

Alabama Health Care Update

Where will our struggling system go from here?



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Quick review: The Affordable Care Act of 2010

The challenge the ACA tackled:

- 40-something million uninsured Americans
- Soaring health care costs

A two-tiered solution:

- Expanded Medicaid for low-income adults
- Health Insurance Marketplace for moderate-income people



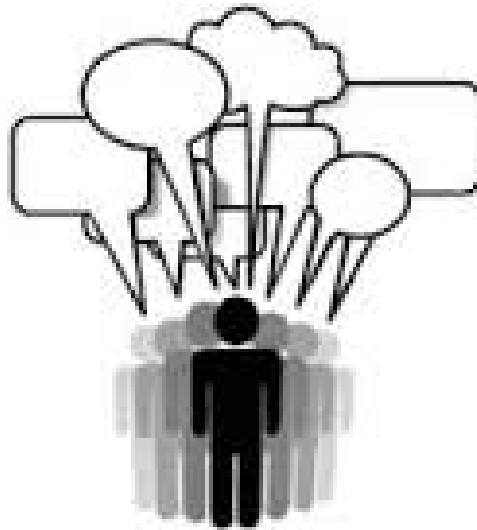
The Big Surprise of 2012

- U.S. Supreme Court makes Medicaid expansion optional
- Governor Bentley opts out for Alabama, citing “broken” Medicaid
- Gov. appoints commission to “fix” it (cost, quality, outcomes)
- 28 members include 1 consumer advocate (Arise)



1/28 = Tokenism

- Get partners and group members to ask Gov. for more
- Gov. refuses
- 17 organizations form Medicaid Consumer Coalition
- Use single commission seat to represent coalition



Developing “Patients First” principles

Coalition members:

- Identify shared goals of process
- Draft their own groups’ Medicaid values/principles

Steering committee:

- Identify and frame common themes/concerns
- Work with members to refine content
- Omit unique or outlying concerns to preserve consensus
- Circulate draft for comments/edits

Commission representative:

- Submit coalition principles to commission



Patients First: Principles of Consumer-Centered Medicaid Reform

1. Better health is the bottom line.
2. Consumer engagement is essential.
3. Effective consumer outreach includes education and assistance.
4. Successful managed care treats the whole person.
5. Special needs require special accommodation.
6. Expanding home- and community-based long-term care can improve outcomes and save money but takes time.
7. Accessible managed care requires a robust provider network.
8. Quality and accountability bring Medicaid reform full circle.

Slow the legislative rush

Problem:

- Heavy lobbying by commercial interests
- Strong appetite for “quick fix”

Coalition response:

- Pose “crucial questions” to legislators to show complexity
- Request interviews with lobbyists



Build coalition credibility

- Principles set framework for all activities that follow.
- Commenting at every step creates record for CMS.
- Partners' testimony shows multiple consumer perspectives, shared goals and concerns.
- Real wins can happen anywhere in the process!



Commission recommendations

- Managed care (mainly nonprofit)
- Regional Care Organizations (RCOs) – provider-based, community-led
- Five Medicaid regions – each with one or more RCOs
- Exclude for now: long-term care (LTC), waivers and dental.
- Advocacy win: Consumers need a formal role in RCO governance!

Regional Care Organization Districts
Effective October 1, 2013



Putting RCOs into law

January 2013 – Gov. Bentley accepts report

March 14th – Sen. Reed files RCO bill (SB 340)

April 25th – Amended SB 340 passes Senate, moves to House

May 7th – SB 340 passes House, governor signs

Final version strengthens consumer provisions:



- Creates Citizens' Advisory Committees and consumer seats on governing boards
- Authorizes Arise and DLCA nominate consumer reps

RCOs: Building something new

- First statutory consumer role in Medicaid governance
- Agreement that community engagement is crucial to success
- Commission report and law omit RCO “hub”
- ACA offers new incentives
- Consumer reps are key players in historic transformation



Alabama Community Health Partners

- Statewide team approach to consumer representation
- Arise and DLCA reps, plus regional advocacy partners
- Training and ongoing support



Reality check

- Unrealistic expectations: faster savings, magic bullet for budget
- Vicious cycle for legislators and investors: “You go first!”
- Commercial investors neglect consumer oversight.
- Delays reduce confidence and political will.
- July 2017: Governor Ivey terminates RCO initiative.



