

# How Health Reform Could Affect Kansans Living in Poverty Kansas Conference on Poverty Wichita, Kansas July 26, 2012

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## Kansas Health Institute

The Kansas Health Institute is an independent, nonprofit health policy and research organization that informs policymakers about important issues affecting the health of Kansans.

Our mission is to inform policymakers by identifying, producing, analyzing and communicating information that is timely, relevant and objective.



## The Ruling





## The Ruling

- Almost entirely upheld
- Medicaid expansion now "optional"
- Other uncertainties;
  - November elections
  - Funding streams/allocations



# Three Primary Components of the ACA

#### Public Health

- Public Health Trust Fund
- National public health and prevention/wellness strategy
- Funding for evidence-based prevention and wellness with focus on rural and frontier communities
- Grants to employers and states for wellness programs
- Coverage for preventive care at no cost in many private and public plans

### Cost Containment, Payment and Delivery Reform

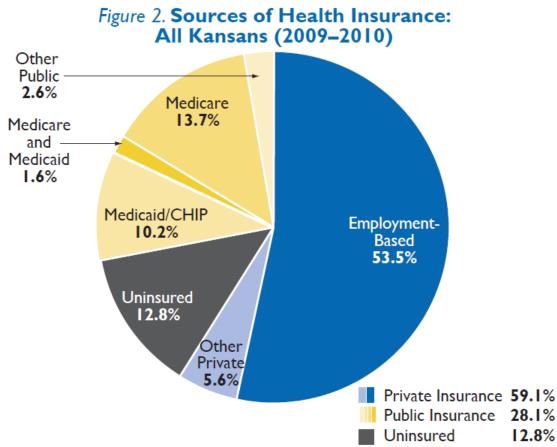
- Bundled payment and value-based purchasing initiatives
- Greater waste, fraud and abuse measures
- Medical malpractice demonstration grants
  - Quality/outcome reporting by private insurers
- Comparative Effectiveness Research, non-profit Patient Centered Outcomes Research Institute

### Access to Coverage and Care

- Medicaid expansion
- New insurance regulations
- State-based health insurance exchanges for individuals and small businesses
- Individual mandate
- Employer penalties



## Sources of Coverage



Notes: All Kansans: Approximately 2,751,000.

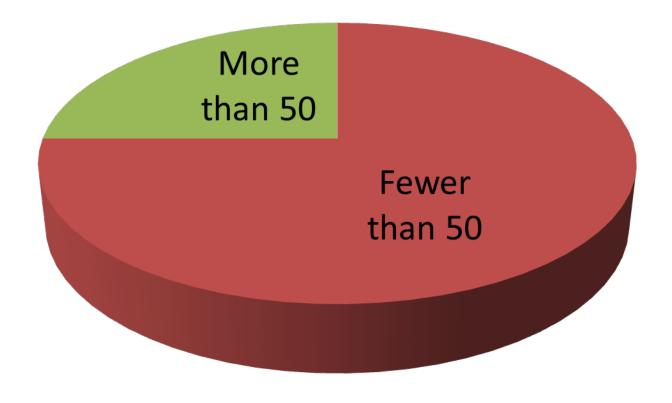
Percentages may not sum to 100 percent because of rounding.

Source: KHI estimates are two-year averages based on the 2010 and 2011 Annual Social and

Economic Supplements to the Current Population Surveys.



