



The New Age of Health Care: Implications for Hoosier Families

Briefing Report
November 2012



The New Age of Health Care: Implications for Hoosier Families

Indiana Family Impact Seminar
November 19, 2012

Sponsoring Organizations

Center for Families at Purdue University
Department of Family and Consumer Sciences at Ball State University
Indiana Association for the Education of Young Children
Indiana Association for Marriage and Family Therapy
Indiana Association of Family and Consumer Sciences
Indiana Council on Family Relations
Indiana Extension Homemakers Association®
Indiana Family Services
Indiana Youth Institute
The Institute for Family and Social Responsibility at Indiana University
National Association of Social Workers – Indiana Chapter
Purdue Extension Health and Human Sciences

For a description of the organizations see pages 10 & 11

Purpose, Presenters, and Publications

Family Impact Seminars have been well received by federal policymakers in Washington, DC, and Indiana is one of several states to sponsor such seminars for state policymakers. Family Impact Seminars provide state-of-the-art research on current family issues for state legislators and their aides, Governor's Office staff, state agency representatives, educators, and service providers. One of the best ways to help individuals is by strengthening their families. Therefore, the Family Impact Seminars speakers analyze the consequences an issue, policy or program may have for families.

The seminars provide objective, nonpartisan information on current issues and do not lobby for particular policies. Seminar participants discuss policy options and identify common ground where it exists.

The New Age of Health Care: Implications for Hoosier Families is the fifteenth in a continuing series designed to bring a family focus to policymaking. The topic was chosen by the very legislators these seminars are intended to inform. This seminar features the following speakers:

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This briefing report and past reports can be found at Purdue's Center for Families website: http://www.cfs.purdue.edu/cff/policymakers/policymakers_publications.html and on the Policy Institute for Family Impact Seminars national website: <http://familyimpactseminars.org>

We hope that this information is useful to you in your deliberations, and we look forward to continuing to provide educational seminars and briefing reports in the future.



Assessing the Impact of Policies on Families

Family Impact Checklist: Using Evidence to Strengthen Families

Questions policymakers can ask to bring the family impact lens to policy decisions:

- How are families affected by the issue?
- In what ways, if any, do families contribute to the issue?
- Would involving families result in more effective policies and programs?

These questions sound simple, but they can be difficult to answer. The Family Impact Checklist is one evidence-based strategy to help ensure that policies and programs are designed and evaluated in ways that strengthen and support families in all their diversity across the lifespan. This checklist can also be used for conducting a family impact analysis that examines the intended and unintended consequences of policies, programs, agencies, and organizations on family responsibility, family stability, and family relationships.

Family impact analysis is most incisive and comprehensive when it includes expertise on (a) families, (b) family impact analysis, and (c) the specifics of the policy, program, agency, or organization. Five basic principles form the core of a family impact checklist. Each principle is accompanied by a series of evidence-based questions that delve deeply into the ways in which families contribute to issues, how they are affected by them, and whether involving families would result in better solutions. Not all principles and questions will apply to every topic, so it is important to select those most relevant to the issue at hand.

The principles are not rank-ordered and sometimes they conflict with each other. Depending on the issue, one principle may be more highly valued than another, requiring trade-offs. Cost effectiveness and political feasibility also must be taken into account. Despite these complexities, family impact analysis has proven useful across the political spectrum and has the potential to build broad, bipartisan consensus.

More detailed guidelines and procedures for conducting a family impact analysis are available in a handbook published by the Policy Institute for Family Impact Seminars at <http://www.familyimpactseminars.org>.

Principle 1. Family responsibilities.

Policies and programs should aim to support and empower the functions that families perform for society—family formation, partner relationships, economic support, childrearing, and caregiving. Substituting for the functioning of families should come only as a last resort.

How well does the policy, program, or practice:

<u>Strong</u>	<u>Adequate</u>	<u>Limited</u>	<u>N/A</u>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	help families build the capacity to fulfill their functions and avoid taking over family responsibilities unless absolutely necessary?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	set realistic expectations for families to assume financial and/or caregiving responsibilities for dependent, seriously ill, or disabled family members depending on their family structure, resources, and life challenges?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	address root causes of assuming financial responsibility such as high child support debt, low literacy, low wages, and unemployment?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	affect the ability of families to balance time commitments to work, family, and community?

