

A CHART BOOK FOR



UNDERSTANDING IDAHO'S HEALTH CARE WAIVER OPTIONS¹

As Proposed by the Health Care Advisory Panel

About Us

Close the Gap Idaho is a network of over 200 organizations and individuals statewide, working to support a complete, Idaho-based solution to the coverage gap.

The Close the Gap Idaho Steering Committee is made up of health care policy experts, nonprofit advocates, and health care providers.

Steering Committee Members:

- AARP Idaho
- American Cancer Society Cancer Action Network
- American Heart Association (Idaho)
- Central District Health Department
- DisAbility Rights Idaho
- Idaho Academy of Family Physicians
- Idaho Asset Building Network
- Idaho Association of Counties
- Idaho Hospital Association
- Idaho Medical Association
- Idaho Public Employees Association
- Idaho Primary Care Association
- Idaho Voices for Children
- Saint Alphonsus Health System
- St. Luke's

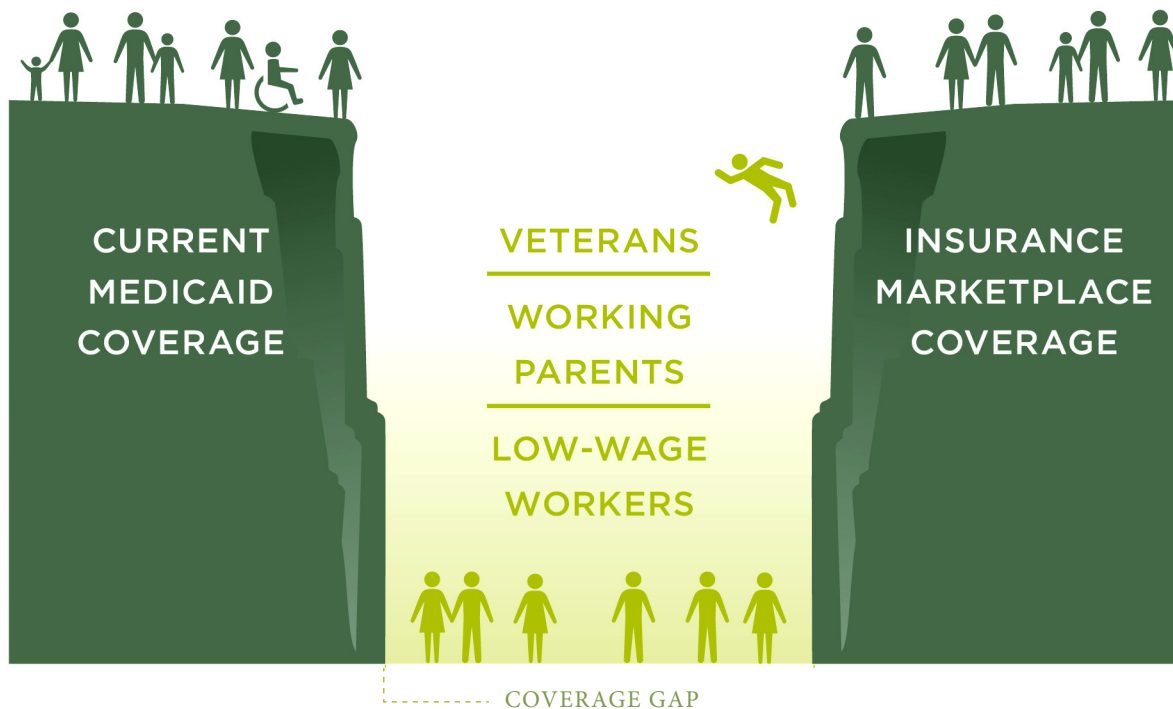
Visit closethegapidaho.org/supporting-organizations/ to read letters of endorsement from these organizations.

This chart book analyzes the dual waiver plan, referred to as the Idaho Health Care Plan, proposed by the Health Care Advisory Panel. Charts were produced by Idaho Voices for Children and include data provided by the Idaho Center for Fiscal Policy.



IDAHO
Center for
Fiscal Policy

The Coverage Gap



Uninsured Idaho Adults

These adults fall in the coverage gap. They are not eligible for Medicaid and do not earn enough to qualify for assistance through the Your Health Idaho insurance marketplace.

