 2015/16



# Statutory Changes

- HB 2859: Alignment of state law with changes to federal Medicaid and Children's Health Insurance Program Laws
  - Makes technical and definitional fixes to clarify responsibilities of DHS and OHA in determining eligibility for public and medical assistance.
  - Makes changes in state statutes regarding medical assistance eligibility to conform with changes in federal law.
  - Allows Cover Oregon to be included in the transfer of information and delegation of duties for medical assistance eligibility determinations.



# Statutory Changes

- HB 2091: Transition children under 300% (FPL) to the Oregon Health Plan and phase out Healthy Kids Connect program
  - This bill ends the HKC program and transitions the HKC children to OHP, starting in October for newly eligible kids and taking one year for transition of current enrollees.