

Access Work Group Criteria for Coverage for Adults 138-205% FPL

Background

States have the option to expand Medicaid to 138% FPL beginning in 2014. For adults at 138-405% FPL, premium tax credits for commercial plans will be available in the Exchange beginning in 2014. States have the option to provide additional benefits and/or affordability support for the adults population 138-205% FPL.

The two main options for providing this additional coverage are:

- Provide a MNCare-like program (Basic Health Plan) and receive 95% of funds that the federal government would have spent on this population in the Exchange. The other 5% of costs would be matched by the state.
- Provide alternative options to supplement commercial coverage costs and benefit sets in the Exchange (Wrap Around) at state expense

What do we know about the adult population with incomes 138% FPL-205% FPL

- Includes parents and adults without children
- 120,000 people estimated in this population in 2014¹
- Today, most are eligible for MNCare but many remain uninsured²
- Less healthy on average than rest of the population³
- 50% reside in rural areas and 50% in urban areas⁴
- Poorer health status compared to the general population⁵
- Extremely price sensitive to premium increases/costs⁶

Why consider additional coverage for this population?

- This population is not covered in 2014 Medicaid expansion
- Commercial Exchange plans with tax credits may not be affordable or provide sufficient coverage
- Opportunity for prevention/ consumer engagement to improve health outcomes and reduce disparities

Access work group approach

The work group agreed that, at a minimum, low-income Minnesotans should not receive a weaker benefit set or less affordable coverage after reform in 2014 (ie, “Do no harm”). They also agreed that coverage options for this population in 2014 should be at least as meaningful and comprehensive as MNCare options for this population. Lastly, they agreed that, where possible, meaningful improvements and reforms should be made in coverage for this population. The group then agreed to consider specific coverage criteria for affordability and benefits for this population.

¹ J. Guber, B. Gorman, Impact of the ACA and Exchange on Minnesota, April 2012
<http://mn.gov/commerce/insurance/images/ExchGruberGormanFinalReport4-12.pdf>

² 2011 MN Health Care Access Survey, MDH

³ 2011 MN Health Care Access Survey, MDH

⁴ 2011 MN Health Care Access Survey, MDH

⁵ 2011 MN Health Care Access Survey, MDH

⁶ May 10, 2012, Children’s Defense Fund presentation to Access work group. Meeting minutes available here:
<http://mn.gov/health-reform/images/WG-Access-2012-05-10-Minutes-Final.pdf>

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Cost-sharing and premiums. The Access Work Group agreed that cost sharing for all income levels in this population should be nominal and no lower than MNCare levels without the hospital cap. The work group agreed that premiums for this population in 2014 should address identified affordability gaps in MNCare today. The work group's criteria for premiums are:

- No premiums for those at 138%FPL-150%FPL
- For those with incomes at 151-205% FPL, premiums should be based on a sliding fee schedule as follows:
 - Start at \$0 at 150% FPL and increase in sliding scale up to current MNCare premium levels for these individuals at 205% FPL

Benefits. The work group discussed which additional benefits this population may be needed, beyond the MinnesotaCare benefit set or the essential health benefit set. The work group recommends that the following benefits be considered:

- non-emergency transportation
- eating disorders
- substance abuse
- dental coverage for adults
- personal care attendants

Other criteria. The work group agreed that the coverage for this population should also:

- Be supported by a stable state funding stream
- Encourage prevention/individual investment in personal health
- Minimize administrative complexity for enrollees and the state (including churn across programs)
- Track and monitor disruptions in coverage for this population
- Encourage cultural competency and health literacy
- Provide transparency regarding who is included in the coverage network

Next Steps

During late summer and early fall, the Gruber-Gorman analysis will be revised to estimate options for the state to provide coverage for this population, based on the criteria above. The work group will review this analysis in the fall and provide recommendations to the full Health Reform Task Force.

INSERT SCENARIO ANALYSIS HERE