- ✓ “The Coverage Gap” is a term used to describe adults in Idaho between the ages of 18 and 64 who have no access to affordable health coverage.²
- ✓ In a family of four, working parents are not eligible to receive Medicaid if they make over \$6,318 annually, but they will not qualify for assistance through the insurance marketplace until they make over \$24,300.
- ✓ The coverage gap leaves many in a dilemma. Moving from part-time to full-time work or finding a new job could cause the loss of health care coverage through Medicaid, while still not being enough to qualify for assistance through the marketplace. This gap limits the ability of working parents to improve their financial situation without risking their health.

Idaho's 1332 Waiver Proposal

Under Section 1332 of the Affordable Care Act, a state can use a waiver to modify how it implements key elements of the law and to implement new and creative strategies that ensure access to comprehensive and affordable health coverage.

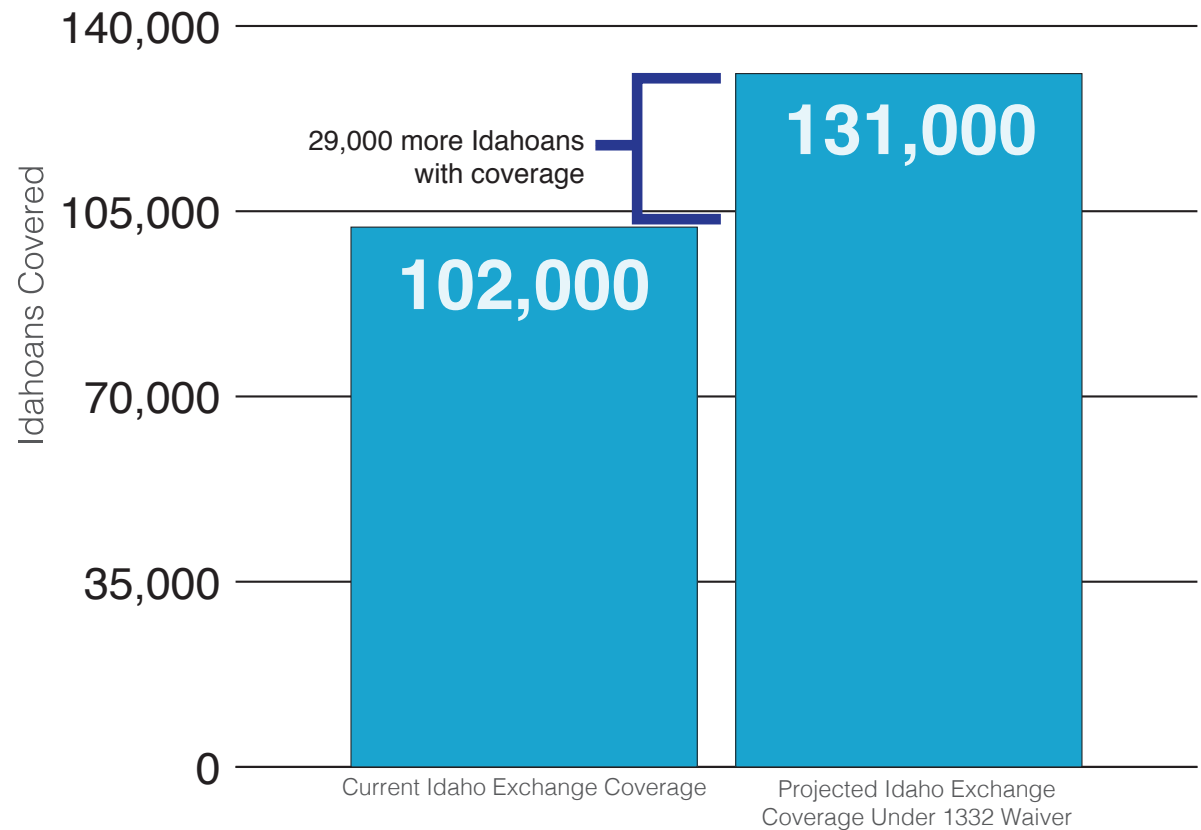
The Idaho Department of Insurance and the Your Health Idaho state insurance marketplace have developed a waiver concept plan that would allow low-income Idahoans in the coverage gap to qualify for advanced premium tax credits to purchase coverage in Idaho's marketplace.