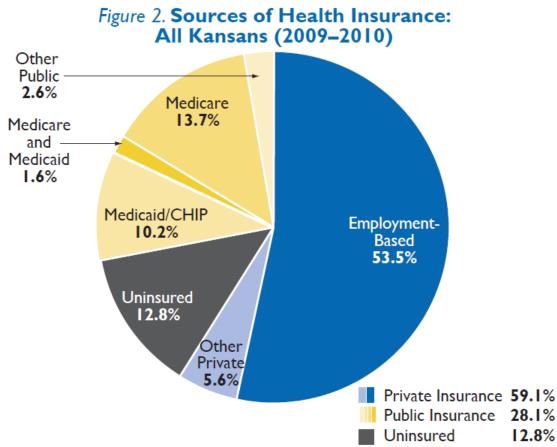
## Private Employers in Kansas



Source: KHI Analysis of 2010 Medical Expenditure Panel Survey Data



## Sources of Coverage



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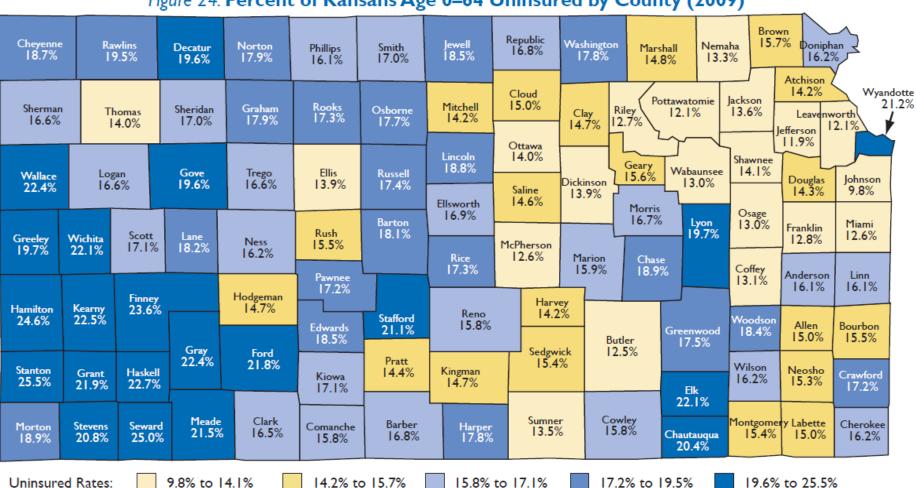
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Economic Supplements to the Current Population Surveys.



### Where are the uninsured?

Figure 24. Percent of Kansans Age 0-64 Uninsured by County (2009)



Source: U.S. Census Bureau, Small Area Health Insurance Estimates (2009).



# Impact of the ACA on the Uninsured

Access rules

Guaranteed Issue

Pre-existing condition exclusions

Cost impacts

Rating rules

Federal assistance

Navigation

Health insurance exchanges



# Impact of the ACA on the Uninsured

FPL	Number	Result	
400%+	42,000	No assistance, but exchange available	
133% - 400%	158,000*	Assistance available through exchange	
133%-	151,000*	Medicaid expansion population	

<sup>\*</sup>note that children are included in these figures many of whom may be currently Medicaid or CHIP eligible but not enrolled.

Source: KHI Analysis of 2010-2011 Current Population Survey Data



## Seven Early Expanders

Table 2: States Getting an Early Start on the Medicaid Expansion, April 2010-May 2012

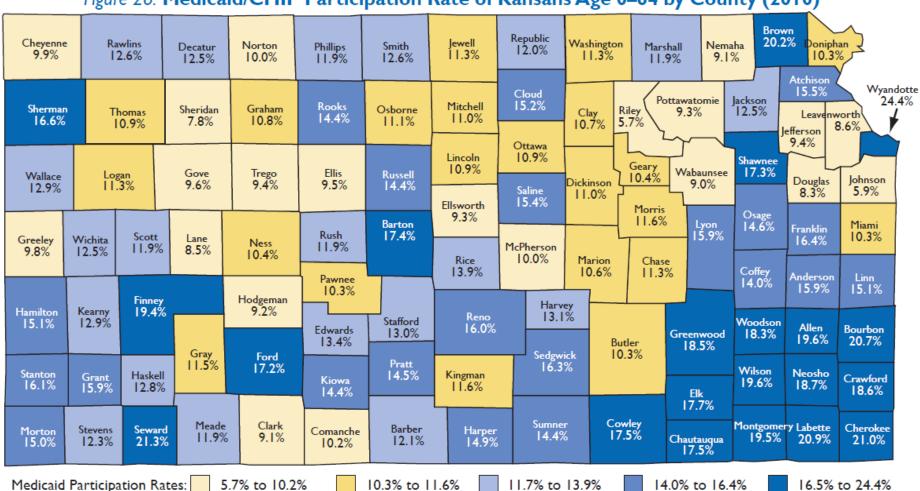
	Coverage Authority	Effective Date	Income Limit	Enrollment
CA	Waiver	Nov 1, 2010	200% FPL	251,308
CT	ACA Option	April 1, 2010	56% FPL	74,752
co	Waiver	April 1, 2012	10% FPL	10,000
DC	ACA Option Waiver	July 1, 2010 Dec 1, 2010	133% FPL 200% FPL	40,776 3,411
MN	ACA Option Waiver	March 1, 2010 August 1, 2011	75% FPL 250% FPL	80,200 41,811
MO	Waiver	July 1, 2012	133% FPL	N/A
NJ	Waiver	April 14, 2011	23% FPL	53,490
WA	Waiver	Jan 3, 2011	133% FPL	50,920

