

March 11, 2013

To: Rep. Mitch Greenlick and House Health Care Committee members

Re: Affordability, churn, and continuity of care as it relates to "Churn".

## **Transition Workgroup: Addressing concerns about Oregonians who transition "in" and "out" of Medicaid**

### **Problem Area:**

Approximately 1 out of 3 Medicaid members will leave Medicaid each year. A majority of those will end up back in Medicaid within a year. National data indicates that almost 3 in 4 will return to Medicaid at some point.

State policy directed at helping people stay insured and stay out of the Medicaid system are desirable for three reasons:

- First, people who no longer need Medicaid because they have stabilized in a higher income bracket embody the ideal of a social welfare program intended to move people out of poverty.
- Second, churn happens for many reasons including systemic inefficiency in how the state and federal government conduct the eligibility and enrollment process. Less churn would be an indication of individuals having less difficulty navigating the system into the programs and services they are eligible for.
- Third, it would be less expensive for both the state and federal government to have fewer people in Medicaid. The costs associated with enrolling, disenrolling and later reenrolling the same people could be reduced if we reduce Churn.

### **Policy Objectives:**

There are two elements of the federal ACA (Basic Health Plan and Bridge Plan) and one bill (HB 2132) introduced to the State Legislature that are all focused on the policy area of churn. Additionally, Cover Oregon has contracted with the OHA and Healthy Kids to implement an aggressive navigator program aimed at assisting families moving from Medicaid into the exchange.

### **Policy Options to consider:**

- 1) Basic Health Plan: starting in 2015 the federal government will allow states to increase Medicaid to 200% of poverty. This would provide Medicaid level services to individuals who might otherwise have purchased health care with a subsidy on the insurance exchange.
- 2) Bridge Plans: In California (and later possibly Tennessee) states are opting for a provision in the federal ACA that allows Medicaid plans to offer a Medicaid product on the insurance exchange but only to people who are either just leaving Medicaid, or families where some of the family members are in Medicaid and others are not eligible.

- 3) HB2132: would allow the state to automatically enroll people leaving Medicaid in the exchange product with the most similar provider network
- 4) Navigators: Cover Oregon and OHA each have a role in helping Medicaid enrollees maintain insurance coverage as they leave Medicaid. With proper staffing and a good strategy it may be possible to effectively address churn without additional policies or programs.

### **Churn Workgroup Proposal:**

A workgroup that included policy makers, OHA, Cover Oregon, consumer advocates and insurance lobbyists could identify the criteria for success in addressing churn. They could propose a process for measuring if we are having success. And they could direct the state to prepare a policy alternative for 2015 if we are failing to meet the measures of success.

This Workgroup could meet 3 times for 2 hours. First, host a meeting to define the problem and assign research needs. Second, host a meeting to list measures for success in addressing churn and identifying possible policy alternatives. Third, host a meeting to review bill language that directs the state to measure and come back with a proposal in the event that we are not able to reach our desired outcomes.

### **Possible measures for success:**

- High percentage of people leaving Medicaid enroll in exchange
- Entire families are able to have the same insurer
- Families enrolled in exchange products actually have access to primary care
- Families are able to maintain continuity of their same providers in the exchange
- Families are able to maintain key health benefits & treatments (A&D, mental health)
- Fewer families return to Medicaid 12 months after the exchange opens
- Low income families are able to afford the premiums and cost sharing.

### **Endorsing Organizations:**

- Care Oregon
- Hacienda CDC
- Oregon Foundation for Reproductive Health
- Oregon Center for Public Policy
- Oregon Law Center
- Oregon Primary Care Association
- OSPIRG
- Project Access Now