The tax credit would be based on reported taxable income on a family's tax return, as it is for the approximately 81,000 Idahoans who currently receive credits to purchase coverage.

Extending available tax credits would allow Idaho to take advantage of federal tax dollars to fund this program. Between 35,000 and 39,000 Idahoans currently in the gap could gain access to tax credits, reducing the costs of uncompensated care and helping families address unmet medical needs and avoid medical debt.³

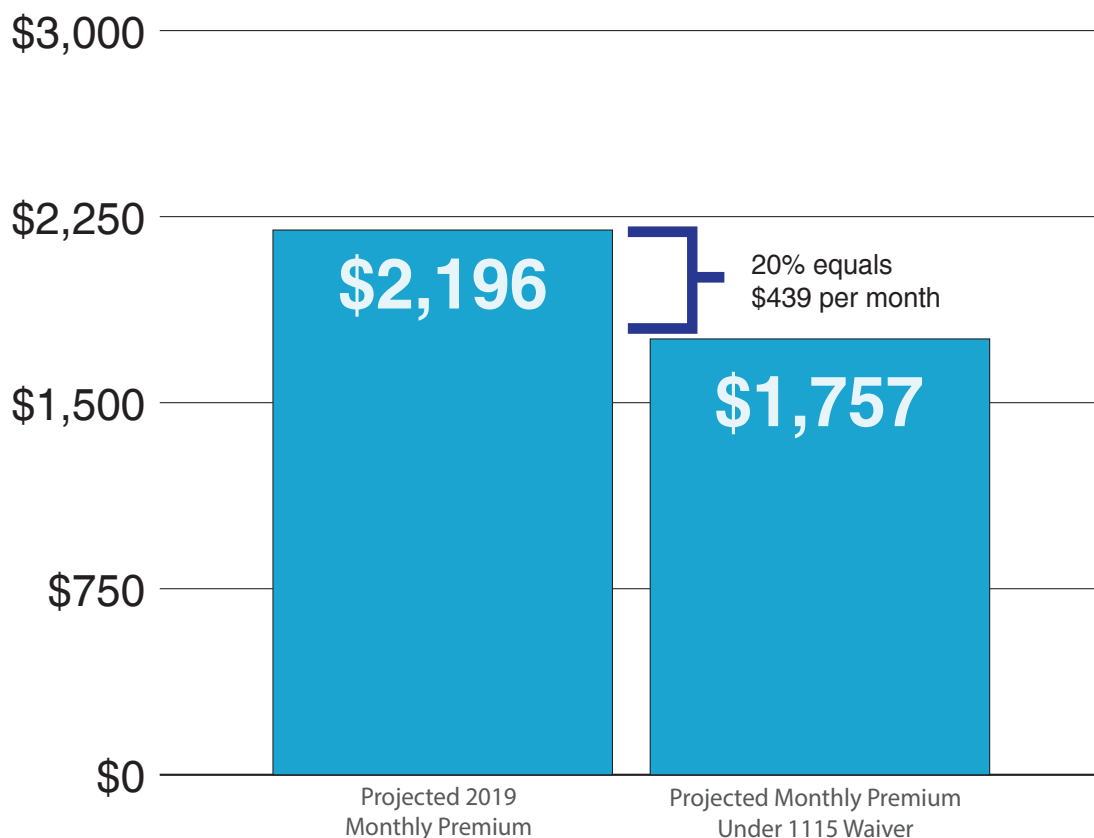
Expanding Affordable Coverage Options

Idaho's Insurance Exchange Gains Could be Significant Under 1332 Waiver



Source: Your Health Idaho and Idaho Department of Health and Welfare.

Monthly Premiums Could Be Reduced Significantly Under 1115 Waiver



Source: Close the Gap analysis of Your Health Idaho posted rates and Idaho Department of Insurance, 2017.

Note: Costs are for a silver level plan for a two-adult, two-child family absent of any advanced premium tax credits.

