

FOUNDATION FOR
GOVERNMENT
ACCOUNTABILITY

Comparing Marketplace Virginia with Other State Alternatives

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Marketplace VA and Other States

Marketplace Virginia	Similar State
Provide premium assistance through QHP	AR, IA, NH, PA
Require “skin-in-the-game” cost-sharing	AR, IA, NH, PA
Impose personal responsibility for ER use	IA
Require work search activities	PA
Establish state or partnership exchange	AR, IA, NH

Concerns About the Arkansas Model

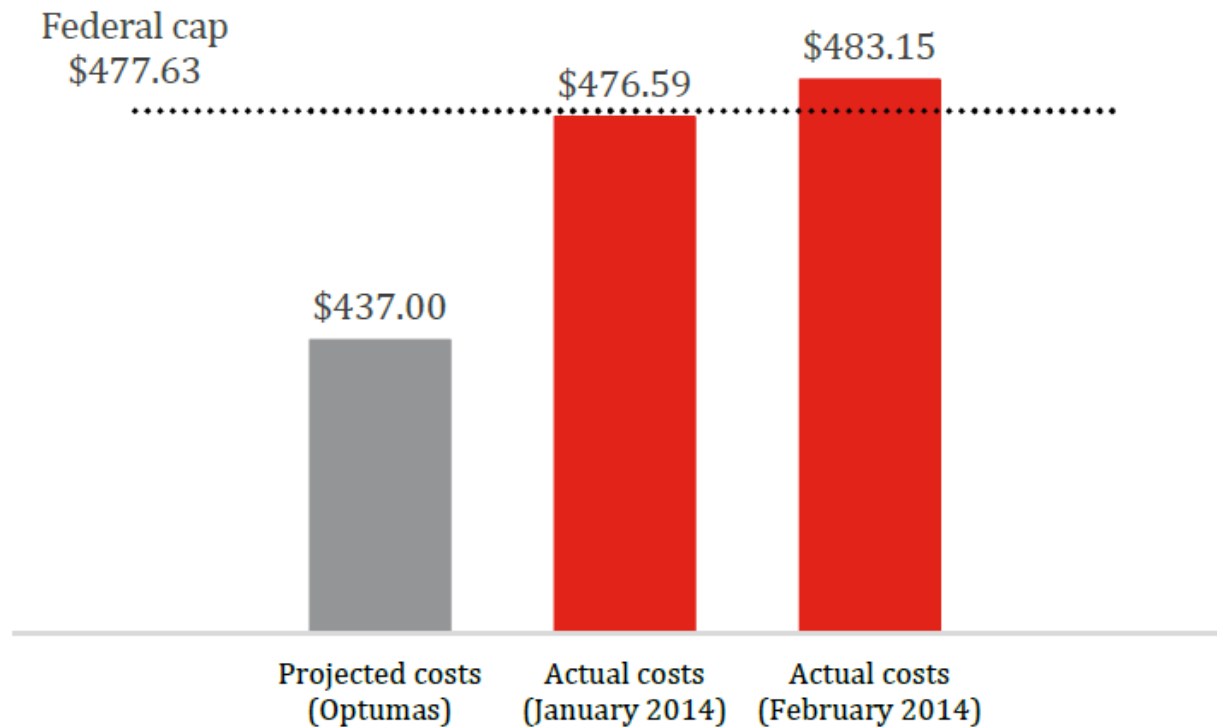


- Cost-sharing and wrap-around benefits are expensive and unpredictable, as enrollees can choose any Silver plan at virtually no cost.
- Enrollees have even less “skin in the game” than traditional Medicaid.
- It’s a new entitlement, not a block grant.
- Flawed assumptions led to non-existent “savings” and “budget neutrality.”

Arkansas Is Already Over Budget

THE PRIVATE OPTION MEDICAID EXPANSION ALREADY COSTS MORE THAN INITIAL PROJECTIONS

Average monthly per-person costs for the Private Option in 2014



*Source: Arkansas Department of Human Services;
Arkansas Legislative Joint Auditing Committee*

Arkansas Is Already Over Budget

STATE TAXPAYERS COULD BE LIABLE FOR MILLIONS OF DOLLARS IN 2014 FOR PRIVATE OPTION COST OVERRUNS

*Potential 2014 cost overruns based on average per-person costs in February,
by potential average monthly enrollment*

Average monthly enrollment	Potential cost overruns
100,000	\$6.6 million
125,000	\$8.3 million
150,000	\$9.9 million
175,000	\$11.6 million
200,000	\$13.2 million
225,000	\$14.9 million
250,000	\$16.6 million

Source: Foundation for Government Accountability

Iowa: Requested vs. Received

Requested by Iowa	Received from CMS
“Skin in the game” for all patients	No cost-sharing under 50% FPL All cost-sharing waived in the first year
Premiums up to 3% of income	Premiums up to 1% of income
Enforce personal responsibility	50-100% FPL can’t be disenrolled 100-138% FPL can self-attest “hardship”
Exclude NEMT services	Only allowed for first year
Exclude EPSDT services	DENIED
Charge \$10 ER copay for non-ER care	DENIED
Exclude retroactive eligibility	DENIED

