Threats to Medicaid and the ACA: Impact on Older Tennesseans

Christopher Coleman
Tennessee Justice Center

August 3, 2017
What does TJC do?

- Advocate for Tennesseans
- Provide trainings
- Help clients one-on-one

tnjustice.org
Statewide Reach

TJC Clients Served by County in 2016

87 out of 95 counties
Plans to Repeal and Replace the ACA

- AHCA
- BCRA
- BCRA II
- ORRA
- Cassidy-Collins
- “Skinny Repeal”
ACA Repeal Fails in the Senate
So that means it’s all over, right?
Not so fast ...

Unless the Republican Senators are total quitters, Repeal & Replace is not dead! Demand another vote before voting on any other bill!

3:36 PM - 29 Jul 2017

21,844 Retweets 90,506 Likes
And . . .

Donald J. Trump
@realDonaldTrump

Don't give up Republican Senators, the World is watching: Repeal & Replace...and go to 51 votes (nuke option), get Cross State Lines & more.

6:37 AM - 30 Jul 2017

24,542 Retweets 103,464 Likes
Why would they keep trying to repeal?

Seven years of promises and...
TAX CUTS!!!!

CBO: House GOP health bill cuts coverage to pay for high-income tax cuts

- Medicaid cuts
- Reduced subsidies for individual insurance
- Other provisions
- Repealed employer and individual penalty payments
- Tax cuts (largely to the wealthy and medical industries)

Net savings
Net cost

-$834 billion
-$290 billion
$136 billion
$209 billion
$661 billion

Source: Congressional Budget Office

CENTER ON BUDGET AND POLICY PRIORITIES | CBPP.ORG
Cassidy-Graham Bill

• Would block grant to states all federal money currently spent on the ACA’s tax credits and cost sharing reductions ($110B in 2016).
• Would block grant Medicaid
• Would maintain rules on pre-existing conditions, but not essential health benefits
• Repeal individual and employer mandate
• Funds would be restricted to healthcare spending
House Budget

- $200 billion in cuts to mandatory programs
- Medicaid per capita caps or block grants
- Medicaid work requirements
- Restructuring MediCARE, including means-testing
House Budget

Rep. Diane Black (R-TN) is chair of the House Budget Committee.

She needs to hear from you!
Diane Black’s House
All the Threats Share Similar Features

1. Restructuring premiums subsidies

2. Weakening the ACA’s consumer protections

3. Restructuring Medicaid financing
Restructuring Premium Subsidies
Premium Subsidies under the ACA

ACA premiums subsidies are need-based.

Who is eligible? Individuals and families with

- Household incomes between 100% and 400% FPL
- Lawfully present in the U.S.
- Not be eligible for other “minimum essential coverage”
How is the Amount of the Tax Credit Determined?

Credit amount = Cost of benchmark plan - Expected premium contribution
# Expected Premium Contribution

(for an individual)

<table>
<thead>
<tr>
<th>Annual Household Income</th>
<th>Expected Premium Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of FPL</td>
<td>Income Amount</td>
</tr>
<tr>
<td>100-150%</td>
<td>$11,490 - $16,755</td>
</tr>
<tr>
<td>150-200%</td>
<td>$16,755 - $22,340</td>
</tr>
<tr>
<td>200-250%</td>
<td>$22,340 - $27,925</td>
</tr>
<tr>
<td>250-300%</td>
<td>$27,925 - $33,510</td>
</tr>
<tr>
<td>300-400%</td>
<td>$33,510 - $44,680</td>
</tr>
<tr>
<td>&gt; 400%</td>
<td>&gt; $44,680</td>
</tr>
</tbody>
</table>
Gunnar (25)  
Income of $22,340 (200% FPL)  
Expected contribution: $1,448  
Benchmark Premium: $5,000  
Premium Tax Credit: $3,552  

Coleman (62)  
Income of $22,340 (200% FPL)  
Expected contribution: $1,448  
Benchmark Premium: $15,000  
Premium Tax Credit: $13,552  

tnjustice.org
Gunnar (25) | Coleman (62)