Idaho's 1115 Waiver Proposal

Section 1115 of the Social Security Act provides states with additional flexibility in their Medicaid programs by allowing them to deviate from various federal requirements when necessary to implement experimental, pilot, or demonstration projects that promote the objectives of Medicaid and Children's Health Insurance Program (CHIP).

The Idaho Department of Health and Welfare has developed a proposal that would allow uninsured Idahoans under the age of 65 who earn less than 400% of the federal poverty level (\$98,400 a year for a family of four) and who have a specific high-cost and medically complex health condition to qualify for Medicaid. The state estimates that between 1,500 and 2,000 people would qualify under this concept plan.⁴

The Department of Insurance estimates that moving those with a specific medically complex condition from the private market onto Medicaid managed care would reduce overall premiums for all Idahoans by an average of 20%.

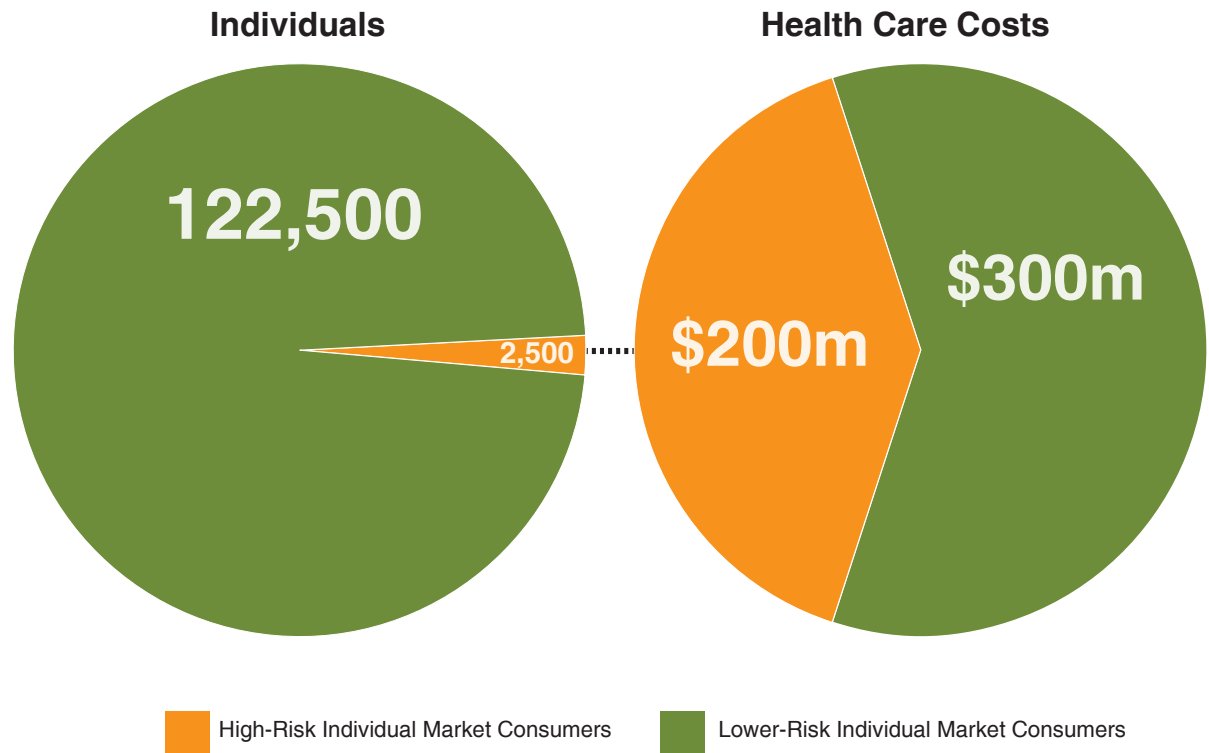
The 1115 Waiver program would be financed using Idaho's traditional Medicaid match rate, with a 70/30 federal/state funding ratio (called the Federal Medical Assistance Percentage or FMAP). The state share of the cost would be approximately \$22 million annually.

