

Health Care Reform

The Road Ahead



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Reforms

- Medicaid Expansion
- Benchmark Benefits Plans
- Essential Benefits
- New Options / Demonstrations
- Workforce Development
- Insurance Reforms

Impact on Texas



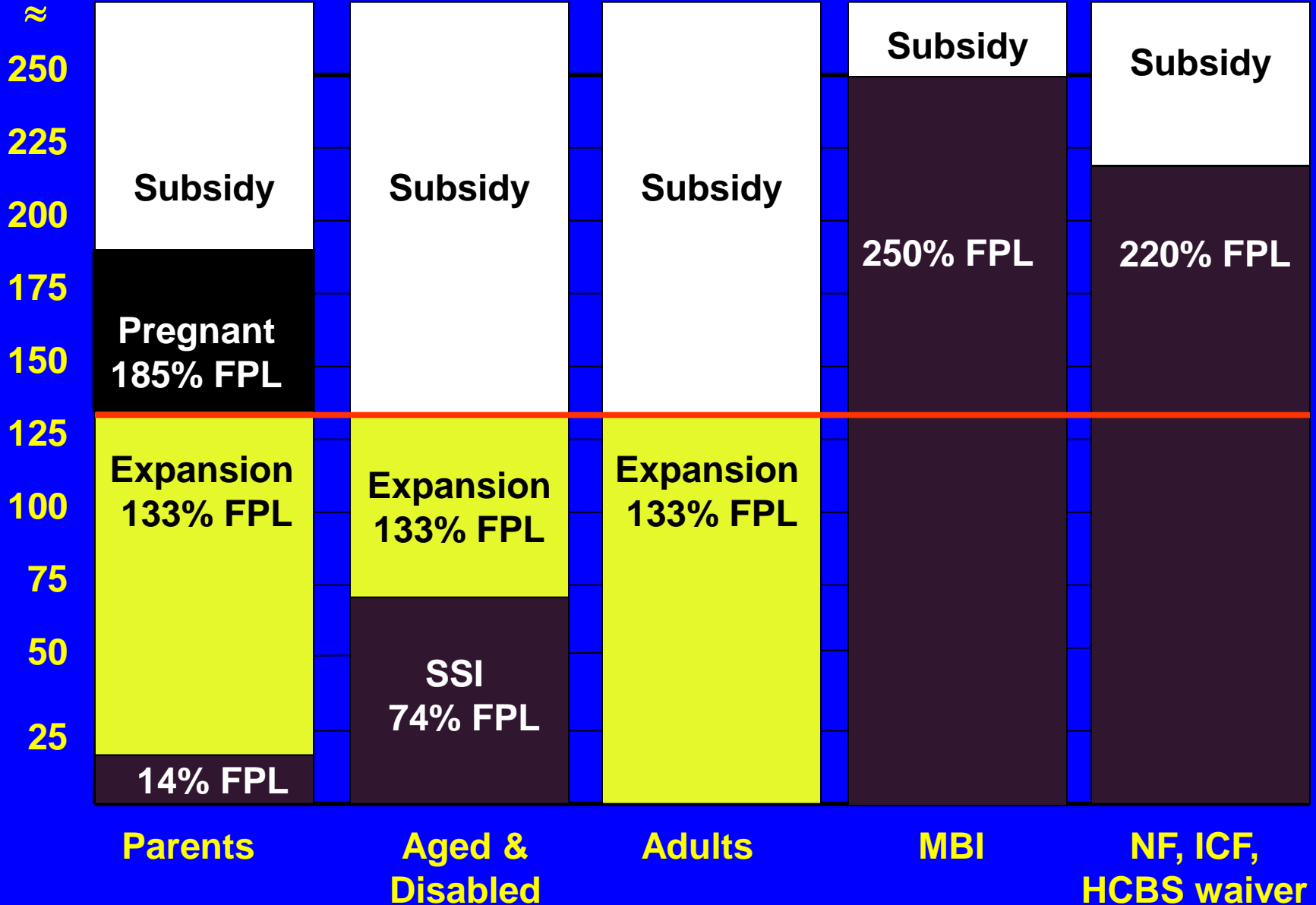
- Texas has highest rate of uninsured in nation (25% overall, 30% of non-elderly adults)
- Reform provides insurance for most citizens, which includes some level of MHSA services
- Medicaid, a major source of funding for mental health and a growing source for substance abuse treatment services, expands to serve more people
- Most MHSA clients have income under the new Medicaid expansion level

