



**Impact of Potential ACA & Medicaid Changes on the States**

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# Impact of the Affordable Care Act

1. The uninsured rate is at an all time low
2. 20 million more people have health coverage
3. 133 million people with pre-existing conditions have lifetime protection against discrimination
4. Access to care has improved
5. People with employer-sponsored coverage, individual coverage, and Medicare have seen coverage improve

# How the ACA is working in Connecticut

- State's uninsured rate has dropped to 6 percent
- 271,00 residents get financial help with coverage (Marketplace or Medicaid)
- 1.4 million residents saw lifetime limits on coverage disappear
- CT residents have received over 10.5 million in refunds from insurers that overcharged premiums
- 613,000 residents have improved mental health and substance use disorder coverage thanks to law

# ACA Repeal: What does it mean for Connecticut?

- **248,000 people** lose coverage
- **81,000 people** lose financial assistance for marketplace coverage
- **\$15 billion** lost in federal funds for Medicaid, CHIP and marketplace financial assistance (2019-2028)
- Uninsured rate increases **124%** by 2019
- **1.6 million people** with pre-existing conditions at risk of insurer discrimination

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## Defending Health Care in 2017: What's at Stake for Connecticut

With a new president and Congress, the health care gains made throughout the last six years face their greatest threat yet. Congress has voted more than 60 times to roll back the historic progress that has been made to expand health coverage to millions of people in this country and to improve coverage for those who already had it. These proposed changes will put the health—and lives—of countless Connecticut residents at risk. Here's what Connecticut stands to lose if the new president and Congress move forward to upend our health care system:

### **Hundreds of thousands of Connecticut residents stand to lose health coverage**

**248,000** Connecticut residents stand to lose their health coverage.<sup>1</sup>

Connecticut stands to lose **\$15 billion** in federal funding for Medicaid, CHIP, and financial assistance for marketplace coverage.<sup>2</sup>

Approximately **81,000** Connecticut residents who currently get financial assistance to help pay for their health coverage will lose this help and will no longer have affordable coverage options. In 2016, Connecticut residents receiving financial assistance saw their monthly premiums reduced on average **\$357** thanks to this help.<sup>3</sup>

The now-historically low rate of uninsured people will spike, with the number of uninsured in Connecticut increasing **124 percent** by 2019.<sup>4</sup> This will reverse the immense progress that has been made to expand coverage. Between 2013 and 2015:

» The number of uninsured in Connecticut declined **26 percent**.<sup>5</sup>

» Working Connecticut residents: The uninsured rate among working Connecticut residents saw a **38 percent** decline.<sup>6</sup>

### **Repeal will end Connecticut's Medicaid expansion and cause ripple effects across the state economy**

**201,000 people stand to lose health coverage, most of whom are working.**<sup>7</sup> The Medicaid expansion has extended health coverage to lower-income Connecticut residents who hold down jobs that are the backbone of the state's economy—from fast-food workers to home care attendants to construction workers to cashiers. Repeal will leave these hard-working Connecticut residents out in the cold.

**Connecticut will lose billions in federal Medicaid funding.** Over the course of a year and a half alone, Medicaid expansion brought **\$1.8 billion** in federal dollars into the state economy.<sup>8</sup> The impact of that lost federal Medicaid funding will have a ripple effect throughout the state economy, affecting hospitals, other health care providers, and businesses.

# Medicaid Expansion Repeal: What does it mean for Connecticut?

190,000 covered by expanded Medicaid in Connecticut are at risk<sup>1</sup>

\$1.8 billion in federal dollars (January 2014-June 2015)<sup>2</sup>

36,000 jobs lost in 2019 (public and private sector)<sup>3</sup>

1 The Kaiser Family Foundation (2016)

2 Id

3 The Commonwealth Fund (2017)

## FAST FACTS

**Medicaid is the single largest payor for mental health services in this country**

**Medicaid accounts for 25% of all US spending on mental health services**

**29% of the Medicaid expansion population have a behavioral health or substance use disorder**

**Connecticut saw savings in state behavioral health budgets as a result of Medicaid expansion**

# Medicaid improves access to care and outcomes

- Low-income adults are **30% more likely to receive treatment if they have Medicaid** than if they are uninsured
- Having Medicaid leads to a **1/3 reduction in the rate of positive screens for depression**
- Adults with Medicaid are **significantly less likely to report problems with access to behavioral health care** than those with private insurance
- In Medicaid expansion states, the share of mental health and substance use **hospitalization for uninsured patients decreased 15% from 2013 to 2015.**