Principle 2. Family stability.

Whenever possible, policies and programs should encourage and reinforce couple, marital, parental, and family commitment and stability, especially when children are involved. Intervention in family membership and living arrangements is usually justified only to protect family members from serious harm or at the request of the family itself. How well does the policy, program, or practice:

<u>Strong</u>	<u>Adequate</u>	<u>Limited</u>	<u>N/A</u>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	strengthen commitment to couple, marital, parental, and family obligations, and allocate resources to help keep the marriage or family together when this is the appropriate goal?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	help families avoid problems before they become serious crises or chronic situations that erode family structure and function?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	balance the safety and well-being of individuals with the rights and responsibilities of other family members and the integrity of the family as a whole?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	provide clear and reasonable guidelines for when nonfamily members are permitted to intervene and make decisions on behalf of the family (e.g., removal of a child or adult from the family)?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	help families maintain regular routines when undergoing stressful conditions or at times of transition?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	recognize that major changes in family relationships such as aging, divorce, or adoption are processes that extend over time and require continuing support and attention?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	provide support to all types of families involved in the issue (e.g., for adoption, consider adoptive, birth, and foster parents; for remarried families, consider birth parents, stepparents, residential and nonresidential parents, etc.)?

Principle 3. Family relationships.

Policies and programs must recognize the strength and persistence of family ties, whether positive or negative, and seek to create and sustain strong couple, marital, and parental relationships.

How well does the policy, program, or practice:

<u>Strong</u>	<u>Adequate</u>	<u>Limited</u>	<u>N/A</u>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	recognize that individuals' development and well-being are profoundly affected by the quality of their relationships with close family members and family members' relationships with each other?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	involve couples, immediate family members, and extended family when appropriate in working to resolve problems, with a focus on improving family relationships?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	assess and balance the competing needs, rights, and interests of various family members?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	take steps to prevent family abuse, violence, or neglect?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	acknowledge how interventions and life events can affect family dynamics and, when appropriate, support the need for balancing change and stability in family roles, rules, and leadership depending upon individual expectations, cultural norms, family stress, and stage of family life?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	provide the knowledge, communication skills, conflict resolution strategies, and problem-solving abilities needed for healthy couple, marital, parental, and family relationships or link families to information and education sources?

Principle 4. Family diversity.

Policies and programs can have varied effects on different types of families. Policies and programs must acknowledge and respect the diversity of family life and not discriminate against or penalize families solely based on their cultural, racial, or ethnic background; economic situation; family structure; geographic location; presence of special needs; religious affiliation; or stage of life.

How well does the policy, program, or practice:

<u>Strong</u>	<u>Adequate</u>	<u>Limited</u>	<u>N/A</u>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	identify and respect the different attitudes, behaviors, and values of families from various cultural, economic, geographic, racial/ethnic, and religious backgrounds, structures, and stages of life?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	respect cultural and religious routines and rituals observed by families within the confines of the law?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	recognize the complexity and responsibilities involved in caring for and coordinating services for family members with special needs (e.g., cognitive, emotional, physical, etc.)?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	ensure the accessibility and quality of programs and services for culturally, economically, geographically, racially/ethnically, and religiously diverse families?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	work to ensure that operational philosophies and procedures are culturally responsive and that program staff are culturally competent?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	acknowledge and try to address root causes rather than symptoms of the issue or problem (e.g., economic, institutional, political, social/psychological causes)?

Principle 5. Family engagement.

Policies and programs must encourage partnerships between professionals and families. Organizational culture, policy, and practice should include relational and participatory practices that preserve family dignity and respect family autonomy.

How well does the policy, program, or practice:

<u>Strong</u>	<u>Adequate</u>	<u>Limited</u>	<u>N/A</u>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	provide full information and a range of choices to families, recognizing that the length and intensity of services may vary according to family needs?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	train and encourage professionals to work in collaboration with families, to allow families to make their own decisions (within the confines of the law), and to respect their choices?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	involve family members, particularly from marginalized families, in policy and program development, implementation, and evaluation?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	affirm and build upon the existing and potential strengths of families, even when families are challenged by adversity?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	make flexible program options available and easily accessible through co-location, coordinated application and reimbursement procedures, and collaboration across agencies, institutions, and disciplines?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	establish a coordinated policy and service system that allows localities and service providers to combine resources from various, diverse funding streams?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	acknowledge that the engagement of families, especially those with limited resources, may require emotional, informational, and instrumental supports (e.g., child care, financial stipends, transportation)?