Medicaid Expansion

- Mandatory eligibility group for low income
- Expands Texas Medicaid (Mandated in January, 2014) as follows:
 - Children 6 – 19 from 100% to 133% FPL
 - Aged, blind and disabled persons from the SSI standard (74% FPL) to 133% FPL
 - Parents of TANF children from 14% to 133% FPL
 - Non-disabled, childless adults from non-covered to 133% FPL
 - Expands foster care Medicaid to age 26

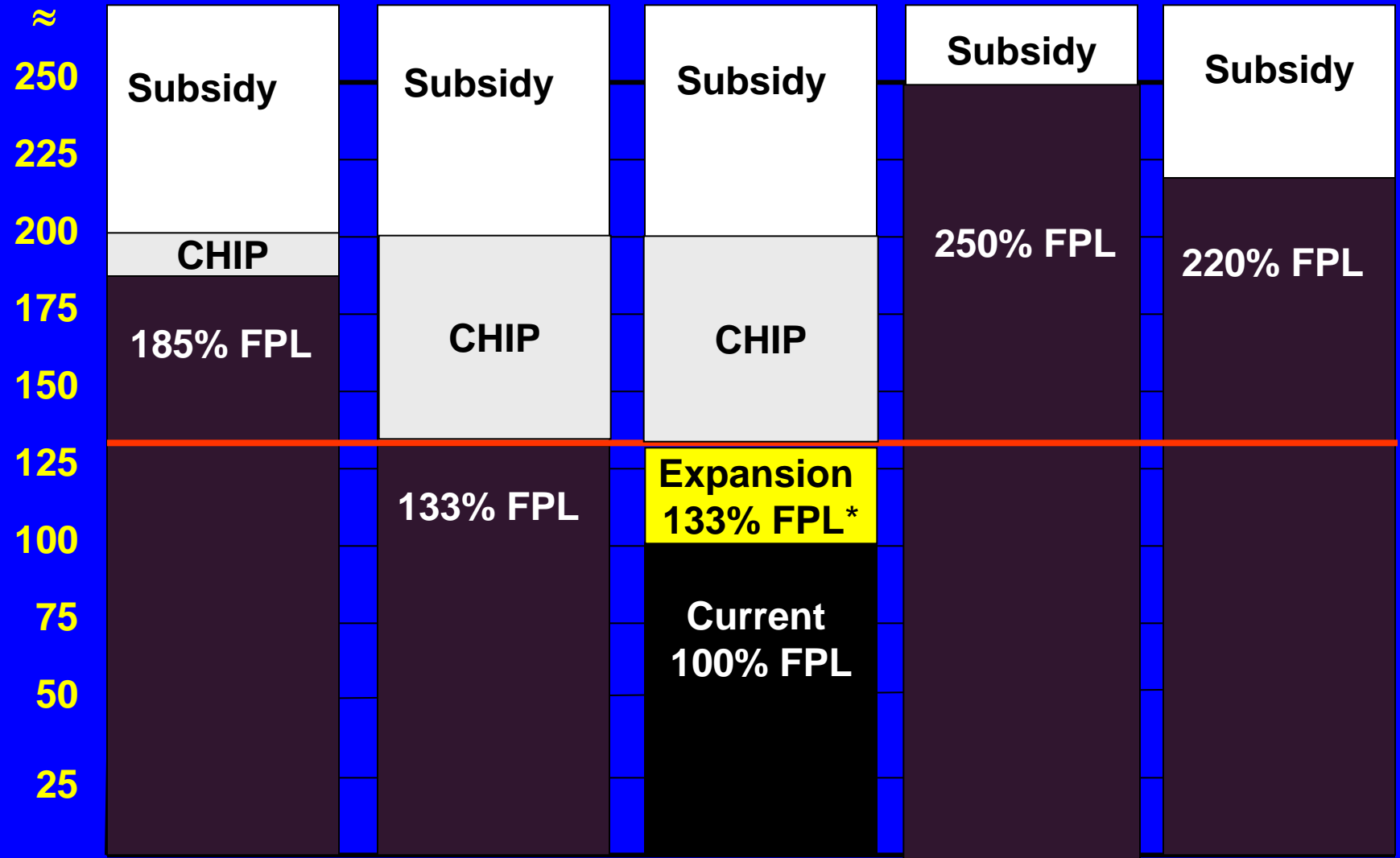
Adult Eligibility Impact

400% FPL



Children's Eligibility Impact

400% FPL



Newborns
<1

1-5

6-19

MBI

NF, ICF, IMD
HCBS Waiver

* & former foster kids <26

Eligibility



- Changes financial eligibility requirements for Medicaid-
 - Must use modified adjusted gross income - MAGI
 - Prohibits assets test and income disregards (except for some groups, such as people on SSI; elderly and disabled, etc.)
 - Includes a 5% income deduction allowance, making the effective ceiling 138% (133% +5%)
- Requires States to maintain at least existing level of Medicaid eligibility (no stricter rules) until October 2013 (adults) and October, 2019 (children)

Enrolling in Medicaid

By 2014 must include –

- Enrollment via website
- Enrollment via insurance exchange
- Coordinate Medicaid / CHIP with exchange
- Outreach to special populations including people with MHSA disorders, victims of abuse or trauma, homeless youth, individuals with HIV/AIDS, etc.

Benchmark Coverage

- Aged, Blind and disabled expansion population, foster care expansion and other expansion children receive full Medicaid benefits
- Some other expansion populations may receive “benchmark or benchmark-equivalent” coverage
Benchmarks could resemble:
 - Federal employees Blue Cross preferred provider plan,
 - Plans offered or available to state employees,
 - Health maintenance organization (HMO) plan in the state with the largest non-Medicaid enrollment, OR
 - Any other plan approved by the U.S. Secretary of Health and Human Services
- Benchmark packages must include “essential benefits”

Essential Benefits

- **Mental health and substance use disorder services, including behavioral health services**
- **Prescription drugs**
- **Rehabilitative and habilitative services and devices**
- **Preventive, wellness and chronic disease management**
- **Laboratory services**
- **Ambulatory care**
- **Emergency services**