Source: Kaiser Family Foundation



## Where are Medicaid and CHIP enrollees?

Figure 26. Medicaid/CHIP Participation Rate of Kansans Age 0-64 by County (2010)



Source: Medicaid Data Analytic Interface (DAI), average monthly Medicaid/CHIP enrollment.

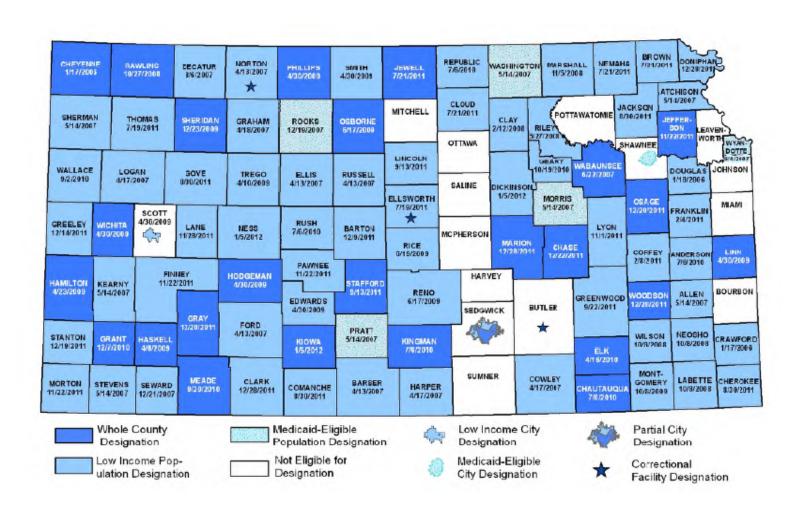


## What happens in Kansas?

- 130,000 uninsured low-income adults
- Low income adults with coverage
- Individual mandate penalty exemption
- 100-133 gap



## Primary Care HPSAs





# Federal Reforms: Impact on State Spending at Full Implementation in 2020

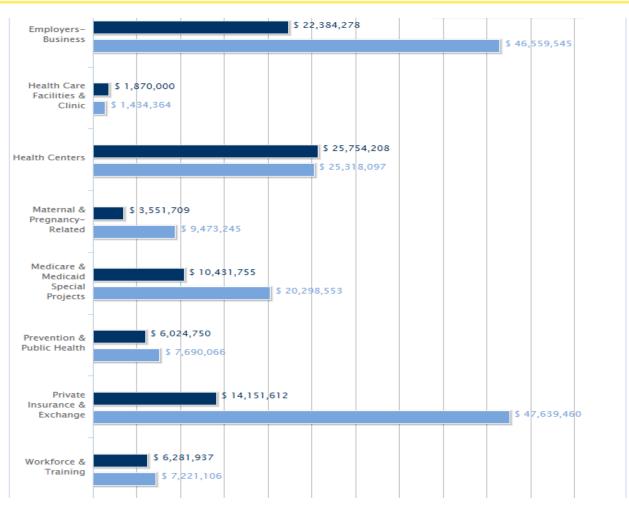
State options regarding direct spending for the safety net\*