# Medicaid and community integration for behavioral health

- Support for Community Based Services, including Community Health Centers



How mental health care should be delivered:  
community based, well coordinated



Primary Care + Workplaces + Schools + Community



Specialist community care



Inpatient care

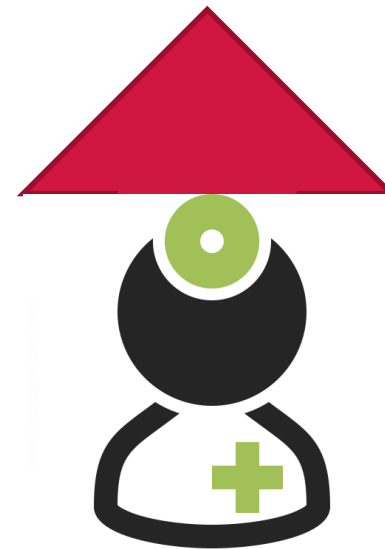


# Medicaid and community integration for behavioral health

Historically, higher insurance coverage rates, particularly Medicaid, result in more community based and less inpatient care.



Medicaid spending for inpatient services decreased from 47% of all mental health spending to 25% from 1986 to 2014



Medicaid spending for outpatient services increased from 28% of all mental health spending to 55% from 1986 to 2014

# The future of mental health care??

**THE NATION.** **Repealing The ACA Could Be A Nightmare For Mental Health Care**

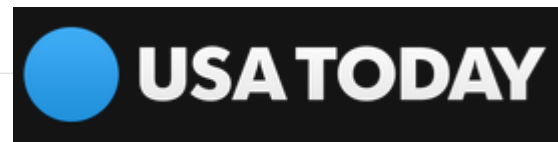
**Trump's Obamacare Repeal Could Lead to a Mental-Health Crisis**

THE  
HUFFINGTON  
POST



**Repealing ObamaCare will threaten our mental health**

BY DR. JACOB IZENBERG, OPINION CONTRIBUTOR - 01/23/17 07:40 PM EST



Just In...

**Obamacare repeal jeopardizes mental health, addiction coverage**

# Federal proposals would fundamentally change Medicaid

.....and the ability of states to care for their residents.



Since 1965:  
Guaranteed federal match;  
guaranteed coverage,  
benefits

Change to  




Block grant:  
Fixed amount per  
state

Or



Per capita cap:  
Fixed amount per  
enrollee

**Shifting to a limited, pre-established,  
fixed federal commitment is a radical  
change in the funding structure.**

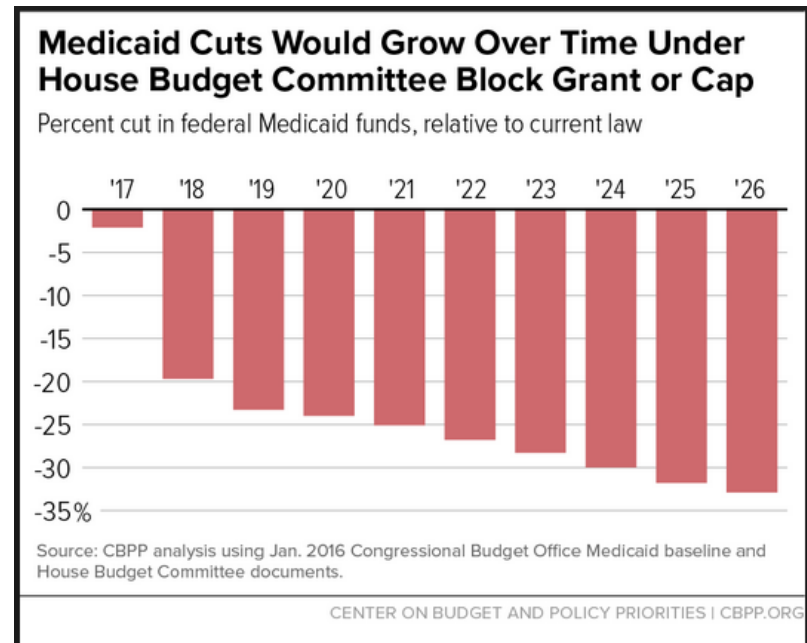
# A primary goal is to significantly cut federal funding

## A history of proposals with deep Medicaid cuts

- Past House Republican budget plans:
  - Proposed: 33.4% reduction in federal support 2012-2021
  - Proposed: 38% reduction in federal support 2013-2022
  - Proposed: 25% reduction in federal support 2017-2026

**on top of cuts**  
from repealing  
Medicaid  
expansion.

**States cannot “innovate” their  
way out of cuts this deep**



# Some of the problems with fixed funding

Some of the consequences	Block Grant	Per Capita Cap
Funding erodes over time	✓	✓
Unexpected increases in per beneficiary costs—outbreak/advance	✓	✓
No adjustment for demographic changes	✓	✓
Federal support will vary widely by state	✓	✓
No added money if enrollment increases	✓	



