

# Health Access for Uninsured Virginians

Joint Commission on Health Care  
Healthy Living/Health Services Sub-committee  
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## JCHC Mission

... [T]he Commission shall endeavor to ensure that the Commonwealth . . . adopts the most cost-effective and efficacious means of delivery of health care services **so that the greatest number of Virginians receive quality health care**. Further, the Commission shall encourage the development of uniform policies and services **to ensure the availability of quality, affordable and accessible health services**. . .”

Virginia Code §30-168

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## **Topics**

- Child Health Insurance Program Reauthorization Act of 2009 (CHIPRA)
- Health Access Improvements Recommended by this and other Commissions

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## **One Million Uninsured Virginians**

- Over 60% work full-time
- Over 50% are low income with family income under 200% FPL (\$36,620 / yr for a family of 3; \$44,100/yr for a family of 4)
- Average Family Insurance Premium -\$11,497 / yr (increased 80% since 2000)
- Virginia has the 4<sup>th</sup> largest drop in employer-based insurance coverage over the past 15 years.
- Virginia workers now pay the highest % of total premium cost for single coverage in the US (3<sup>rd</sup> highest for family coverage).

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## Children's Health Insurance

- Medicaid ("FAMIS Plus")
  - 133% FPL - \$24,353/yr family of 3
  - Over 400,000 currently enrolled
- FAMIS
  - 200% FPL - \$36,620/yr family of 3
  - Over 90,000 children currently enrolled.
- Over past 7 years, enrollment has grown 41%
  - Legislative and policy changes
  - Effective marketing
  - Targeted outreach / retention activities
- 187,000 children still uninsured (100,000 eligible but not enrolled)

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## CHIPRA Child Health Insurance Program Reauthorization Act of 2009

- Enacted February 2009
- Contains numerous opportunities and state options to improve programs and assist more children and pregnant women.
- Substantial new federal funding is available to states
- Virginia's future federal allocations will depend on whether / how the state chooses to grow its program.

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## CHIPRA Funding

- Virginia get 65% federal match
- New funding formula is based largely on states' actual use of and projected need for CHIP funds.
- FY '09 Virginia appropriations  
 $\$75.4 \text{ million state} + \$140.1 \text{ federal} = \$215.5 \text{ million}$
- New Federal allotment for Virginia:
  - FFY 2009 - \$175 million
  - FFY 2010 - \$188 million

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## CHIPRA Funding

- FFY 2011 – rebased based on prior years spending
  - States using all federal funding will lock in/get more
  - Others get reduced allotment – unused \$ is redirected
- To draw down entire new CHIPRA federal allocation, Virginia could spend approximately \$94 million gf (FFY 2009); \$101 million gf (FFY 2010).
- CHIPRA also provides:
  - 20% contingency fund to address any state shortfalls
  - Performance Bonus to help states cover more Medicaid children
    - Federal match for children enrolled above baseline can rise from Virginia's regular 50% match to over 80%
    - Only available to states that implement 5 out of 8 specified administrative simplifications

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## CHIPRA Recommendation #1

- Provide access to coverage for ALL children by increasing FAMIS eligibility to 300% fpl (\$54,930 family of 3) with a full buy-in at higher incomes.
- “Cover All Kids” campaigns in other states find most new enrollment is for kids already eligible under previous standards.
- 32 states already cover – or plan to cover - children above 200% FPL.
  - Alabama – 300% (implementation 10/1/09)
  - Arkansas – 250% (enacted, awaiting CMS approval)
  - Maryland – 300%
  - North Carolina – 250% (approved, not implemented)
  - West Virginia – 250% (300% approved, not implemented)
  - D.C. – 300%
- Cost: \$5.1 million gf to implement in 2010 - approximately \$15 million gf when fully phased in by 2012. (12,000-20,000 more children covered)

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## CHIPRA Recommendation #2

- Implement option to provide coverage to legal immigrant children and pregnant women during the first five years they are in the U.S.
  - DMAS is adopting this option for Medicaid-eligible legal immigrant children. Since Virginia has covered them with state funds, the state will save over \$700,000 gf.
  - Use these savings to cover Medicaid-eligible pregnant women who are legal immigrants. Additional cost - \$70,000 gf in 2010; \$316,000 gf in 2011 and \$367,000 gf in 2012.
  - These pregnant women already qualify for emergency Medicaid for labor /delivery services. Prenatal care will reduce some expenses for complicated births / sick babies.
  - Consider this option for FAMIS-eligible legal immigrant children and FAMIS-Moms eligible pregnant women. \$250,000 gf in 2012.