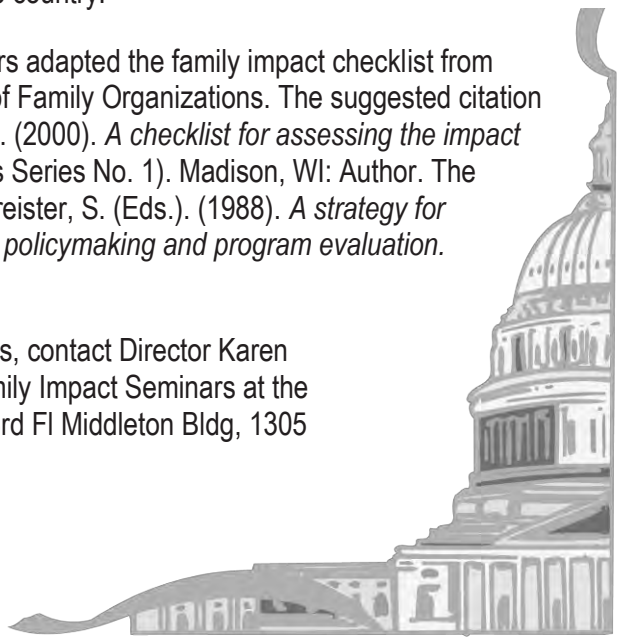
- connect families to community resources and help them be responsible consumers, coordinators, and managers of these resources?
- build on social supports that are essential to families' lives (e.g., friends; family-to-family support; community, neighborhood, volunteer, and faith-based organizations)?
- consider the whole family (even if it is outside the scope of services) and recognize how family decisions and participation may depend upon competing needs of different family members?

The Institute aims to strengthen family policy by connecting state policymakers with research knowledge and researchers with policy knowledge. The Institute provides nonpartisan, solution-oriented research and a family impact perspective on issues being debated in state legislatures. We provide technical assistance to and facilitate dialogue among professionals conducting Family Impact Seminars in 28 sites across the country.

The Policy Institute for Family Impact Seminars adapted the family impact checklist from one originally developed by the Consortium of Family Organizations. The suggested citation is Policy Institute for Family Impact Seminars. (2000). *A checklist for assessing the impact of policies on families* (Family Impact Analysis Series No. 1). Madison, WI: Author. The checklist was first published in Ooms, T., & Preister, S. (Eds.). (1988). *A strategy for strengthening families: Using family criteria in policymaking and program evaluation*. Washington DC: Family Impact Seminar.

For more information on family impact analysis, contact Director Karen Bogenschneider of the Policy Institute for Family Impact Seminars at the University of Wisconsin-Madison/Extension, 3rd Fl Middleton Bldg, 1305 Linden Drive, Madison, WI 53706.

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Sponsoring Organizations and Descriptions

The Center for Families at Purdue University focuses on improving the quality of life for families and strengthening the capacity of families to provide nurturing environments for their members. To accomplish this, the center works with four important groups whose efforts directly impact quality of life for families: educators, human service providers, employers, and policymakers. With informed sensitivity to family issues, these groups have the power to improve the quality of life for families in Indiana and beyond.

Purdue Extension Health and Human Sciences provides informal educational programs that increase knowledge, influence attitudes, teach skills, and inspire aspirations. Through the adoption and application of these practices, the quality of individual, family, and community life is improved. Health and Human Sciences Extension is a part of the mission of the College of Health and Human Sciences at Purdue University and the Purdue Extension Service

The Department of Family and Consumer Sciences at Ball State University includes a variety of majors from interior design and residential property management to nutrition and marriage and family relations. We offer courses in family relations, infant/toddler, child development, marriage, life-work management, family stress and family policy. Students are also required to take interdisciplinary coursework. In addition, students are required to complete a 400 hour internship at a family or child related facility which also includes government internships. Our curriculum has been designed to fulfill the academic requirements to become a Certified Family Life Educator (CFLE). CFLEs have received academic training in ten substantive areas related to the family, one of which is family policy, and are certified by the National Council of Family Relations, a professional organization.