Starting over – but not from scratch

Commissioner Azar aims to keep key RCO provisions and “lessons learned”:

- Health home model of care coordination
- Quality measures as incentives to better care and outcomes

And Arise is calling on her to add:

- Strong consumer engagement, protections and oversight

(Note: This third component requires strong consumer and community advocacy. We've sent her our original principles as a starting point.)



Remnant to build on:

Health Homes for whole-person care

ACA option for states: Establish Health Homes to coordinate care for Medicaid patients with chronic conditions. Health Home providers will integrate and coordinate all primary, acute, behavioral health, and long-term services and supports to treat the whole person.

- Eligibility for Health Home Services
 - Two or more chronic conditions
 - One chronic condition and risk for a second
 - A serious and persistent mental health condition
- Primary care provider shortage = key role for nurse practitioners
 - Preparation for care of underserved communities
 - Emphasis on care coordination & chronic illness care
 - Preventive education & health promotion
 - Patient & family support
 - Community resources



Health Home criteria:

- Mental Health
- Substance Abuse Disorder
- Asthma
- Diabetes
- Heart Disease
- Obesity
- HIV
- Cancer
- Cardiovascular Disease
- Chronic Obstructive Pulmonary Disease (COPD)
- Sickle Cell Anemia
- Transplants
- Hepatitis C Virus



New advocacy goal: Expand health homes to broader population.

Chronic condition: Low Medicaid funding

Total Alabama Medicaid funding FY 2016 = \$6.3 billion

General Fund portion = \$722 million (11.4%)

Other state sources (e.g., hospitals, nursing homes, pharmacies) \$1.2 billion (19.3%)

Federal match = \$4.4 billion (69.3%)

For our “bare-bones” Medicaid, federal cuts mean 4 choices:

1. Raise state taxes – History is not encouraging.
2. Cut payments to docs and other providers (layoffs, closings).
3. Cut benefits (few optional services, people lose care).
4. Cut eligibility (which categories would you choose?).

Chronic condition: Medicaid stereotypes

#IamMedicaid brings real faces out of the shadows . . .

- Most (nearly 600,000) of Alabama's 1 million Medicaid patients are children in low-income families.



Medicaid is someone you know . . .

- Most of the rest (nearly 300,000) are low-income seniors and people with disabilities.