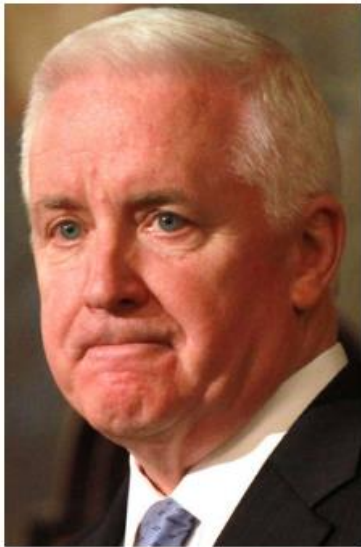
Flexibility Is Harder In Practice

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As Medicaid talks stumble, Corbett warns of 'breaking point'



Gov. Corbett



By Amy Worden, Inquirer Harrisburg Bureau

POSTED: April 04, 2014

HARRISBURG Gov. Corbett said Wednesday that he might be nearing a decision on whether to pull the plug on his proposal to offer health insurance for hundreds of thousands of uninsured Pennsylvanians.

In his strongest statement on the yearlong Medicaid negotiations, Corbett said he was "reaching his breaking point" with the federal government.

NASHVILLE BIZ BLOG

Apr 2, 2014, 2:29pm CDT

Documents show slow pace of Tennessee Medicaid expansion talks



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In March, Gov. Bill Haslam fielded questions from physicians attending the Tennessee Medical Association's Day in Nashville. When the subject of a possible expansion of TennCare, the state's Medicaid program, came up, Haslam told the collection of physicians that he's "been more encouraged" by his recent



[Enlarge Photo](#)

Andrew Harrer

Kathleen Sebelius, secretary of Health and Human Services

Proposed Expansion Alternatives

“Must Haves”

- **Prioritize the safety net for low-income parents.**
- **Reject borrowed federal funds that drive our nation’s debt.**
- **Offer a defined taxpayer contribution, not an entitlement.**
- **Focus on uninsured to stop erosion of private coverage.**
- **Incorporate TANF work requirements (20-35 hours/week).**
- **Require patient contributions of \$25/month.**
- **Allow access to quality private coverage, not Medicaid.**

Thank You!

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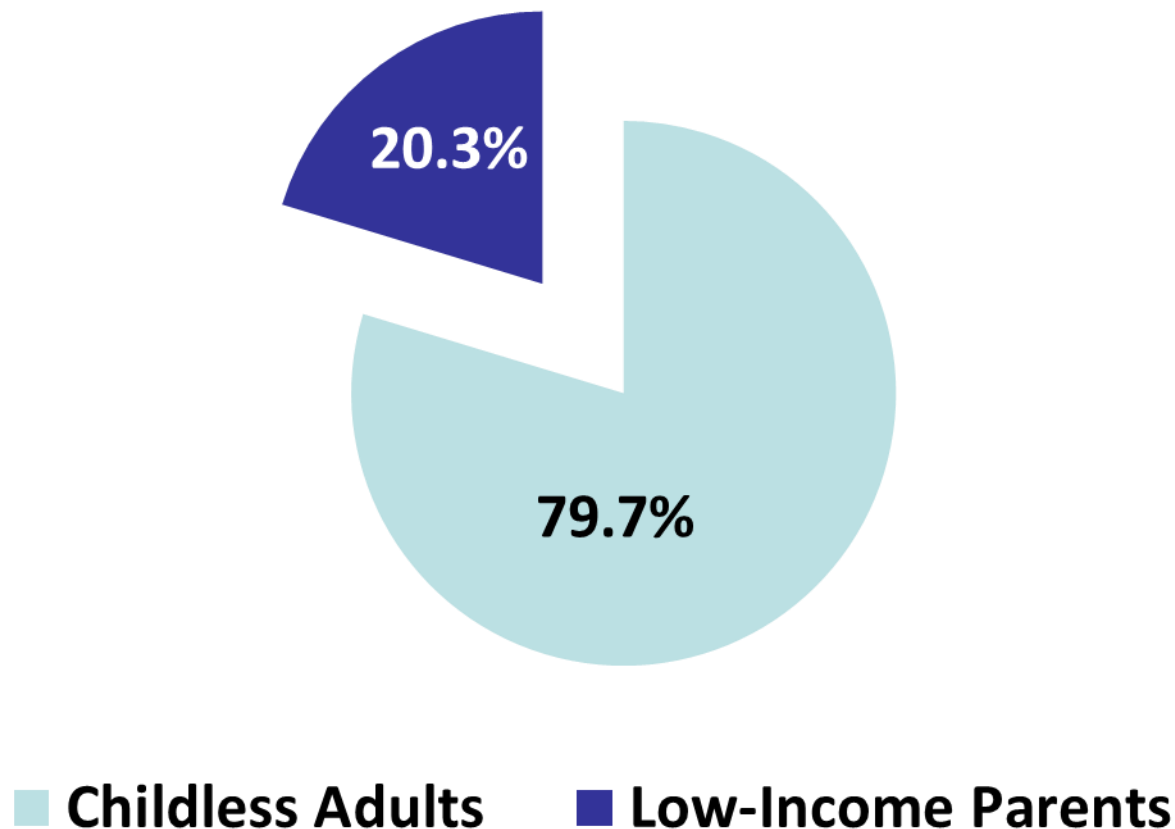
Thoughts on “The Healthies”



Who Benefits Most from Medicaid Expansion?

