

Ohio's Proposed Section 1115 Waiver Medicaid Eligibility Modernization Project

Public Hearing Presentation

Medicaid Eligibility Modernization Project

Goals:

Make it easier for families to get health care

Simplify eligibility

Streamline State and Local responsibility

Update technology

**Simplify
Eligibility**

**Modernize IT
Eligibility
System**

Background

Why Simplification is Needed

- Medicaid eligibility today is very complicated
 - Over 150 “categories of eligibility”
 - Different and complex rules for each category
 - Duplicative and burdensome process to determine eligibility
- 88 county offices, each with different processes, results in inconsistent application of eligibility rules
- Two separate processes to determine disability (JFS and RSC) results in duplication and excessive cost
- Significant paperwork, redundant information submitted, sometimes duplicative assessments and travel to county offices required of applicant

Concept for Reform

- Simplify based on income, streamline State and Local responsibility, and modernize outdated technology
- Include Medicaid and other health and human service programs that use income as the basis for eligibility*
- Improve consumer experience and reduce operating costs
- Seek enhanced (90/10) federal funding to upgrade Medicaid and related income-based eligibility systems*
- Competitively procure and implement a new system prior to the federally-mandated Medicaid expansion in 01/2014

Description of Project



Simplify Eligibility

- Request federal approval to change and simplify Medicaid eligibility
- An “1115 Waiver” is how we tell the federal government what we want to do and ask for permission to do it



