Georgia Chamber of Commerce – Health and Wellness Policy Committee

Quality Healthcare Access Study

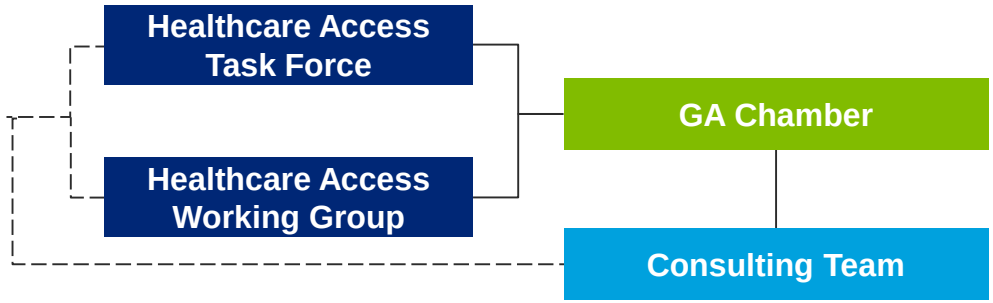
Proposed Policy Alternatives

August 2016

GEORGIACHAMBER

Introduction

In November 2015 the Georgia Chamber of Commerce – Health and Wellness Policy Committee's Healthcare Access Task Force initiated a nine month study to develop policy options to increase quality healthcare access for Georgians



Phase 1: Data Collection & Analysis

- Conduct environmental scan of Medicaid expansion states
- Profile of Georgia's Healthcare Landscape
- Estimate New Adult Group enrollment and baseline expenditures

Phase 2: Alternatives Identification

- Develop up to three policy options
- Build policy options profiles
- Assess high-level impacts on key stakeholders

Phase 3: Finalize Recommendations

- Estimate the expenditures for the three policy alternatives
- Model the economic impact and job creation from the three policy alternatives
- Compare and assess the three policy alternatives

Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul

The Case to Increase Healthcare Access in Georgia?

Georgia's healthcare system is getting squeezed, and with Washington's dysfunction and gridlock, the state must act

Four rural hospitals have closed in Georgia since the beginning of 2013

This problem affects every Georgian; patients with health coverage in Georgia today are already paying increased premiums to cover the cost of uncompensated care

Georgia is Ranked

48th In Uninsured Rate

Regions where a hospital closes and family doctors leave not only lose a major part of their tax base, but they also have no hope of attracting new high-paying jobs

26%	**Of the total population lives below 138% FPL**
29%	**Of those below 138% FPL are uninsured**

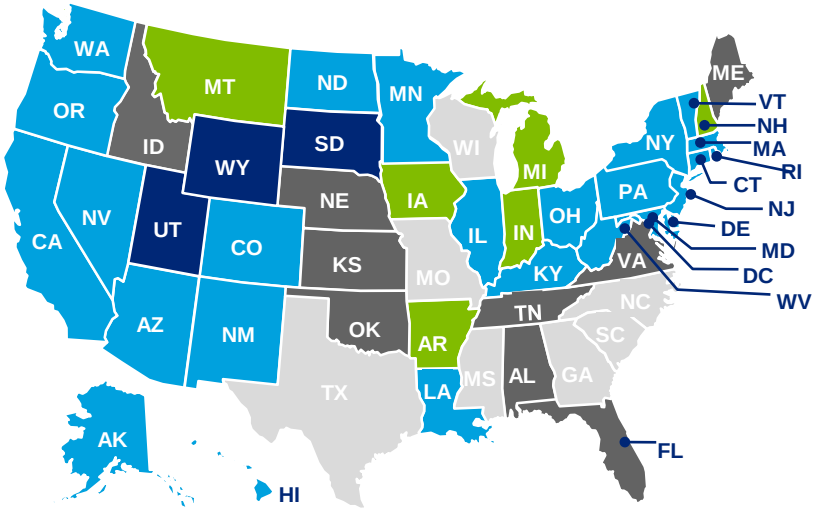
Rural Hospitals are scaling back by reducing service offerings, including critical services like labor and delivery. Physicians' practices will not locate in a community where hospital privileges are limited or do not exist.