Mostly Non-Disabled, Childless Adults Benefit from Expansion

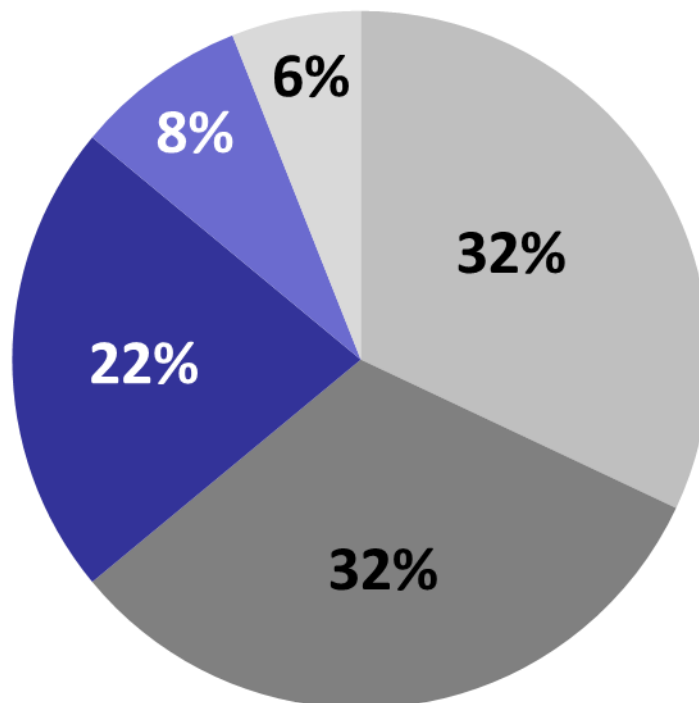
Virginia's Medicaid Expansion Population by Parental Status