	Maintain all state	Reduce state spending	Eliminate state
	spending on the	on the safety net by	spending on the
	safety net	half	safety net
Point estimate plus 5% provider rate			
increase	\$35 M	\$12 M	-\$8 M
Upper bound estimate of			
coverage	\$7 M	-\$16 M	-\$35 M
Point estimate	\$4 M	-\$19 M	-\$39 M

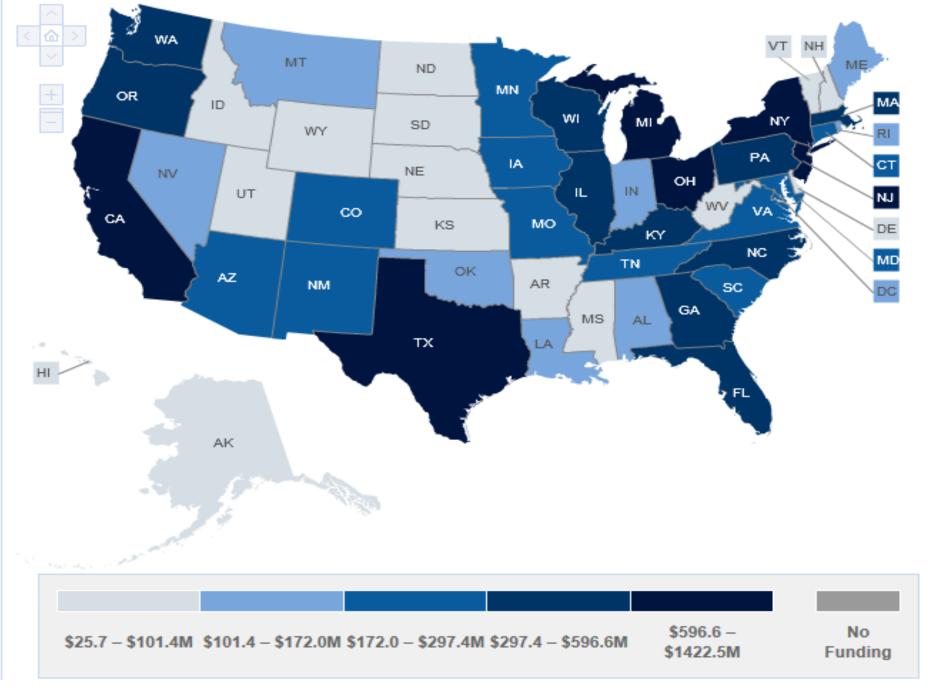
Additional risk: +/- \$15 million variance in true cost of Medicaid benefit package. Impact subject to state choice and federal regulation over covered benefits.



## Public Health/ Community Investment



Source: Kaiser Family Foundation funds tracker



Source: Kaiser Family Foundation Funds Tracker



### Related Links:

Home > Feature Links > Divisions > Workforce Services > Federal Grants Awarded to Kansas > Kansas Health Profession Opportunity Project



### **Kansas Health Profession Opportunity Project**

Kansas Health Profession Opportunity Project Grant (KHPOP) partners will use these grant funds to provide healthcare education, training and employment for 500 TANF recipients and other low-income individuals statewide. The KHPOP features several innovative elements: career coaches, incentives for GED completers, financial assistance for employers, high-definition video conferencing, Work Opportunity Tax Credit and Federal Bonding. Grant funds will additionally cover the salary of one project director and ten career coaches statewide.

The grant was awarded to Kansas in September 2010 and has a five-year performance period.