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AHCA Tax Credits

Based Solely on Age

- <30: $2,000
- 30-40: $2,500
- 40-50: $3,000
- 50-60: $3,500
- 60+: $4,000

Available for individuals with income up to $75,000
Gunnar (25)

Income of $22,340 (200% FPL)
Sticker Premium: $4,000
Premium Tax Credit: $2,000
Net Premium: $2,000

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Sticker Premium: $20,000
Premium Tax Credit: $4,000
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Weakening Consumer Protections
## Consumer Protections

<table>
<thead>
<tr>
<th>Before the ACA</th>
<th>Now</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Medical Underwriting</strong></td>
<td><strong>Guaranteed Issue</strong></td>
</tr>
<tr>
<td>Denials for pre-existing conditions</td>
<td>No denials based on health status</td>
</tr>
<tr>
<td><strong>Exclusions and Riders</strong></td>
<td><strong>Full Coverage</strong></td>
</tr>
<tr>
<td>Pre-existing conditions are not covered</td>
<td>All conditions covered on day one</td>
</tr>
<tr>
<td><strong>Rating Factors</strong></td>
<td><strong>Modified Community rating</strong></td>
</tr>
<tr>
<td>Premiums adjusted for age, tobacco, gender, health status, etc.</td>
<td>Premiums adjusted for age, tobacco, and geography only</td>
</tr>
<tr>
<td><strong>Varied benefits</strong></td>
<td><strong>Essential Health Benefits</strong></td>
</tr>
<tr>
<td>Plans can exclude services like maternity care, cancer treatment</td>
<td>Plans must cover 10 essential health benefits</td>
</tr>
<tr>
<td><strong>Benefit Limits</strong></td>
<td><strong>No Annual or Lifetime Limits</strong></td>
</tr>
<tr>
<td>Plans can impose annual and lifetime dollar limits</td>
<td></td>
</tr>
</tbody>
</table>
Threats to Consumer Protection

• States can waive preexisting condition protections
• No essential health benefits
• Annual and lifetime limits allowed
• Larger age rating bands (5:1)
Figure 2

Share of Adults with Pre-Existing Conditions Generally Increases with Age

<table>
<thead>
<tr>
<th>Age</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-24</td>
<td>15%</td>
</tr>
<tr>
<td>25-29</td>
<td>20%</td>
</tr>
<tr>
<td>30-34</td>
<td>21%</td>
</tr>
<tr>
<td>35-39</td>
<td>20%</td>
</tr>
<tr>
<td>40-44</td>
<td>23%</td>
</tr>
<tr>
<td>45-49</td>
<td>27%</td>
</tr>
<tr>
<td>50-54</td>
<td>34%</td>
</tr>
<tr>
<td>55-59</td>
<td>39%</td>
</tr>
<tr>
<td>60-64</td>
<td>47%</td>
</tr>
</tbody>
</table>

Essential Health Benefits

Every health plan **must** cover the following services:

- Ambulatory patient services
- Emergency services
- Hospitalization
- Pregnancy, maternity, and newborn care (both before and after birth)
- Mental health and substance use disorder services, including behavioral health treatment
- Prescription drugs
- Rehabilitative and habilitative services and devices
- Laboratory services
- Preventive and wellness services and chronic disease management
- Pediatric services, including oral and vision care
Percent taking at least one prescription drug, by age

- 0-11 yrs
- 12 - 19 yrs
- 20 - 59 yrs
- 60 + yrs
Restructuring Medicaid Financing

Cutting Medicaid
Medicaid LTSS in Tennessee

• TennCare’s Long-Term Services and Supports (LTSS) program (called CHOICES) is for seniors and adults with disabilities

• Medicaid pays for **61% of all LTSS** – both nursing home and home and community-based services – in TN.
Medicare Savings Programs

- Qualified Medicare Beneficiary (QMB) Program
- Specified Low-Income Medicare Beneficiary (SLMB) Program
- Qualifying Individual (QI) Program
- Qualified Disabled and Working Individuals (QDWI) Program
TennCare Funding Today

• For 50 years, Medicaid has been financed by a federal-state partnership.
• Federal government pays a fixed portion of the costs (about 65% in Tennessee).
• Federal spending increases in response to rise in cost of providing care to enrollees.
TennCare Under Replacement Plans

Around $500 million per year reduction in federal funding for TennCare.