Expansion Will Crowd Out Private Coverage

30% of the Expansion Population Already Have Private Coverage

Virginia's Medicaid Expansion Population by Insurance Type

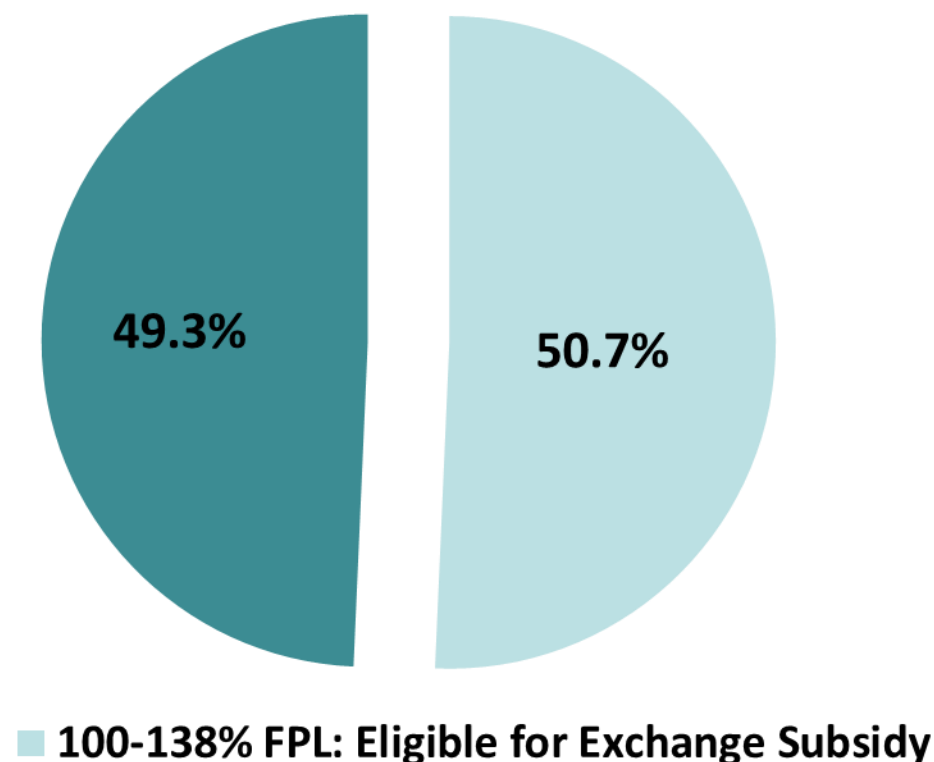


■ Uninsured ■ Medicaid ■ Employer ■ Other Private ■ Other Public

Expansion Will Crowd Out Private Coverage

Nearly Half of the Expansion Population Would Forgo Exchange Subsidies

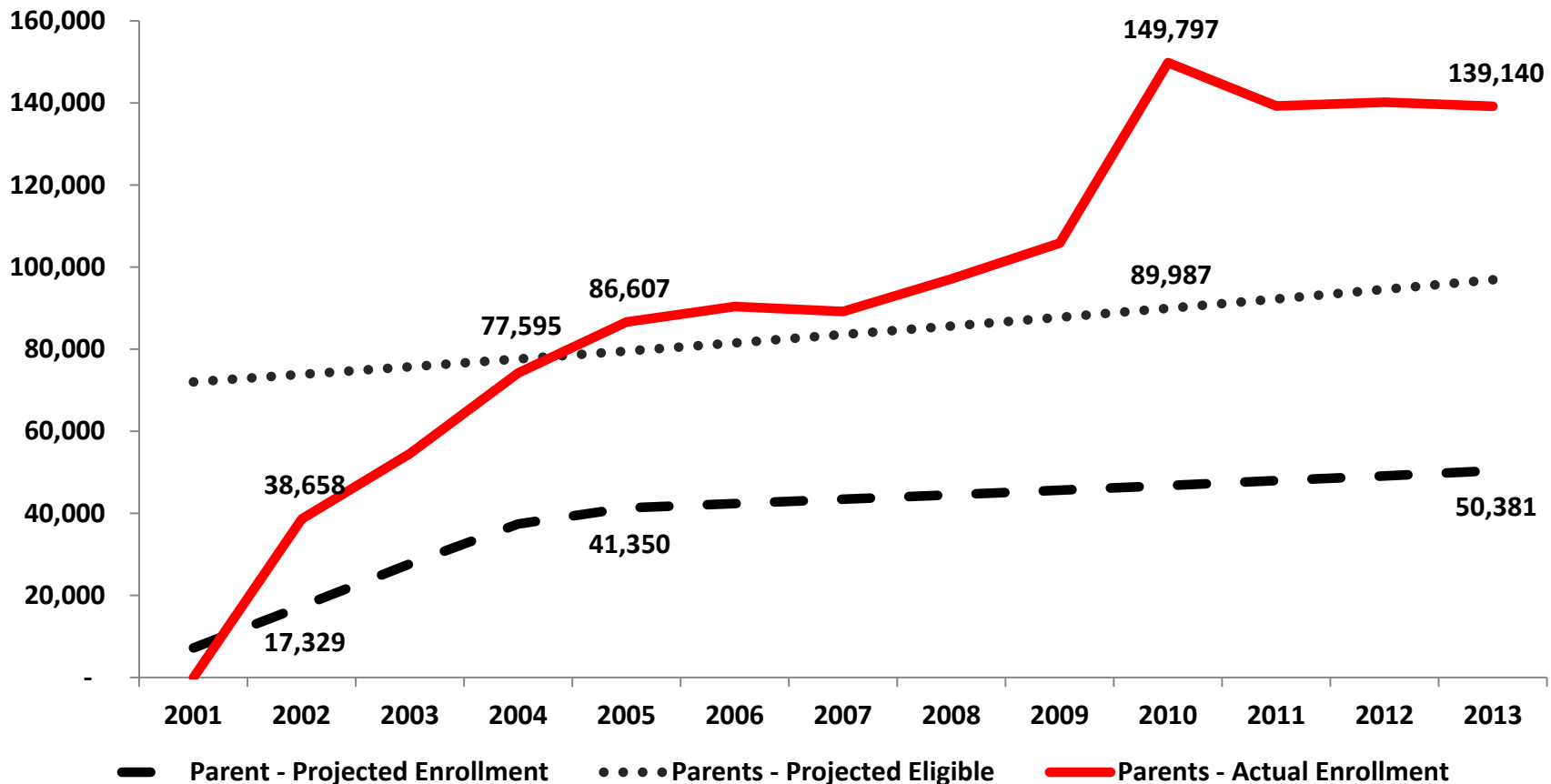
Virginia's Uninsured Adults by Income as % of FPL



