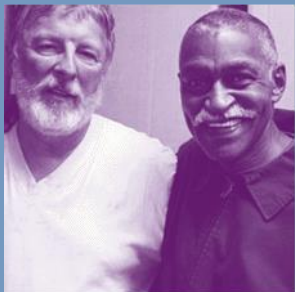


Implementing the Alternative Benefit Plan



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State Network Medicaid Small Group Convening
April 25, 2013

Agenda

- Alternative Benefit Plan (ABP) Overview
- Churn and Coverage Shifts
- Considerations for Selecting an ABP
- Benchmark Comparison
- Options and Next Steps



Benchmark Coverage Required for Adult Expansion Group

- Alternative Benefit Plan must:
 - ▶ Cover 10 essential health benefits (EHBs) →
 - ▶ Meet mental health parity requirements
 - ▶ Provide EPSDT services for those under age 21
 - ▶ Assure non-emergency transportation
 - ▶ Cover prescription drugs

10 EHBs

1. Ambulatory patient services
2. Emergency services
3. Hospitalization
4. Maternity and newborn care
5. Mental health and substance use disorder services
6. Prescription drugs
7. Rehabilitative and habilitative services and devices
8. Laboratory services
9. Preventive and wellness services and chronic disease management
10. Pediatric services, including oral and vision care

State Benefit Design Options

Medicaid ABPs

Secretary-approved option

Generally available and offered state employee coverage

Standard Blue Cross Blue Shield Federal Employees Health Benefit Program package

Commercial HMO with largest non-Medicaid enrollment

EHB Benchmarks

The three largest plans by enrollment in the small-group insurance products

The three largest state employee plans by enrollment

The three largest national Federal Employees Health Benefit Program plan options by enrollment

The largest fully insured commercial HMO product in the state

Individuals Exempt From Mandatory Enrollment in Benchmark/Expansion

- ✓ Pregnant women
- ✓ Individuals who qualify for Medicaid based on blindness or disability
- ✓ Dual eligibles
- ✓ Terminally ill hospice patients
- ✓ Inpatients in hospitals, nursing homes, and intermediate care facilities
- ✓ Children in foster care
- ✓ TANF/Section 1931 parents and caretakers
- ✓ Medically frail individuals
- ✓ Individuals who qualify for long-term care services based on their medical condition
- ✓ Individuals who only qualify for emergency care
- ✓ Individuals who qualify based on spend down

Considerations for States in Selecting ABPs

- Population
 - ▶ Where will they seek care?
 - ▶ What are their needs?
 - ▶ Where do they live?
- Cost



Cost Considerations for ABP Selection

- Declining FMAP post-2016
- Cost-sharing options (maximum amount):
 - ▶ Outpatient: **\$4**
 - ▶ Prescription drugs
 - Preferred drugs: **\$4**
 - Non-preferred drugs: **\$8**
 - ▶ Non-emergency ED: **\$8**
 - ▶ Aggregate **<5%** family income

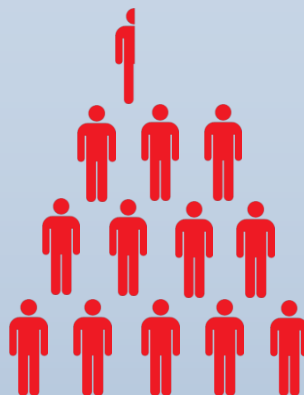
Enhanced FMAP Newly Eligible Adults up to 133% FPL		
Year	Federal Share	State Share
2014	100%	0%
2015	100%	0%
2016	100%	0%
2017	95%	5%
2018	94%	6%
2019	93%	7%
2020+	90%	10%

Selecting an ABP: Following CMS Guidance

1. Process for defining ABP
2. Targeting ABPs for specialized populations
3. Applicability of EPSDT services
4. Preventive services must be covered
5. State notice requirements
6. Medically frail exemption
7. Secretary-approved option flexibility
8. Benchmark equivalent coverage

