

Health Care Reform: What We Know Today

Presented to OHCA Board
April 8, 2010

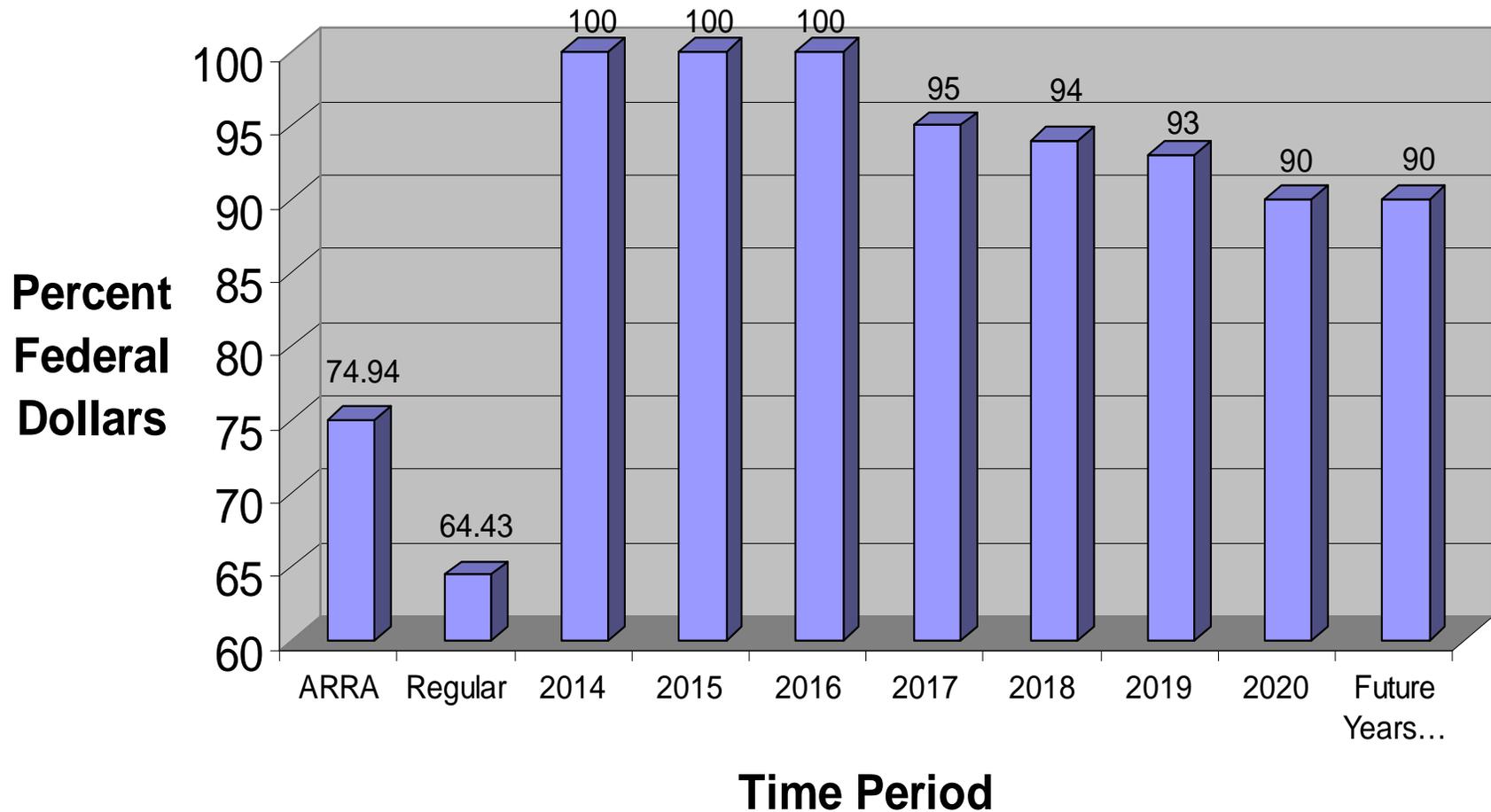


Hitting the High Points

Today's Focus: SoonerCare-specific points

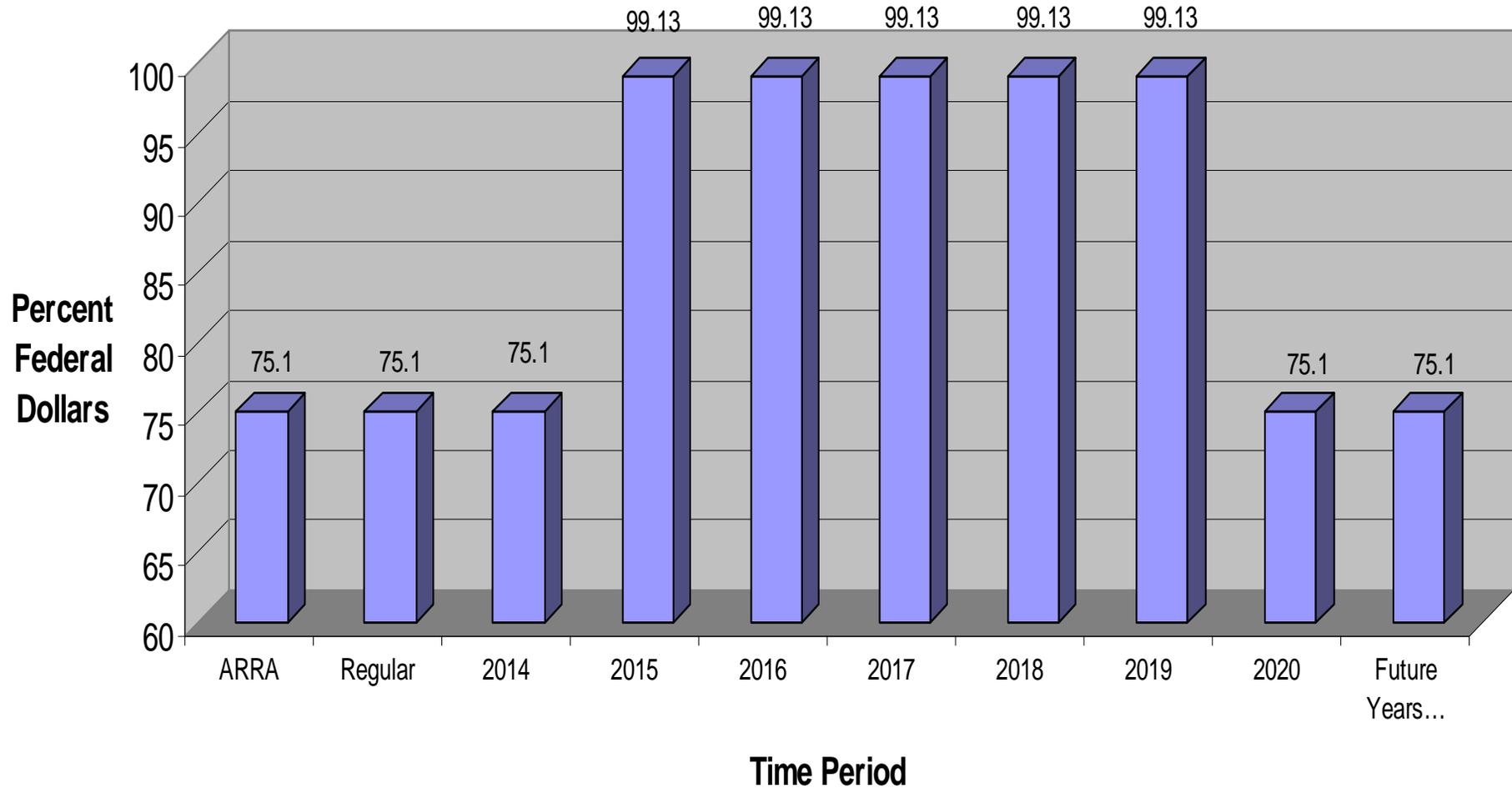
- Challenge: Oklahoma's Uninsured
- Opportunity: Health Care Reform
 - Financing
 - Enrollment Today vs Enrollment Post-Reform
 - Potential Impact
- Additional Opportunities
 - Potential Impact