Lessons from Arizona

Twice As Many Parents Enrolled

Arizona's Optional 2000 Medicaid Expansion Enrollment: Projected vs. Actual

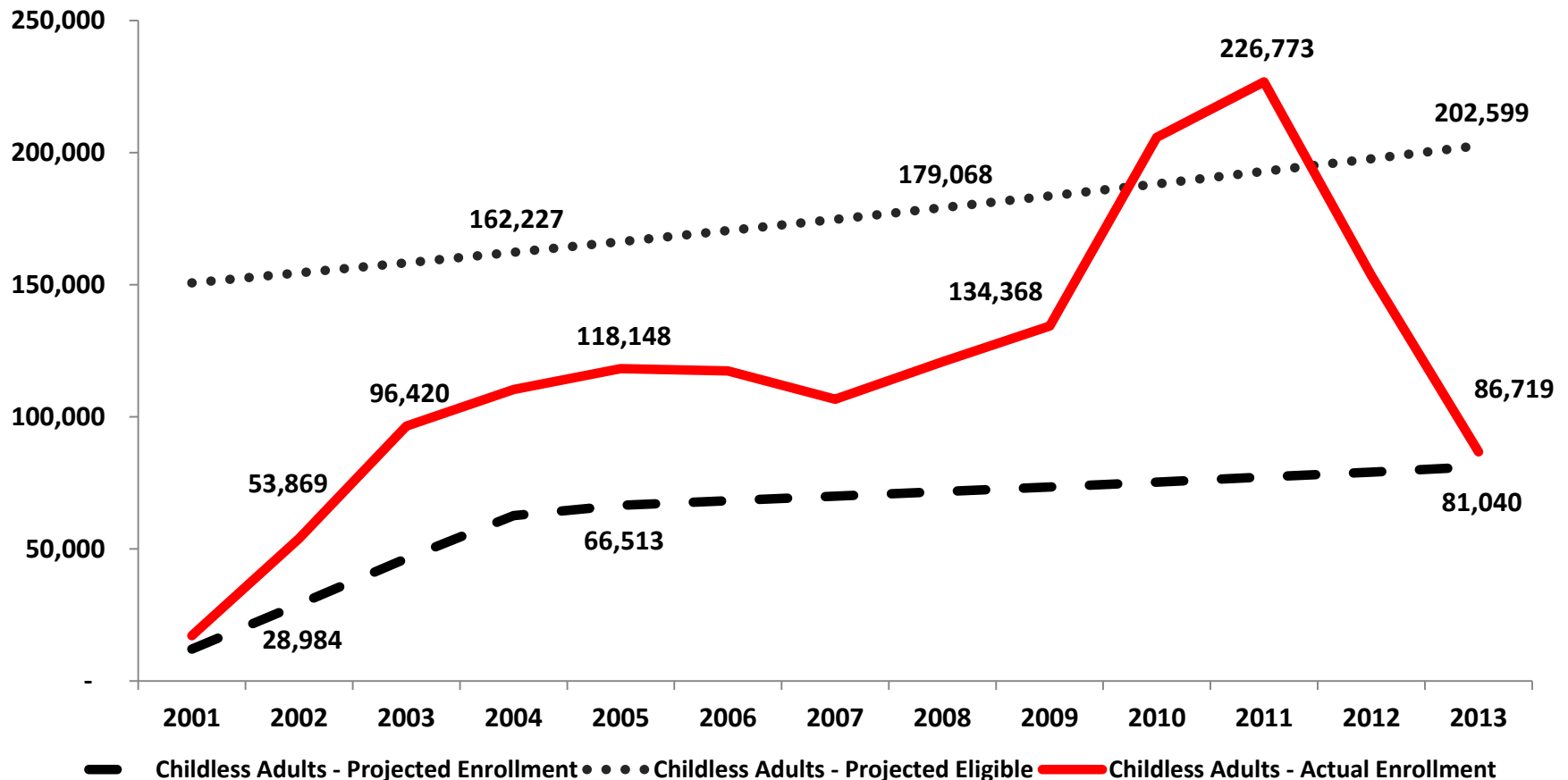


Source: Arizona Legislature's Joint Legislative Budget Committee (2001 actual and 2001-2013 projected) and Arizona Health Care Cost Containment System (2001-2013 actual, based on January enrollment).