The Institute for Family and Social Responsibility is a joint venture of the Schools of Social Work and Public and Environmental Affairs designed to bring the resources of Indiana University researchers to the assistance of public policy makers on issues impacting Hoosier families. The Institute's mission is to bring together the resources of citizens, governments, communities and Indiana University to better the lives of children and families. Ongoing research projects have examined the impacts of welfare reforms, the efficiency of the township system of government, the adequacy of child support guidelines, community responses to the Temporary Assistance to Needy Families legislation, performance contracting for intensive family preservation services, and AIDS education for incarcerated youth. The Institute serves as the National Child Support Enforcement Research Clearinghouse.

The members of the Indiana Association of Family and Consumer Sciences focus on an integrative approach to the relationships among individuals, families and communities as well as the environments in which they function. The association supports the profession as it provides leadership in: improving individual, family and community well being; impacting the development, delivery and evaluation of consumer goods and services; influencing the creation of public policy; and shaping social change. The Indiana Association is part of the American Association of Family and Consumer Sciences.

The mission of the Indiana Association for the Education of Young Children (Indiana AEYC) is to promote and support quality care and education for all young children birth through age eight in Indiana. Indiana AEYC is the state's largest and most influential organization of early childhood care and education professionals and parents promoting and supporting quality care and education for all young children. Over 2,200 members represented through sixteen local chapters, and a budget of over \$6 million dollars. Indiana AEYC supports early care and education professional development through the T.E.A.C.H. (Teacher Education and Compensation Helps) scholarship project, the Indiana Non Formal Child Development Associate (CDA) project and by conducting the largest statewide conference. Indiana AEYC also supports highest level of early care and education facilities by partnering with the Indiana FSSA/DFR/Bureau of Child Care to implement Paths to QUALITY™ and the Indiana Accreditation Project for over 820 early childhood facilities statewide.

Indiana Family Services represents families and respond to their needs by strengthening member agencies and creating alliances to promote excellence in advocacy and service for families throughout Indiana. Member agencies offer a wide variety of programs, including counseling, sexual abuse assessment, homemaker services, children's programs, services for victims of domestic violence, as well as many other diverse programs for over 90,000 individuals, approximately 80 percent of whom are low income. These services are offered regardless of race, creed, or color on a sliding fee scale supported by local United Ways and governmental grants.

The Indiana Association of Marriage and Family Therapy is part of the American Association of Marriage and Family Therapy. Since the founding of AAMFT in 1942, they have been involved with the problems, needs and changing patterns of couples and family relationships. The association leads the way to increasing understanding, research and education in the field of marriage and family therapy, and ensuring that the public's needs are met by trained practitioners. The AAMFT provides individuals with the tools and resources they need to succeed as marriage and family therapists.

It is the mission of the Indiana Extension Homemakers Association® to strengthen families through continuing education, leadership development, and volunteer community support. We share information on new knowledge and research with our members and communities, promote programs on developing skills and family issues, and we support projects which help children and families in today's world.

The Indiana Youth Institute promotes the healthy development of Indiana children and youth by serving the people, institutions and communities that impact their well-being. It is a leading source of useful information and practical tools for nonprofit youth workers, educators, policymakers, think tanks, government officials, and others who impact the lives of Hoosier children. In addition, it is an advocate for healthy youth development on the local, state, and national level.

The mission of the National Association of Social Workers – Indiana Chapter is to promote the quality and integrity of the Social Work profession while supporting social workers in their mission to serve diverse populations and to ensure justice and equality for all citizens of the state.

Health Reform and the New Health Insurance Exchanges: Issues for Indiana Families

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Member, Executive Board, DC Health Benefits Exchange

Department of Health Policy

Health Reform and the New Health Insurance Exchanges: Issues for Indiana Families

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THE GEORGE WASHINGTON UNIVERSITY
WASHINGTON DC

Department of Health Policy

Some Basics

- Affordable Care Act (ACA, Obamacare):
 - Requires creation of health insurance exchanges for individuals and small businesses
 - Funds federal tax credits to buy health insurance at the exchanges
 - Supreme Court: Lets states expand Medicaid for non-elderly adults to 133% of poverty (about \$25,000 for family of three)
 - Requires most to have insurance or pay tax penalty
- Election indicates ACA will continue as law
- Indiana faces major choices on Medicaid and the health insurance exchange in coming year

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Why Care?