Oklahoma FMAP Outlook: Newly Qualified



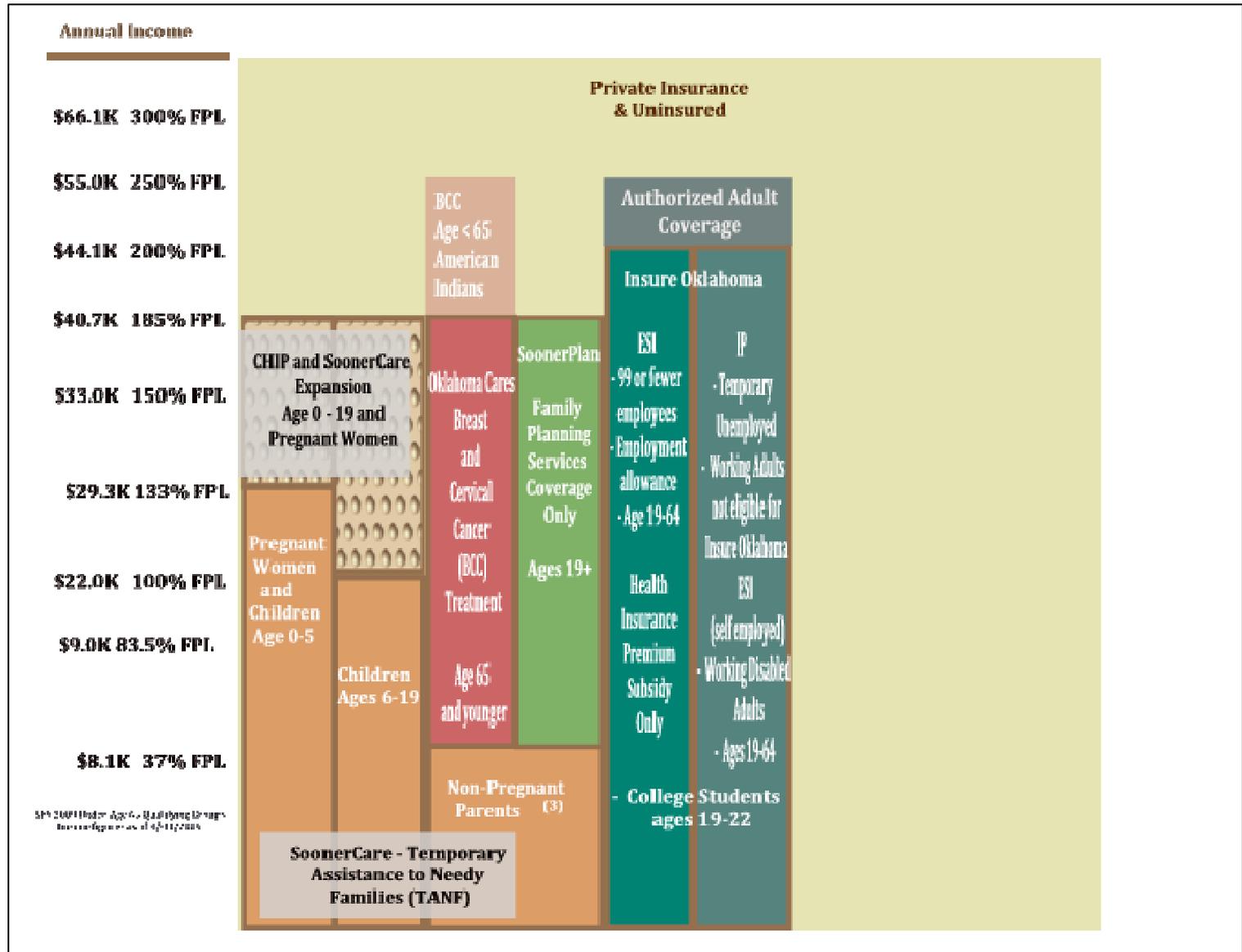
Source: CMS, Regular reflects FY 2010 FMAP Estimates