Lessons from Arizona

Three Times As Many Childless Adults Enrolled

Arizona's Optional 2000 Medicaid Expansion Enrollment: Projected vs. Actual

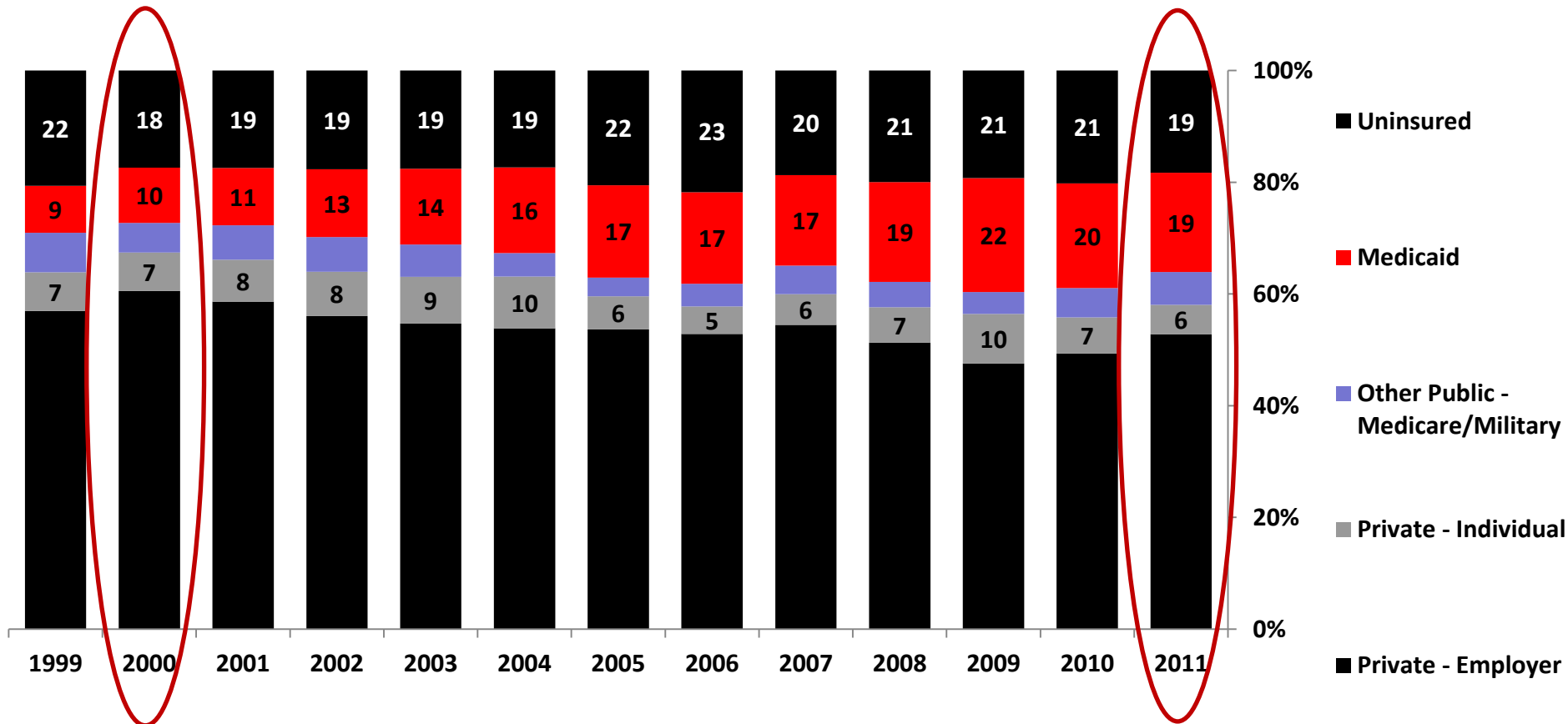


Source: Arizona Legislature's Joint Legislative Budget Committee (2001 actual and 2001-2013 projected) and Arizona Health Care Cost Containment System (2001-2013 actual, based on January enrollment).

Lessons from Arizona

No Change in Uninsured; More Medicaid; Less Private Coverage

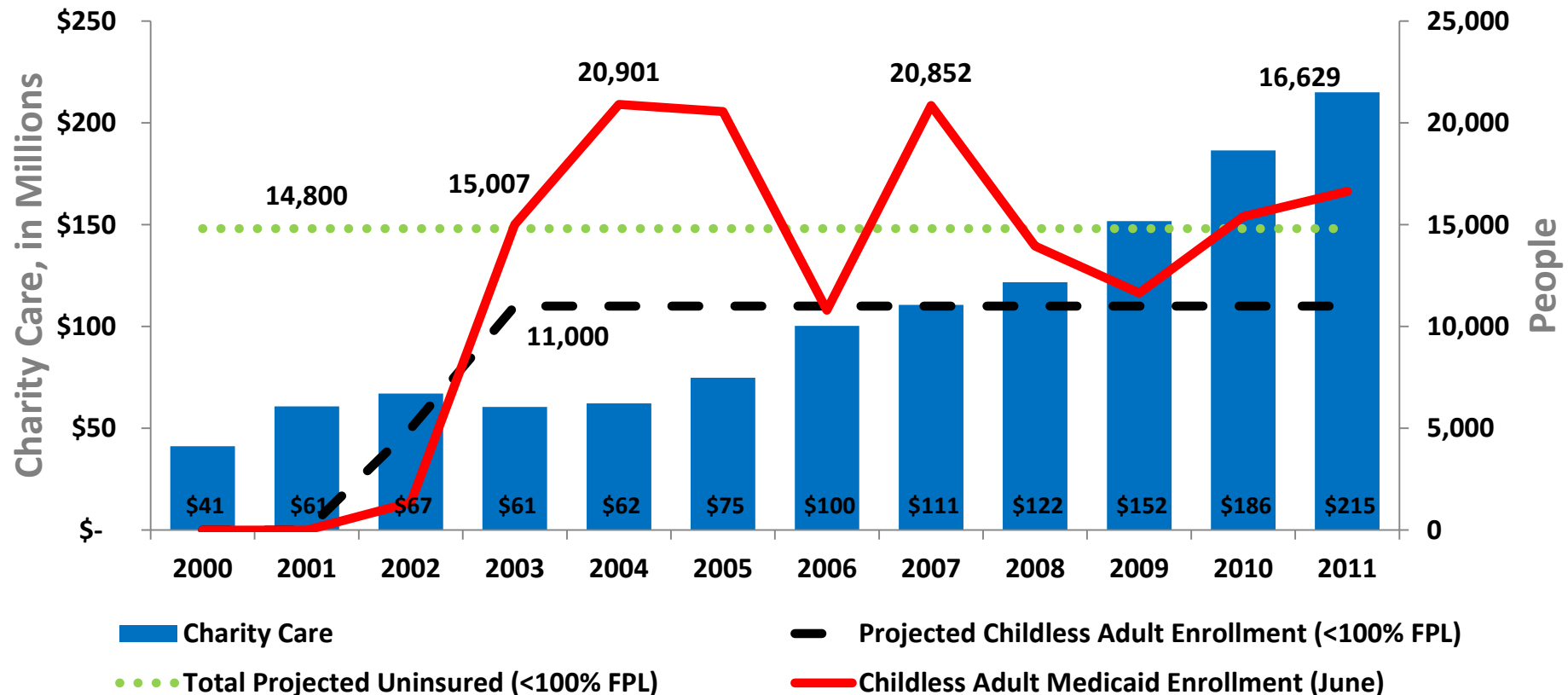
Non-Elderly Arizonans' Insurance Coverage, 1999-2011