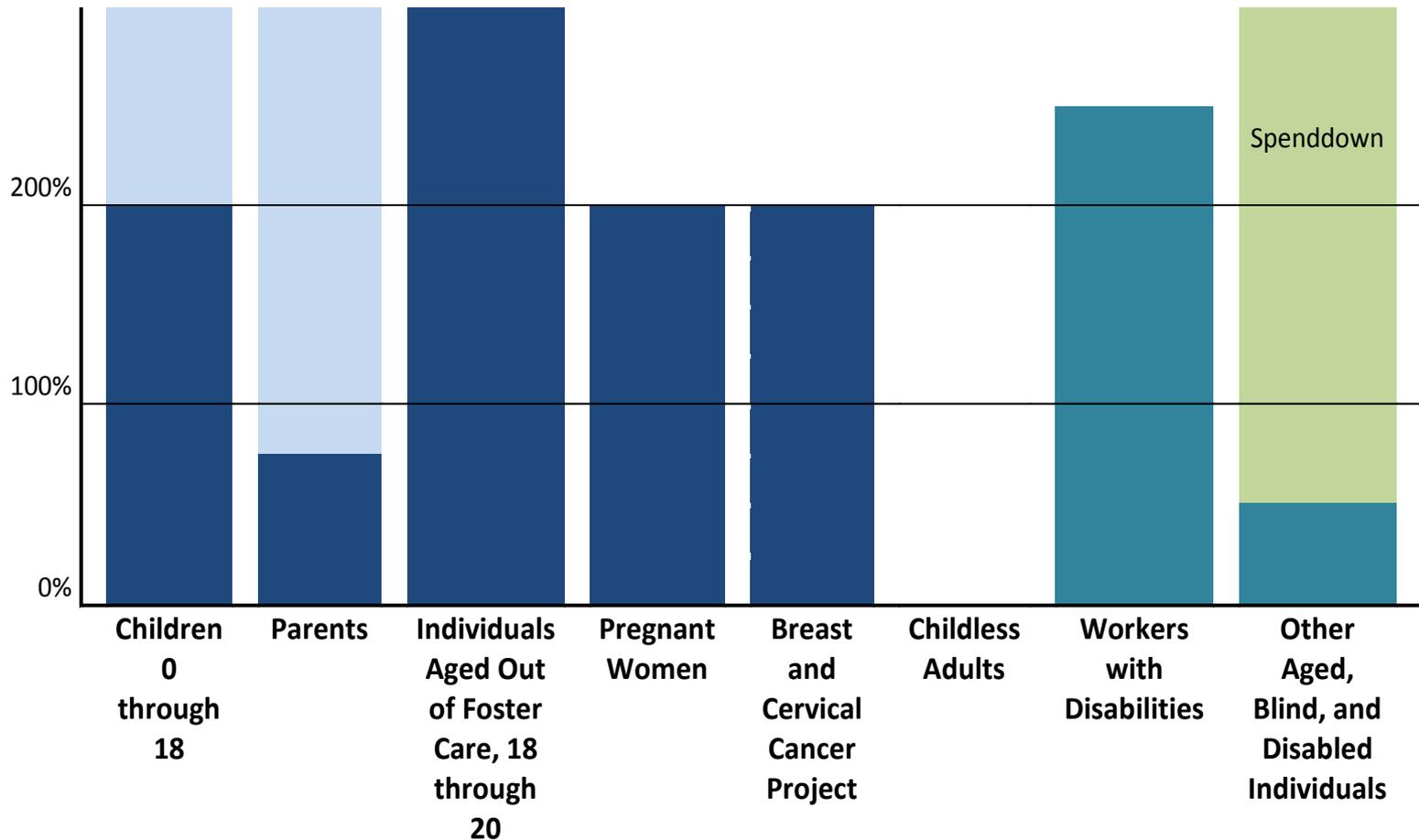
Modernize Technology

- Replace the State’s outdated, 30 year old statewide Medicaid eligibility information system with modern technology
- New system will simplify eligibility processes by providing access to more online application, including self-service, and creating real-time eligibility determinations and re-enrollments for most people