The "Georgia Way" should present the most conservative, most sustainable pathway under U.S. law to close the coverage gap and to save or improve our healthcare provider network

Source: America's Health Rankings

National View of Medicaid Expansion

32 states have elected to expand Medicaid, six of which of taken alternative approaches through an 1115 waiver



States' Choices	31 states (including DC)
*Traditional **	*26 sates (including DC)*
*Alternative Model**	*6 states*
*Under Discussion**	*3 states*

States that Have Made or are Making Proposals	9 states
States without a Decision at this Time	7 states

Alternative States – Key Observations

Market Design

- States have leveraged existing infrastructure – **managed care and qualified health plans (QHPs)**
- Montana is uniquely providing care through **fee-for-service (FFS)**, leveraging a third-party administrator (TPA)

Member Responsibility

- States are using premium contributions to **health savings accounts (HSAs)** and cost-sharing to promote member responsibility and financial sustainability
- States have greater **flexibility** for enrollees over 100% of the federal poverty level (FPL)

Incentives

- Michigan is using provisions to **incentivize healthy behavior**
- Indiana and Montana have included **penalties** for lack of contribution

Benefits

- Due to federal requirements, states are offering **wraparound benefits** beyond the 10 essential health benefits (EHBs)
- States are leveraging their waiver authority to **limit non-emergency medical transportation (NEMT)** to help reduce costs

Georgia Healthcare Landscape Summary

Georgia is below the national average on health, poverty, and insurance rankings, while fairly comparable to other states in terms of its Medicaid program

Demographics

- **Uninsured Rates –** Rates are 6% higher than the national average and 3% higher than other non-expansion states
- **Population Distribution –** Predominately a geographically rural state with most of its population living in urban areas
- **Income and Unemployment –** Generally lower rankings than other states

Medicaid Program Design

- **Service Delivery –** Care Management Organizations (CMO) service the majority of the Medicaid Population
- **Cost Sharing –** Requires co-payments for specific categories of service
- **Benefits –** Set of base benefits and additional benefits
- **Eligibility –** Provides limited eligibility to adults with low-income and more generous eligibility for children

Georgia's Healthcare Landscape

Hospital Costs and Utilization

- **Cost of Care –** Higher in urban counties
- **Medicaid Inpatient Hospital Utilization –** Higher in urban counties
- **Emergency Room (ER) Utilization –** Higher in rural counties