Reducing Risk to Stabilize Premiums

- ✓ Idaho's individual insurance market currently covers 125,000 Idahoans at a total annual cost of \$500 million.
- ✓ Between 2,000 and 2,500 of those with medically complex conditions account for \$200 million of costs on Idaho's individual market.
- ✓ By moving at least 2,000 people with specific conditions that are serious and costly to a Medicaid managed care high-risk pool, Idaho could potentially curb increases in premiums by reducing risk in the individual market. This is estimated to bring premium costs down by approximately 20%.
- ✓ Specific conditions for the 1115 Waiver are negotiated but will include either end-of-life or severe genetic disorders that fall in the high-risk pool. Potential conditions on the list could include quadriplegia, hemophilia, end stage renal disease, and metastatic cancer.

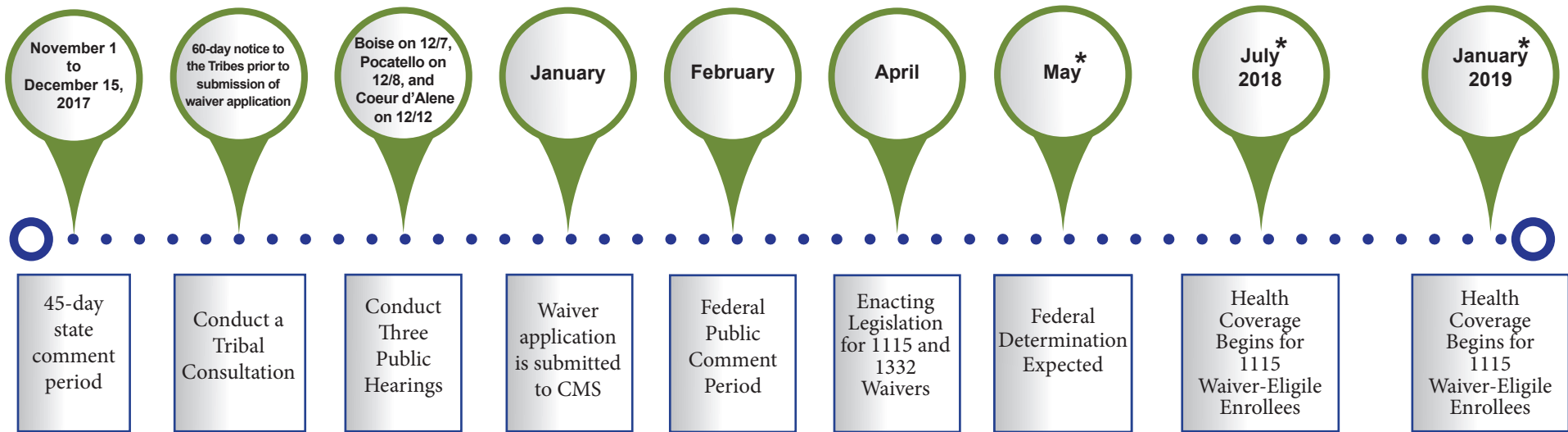
Source: Idaho Department of Health and Welfare, Health care Advisory Panel presentation, September 14, 2017.

High-Risk Individuals Contribute to High Costs in the Individual Market



Source: Idaho Department of Health and Welfare

Note: Individual market universe and high-risk universe figures are simplified to describe concept. Actual figures will change.



1115/1332 WAIVER

*Note: These dates were provided by the Idaho Department of Health and Welfare. Federal approval and implementation will be dependent on a variety of factors.

Health Care Makes a Difference

Several recent studies demonstrate the value of health insurance to individuals and the health system



HEALTH INSURANCE IMPROVES FINANCIAL HEALTH

Uninsured adults are 82% more likely to have been sent to collections for unpaid medical bills than insured adults.

Over 24% of uninsured adults said worry about medical costs affected their job performance, family relationships, or ability to sleep.

Medical debt contributes to half of all bankruptcies in the U.S., and 32% of uninsured adults said they were carrying medical debt.



HEALTH INSURANCE IMPROVES PHYSICAL AND MENTAL HEALTH

Closing the coverage gap in Idaho could save hundreds of lives a year.

Uninsured adults delay seeking medical care, resulting in delayed diagnoses with worse outcomes.

Mental health access is often minimized, but robust supports are critical to family well-being.

