Health Care Reform Act of 2007

August 13, 2007

Joint Health & Welfare Committee

Overview

- Purpose
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- Current Proposal
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Purpose

- To update legislative members and staff on current proposal to expand coverage to parents in the hurricane affected regions
- To get approval to submit the necessary Medicaid state plan amendments (SPAs)
- To update on current proposal to expand coverage to childless adults

Background

- Systems changes...must occur while coverage is being expanded. Thus, we set out to improve the system while expanding coverage.
  - Expand kids coverage through LaCHIP to provide subsidies from 200 to 300% FPL and cover all eligible LaCHIP kids
  - Cover individuals with disabilities through Medicaid and ensure expedited enrollment
  - Expansion of coverage for parents in context of medical home pilot

Background

- The Health Care Reform Act of 2007 (Act 243) directs DHH to develop a medical home system of care, *Louisiana Health First (LHF)*, for uninsured parents and childless adults.
  - Any state plan amendments (SPAs) related to Act 243 must be approved by Joint Health & Welfare and Joint Budget committees
  - SPAs are amendments to the state's current Medicaid program and also require CMS approval

Background

- Louisiana Health Care Redesign Collaborative (LHCRC)
  - Established to create a blueprint for an evidence-based, quality driven health care system
  - Final report included recommendations on the following:
    - Medical home system of care
    - Health information technology (HIT)
    - Quality
    - Coverage

Background

- LHCRC, cont.
  - Concept paper, including the LHCRC recommendations, was submitted to CMS
  - CMS response included a proposal that used the majority of the DSH funds without covering the majority of the uninsured
- Health Care Reform Act of 2007 authorizes DHH to move forward on implementing the medical home system of care

Current Proposal

- Expands coverage to uninsured parents through the medical home system of care
- Current proposal has been developed by considering:
  - Who will be covered
  - Which benefits will be offered
  - What the delivery structure will be
  - What the program will cost and how it will be financed

Current Proposal

- Who will be covered
  - Low-income, non-elderly parents
    - With family incomes of up to 200% FPL because...
      - Low income least able to afford coverage on own
      - 67% of LA's uninsured adults are low-income
    - Ages 19-64 because...
      - Children are already covered by Medicaid/LaCHIP
      - Elderly (ages 65+) are already covered by Medicare and Medicaid

Current Proposal

- Who will be covered
  - Why parents?
    - Parents are a category under the current Medicaid program – therefore, coverage expansions to parents can be done under Medicaid while keeping safety net funding available for the remaining uninsured

Current Proposal

- Which benefits will be offered
  - Package is more limited than current Medicaid package
  - Package is consistent with the medical home system of care as recommended by the LHCRC

Current Proposal

- What will the delivery structure be
  - Medical home system of care
    - Build on the successes of CommunityCARE
      - Build on expectations for primary care providers, including access, HIT, care coordination, and improved outcomes
      - Include expectations for specialists and hospitals

Current Proposal

- What will the program cost to pilot* Regions 1 and 5:

SFY	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
LHF	$4,715,582 ($1,298,200) SGF)	$40,021,640 ($11,017,957 SGF)	$63,677,409 ($17,530,391 SGF)	$90,067,164 ($24,795,490 SGF)	$95,547,349 ($26,304,185 SGF)

*Coverage cost based on program start date of April 2008.

Current Proposal

- How will the program be financed
  - Primary Care Grant
  - Medical Home appropriation - $25m
  - HIT appropriation - $10m
  - DSH Savings
  - Unmatched SGF
  - Title XIX Savings

Current Proposal

- What SPAs are necessary
  - Eligibility
  - Benefit package

- These SPAs *do not* change anything for current Medicaid beneficiaries

The Case for Approval

- The proposal represents a concrete solution to providing health care to those in the hurricane affected areas by building on short-term efforts
- It includes components, like HIT, that will create systemic changes that can positively affect all citizens
- The “pilot” approach allows the state the ability to evaluate its success before replicating statewide

Proposal for Childless Adults

Update:

- Same population (19-64 adults)
- Same delivery system
- Same access to benefits
- Similar costs
- *Different financing:*
  - The state needs DSH flexibility to pay for services
  - DHH currently working with Congress and HHS to achieve flexibility

Next Steps

- Present to JLCB (8/14/07)
- Submit SPAs to CMS
- Obtain approvals from CMS
- Target implementation date for coverage expansion for parents – Spring/Summer 2008
- Work with Congress and HHS on DSH flexibility