- **Hospitalization**
- **Maternity and newborn care**
- **Pediatric services, including oral and vision care**

Federal Medicaid Share



For the “newly eligible” (over age 19, not Medicaid eligible before reform law passed)

Calendar Year	Federal Share
2014 -16	100%
2017	95%
2018	94%
2019	93%
2020 +	90%

CHIP

- Extends federal CHIP funding through 2015
- From October 2015 to September 2019: federal CHIP match rate increased by 23%
- Requires states to maintain existing CHIP eligibility through September 2019
- Requires use of modified gross income beginning January 2014

New Medicaid Possibilities



- Three-year national Medicaid demonstration project for reimbursement of to private psychiatric facilities for emergency stabilization of people 21 to 65
- Greater flexibility to offer home and community-based services. States could use this revised option to target specialized services to people with mental illness or other disabilities
- Extends the Money Follows the Person Demonstration (MFP) to 2016, enabling Texas to extend / expand MFP BH pilot
- State plan option (effective CY 2011) for individuals with at least one serious and persistent mental health condition to designate a health home. 90% Federal match for first 2 years of implementation

Prevention in Medicaid

- State plan option to include clinical preventive services graded A or B by US Preventative Services Task Force. 1% federal match increase if states don't require co-payment. (January, 2013)
- States must provide tobacco cessation services for pregnant women. States are not allowed to require cost sharing. (October, 2010)

Mental Health Workforce

- Provides education and training grants through 2013 to bolster the behavioral health workforce (professional and paraprofessional providers)
- Provides infrastructure funding awards in 2010 for community mental health programs to co-locate primary and specialty care.

Insurance Market Reforms

- Insurance exchange to help people navigate health plan choices
- Guaranteed issue
- No pre-existing coverage limitations
- Mental Health Parity law applies

State Issues

- Estimating and adjusting for impact on state budget before and after mandates take effect in 2014
- Infrastructure building
- Developing policies and procedures within and across HHS agencies
- Health workforce development