Medicaid Eligibility Modernization

PROPOSED SECTION 1115 WAIVER

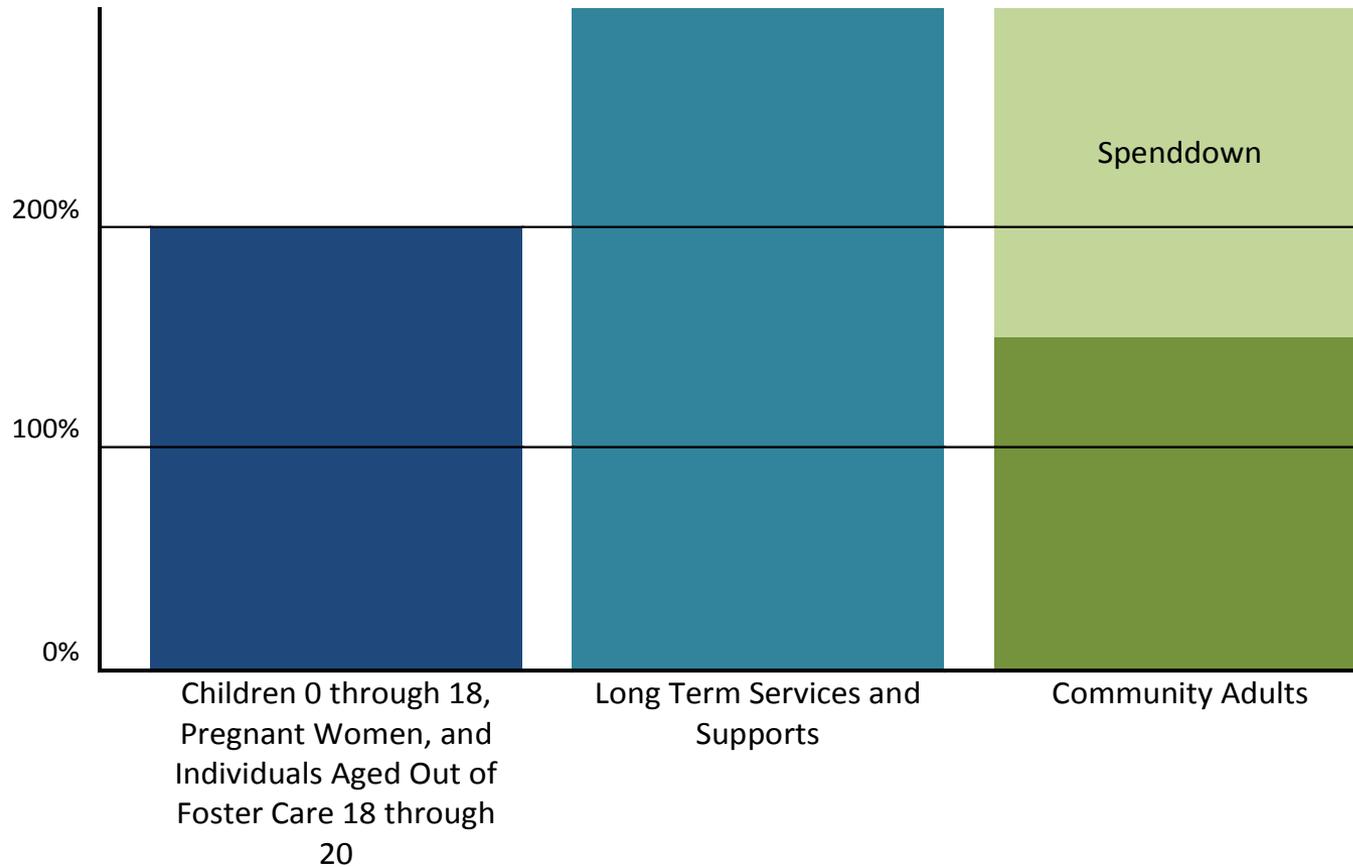
Current Basic Eligibility Groups



Eligibility Simplification Major Features

1. Consolidate into three basic eligibility groups: children & pregnant women, LTSS and Community Adults
2. Keep children/pregnant women & LTSS eligibility as it is today
3. Simplify income eligibility for Community Adults
4. Eliminate resource tests for Community Adults
5. Eliminate disregards for Community Adults
6. Provide benchmark coverage to Community Adults
7. Eliminate State disability determinations
8. Modernize IT infrastructure, including web enabled application processes
9. Protect Community Adults currently getting full Medicaid