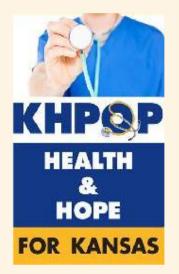
### **Training**

KHPOP Overview Webinar KHPOP Enrollment Webinar

### Frequently Asked Questions (FAQ)

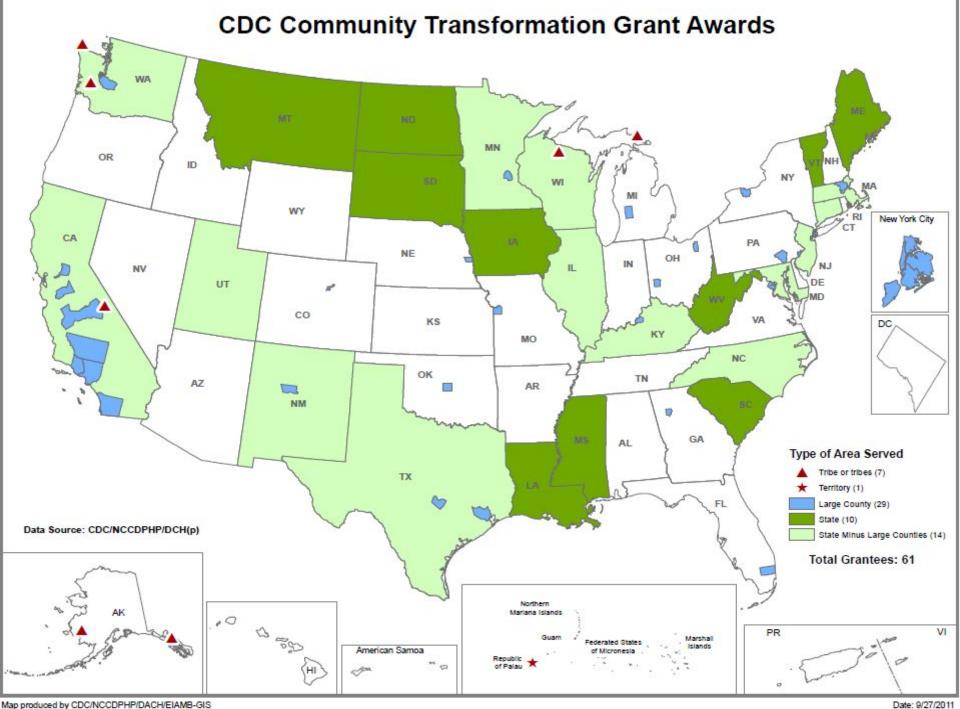
#### Outreach

KHPOP White Paper KHPOP Employer KHPOP Job Seeker KHPOP Logo ENews Archive



Participants Served

981





## More funding opportunities

- Primary care loan repayment/forgiveness programs
- Nursing student loan program
- Pediatric specialty/underserved area
- Public health workforce loan repayment
- Allied health workforce loan repayment
- National Health Service Corps
- Community Health Workforce grants
- Rural physician/underserved area
- Expansion of nursing diversity grants



## Attention to Health Disparities

- Section 4302
- Cultural competency training
- Diversity training in health professions workforce
- Negotiated rulemaking for MUA/HPSA designation



## **HCERA**

- Increased PELL Grants
- \$750M to College Access Challenge Grant Program
- \$2.55B to colleges serving minority populations
- IBR changes



## Debate continues...

- Legal challenges
- Legislative challenges

**Federal** 

Kansas

State action/inaction



## Much does *not* rest on state action

- Already in placePrivate insurance rulesFunding opportunities
- Set to occur in 2014
  Individual mandate, employer requirement
  Health insurance exchanges
  Remaining private insurance rules
  Delivery and payment reforms
- Biggest unknown: Medicaid



## Looking Ahead

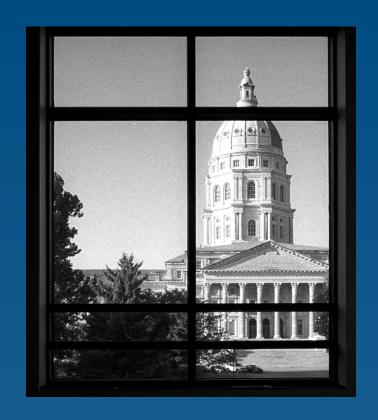
- Off the "e" grid
- First time access to coverage
- Residually uninsured
- Funding opportunities



## Questions?



## Kansas Health Institute



Information for policy makers. Health for Kansans.