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## CHIPRA Recommendation #3

- Enact enrollment simplifications to remove barriers to coverage and qualify for a performance bonus.
  - “Express-lane” option expedites enrollment
    - coordinate with other public benefits programs - school lunch, food stamps, subsidized childcare.
    - Avoid unnecessary and repetitive requests for information
  - Administrative renewal improves retention and prevent coverage gaps.
    - Use pre-filled renewal applications and require changes to be reported
    - Use existing information from other program records or data bases
    - Reduce administrative costs, postage, paper, staff time
  - 12 month continuous eligibility
    - Stable enrollment
    - Reduce administrative costs

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## CHIPRA Recommendation #4

- Adopt option to use Social Security Administration electronic data exchange to verify U.S. citizenship
  - 2006 law requires documentary evidence of U.S. citizenship for all Medicaid applicants
  - Greatest barrier to enrollment & significant increased workload at DSS and Central Processing Unit
  - CHIPRA extends requirement to FAMIS applicants in January 2010
  - SSA option will streamline the application process for both Medicaid and FAMIS
  - Enhanced federal match is available

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## Virginia's Medicaid Program

- Virginia National Rankings
  - per capita personal income - 9th
  - per capita total Medicaid expenditures – 48th
  - per capita federal grants, such as Medicaid – 50th

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## Inadequate Medicaid Coverage for Very Low-income, Working Parents

### Monthly Income Eligibility Limits for Parents (rounded)

<u>Family Size</u>	<u>Rural Areas</u>	<u>Urban Areas</u>	<u>N. Virginia</u>
1	\$160	\$192	\$269
2	254	283	360
3	325	356	434
4	394	425	502

\* The income level is \$90 higher when one parent works.

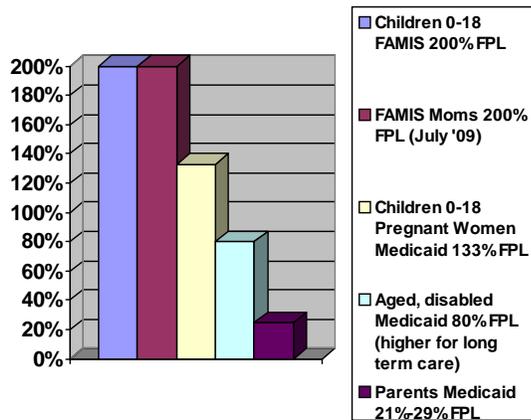
If the parent receives TANF cash assistance and participates in VIEW work program, s/he may earn income up to 100% FPL and keep Medicaid.

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- Middle group (30% FPL for workers) ranked 6th lowest in U.S.
- Rural group (27%FPL) (91 localities) ranked 4th lowest
  - Tied with Texas, and slightly higher than Alabama, Louisiana & Missouri
- No significant increase in Virginia in 20+ years
- Others do better:
  - D.C. 207%
  - Tennessee 134%
  - Maryland 116%
  - S.C. 90%
  - Kentucky 62%
  - NC 51%
  - WV 34%

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## Parent Coverage Compared to other Categories



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## **Inadequacy of Medicaid Parent Coverage has been Documented for Many Years**

- 2000 JCHC Plan to Eliminate the COPN - recommended raising parent eligibility to 100% FPL to address escalating indigent care costs
- 2007 JLARC – expansion of Medicaid parent coverage to 100% FPL is “a logical first step”, if Virginia expands insurance to more low-income adults.
- 2007 Governor’s Commission on Health Reform recommended a phased-in increase in Medicaid eligibility for parents up to 100% FPL.
- Cost - \$35 million gf to increase to 65% FPL  
- \$5.6 million gf to establish single eligibility level at 30% FPL

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## **Medicaid for Legal Immigrants**

- Federal law bars most legal immigrants from Medicaid for their first 5 years in the U.S.
- After 5-year bar, legal immigrants, such as Legal Permanent Residents (LPRs), can usually receive Medicaid if they meet other eligibility rules.
- But Virginia is one of only 9 states that continue to bar legal immigrants from Medicaid after 5-year bar.
- Virginia Medicaid will cover costly emergency services for this population.
- Regular coverage would be more cost effective:
  - 50% federal matching dollars
  - Preventive care to reduce health emergencies
  - Avoid state-only & indigent care costs at hospitals, health depts. & clinics
- The 2008 Commission on Immigration recommended ending Virginia’s post 5-year Medicaid restrictions. \$9.2 million gf

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## Medicaid Services

- Adult Dental:
  - Only emergency extractions are now covered
  - Poor oral health is linked to a multitude of health problems
  - Preventive dental care is essential part of overall health care.
  - Many JCHC studies /recommendations on dental care
  - 2007 Commission on Health Reform recommends expanding Medicaid dental coverage to pregnant women & other adults
- Provider rates:
  - Hospitals reimbursed 72% costs
  - Physicians reimbursed 50-60% costs
  - Nursing homes lose \$12.45/day for Medicaid patients

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## Why Act Now?

- Needed Now – more than ever
  - Recession →unemployment →loss of health insurance
  - 2/3 bankruptcies due to medical debt
  - Support hospitals, community health centers and providers
    - Insurance reimbursements instead of uncompensated/charity care
    - Diverts patients from over-stressed safety net providers to private practitioners
  - Smart investment –
    - Significant federal matching dollars provide new money for Virginia's economy – multiplier effect
    - Virginia taxpayers deserve a better return on their federal tax payments
    - Medicaid /FAMIS are proven programs with low administrative costs
    - Avoid costs – One ER visit /admission for Asthma = annual cost for 3 Medicaid/FAMIS kids
  - Reflects priorities and values of the Commonwealth
    - Especially important when addressing the current shortfall

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## What about National Health Reform?

- Outcome unclear
- Most implementation will not happen until 2013

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