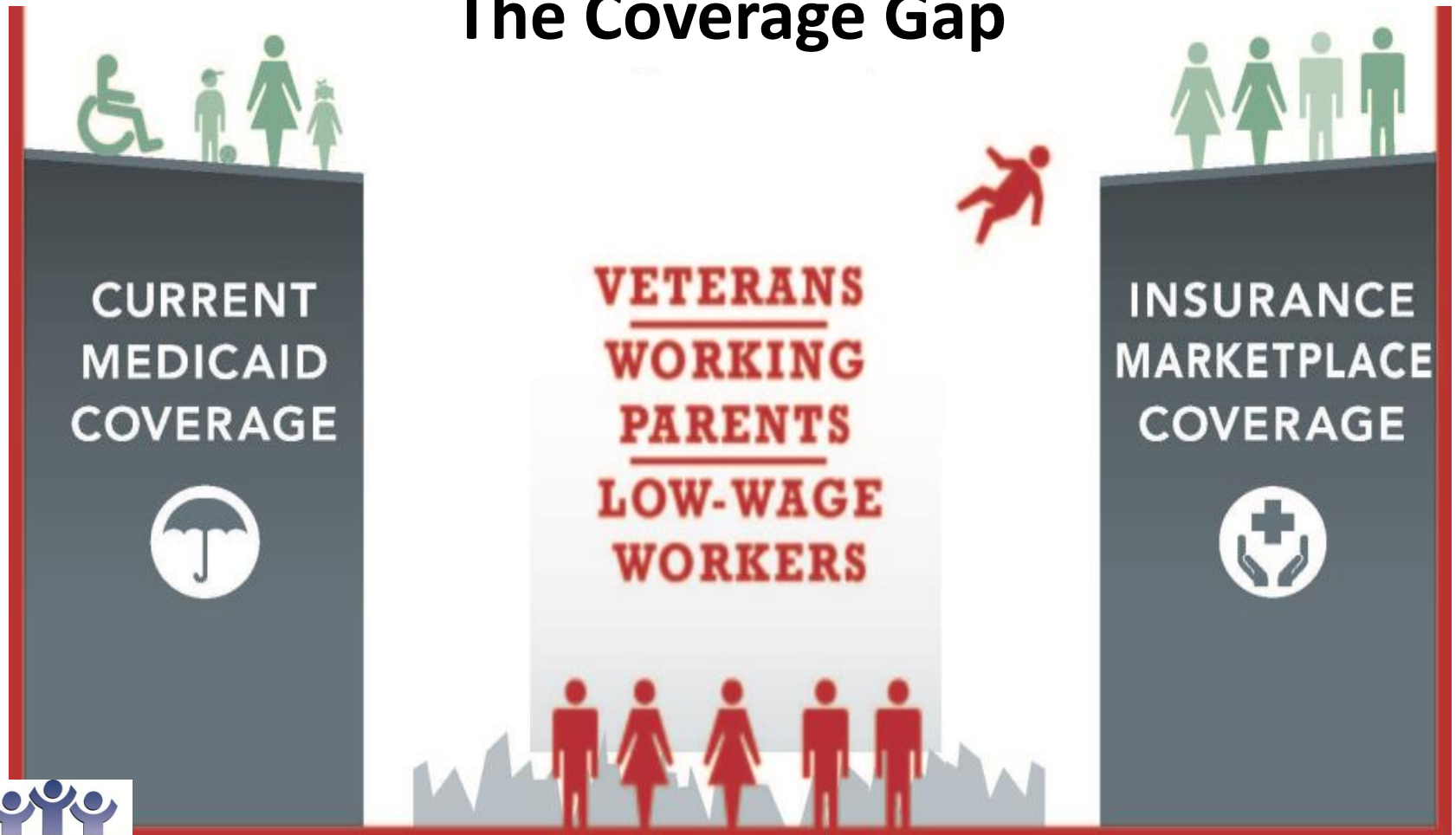
And there are many more . . .

- Pregnant women with low income make up the next largest group (around 130,000).
- Low-income women age 40-64 can get breast and cervical cancer screenings and treatment through Medicaid.
- About 61,000 parents and caretaker relatives with extremely low incomes (less than \$303 per month for a family of three) also receive Medicaid.