3 Basic Eligibility Groups

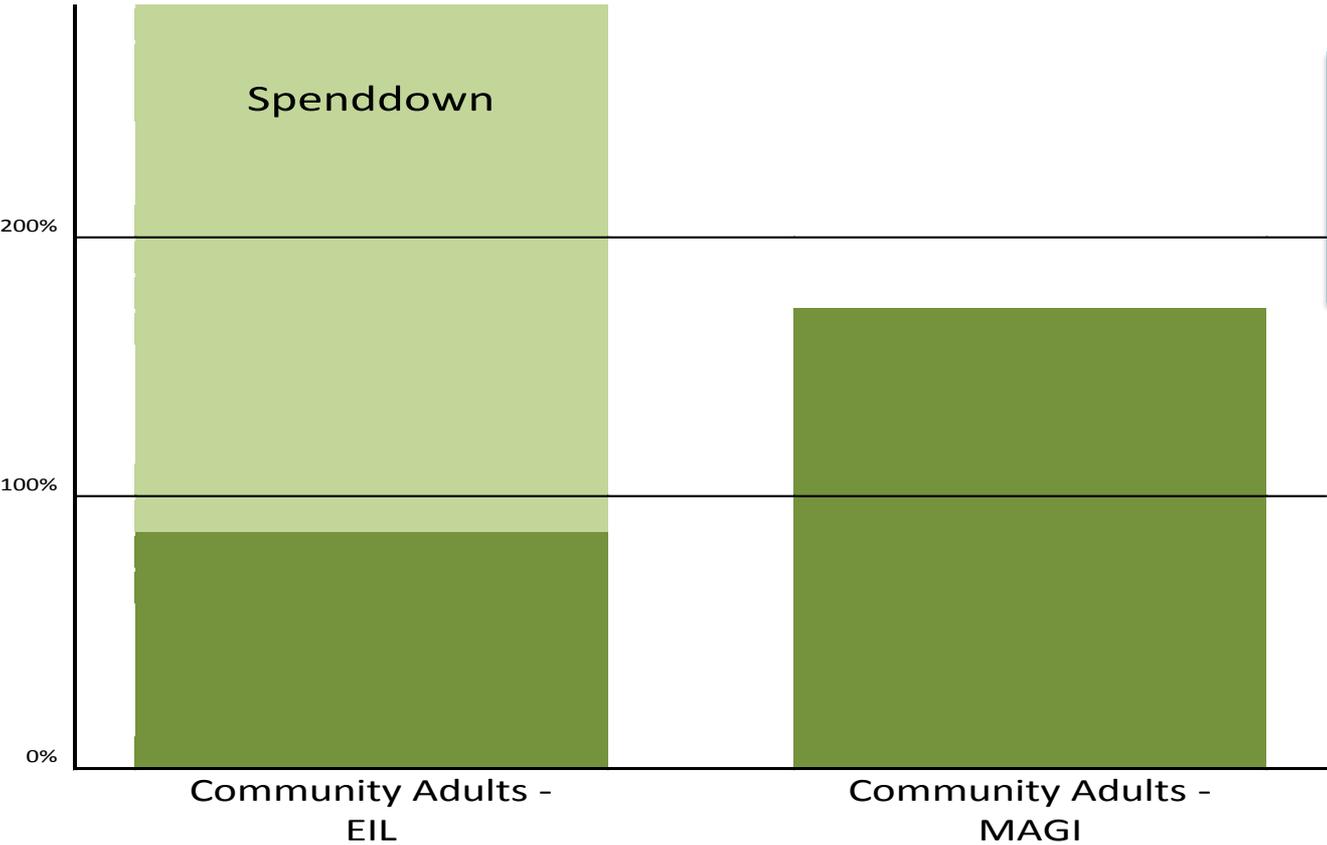


Eligibility for Children, Pregnant Women and Adults needing LTSS would continue as it is today

3 Basic Eligibility Groups

1. Children and Pregnant Women
2. Adults who require long-term services & supports (LTSS)
 - Adults who reside in a long-term care facility
 - Adults receiving Section 1915(c) home-and community-based services
 - Adults eligible for Medicaid Buy-In for Workers with Disabilities (MBIWD)
 - Adults in the Program for All Inclusive Care (PACE)
3. Community Adults - Everyone else

Community Adults



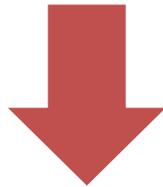
- We Might Ask:**
- 1. Basic Information
 - 2. Income?
 - 3. On Medicare?
 - 4. About medical bills and medicine you have to buy.

Simplify Income Eligibility

For Community Adults

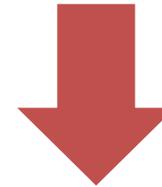
Establish 2 Income Standards
for Eligibility

Adults over age 65 or
adults any age who
have Medicare



Effective Income Level (EIL)
Approximately 70% FPL

Adults under age 65
who do not have
Medicare



MAGI-based income standard of
133% FPL (after 5% disregard)

MAGI-Based Income Standard

For Community Adults

- **Modified Addjusted Gross Income (MAGI) methodology uses income reported on tax forms**
- Simpler way to calculate income for eligibility
- Income set at 133% Federal Poverty Level (FPL) after a 5% income disregard for those under age 65 who do not have Medicare
 - Maximum income standard of 138% is \$20,879 for family of 2 (in 2012)
- Some individuals who must currently spend down to qualify for Medicaid coverage will no longer need to spend down

EIL-Income Standard

For Community Adults

- Ohio sets its own qualifying income standard for people with disabilities
- Today, Ohio's income standard is approximately 64% FPL: Calculated using Ohio rules about what kind of income gets counted and income disregards
- In the Waiver, Ohio sets a new standard at 70% instead of 64% to account for the value of income disregards in the base method. This is called Ohio's new "effective income level (EIL)"
- Ohio will still have countable income, but people won't have to prove they are eligible for disregards, instead, they will be built in.
- Raising the level from 64% FPL to 70% FPL will allow some people who today must spend down to qualify for Medicaid to no longer need to spend down to qualify for Medicaid
- Maximum income standard of 70% FPL is \$10,591 for family of 2 (in 2012) for those age 65 or older or with Medicare

Eliminate Resource Test

For Community Adults

- Ohio currently has a resource – or asset – test for adults age 65 and older and people with disabilities who qualify under Section 209(b)
 - \$1,500 for an individual; \$2,250 for a couple
- The Waiver eliminates the resource test for ALL Community Adults:
 - Those age 65 years or older, or who are any age and have Medicare and are eligible at the EIL standard of 70% FPL or less
 - Those under age 65 and without Medicare and are eligible at the MAGI standard of 133% FPL