**Per capita caps are sold as addressing enrollment spikes in downturns**

# Per capita caps will equal cuts

Per capita caps are structured to pass costs to states

- Proposals set rate increases below medical inflation, value erodes over time
- Fixed funding doesn't automatically adjust for increased medical costs, state innovation, added services, etc.
- Added payments per person mean little if payments don't cover costs
- States are not managed care plans

***Rather than “modernize” Medicaid....per capita caps would simply shrink the program.***

***Andrew Goodman, et al, NEJM 2/1/2017***

# Paul Ryan's "A Better Way" Concept for Medicaid

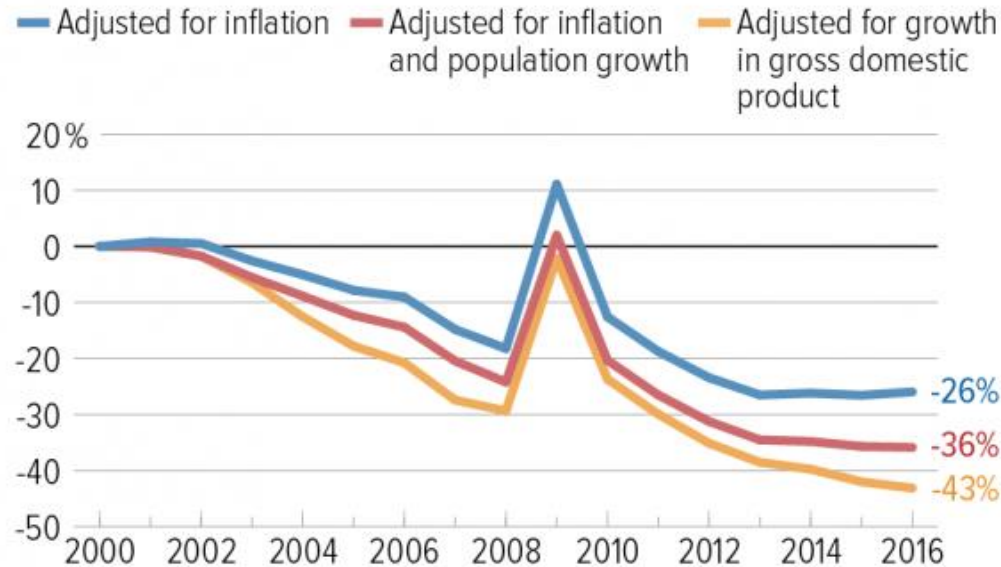
- Baseline: 2019 start, based on 2016 cost
- Adjustment formula: General inflation
- **Expansion funding cut: CT loses \$631m**
- Groups: Children, seniors, adults, blind/disabled
- Out years: Demographic changes and inflation adjustment make shortfalls grow
- Innovation adjustments: None in spite of rhetoric
- Default per capita cap, states can elect block grant

# Fixed funding tends to shrink

## Changing to capped funding will put Medicaid at continual risk

### Changes in Overall Funding for Housing, Health, and Human Services Block Grants

Change relative to 2000 funding level



Source: CBPP based on Office of Management and Budget data. Figures generally reflect obligations, which are the amounts distributed as grants during the year. Inflation adjustments use CPI-U.

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# Medicaid can become a piggy bank

Medicaid capped payments can be cut to fund competing federal priorities

ACA replacement

Tax code rewrite

Infrastructure projects

Border wall

Deficit reduction



# What states might want & what they might get

Flexibility states might want**	Flexibility they will have to use
<ul style="list-style-type: none"><li>• Work requirements</li><li>• Cut required benefits</li><li>• Time limits on eligibility</li><li>• More cost sharing</li><li>• Disenrollment and lock-outs</li><li>• Less reporting</li><li>• Easy to get waivers</li></ul>	<ul style="list-style-type: none"><li>• Cut provider rates</li><li>• Cut enrollees</li><li>• Cut benefits</li><li>• Cut high-cost care</li></ul>

*Based on items Tennessee Governor Haslam listed in a 1-6-17 letter to House Majority Leader Kevin McCarthy inquiring about added flexibility if Medicaid were converted to a block grant or per capita cap with deep funding cuts.*

# Status of the Debate

- House leaked draft
- Ryan Outline
- CBO—Freedom Caucus; Revenue
- Senate: Slower pace
  - Conflicting Intel on Timing
- Governors?
- Administration: Price listening tour

# Protect Our Care

- Large, diverse, big tent
- Educate lawmakers, media and public
- Resources
- State and national messaging & engagement

# Thank you!!



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