- About 930,000 Indianans (14.5%) uninsured in 2011 (Census Bureau, American Community Survey)
- If fully implemented, reform could reduce the ranks of the uninsured by about 500,000:
 - 400,000 in exchanges, of whom 300,000 get tax credits
 - 300,000 Medicaid
 - Some overlap among those already insured (Urban Institute, 2011)
- Health care is a major need for families and expense for the government.

Concept of Health Insurance Exchange

- Began as neo-conservative idea to strengthen health insurance marketplace.
- “Market failure” in **individual** and **small group** insurance. Small risk pools lead to inefficiency, high admin costs, volatility.
- Adverse selection. Sickest buy insurance, driving up costs, so healthier cannot afford.
- Some states tried exchanges, but limited impact unless coupled with subsidies and mandate.
- ACA based on Massachusetts Connector

Choices for Indiana Exchanges

- By Dec. 14, states must choose:
 - State-based exchange OR
 - Federal-state partnership (Feb. 15) OR
 - If neither of the above, a Federally facilitated exchange (FFE)
- Indiana appears to default to FFE.
- Must be ready by Oct 2013, running Jan 2014.
- State can change later and transition to state exchange or partnership.

What Would an Exchange Do?

- Online market for Qualified Health Plans. Like Amazon or Orbitz.
- Sells to individual & small businesses.
- Coordinates enrollment in exchange with federal tax credits and with Medicaid and CHIP.
- Sliding scale federal tax credits to subsidize insurance purchased thru exchange.
- Tax credits can be advanced and paid directly to insurers.

Who Is Eligible for Exchange?

- Aimed at individuals not otherwise eligible for group insurance and for those in small businesses (< 50 employees in 2014, < 100 in 2016).
- Undocumented aliens not eligible.
- Sliding scale tax credits and lower cost-sharing for those 100-400% of poverty in individual market.
- Some small businesses using exchange can get tax credit for up to 35-50%.

Interaction with Medicaid Expansion

- Indiana now covers parents in Medicaid up to 24% of poverty, but has waiver program (Healthy Indiana) with limited benefits. Eligibility up to 200% of poverty. But enrollment capped, limited to about 40,000 people now.
- If Indiana does not use ACA Medicaid expansion, coordination with the exchange becomes complicated. Could be an insurance gap between 24% of poverty and 100% of poverty.

Role of Exchanges

- Create clear markets permitting competition based on quality and price.
- Increase consumer knowledge and use competition to drive costs down.
- Qualified health plans must have certain “essential health benefits” and cost structure.
- Offer up to 4 price tiers: bronze (60% of actuarial value), silver (70%) , gold (80%), platinum (90%)

Federally Facilitated Exchanges - 1

- Initial HHS guidance in May 2013. More coming.
- HHS will operate the exchange:
 - Establish standards for Qualified Health Plans (QHPs)
 - Review QHP standards met
 - Conduct eligibility for exchange and federal tax credits
 - Coordinate enrollment for Medicaid, CHIP and exchange. “No wrong door”. (Problem if state doesn’t expand Medicaid.)

Federal Exchanges - 2

- HHS announced FFEs will let all qualified health plans participate in exchange. Will not be “active purchaser.”
- FFEs will try to harmonize exchange requirements with other state insurance rules
- State still has traditional role of insurance regulation, licensing, review, etc.
- FFEs will assess fees from participating plans to support operations.

Could Establish State Exchange or State Partnership Later

- Even if FFE, state can transition later.
- Reduces dependency on federal government.
- Gives the state more active role in how to develop insurance and health care systems. Strengthens ability to create incentives for less costly, more effective health care.
- States can still request federal planning grants thru Oct. 2014/2015.

In My Home...

- DC will implement a state-based exchange. Believe in self-government and unique needs.
- I'm on the Executive Board. (Unpaid but very busy)
- Had over 70 local meetings involving every sector
- Staffing up.
- Applied for and received \$73 million federal planning grant. Developing new IT system.
- Planning to have exchange ready by 2014.