Benchmark Coverage

For Community Adults

- Provide benchmark coverage for all Community Adults
- Benchmark coverage will be the services in the current Medicaid benefit package except LTSS and Early Periodic Screening, Diagnosis, and Treatment (EPSDT) services
- Individuals in the Community Adult group who later need LTSS services will be able to move to the LTSS group if they meet eligibility for enrollment in the LTSS group

**All Community Adults will receive same
benefit package**

Eliminate State Disability Determination For Community Adults

- Today many adults cannot qualify for Medicaid unless they have a disability
- The Waiver will allow people with disabilities to be determined eligible based on income with no need for a disability determination
- Individuals who have a disability determination by SSA can be eligible through the EIL income standard

Maximum Income Standards

For Community Adults

- Qualifying at a simple income level means that many people on the Breast and Cervical Cancer Project (BCCP) and Family Planning Services program will move to the Community Adult group with full Benchmark Medicaid coverage if their income is 133% FPL or below. Individuals on the BCCP program with incomes over 133% FPL will be part of the “Protected Group”
- People on TMA at or under 133% FPL will move to the Community Group. Those with income above 133% FPL will move to the Protected Group. The State is requesting to take down Transitional Medicaid Assistance coverage on the effective date of this Waiver.

Protections

For Current Community Adults on Full Medicaid

- Some individuals eligible today under the current Medicaid eligibility rules may not be eligible under the new rules proposed to begin January 1, 2014
- The Waiver protects adults eligible and enrolled in full Medicaid on January 1, 2014 if they would lose their eligibility under the new rules
- Protected individuals would continue to receive Medicaid until
 - They no longer meet qualifying criteria, or
 - Obtain other creditable coverage, or
 - Withdraw from the program
- Individuals receiving TMA who are above the income standard would remain eligible until the end of their transitional period

Enrollment and Expenditure Projections

IMPACT ON OHIOANS

Table 3: Community Adults Projected Enrollment and Expenditures

Population Group		Enrollment					Expenditures				
Ohio MAGI Waiver Proposal		CY 2014	CY 2015	CY 2016	CY 2017	CY 2018	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018
Adults enrolled in Family Medicaid	Existing Category	432,298	439,421	443,815	448,253	452,736	\$2,706,669,654	\$2,877,825,922	\$3,040,306,535	\$3,211,961,167	\$3,393,312,017
Individuals enrolled in ABD Medicaid, under age 65, without Medicare, with income between 70% and 133% FPL	Existing Category	8,505	8,590	8,676	8,763	8,851	\$193,655,788	\$204,588,403	\$216,141,956	\$228,351,585	\$241,254,400
Individuals enrolled in Breast and Cervical Cancer Project coverage	Existing Category	610	616	622	628	634	\$19,386,217	\$20,477,439	\$21,628,032	\$22,841,149	\$24,120,107
Adults enrolled in Transitional Medical Assistance	Existing Category	50,276	50,779	51,287	51,800	52,318	\$314,784,069	\$332,558,349	\$351,336,032	\$371,173,396	\$392,129,846
Cost to state of spenddown offset loss	New Cost	--	--	--	--	--	\$12,073,324	\$13,039,190	\$14,082,326	\$15,208,912	\$16,425,625
Total MAGI Group		491,689	499,406	504,400	509,444	514,539	\$3,246,569,053	\$3,448,489,303	\$3,643,494,880	\$3,849,536,208	\$4,067,241,995
Ohio EIL Waiver Proposal											
Individuals enrolled in ABD Medicaid not eligible for MAGI-based Medicaid	Existing Category	241,004	243,414	245,848	248,306	250,790	\$3,839,809,282	\$4,056,610,727	\$4,285,640,578	\$4,527,596,588	\$4,783,237,664
Individuals enrolled in premium assistance only (QMB, SLMB, and QI-1) who will become eligible	New Category	5,121	5,172	5,224	5,276	5,329	\$25,070,572	\$26,484,982	\$27,981,823	\$29,560,333	\$31,230,715
Existing costs to state for individuals enrolled in premium assistance only	Existing Costs	--	--	--	--	--	\$35,753,388	\$37,770,491	\$39,905,152	\$42,156,279	\$44,538,428
Individuals newly enrolling due to EIL/change in spenddown policy	New Category	323	326	329	332	335	\$6,413,540	\$6,770,871	\$7,147,506	\$7,544,464	\$7,962,818
Cost to state of spenddown offset loss	New Cost	--	--	--	--	--	\$5,847,859	\$6,315,688	\$6,820,943	\$7,366,618	\$7,955,948
Total EIL Group		246,448	248,912	251,401	253,914	256,454	\$3,912,894,642	\$4,133,952,758	\$4,367,496,002	\$4,614,224,282	\$4,874,925,574
Ohio Waiver Protected Groups											
Adults enrolled in Transitional Medical Assistance	Existing Category	24,603	-	-	-	-	\$115,531,752	\$0	\$0	\$0	\$0
Breast and Cervical Cancer Project	Existing Category	160	160	160	160	160	\$5,084,909	\$5,318,815	\$5,563,481	\$5,819,401	\$6,087,093
Others	Existing Category	7,488	6,365	5,410	4,599	3,909	\$46,883,267	\$41,685,222	\$37,060,618	\$32,954,179	\$29,298,436
Total Protected Group		32,251	6,525	5,570	4,759	4,069	\$167,499,928	\$47,004,037	\$42,624,099	\$38,773,579	\$35,385,529
TOTAL IMPACT OF OHIO'S DEMONSTRATION WAIVER PROPOSAL		770,388	754,843	761,371	768,117	775,062	\$7,326,963,622	\$7,629,446,099	\$8,053,614,981	\$8,502,534,069	\$8,977,553,099