Oklahoma CHIP FMAP Outlook



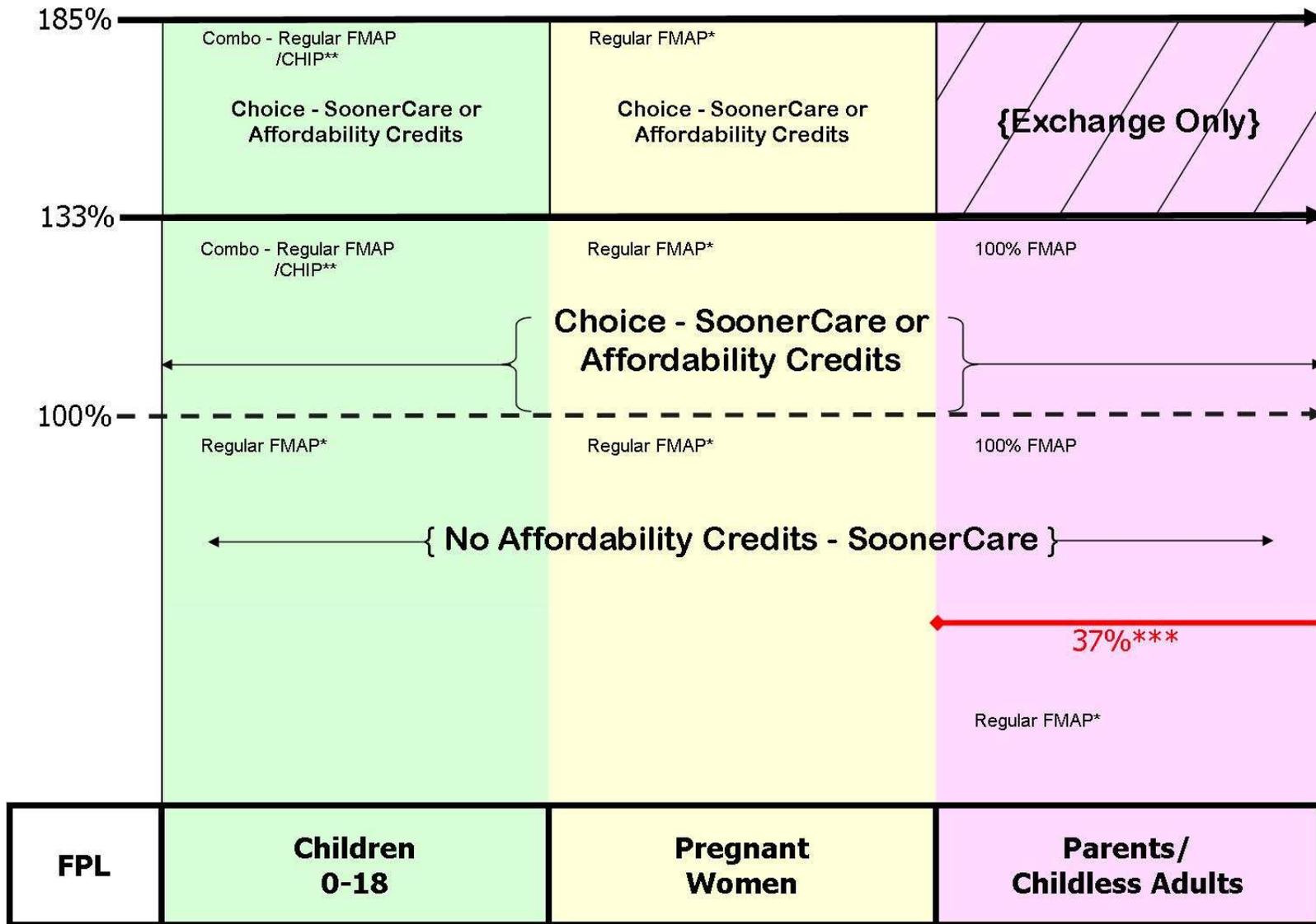
Source: CMS, Regular reflects FY 2010 CHIP FMAP Estimates