Lessons from Maine

Skyrocketing Enrollment and Charity Care

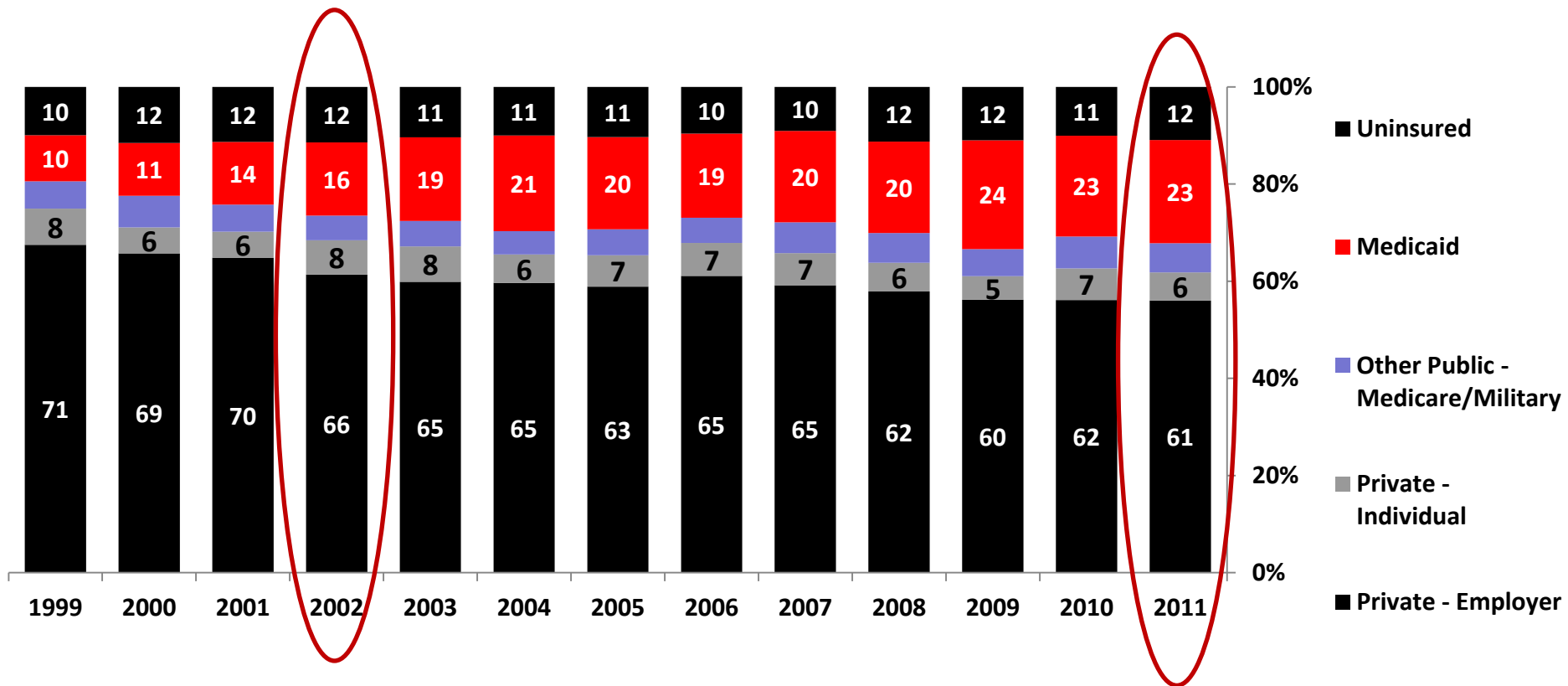
Maine's Optional 2002 Medicaid Expansion



