

## **Covering the Low-Income, Uninsured in Oklahoma: Recommendations for a Medicaid Demonstration Proposal**

**Prepared for the Oklahoma Health Care Authority  
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To provide cost-effective health care coverage for Oklahoma's low-income, uninsured population, Leavitt Partners recommends the Oklahoma Health Care Authority (OHCA) utilize a premium assistance approach based on the Insure Oklahoma (IO) framework. The approach would streamline and simplify the State's existing Medicaid program by eliminating optional Medicaid coverage where individuals would be either eligible for Medicaid under the base program or eligible for an advanced premium tax credit to assist in the purchase of commercial coverage through a health insurance exchange.

The State would provide premium assistance to eligible enrollees to purchase qualified health insurance through the federally-facilitated exchange or employer-sponsored insurance (ESI) through the current IO ESI program. Eligible enrollees would include relatively healthy, low-cost uninsured individuals with income up to 138% of the Federal Poverty Level (FPL).

For uninsured individuals who don't qualify for Medicaid under the State's existing eligibility rules, but are disabled or considered medically frail, the State would use a modified version of the IO Individual Plan as the basis for benefit design and care delivery.

Leavitt Partners recommends OHCA modify the current IO Individual Plan by:

- Incorporating a health home model and adding specific health home benefits;
- Using care coordination and behavioral health benefits to reduce barriers to achieving individual accountability;
- Imposing maximum allowable cost sharing, and utilizing appropriate reductions in cost-sharing requirements to incentivize positive health choices; and
- Implementing new payment strategies that incentivize providers to be efficient and to focus on improved patient and overall health outcomes.

To oversee the implementation of the approach, Leavitt Partners recommends OHCA create a Steering Committee made up of key executive, legislative, and community stakeholders. The Steering Committee should consider issues such as working toward multi-payer models for the program's health home system, developing a strong evaluation component, and demonstrating cost-effectiveness.

The Steering Committee should also consider how best to leverage current OHCA initiatives as well as integrate public health initiatives into the approach. This will help ensure that the approach maintains a broader focus on health outcomes and improving the State's overall health. Leavitt Partners also recommends that OHCA develop complementary proposals for the Indian Health System to preserve its unique program characteristics and maximize cost savings.

While the recommended approach is presented as an overall plan, each individual point can be considered separately and developed as its own proposal.

## Estimated Impacts

In designing the demonstration proposal, Leavitt Partners goal was to develop an approach that would improve the health of Oklahoma’s citizens, improve access to quality and affordable health care, and provide a more cost-effective approach that reduces both direct and indirect costs to the State (including uncompensated care). While the proposal is expected to increase direct costs to the State over a 10-year period, the overall net effect is positive due to program savings and increased tax revenue. Total economic impact is expected to range from \$13.6 to \$17.3 billion.

**Figure 1**

Estimates of Ten Year Financial Cost and Economic Impact of the Proposed Demonstration Program, 2023				
Take-Up	New Enrollees	Total Cost (Federal and State)	Net Cost to State (Surplus)	Total Economic Impact
Low	204,911	\$10.5 Billion	(\$486 Million)	\$13.6 Billion
Medium	233,334	\$12.0 Billion	(\$465 Million)	\$15.6 Billion
High	257,493	\$13.3 Billion	(\$447 Million)	\$17.3 Billion

Source: Leavitt Partners analysis.