Enrollment Today



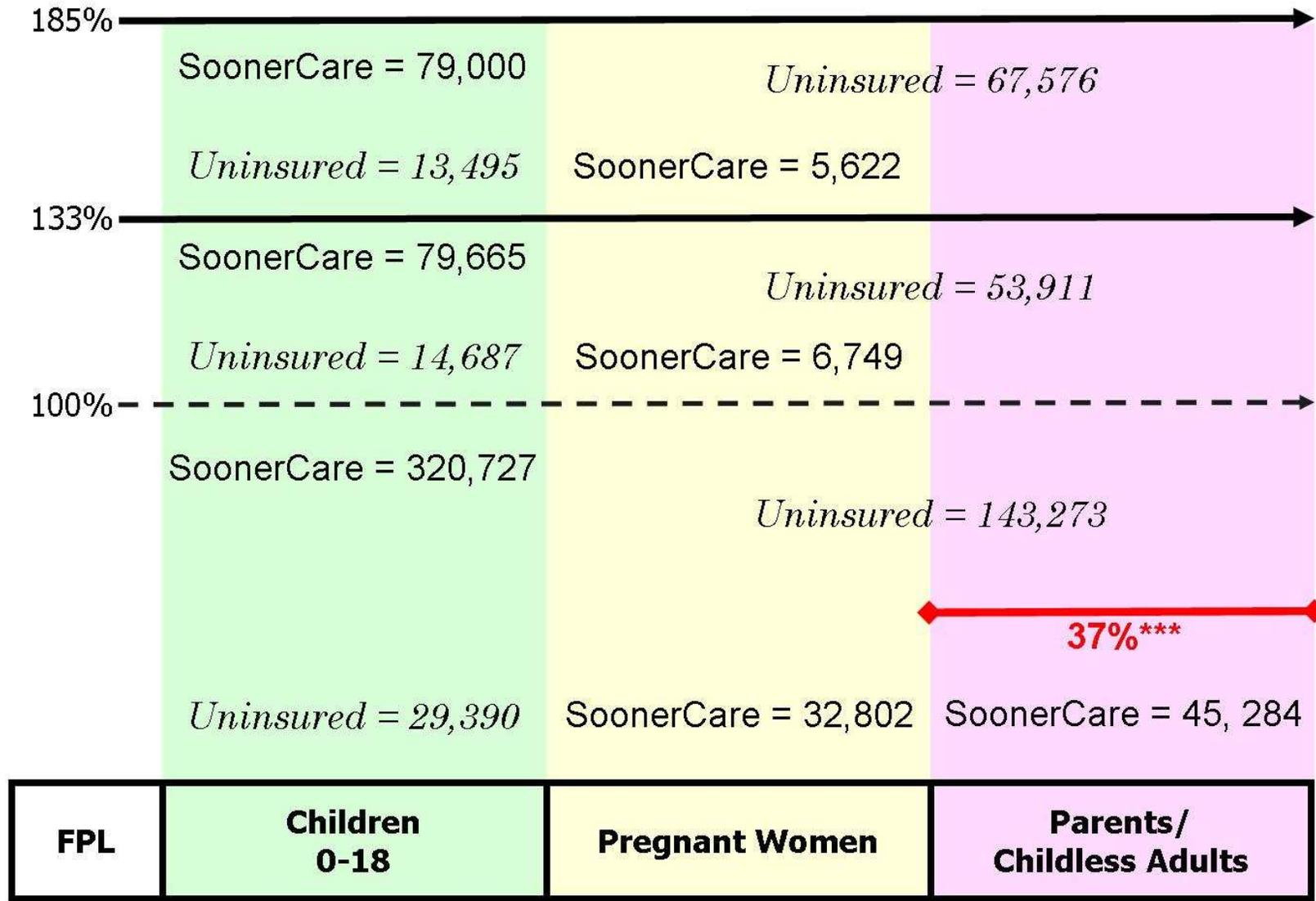
Source: OHCA Annual Report SFY 2009, page 21, figure revised from original publication

Enrollment Post-Reform

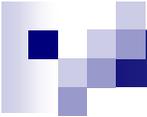


Source: OHCA, per analysis of HCR bill as signed by the President on 3/23/10

Enrollment Post-Reform



Source: SoonerCare figures from OHCA, business objects report retrieved 4/7/10;
 Uninsured figures from US Census Bureau, 2008 data collected in 2009,
http://www.census.gov/hhes/www/cpstc/cps_table_creator.html