State options:

1. Per Capita Cap
2. Block grant
Medicaid Per Capita Cap

• Federal funding would be capped based on how much states spent per enrollee in 2016.
• Federal funding would cover a decreasing share of medical costs over time.
• Would permanently disadvantage Tennessee relative to other states.
### Medicaid Per Capita Cap

<table>
<thead>
<tr>
<th>State</th>
<th>Federal Medicaid Spending Per Older Individual</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York</td>
<td>$14,168</td>
</tr>
<tr>
<td>Tennessee</td>
<td>$10,234</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>State</th>
<th>Federal Medicaid Spending Per Person with a Disability</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York</td>
<td>$16,904</td>
</tr>
<tr>
<td>Tennessee</td>
<td>$9,542</td>
</tr>
</tbody>
</table>

This inequity in spending would be locked in for the future.
Medicaid Block Grant

States could choose to take a fixed total amount of annual federal Medicaid funding.
TennCare Under Caps

Whatever choice the state makes, less federal funding means the state will have **no flexibility** except how to allocate the losses.

1. Eligibility
2. Benefits
3. Provider-reimbursement
What would be cut?

State would have the option, but . . .

• Less than 3% of TennCare enrollees are in the CHOICES program

• CHOICES accounts for over 20% of TennCare spending.
Any other good news?
TENNCARE
REDETERMINATIONS
Seniors left scrambling after TennCare makes cuts to Social Security checks

Mariah Timms, USA Today Network-Tennessee  Published 12:47 p.m. CT July 21, 2017  Updated 12:36 p.m. CT July 23, 2017
“Renewal Packet”

• The state still lacks a functioning computer system for determining eligibility.
• TennCare is mailing massive 98-page “Renewal Packets” to families to complete and return.
• Not pre-populated with information already available to the state.
• Example “Renewal Packet”: [https://www.tn.gov/assets/entities/tenncare/attachments/ExampleRenewalPacket.pdf](https://www.tn.gov/assets/entities/tenncare/attachments/ExampleRenewalPacket.pdf)
LTSS “Renewal Packet”

• Long-Term Services and Supports (LTSS) redetermination packets are 119 pages.
• The state said they resumed LTSS redeterminations in August.
• Example LTSS “Renewal Packet”: https://www.tn.gov/assets/entities/tenncare/attachments/ExampleLTSSRenewalPacket.pdf
Packets for MSPs

It’s time to renew your TennCare!

Each year, we must see if you still qualify for TennCare. Do you want to see if you can keep your coverage? You must fill out and return the Renewal Packet that came with this letter by December 31, 2016.

This is the date your packet is due. This is not the date your TennCare will end.
Timeframes

• **40 days** to fill out and return the redetermination packet.
  – Failure submit packet or document eligibility will result in termination of TennCare.
  – Save fax receipt, OR request certified mail receipt

• **10 days** to respond to request for more information.
Best Practices

• Contact Tennessee Health Connection to make sure they have the correct address on file, and report any changes.

• If you have not received a packet, ask Tennessee Health Connection if you were due to receive one.

• Make copies of all documents you send to TennCare, and ask the post office for proof of mailing.
Best Practices

• Failure to return the packet or respond to request for additional information will lead to loss of coverage.
• Packets are complex and difficult to complete.
• The packets fail to capture information needed to ensure that people who are eligible retain their coverage.
• There is much greater need for help in this process than in applying for coverage on the Marketplace.
Best Practices

• Document everything!
• Complete and return all forms by the deadlines. If you cannot meet a deadline, send what you have and ask for more time to send the rest.
• If terminated, appeal with continuation of benefits within 10 days of the termination notice.
• If an enrollee has a disability, call Tennessee Health Connection and tell them. Ask them for help completing the forms. Keep a record of the call.
Get Involved

• Learn more information at www.tnjustice.org/coverage-matters
• Follow us on Facebook
• Join our advocacy listserv
Questions?
Thank you for joining us!

“Of all the forms of inequality, injustice in health care is the most shocking and inhumane.”
-Martin Luther King, Jr.