Lessons from Maine

No Change in Uninsured; More Medicaid; Less Private Coverage

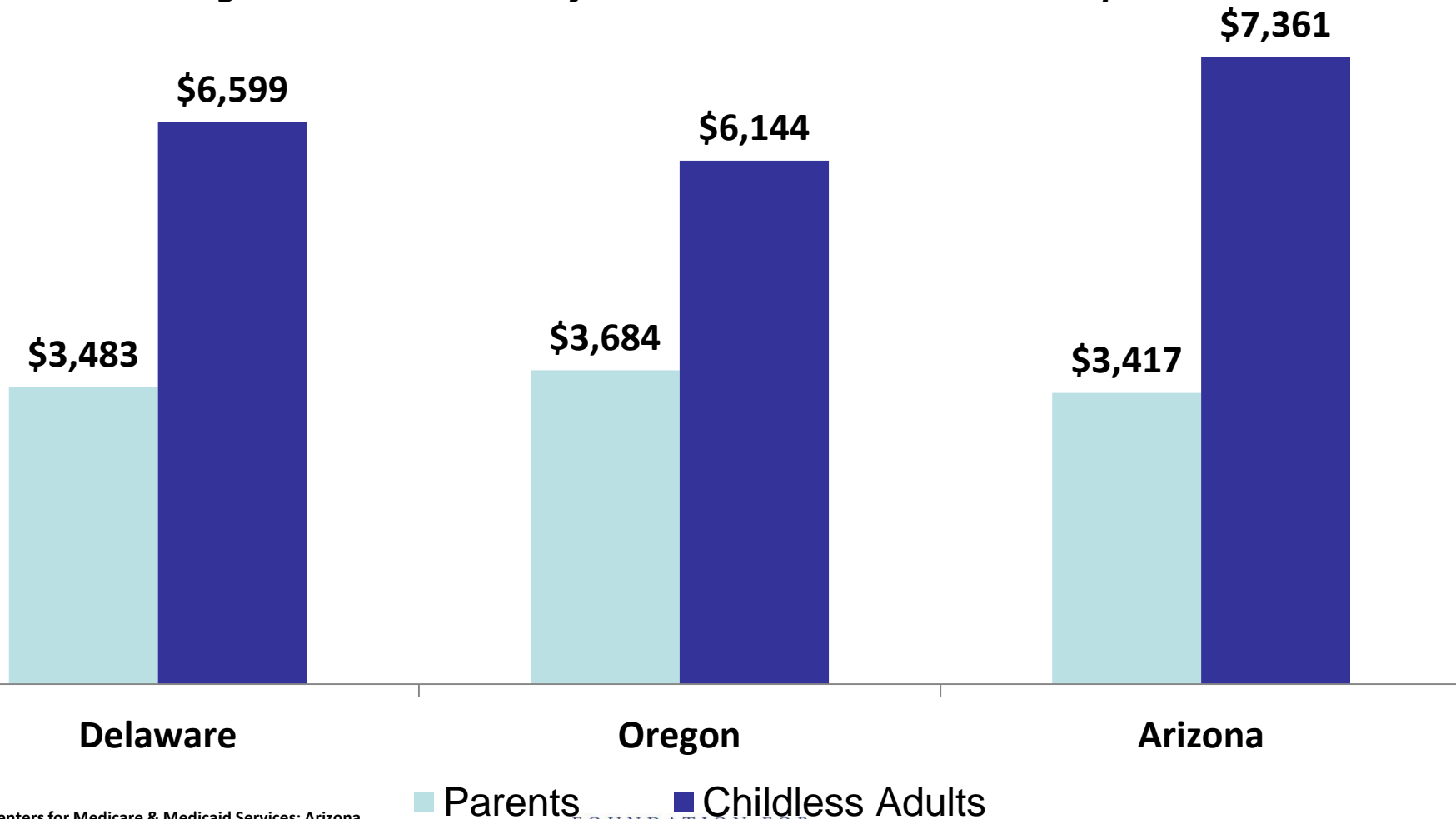
Non-Elderly Mainers' Insurance Coverage, 1999-2011



Lessons from Delaware, Oregon, and Arizona

Childless Adults Cost Nearly Twice As Much As Low-Income Parents

Average Per-Person Costs of Childless Adults in Medicaid Expansion



Source: Centers for Medicare & Medicaid Services; Arizona Legislature's Joint Legislative Budget Committee; Arizona Health Care Cost Containment System

CBO: “The Budget and Economic Outlook: 2014 to 2024”

“CBO estimates that the ACA will reduce the total number of hours worked, on net, by about 1.5 percent to 2.0 percent during the period from 2017 to 2024, almost entirely because workers will choose to supply less labor—given the new taxes and other incentives they will face and the financial benefits some will receive.”

“In states that choose not to expand Medicaid, the availability of exchange subsidies also will lead some people to work more. Specifically, some people who would otherwise have income below the FPL will work more so that they can qualify for the substantial exchange subsidies that become available when income is equal to or just above the FPL.”