Mentally and physically healthy employees contribute to increased productivity. Compared to an insured workforce, uninsured employees miss more work days, resulting in costly turnover for Idaho employers.



TAXPAYERS SAVE MONEY WITH A STRONG BEHAVIORAL HEALTH SYSTEM

Individuals who suffer from co-occurring disorders, including substance use, often find themselves receiving treatment within the criminal justice system.

Evidence-based community substance abuse treatment has the potential of reducing prison recidivism rates by 12.4%, resulting in \$12.6 million annual savings for Idaho.



COMMUNITIES AND THE HEALTH SYSTEM SAVE MONEY WITH HEALTH INSURANCE

When medical bills go unpaid, the cost of that care increases health care costs for all of us.

State and county indigent funds, paid for by Idaho tax dollars and county property taxes, are being used to pay for millions of dollars in emergency care costs for the uninsured.

Ultimately, the costs of caring for the uninsured are shifted to all health care consumers.

Sources: The Henry J. Kaiser Family Foundation "Key Facts about the Uninsured Population." Oct. 2015.

Dammrose, Doug. "Moving Indigent Care from Incident-Based to Systematic Care in Idaho." Aug. 2014. Retrieved from <https://gov.idaho.gov/priorities/MedicaidExpansion.html>.

Hu, K., Kaestner, R., Mazumder, B., Miller, S., and Wong, A. "The Effect Of The Patient Protection And Affordable Care Act Medicaid Expansions On Financial WellBeing." National Bureau of Economic Research, April 2016.

Behavioral Health Care

Behavioral health coverage improves quality of life and saves tax payer dollars



With health coverage, Idahoans with a severe mental illness can live healthier and more productive lives, and costs for indigent and catastrophic health care, law enforcement, and criminal justice will be reduced.

- ✔ Severe mental illness affects about 4.6% of adults in Idaho. The most common diagnoses for these adults are depressive, bipolar, schizophrenic, and other disorders so severe they interfere with major life activities.
- ✔ For people suffering from mental illness who fall in the coverage gap, access to mental health care is typically only available during times of crisis, either in hospital emergency rooms, county jails, or crisis centers. This method of delivery is financially inefficient and does not include preventive or ongoing care.
- ✔ Including severe mental illness as one of the conditions covered by Medicaid in the 1115 Waiver would ensure that these Idahoans are eligible for health care even if they do not qualify for a tax credit.

Idahoans Health Care Stories



Bryn is 41, lives in Sandpoint, ID and has a love for Idaho's outdoors. She owns her own home and small business. Recently, Bryn has experienced how challenging it can be to live in rural Idaho without health coverage. She applied for a tax credit to get help affording coverage

on the Your Health Idaho health exchange, but her annual income was too low to qualify for help. Bryn is in the health care coverage gap. Bryn has always been very active and healthy yet in 2017, she had multiple emergency surgeries because the retina in her left eye detached several times. Her medical bills are piling up. Lack of access to affordable care may cause Bryn to lose not only her sight but the life she has built.

Bryn's story was collected in September 2017.

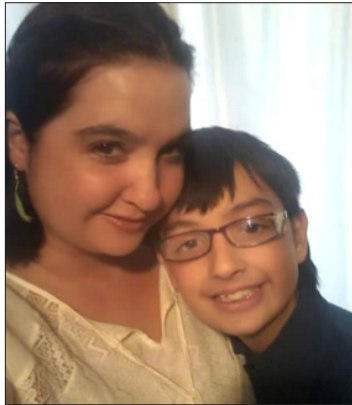


Jessica lives in Sandpoint, ID with her self-employed husband, four children, and disabled father. She is the full time caregiver for her father and wheelchair bound daughter, who has several disabilities. Jessica and her husband live in the coverage gap. They are unable to access preventative care because that would mean choosing between buying groceries for the family or a checkup. Jessica experiences pain on the

right side of her body from lifting her daughter and a worsening foot injury that needs a surgery she can't afford. She lives in fear that a medical emergency will bankrupt her family or cause her to be unable to care for them. She is hopeful that the Idaho Health Care Plan will help her and her family access affordable health care.

Jessica's story was collected in October 2017.