Potential Oklahoma Impact

Estimated Annual State Costs - Newly Qualified / Woodwork								
Year	2014	2015	2016	2017	2018	2019	2020	Future Years
FMAP	100%	100%	100%	95%	94%	93%	90%	90%
Newly Qualified	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Woodwork	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total State Cost (in millions)	\$41.5	\$42	\$43	\$67	\$73	\$79	\$95	\$95
State PMPM	\$14	\$14	\$14	\$23	\$25	\$27	\$32	\$32

Current Annual Uncompensated Care:

Hospitals = \$365 M

Cost-Shifting to Insured = \$1,000 per family

or \$1 B total

Source: OHCA, per analysis of HCR bill as signed by the President on 3/23/10.
 Population figures estimated with US Census Bureau uninsured data. Cost figures estimated with average SoonerCare expenses and include 3% administration.
 Uncompensated care figures estimated with cost-reports from 103 Oklahoma hospitals, and national study conducted in 2005 by Dr. Kenneth Thorpe, PhD.



Additional Options...

- States may choose to expand coverage to childless adults under 133% FPL effective 4/1/10.
 - Regular FMAP applies.
- States may choose to establish a basic state health plan for families earning 133-200% FPL effective 1/1/14.
 - In lieu of FMAP states receive 85% of the tax credits and cost-sharing reductions that would have applied through Exchange plans.

Basic State Health Plan Example

	Household Income at 200% FPL		
	Single Person	Household of 2	Household of 3
Annual Earnings	\$21,660	\$29,140	\$36,620
Out of Pocket Maximum (6.3% of Earnings)	\$1,365	\$1,836	\$2,307
Premium Estimate for 2nd lowest cost Silver Plan (Annual)	\$3,600	\$7,200	\$10,800
Affordability Credit	\$2,235	\$5,364	\$8,493
85% of Credit (Annual)	\$1,900	\$4,560	\$7,219
85% of Credit (Monthly)	\$158	\$380	\$602
Adult Comparison (Reg FMAP)	\$230	2 Adults = \$460	3 Adults = \$690
Child Comparison (Reg FMAP)	\$152	1 Adult 1 Child = \$382	2 Adults 1 Child = \$612
Child Comparison (CHIP FMAP)	\$110	1 Adult 1 Child = \$340	1 Adult 2 Children = \$450

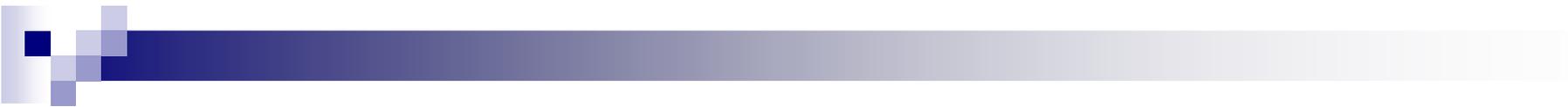
State receives 85% of the consumer's affordability credits

Compare state receipts to typical cost of coverage under SoonerCare



Other Reform Notables...

- Income definition for Medicaid & CHIP set as IRS, AGI, and a 5% income disregard.
- Medicaid enrollment must be coordinated with Exchange enrollment to provide seamless enrollment for all programs.
- States required to create and run a website which:
 - Allows application and enrollment in Medicaid, CHIP or Exchange plans.
 - Contains benefit/cost/quality information on plans.
- Medicaid provider rates must equal Medicare provider rates for preventive services.
 - Full 100% FMAP applies to the difference.



Sources: Reform Summaries

- NASMD Health Reform Side by Side

<http://www.nasmd.org/home/doc/draftHRsidebyside.pdf>

- Kaiser Side by Side of Major Health Reform Proposals

<http://www.kff.org/healthreform/sidebyside.cfm>

- Library of Congress

- HR 3590

<http://thomas.loc.gov/cgi-bin/bdquery/z?d111:HR03590:>

- HR 4872

<http://thomas.loc.gov/cgi-bin/bdquery/z?d111:H.R.4872:>