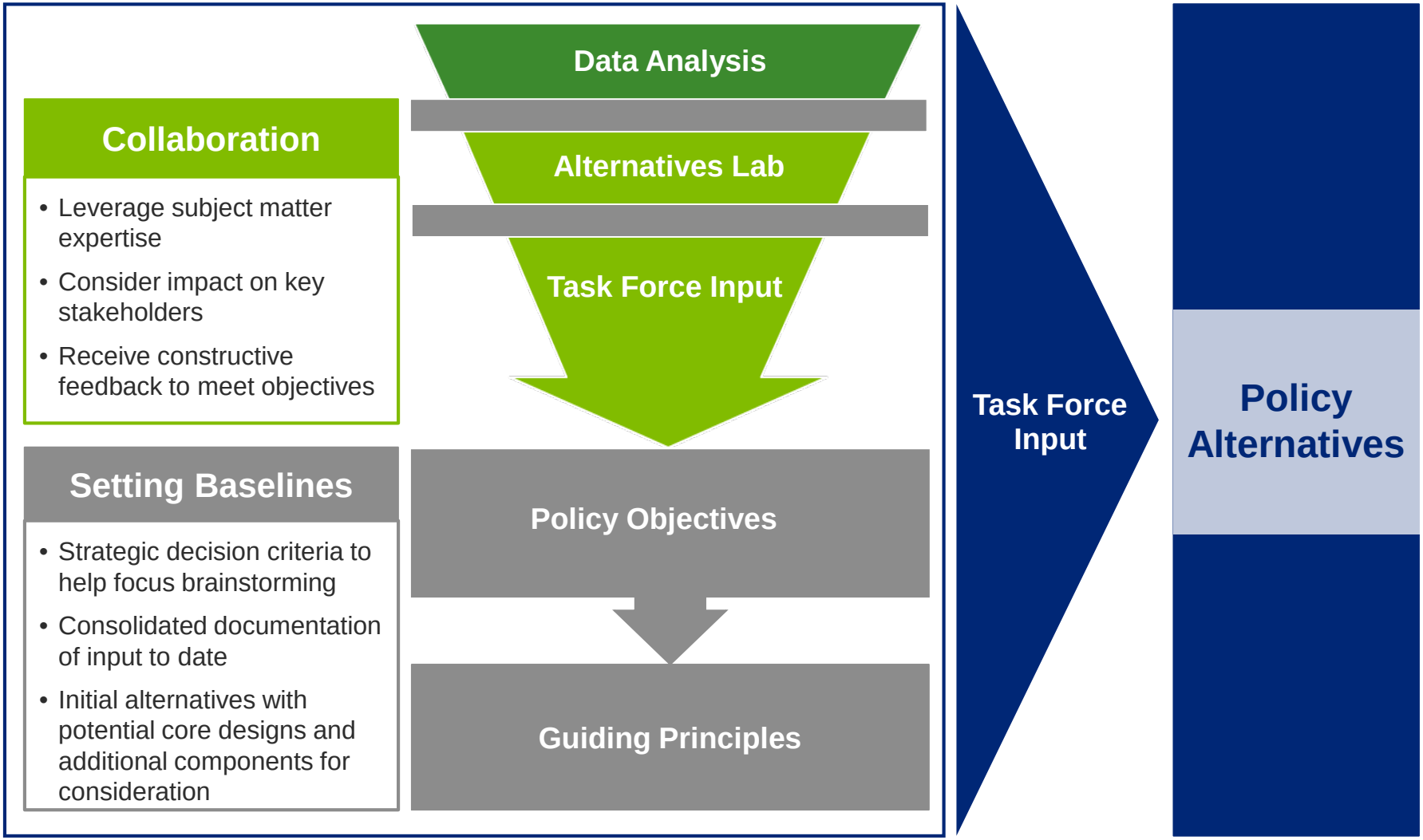
Medicaid Expenditures

- **By Group –** The Aged, Blind, and Disabled (ABD) group accounts for the majority of payments while LIM accounts for majority of membership
- **Total –** Total expenditures have been growing at a rate of 4% since 2000; lagging behind the growth of total Medicaid membership
- **Payments –** The vast majority of Indigent Care Trust Fund (ICTF) payments are from federal non-disproportionate share hospital (DSH) program payments

Policy Alternatives Development Approach

Policy Alternatives Development Approach

Building the alternatives followed an iterative approach, based on data, that stressed collaboration and incorporated feedback throughout the process



Policy Alternatives Lab Overview

Members of the Task Force participated in a Policy Lab to solicit input for policy alternatives to increase healthcare access in Georgia

Act I: Setting the Scene

- A facilitated panel reviewed perspectives and challenged conventional perceptions, centered around eight “suits” or policy themes
- During the panel discussions, ThinkTank was used as an anonymous brainstorming tool to gather thoughts and new ideas from participants that would be leveraged during breakout groups

Act II: Exploring Concepts

- Attendees participated in breakout groups to develop alternatives from four Georgia stakeholder perspectives:
  - Patient
  - Industry
  - State
  - Employer
- Groups were then asked to create a “sales pitch” of their concept

Act III: The Path Forward

- Each breakout group’s chosen representative defended his/her healthcare concept in a “CNN style debate,” reviewing a high-level summary of the alternative and key value statements, and answering questions

The Georgia Way to Increase Healthcare Access

This objective of this effort is to develop up to three policy alternatives to increase healthcare access in Georgia in a fiscally sustainable manner

Guiding Principles	
• Develop a plan that is administratively feasible • Modernize healthcare delivery for this population • Support sustainability of the provider network • Focus on improved health outcomes • Create a sustainable pathway to closing the coverage gap • Emphasize using private plans, keeping as many people as possible on employer-provided plans • Support individuals'' transition to the commercial market	• Take advantage of all federal dollars available • Reduce regulatory barriers • Emphasize member responsibility • Promote consumerism - employee/member engagement • Implement in a way that builds local capacity • Emphasize economic development • Encourage provider innovation • Promote provider participation

Proposed Policy Alternatives

Policy Alternatives Summary

The Taskforce has proposed three policy alternatives that maximize affordability, sustainability and member responsibility

	Alternative 1	Alternative 2	Alternative 3
Market Design	CMO	CMO	CMO and QHP
Eligibility	<100% FPL covered through CMO	<138% FPL covered through CMO	<100% FPL through CMO and <138% FPL through QHP
Federal Match	1A: Enhanced FMAP 1B: Standard FMAP	Enhanced FMAP	Enhanced FMAP
Employer-sponsored Insurance(ESI)	Minimize ESI crowd-out by requiring eligible individuals and their family members to enroll in employer coverage when cost effective		
Work Requirement	Expand SNAP (Food Stamp) work requirement pilot statewide		
Premiums and Cost-Sharing	Every member contributes towards premium at maximum allowable amount for eligibility group; Require disenrollment due to non-payment of member premiums Maintain member copayments for applicable encounters		
Benefit Design	Commercial-style benefit package that is “skinniest” Medicaid benchmark criteria will allow		
Delivery System Reform	Implement Delivery System Reform Incentive Payment (DSRIP) across Low Income Medicaid		

Policy Alternatives Summary *(continued)*

The Taskforce has proposed three policy alternatives that maximize affordability, sustainability and member responsibility

	Alternative 1	Alternative 2	Alternative 3
Coordination with Corrections	Strengthen Criminal Justice Reform through "warm handoff" and intensive behavioral health care coordination for released inmates with aim to prevent recidivism		
Improve Rural Access to Care	Stabilize rural provider infrastructure and incentivize providers to practice in Health Shortage Areas		
Personal Responsibility & Consumerism	Establish HSA-style account to promote consumerism and personal responsibility; use funds to pay Cost-sharing and/or purchase additional coverage (i.e., vision and/or dental coverage)		
Additional Components	Value-Based Care, Commercial-style Open Enrollment cycles, waive retroactive eligibility, Coordinated Incentives for payers, providers and members, Population Transition and Preventable Event Oversight and Avoidance		