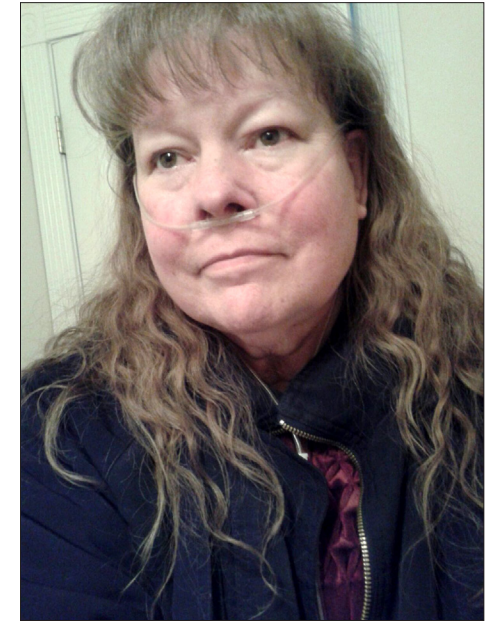
Idaho Health Care Stories



Dannielle is originally from Albion, ID. Her family, including three children, recently moved to Boise to find more employment opportunities. Dannielle falls into the coverage gap. She has had endometriosis since she was a child and lack of health coverage has

left her with no choice but to live with this painful and untreated health condition. Hospitalizations have caused her to lose or leave jobs due to her illness. Access to affordable healthcare coverage would help her be more productive and be able to support her family without government assistance. The Idaho Health Care Plan could help Dannielle be well and provide for her family.

Dannielle's story was collected in December 2017.



Lynn lives in Pocatello, ID. In 2001 she was fortunate to have a great job with benefits, yet it all changed when she caught a month-long flu. She discovered it had actually been a minor heart attack. After seeing a specialist, more life-threatening health conditions surfaced. Her health continues to worsen and she has not been medically cleared to work. Lynn's employer put her on their disability plan with a small monthly income, but it provides no health coverage.

She has been given days and months left to live and always manages to survive. But without health coverage for regular treatment she will not live much longer. She has no taxable income, leaving her to ask what will be done for Idahoans like her in the coverage gap?

Lynn's story was collected in December 2017.

End Notes

- ¹ The Idaho Health Care Plan originally used two federal waivers. When a bill to implement the plan was introduced in the Idaho Legislature an additional 1115 waiver was added that institutes a work requirement for Idahoans currently on Medicaid. All waivers will require federal approval. Newly eligible Idahoans under the first two waivers will not be directly impacted by the work requirement.
- ² Estimates of the number of Idahoans in the gap vary based on data sources and methodology. An actuarial firm commissioned by the state of Idaho, Milliman, Inc., estimated a ceiling for the number of Idahoans in the gap at 78,000 in 2014. The study has not been updated, but the improved employment rates and economic trends would support that the number of individuals in this income bracket is likely fewer than when the study was conducted. Recent census data indicate the number of uninsured adults under the federal poverty level in Idaho is between 51,000 and 62,000. Data from the Idaho Department of Health and Welfare indicate the number of Idahoans in the coverage gap is about 55,000.
- ³ These plans do not necessarily offer a route to coverage for all Idahoans in the coverage gap. Depending on age, location in the state, and plan selection, individuals under 100% of the federal poverty level could pay anywhere from \$0-\$50 per month in insurance premiums. There are many factors that would go into the actual out-of-pocket costs for an individual's premiums, which would all be part of the consumer choice. Consumers could shop private plans on the market like anyone else and determine, based on their tax credit amount, which plan would best serve their health care needs and be affordable.
- ⁴ Of an estimated 2,500 people with medically complex needs who comprise the high-risk group in the Idaho individual market, between 1,500 and 2,000 individuals would be moved to Medicaid managed care. The total estimated annual cost of their care on the individual market is \$125 million. Under Medicaid provider reimbursement rates for the same care, which is estimated at 60% of non-Medicaid rates, the cost of care is reduced to an estimated \$75 million. Idaho's match portion of \$75 million in Medicaid funds is 29% or \$21.7 million. The remaining individuals with medically complex needs comprise the acute coverage group and would remain under individual market coverage.

