

The Affordable Care Act – Medi-Cal Eligibility and Essential Health Benefits

ROBERT SUGAWARA, ACTING CHIEF
MEDI-CAL ELIGIBILITY DIVISION
DEPARTMENT OF HEALTH CARE SERVICES
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MEDI-CAL ELIGIBILITY TODAY

In one word: ***COMPLEX!!***

Over 257 aid codes covering:

- Families
- Children
- Seniors and Persons with Disabilities
- Pregnant women

MAJOR ELIGIBILITY CONSIDERATIONS

Based on categorical and income-related criteria

Approximately 28 mandatory pathways and 21 optional pathways (e.g. medically needy) for Medi-Cal eligibility

Deprivation (absent, unemployed parent, etc.)

OTHER MAJOR CONSIDERATIONS

Family income based on federal poverty levels

Family assets – for most beneficiaries, the upper limit starts at \$2,000 for one person and increases with marital status and family size

Countable personal property – savings, checking, stocks, bonds, etc.

PROPOSED ELIGIBILITY CHANGES

Income rule - *Modified Adjusted Gross Income*

- On tax returns plus tax exempt interest, tax exempt Social Security and foreign earned income

Collapses eligibility into four categories

Simplifies eligibility verifications

- Self-attestation & “reasonably compatible” review
- Federal electronic verification hub

MAGI ELIGIBILITY CATEGORIES

- 1. Parents and caretaker relatives**
- 2. Pregnant women**
- 3. Children up to 19 years of age**
- 4. Individuals not covered in other groups age 19 to 65, who are not pregnant, not disabled and not Medicare entitled or enrolled (LIHP eligibles)**

NON-MAGI ELIGIBLES

Non-MAGI-based individuals include those who are:

- Over age 65, blind or have a disability
- SSI/SSP recipients
- 1915 home and community-based waivers participants
- Nursing facility level of care beneficiaries
- Medicare Savings Program recipients
- Foster Care/Adoption Assistance and those for whom the State relies on an Express Lane Agency finding of income
- Medically Needy
- Dual eligibles

ACA REQUIREMENTS FOR ENROLLMENT

Greatly simplifies eligibility requirements

**One application for MAGI eligibles under Medi-Cal,
Healthy Families, Exchange**

One application for all modalities:

- On-line
- By mail
- In-person
- By phone

“First-class” consumer experience

MEDI-CAL EXPANSION

The UCLA Center for Health Policy Research estimates about:

- 3.04 million nonelderly Californians to be Medi-Cal eligible in 2014
- 2.13 million *newly eligible* for Medi-Cal (childless adults up to 138% of the federal poverty level)
- About 1 million eligible under current Medi-Cal rules but not enrolled

Pourat, N., Martinez, A. & Kominski, G. (2011), Californians Newly Eligible for Medi-Cal under Health Care Reform

<http://www.healthpolicy.ucla.edu/pubs/files/medicalpb-may2011.pdf>

NEW MEDI-CAL POPULATION

The UCLA Center for Health Policy Research estimates that the newly eligible Medi-Cal population is likely to be:

- Predominantly working age 18 – 44
- Over half single, childless adults
- One in three will have children
- Predominantly people of color, with ~40% Latino
- One in four will have at least 1 chronic health condition

Pourat, N., Martinez, A. & Kominski, G. (2011), Californians Newly Eligible for Medi-Cal under Health Care Reform
<http://www.healthpolicy.ucla.edu/pubs/files/medicalpb-may2011.pdf>

CALIFORNIA'S GOALS FOR THE ENROLLMENT SYSTEM

- **Creating *statewide* enrollment system for subsidized coverage programs**
- ***California Healthcare Eligibility, Enrollment and Retention System (CalHEERS)***
- **Consumer-friendly, seamless, state-of-the-art**
- **Leverage and/or modernize state & county eligibility legacy systems**

ON-GOING COORDINATION FOR ENROLLMENT SYSTEM

Joint Exchange, DHCS, and MRMIB project team for shared enrollment system development

Vendor proposals in evaluation phase now

Create governance structure across Exchange, DHCS, MRMIB and counties

ACA – ESSENTIAL HEALTH BENEFITS OVERVIEW



BACKGROUND

ACA requires the Secretary of Health and Human Services to define essential health benefits (EHB)

Health plans that must offer the EHB:

- ❖ Non-grandfathered plans in the individual and small group markets
- ❖ Medicaid benchmark and benchmark equivalent plans
- ❖ Basic Health Programs

Health plans not required to cover EHB:

- ❖ Self-insured group health plans
- ❖ Large group market health plans
- ❖ Grandfathered health plans

Other Major ACA Requirements

- **EHB must provide benefits from 10 benefit categories:**

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

Other Major ACA Requirements cont.

- **The scope of benefits must equal those under a “typical” employer plan**
- **The Secretary must establish an appropriate balance among the ten benefit categories**
- **Benefit design cannot discriminate on the basis of age, disability or expected length of life**
- **Benefits required by state law not included in the EHB paid for by States**
- **Plans will be assigned an “actuarial value” reflecting the percentage of benefits covered by the health plan vs. cost-sharing of the individual, bronze – 60%, silver – 70%, gold – 80% and platinum – 90%**

FEDERAL APPROACH

- ❖ **States are to define EHB by selecting a “benchmark” plan reflecting a typical employer plan in the State**
- ❖ **The benchmark plan = the standard for QHPs in the Exchange and all plans in the individual and small group markets in the state**
- ❖ **States must choose during the 3rd quarter of 2012 for the first coverage year in 2014**
- ❖ **If none chosen, default is the largest plan by enrollment in the largest product in the State’s small group market**

MENTAL HEALTH SERVICES

- ❖ **One of the 10 categories required by the ACA to be included in the EHB – individual and small group markets**
- ❖ **Also includes substance use disorder services and behavioral health treatment**
- ❖ **Parity applies to EHB**

STATE CHALLENGES

- ❖ **Timing**
- ❖ **Choosing a benchmark plan that:**
 - ❖ Represents a “typical employer plan”
 - ❖ Covers the 10 categories of services listed in slide 16
- ❖ **Missing categories would still need to be provided**
 - ❖ State would supplement benefits from other plans or programs
 - ❖ HHS expects services likely impacted – habilitative services, pediatric oral and vision services

QUESTIONS???