New Categories in Waiver

Table 4: New Categories in Ohio's Demonstration Waiver

Population Group		Enrollment – Cumulative Across Years					Expenditures				
New Categories Proposed in Ohio's Demonstration Waiver		CY 2014	CY 2015	CY 2016	CY 2017	CY 2018	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018
Individuals enrolled in premium assistance only (QMB, SLMB, and QI-1) who will become eligible	New Category	5,121	5,172	5,224	5,276	5,329	\$25,070,572	\$26,484,982	\$27,981,823	\$29,560,333	\$31,230,715
Individuals newly enrolling due to EIL/change in spenddown policy	New Category	323	326	329	332	335	\$6,413,540	\$6,770,871	\$7,147,506	\$7,544,464	\$7,962,818
Cost to state of spenddown offset loss	New Cost						\$17,921,184	\$19,354,878	\$20,903,268	\$22,575,530	\$24,381,572
Individuals exiting protected group and new individuals not eligible due to the change in policy	New Category	-24,603	-26,049	-27,329	-28,469	-29,490	(\$38,510,584)	(\$170,651,714)	(\$187,332,887)	(\$204,177,292)	(\$221,290,562)
Net Impact of Ohio's Demonstration Waiver		-19,159	-20,551	-21,776	-22,861	-23,826	10,894,712	(\$118,040,983)	(\$131,300,289)	(\$144,496,966)	(\$157,715,456)

Projected Totals

Table 5: Projected Totals

Population Group		Enrollment					Expenditures*				
Ohio's Proposed Eligibility Categories		CY 2014	CY 2015	CY 2016	CY 2017	CY 2018	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018
Children and Pregnant Women	Current Policy	1,251,704	1,259,126	1,271,717	1,284,434	1,297,279	\$4,254,574,786	\$4,507,064,725	\$4,743,525,203	\$4,992,391,440	\$5,254,314,297
Adults who need LTSS	Current Policy	158,740	164,205	171,467	179,049	186,967	\$7,461,203,001	\$7,815,829,298	\$8,341,018,315	\$8,901,497,702	\$9,499,638,814
Community Adults	1115 Waiver	770,388	754,843	761,371	768,117	775,062	\$7,326,963,622	\$7,629,446,099	\$8,053,614,981	\$8,502,534,069	\$8,977,553,099
Total Ohio Proposed Eligibility Categories		2,180,832	2,178,174	2,204,555	2,231,601	2,259,308	\$19,042,741,410	\$19,952,340,122	\$21,138,158,499	\$22,396,423,211	\$23,731,506,209