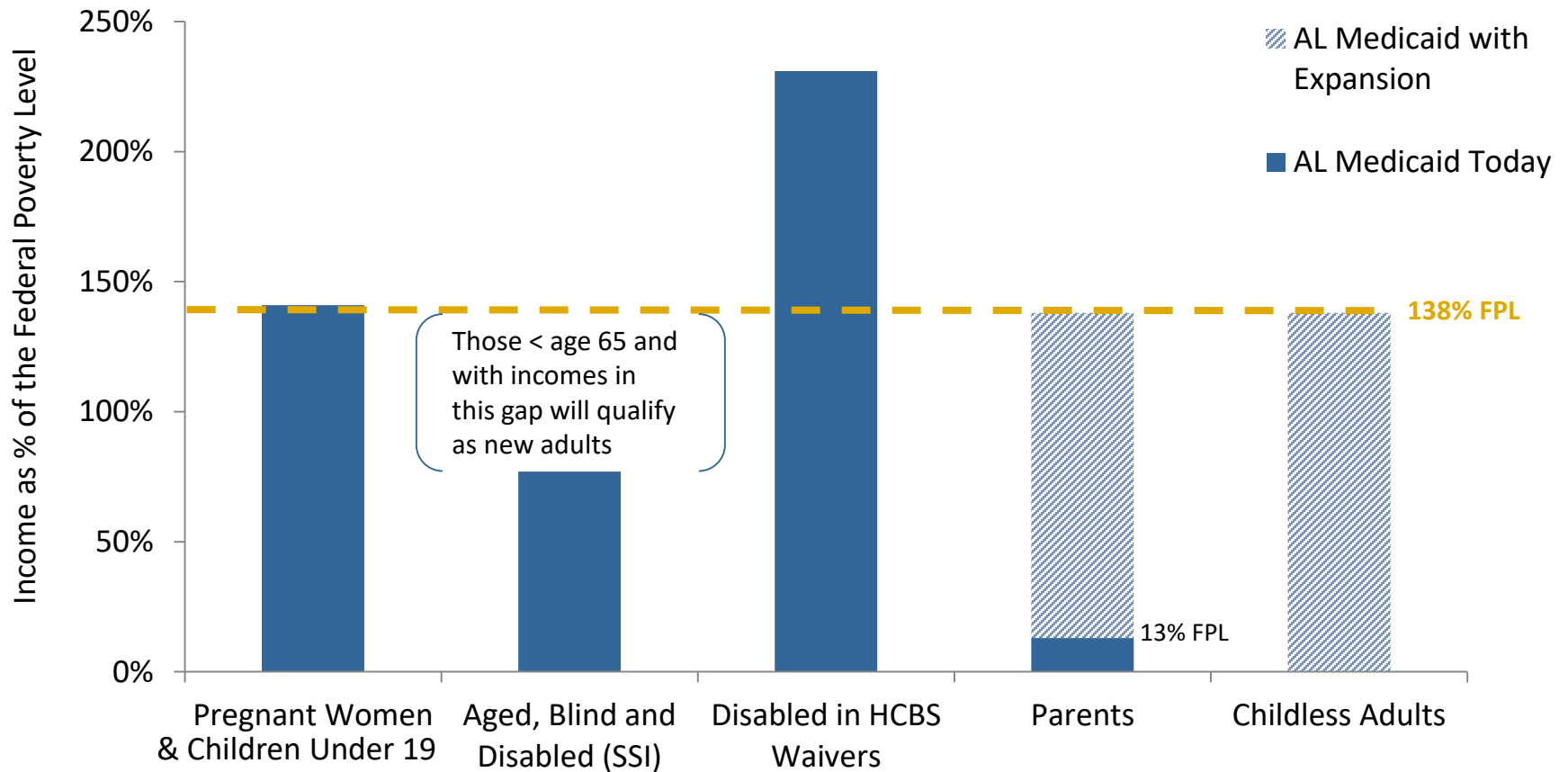
More than 300,000 Alabamians are caught in . . .

The Coverage Gap



What causes the gap?

Alabama Medicaid's low eligibility limits



Advocacy goal: Under ACA, Alabama can still expand Medicaid!

What's the deal with ?

Huge surprise: There is no deal!

- Congress created Children's Health Insurance Program (CHIP) in 1997.
- Alabama launched the nation's first CHIP, known as ALL Kids.
- 20 years of strong bipartisan support in Congress & Alabama.
- Funding requires periodic renewal, set to expire Sept. 30, 2017.
- Most observers expected quick, easy renewal – Didn't happen!
- 33 days later, CHIP funding still snagged.
- Some states running out; ALL Kids has 2-3 months reserve funding.



Bottom line: Act now to extend full CHIP funding for five years.

What's happening with the Marketplace?

Open for business: Nov. 1 – Dec. 15!

- Spring/summer “repeal & replace” attempts failed in Congress.
- Affordable Care Act remains the law of the land.
- White House is making administrative cuts:
 - OE period cut in half
 - Less outreach funding and technical assistance
 - Less funding to insurers to offset low-income cost reductions
- Navigators and Certified Application Counselors (CACs) teaming up for enrollment success.
- **Challenge: Getting the message right on lower enrollment numbers**

The Alabama opportunity

Raise your voice!

- Join the *#IamMedicaid* campaign.
- Tell your U.S. Senators and House members to “act now to fully fund CHIP for five years.”
- Encourage your state legislators to Close the Coverage Gap.

When they say: “There’s not enough pie to go around,”

We say . . .



Alabama needs a bigger pie!



Thank you!



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