Extent of Coverage Shifts: National Data

January 2014

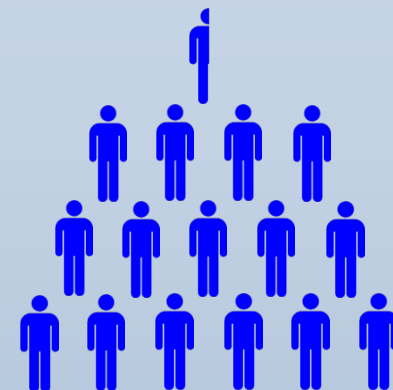


25 M

Medicaid

0 M

Churn

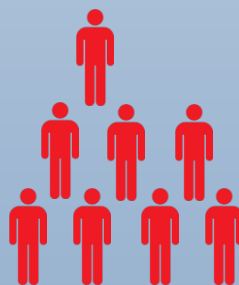


31M

Exchange

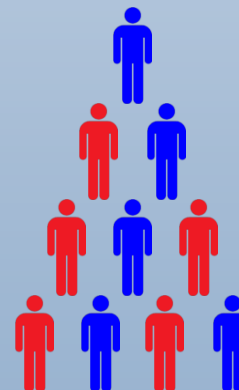
35% Churn in 6 Months
Adults < 200% FPL

June 2014



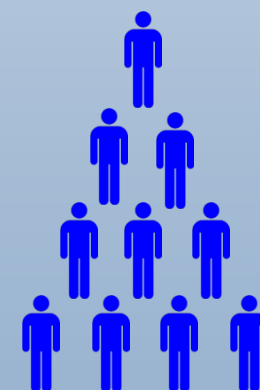
16 M

Medicaid



20 M

Churn



20 M

Exchange

 = 2 Million People

Using ABPs to Promote Seamlessness

- Alignment reduces service disruption:
 - ▶ Eligibility, providers, benefits
- “Secretary-approved” option gives flexibility, but requires greater administrative effort
- What happens if benchmark for EHBs is also used for Medicaid ABP?

EXAMPLE

Using commercial HMO (largest non-Medicaid enrollment) for EHB package for Medicaid, individual, and small group markets to build seamlessness example

State Considerations: Selecting a Commercial Plan for Medicaid ABP

- Often not covered in commercial benefits:
 - ▶ Dental (will require “wrap” for pediatric)
 - ▶ Vision (will require “wrap” for pediatric)
 - ▶ Bariatric surgery
 - ▶ Routine foot care
 - ▶ Habilitative services
 - ▶ Transportation
- Programming a new benefit into systems for different populations may be challenging, as states are rolling out new eligibility and enrollment systems



Top of Mind for States: Mental Health Parity and Addiction Equity (MHPAEA) for Expansion Adults

- Current applicability to MCO vs. FFS
- CHIP vs. state plan Medicaid
- All ABPs, existing and future, must comply with MHPAEA
- Applicability to carve outs



States Should Seek Ease of Administration in Selecting ABP

- ✓ Reduce administrative burden for providers, clients, plans and Medicaid agency.
- ✓ Selecting delivery system (i.e., MCO)
- ✓ Assessing technology infrastructure
- ✓ Tracking and managing different eligibility groups for FFP claiming



States Should Require Input from Various Entities in Selecting ABP

- ✓ Conducting stakeholder engagement
- ✓ Determining approach for secretary approved option/comparison requirements



State Approaches to ABP Selection

- Secretary-approved option
 - ▶ **Washington:** Flexibility will help ensure alignment
- Suitability of commercial options for Medicaid beneficiary needs
 - ▶ **Oregon:** Marketplace small group benchmark plan selection is not rich enough for expansion population
- Using previous state experience with expansion
 - ▶ **New Mexico:** SCI expansion served as a pilot and provides valuable lessons learned



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