Expected Benefits of Exchanges

- Exchange will be a better marketplace, increasing competition to lower prices and improve quality. Premiums less volatile and benefits more transparent.
- In conjunction with tax credits, will lower effective cost of insurance premiums and other cost-sharing expenses. Particularly helps those with lower incomes (e.g., under 250% of poverty)
- Should increase insurance coverage and access to care for hundreds of thousands.
- Tax credits for hundreds of thousands in Indiana.

Helping Families

- Raises families' medical and economic security. Protects families against losses due to illness. (Major cause of bankruptcy, lost work days.)
- Helps keep all members of the family insured.
- Protects even if unemployed. Simplifies employment choices.
- Exchanges particularly help middle class families. Medicaid helps lower-income.
- Includes no-cost preventive benefits, e.g., immunizations, well child visits, mammograms.

Potential Problems

- Some federal guidelines delayed. Uncertainty.
- Though survived challenges up to Supreme Court, still legal challenge to linkage of federal tax credits to FFEs.
- Some people who do not want insurance will have to buy or pay a tax penalty (\$95 in 2014, rising to \$695 by 2016 per person).
- Market competition creates winners and losers.
- ACA may remain controversial. Potential for federal-state discord.

Other Reform Issues

- Are there enough primary care physicians and doctors? Are they in the right places?
- Emphasis on team-based care and patient-centered medical homes.
- Community health centers are located in medically underserved areas and provide good quality, affordable care for low-income population. Can they be strengthened?
- Coordinating primary, specialty and hospital care. Can help reduce most expensive forms of care.
- Will essential providers be able to join exchanges?

Thanks!

- Questions?
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Medicaid Expansion in Indiana

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Medicaid Expansion in Indiana


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Families & Medicaid Changes

- Family planning services and supplies
- Tobacco cessation for pregnant women without cost sharing
- Preventive services at no cost to adult enrollees (already a benefit for children)
- Allows curative treatment for children in hospice care
- Coverage of former foster care children (through age 26)

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ACA & Medicaid Expansion


Expands Medicaid to adults earning up to 133% FPL (+ 5% income disregard) = 138%.

Federal Medical Assistance Percentage

1. 2014-2016 (100%)
2. 2017 (95%), 2018 (94%), 2019 (93%),
3. 2020+ (90%)

In contrast, FMAP for current Medicaid program in Indiana is 67%

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Number of Newly Eligible

Demographics


1. Age 19-64
2. <139% FPL
3. Citizens & legal immigrants > 5yrs

- Take up rate (typically 57% - 75%)

Crowd-out of private insurance (15% - 60%)

Population growth & unemployment

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Financial Impact Analysis: Costs

Newly eligible

1. Should be 46% cheaper than current Medicaid recipients


Currently eligible, but not enrolled

1. Take up rate typically ranges 10 - 40%

Administrative costs (2 - 9%)

1. Match rate depends on type of spending (50%, 75%, or 90%)

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Financial Impact Analysis: Savings

Transitioning current Medicaid populations to the new eligibility group

Reduction in state programs for the uninsured

Reduction in cost due to streamlined eligibility and enrollment system

State / local tax revenue from federal \$

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Other Financial Impacts

Indirect / induced economic activity from the increase in federal spending (jobs, \$)

Uncompensated care reduction

Impact on individual and employer premiums

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Other Benefits of Expansion

A recent study in NEJM found that for every 176 adults covered under expanded Medicaid, 1 death / year would be prevented.

1. In 2010, there were 499 deaths in Indiana due to lack of coverage among persons 25-64.

A 10% expansion of Medicaid eligibility has been shown to reduce all bankruptcies 8%.

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Impact on Indiana, 2014 - 2019

- New enrollees: 427,000
- State spending: \$620 - \$900 million
- Federal spending: \$9 - 10 billion
- Uncompensated care savings: \$1 billion
- DSH payments (FY2011 = \$214 million)
- Subsidized premiums 133-400% FPL
- Healthy Indiana Plan?

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Take Away

- ACA expanded Medicaid eligibility for adults and benefits for families
- Carefully calculate the benefits & costs of expansion to the state budget & other financial and public health impacts
- States may opt in then opt out later (fiscally responsible option, albeit politically difficult)

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Contact Information

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