Impact on Enrollment due to ACA**

Children	ACA	165,500	200,000	218,000	220,000	221,500	\$573,100,000	\$656,500,000	\$724,600,000	\$760,350,000	\$797,350,000
Adults	ACA	751,000	855,500	914,000	923,500	933,000	\$3,801,400,000	\$4,463,850,000	\$4,916,150,000	\$5,164,750,000	\$5,425,800,000
Total ACA-induced Expansion		916,500	1,055,500	1,132,000	1,143,500	1,154,500	\$4,374,500,000	\$5,120,350,000	\$5,640,750,000	\$5,925,100,000	\$6,223,150,000

TOTAL INCLUDING WAIVER CHANGES AND ACA EXPANSION	3,097,332	3,233,674	3,336,555	3,375,101	3,413,808	\$23,417,241,410	\$25,072,690,122	\$26,778,908,499	\$28,321,523,211	\$29,954,656,209
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* Disproportionate Share Hospital Payments, Upper Payment Limit, and other costs are not included.

** Based on Mercer June 2012 review of Milliman June 2011 impacts to Ohio Medicaid from ACA.

New Information Technology Eligibility System

IT INFRASTRUCTURE MODERNIZATION

Ohio's Vision

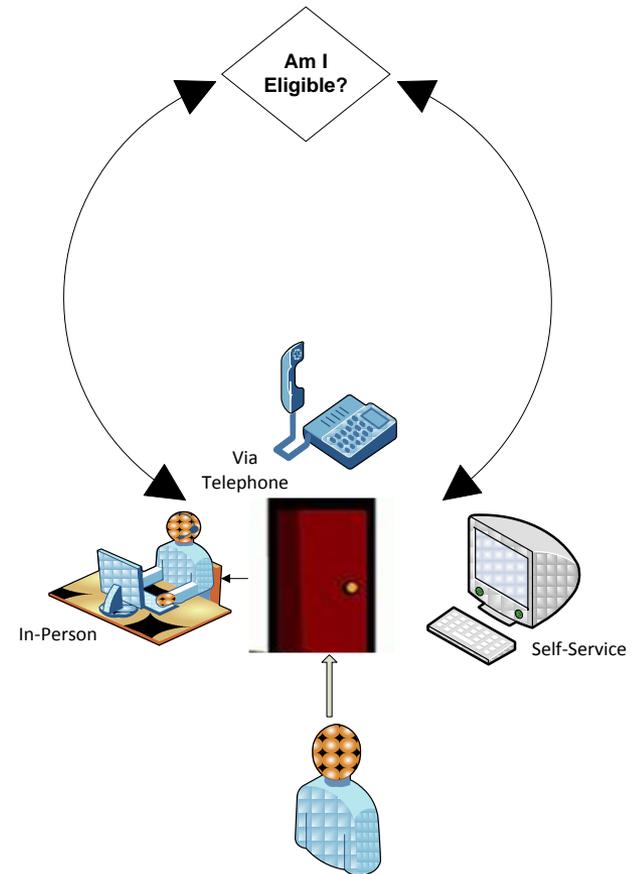
Implement a modernized eligibility and enrollment system that:

- Gives individuals and families a way to apply online, when it is convenient for them, without the need to report to a local office
- Provides robust self service
- Includes automated data matching with Federal and State partners
- Allows for submission of support documents via fax, email, or portal supporting a transition to a paperless environment
- Provides real-time, online determination for many people who apply
- Improves data quality, program integrity and system efficiency

Ohio's Vision

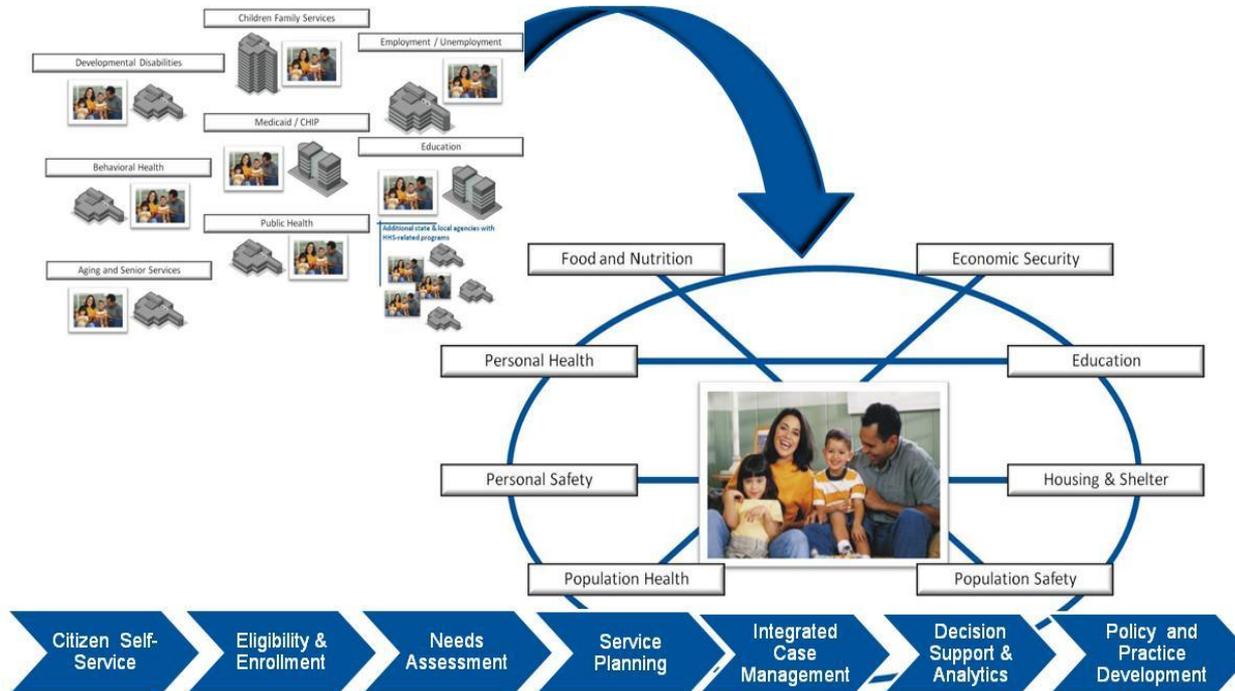
Benefits and Features of New System

- No wrong door for applicants
- Automated eligibility determinations
- Online
- Real time
- Simple and straightforward
- Accurate and quick



Ohio's Approach

Moving from agency-centered to consumer-centered approach



Source: *Final Business Imperatives and Benefits*, Dated February 21, 2012 Version 2.0,
Prepared by: Gartner Public Sector Consulting

Timeline and Process

PUBLIC INPUT



Governor's Office of
Health Transformation

Timeline for Public Input

- Public comment period on the proposed Section 1115 Waiver Application is **June 6, 2012 until July 6, 2012**
 - **All comments must be received by 5 p.m. on July 6, 2012**
- Waiver application and full public notice posted at <http://www.healthtransformation.ohio.gov/CurrentInitiatives/ModernizeEligibilityDeterminationSystems.aspx>
- Full notice contains information about how to request a hard copy of the Waiver application and where to submit comments via mail or email

Upcoming Public Hearing

Tuesday, June 26, 2012

1:00 p.m. to 3:00 p.m.

Rhodes State Office Tower

Lobby Hearing Room

30 E. Broad Street

Columbus, OH 43215

Public Input Process

- The State will carefully evaluate and consider all input received through public hearings and written comments
- The final Section 1115 Waiver application will summarize the public input received, and how the State incorporated public input in the Waiver application

Medicaid Eligibility Modernization

The public comment period is from **June 6, 2012 through July 6, 2012. All comments must be received by 5 p.m. on July 6, 2012.**

Public comments may be submitted by email to eligibility@jfs.ohio.gov or by mail to:

Ohio Department of Job and Family Services

Office of Ohio Health Plans

Attn: ***Medicaid Eligibility Modernization 1115 Waiver***

P. O. Box 182709

Columbus, Ohio 43218-2709

For more information on Ohio's Medicaid Eligibility Modernization Project, to view the draft Waiver request and related documents, and for more information about how to provide comments on the draft request please visit:

<http://www.healthtransformation.ohio.gov/CurrentInitiatives/ModernizeEligibilityDeterminationSystems.aspx>