Predicting the Unpredictable – The National Policy Landscape
### Federal Policy Landscape
- Federal budget process
- Efforts to Repeal/Replace the Affordable Care Act
- Medicaid Expansion
- Medicaid Financing & Programmatic changes
- CHIP & CHC reauthorization

### State Responses
- Reassessing budget priorities
- Considering statutory changes to adopt/prevent certain actions
- Assessing expansion options
- Embracing/rejecting federal Medicaid changes & proposals
- FINALLY...It’s about time!!!!!!
Bipartisan Budget Act of 2018 Addresses Several Needs; But Continuing Resolution Still in Place

• **February 9th Bipartisan Budget Act of 2018:**
  – Provides $7 billion over two years for Community Health Centers (CHCs)
  – Extends CHIP for additional 4 years for total authorization of 10 years
  – Funds CHRONIC Act that improves ability of Medicare to care for the sickest Americans; focus on home and community based care
  – Cuts Prevention & Public Health Fund $1.35 B over ten years to cover additional spending

• **Current Continuing Resolution (CR) ends March 23rd**

• **Remainder of FY 2018 likely to be funded through additional CR(s)**

CHIP Reauthorization Will Require Additional State Funding

### Key Provisions of the HEALTHY KIDS Act (H.R. 195, Division C)

<table>
<thead>
<tr>
<th>Provision</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Federal Funding</strong></td>
<td>6 year funding extension of CHIP (FY2018-2023)*</td>
</tr>
<tr>
<td><strong>Federal Match Rate</strong></td>
<td>ACA enhanced match rate (23%) continues through 2019; decreases to 11.5% in 2020 and eliminated in FY2021</td>
</tr>
<tr>
<td><strong>Express Lane Eligibility</strong></td>
<td>Extends Express Lane Eligibility</td>
</tr>
<tr>
<td><strong>Maintenance of Effort</strong></td>
<td>Extends MOE through FY2023; applies to children below 300% FPL after FY2019</td>
</tr>
</tbody>
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* *February 9th* Bipartisan Budget Act of 2018 extended CHIP funding additional 4 years

President’s 2019 Budget Proposal Supports ACA Repeal and Includes Major Cuts/Changes to Medicaid

- Released Feb. 12th, the President’s Budget Proposal for FY 2019 would:
  - Reduce HHS funding for FY 2019 by $17.9 billion (-21%) over 2017 enacted level
  - Support the repeal/replacement of ACA similar to 2017 Graham-Cassidy legislation (replace ACA/Medicaid expansion with block grants to states; also convert Medicaid to per capita cap financing)
  - Fund Cost-Sharing Reduction (CSR) subsidies from Oct, 2017-Dec, 2019
  - Cut Medicaid by $250 billion over 10 years; converts to per capita cap financing; provides greater flexibility in benefit design and eligibility
  - Eliminate $451 million for health workforce programs
  - Eliminate Low-Income Home and Energy Assistance Program (LIHEAP) and Community Services Block Grant
  - Reduce funding for nursing education by $145 million from FY 2018
  - Provide additional $5 B over 5 years to combat opioid epidemic
  - Reduce Temporary Assistance to Needy Families (TANF) funding by 10%
  - Cut SNAP funding by $17 billion in FY 2019 and $98 billion over next 5 years
  - Abolish AHRQ and 21 other centers and agencies

SOURCE: National Academy for State Health Policy
White House
Other Federal Activities With Possible Impact on OH2020

- Alex Azar confirmed as HHS Secretary

- Revised HHS Strategic Plan for 2018 – 2022
  - Publication pending new Secretary’s review?
  - Oral health content beyond provider types and telehealth?

- Three HHS clinical priorities: behavioral health, opioids, childhood obesity; can we make connections to oral health?

- Regulatory Agenda; published in the Federal Register 1/12/18; regulations to watch address payment policy reform, program efficiency, transparency and burden reduction.
Where Do Things Stand on the Affordable Care Act (ACA)?

• Congressional efforts to “repeal and replace” the ACA have been unsuccessful thus far
  – American Health Care Act (House)
  – Better Care Reconciliation Act (Senate)
  – Repeal Only Bill (Senate)
  – Graham-Cassidy Bill (Senate)

• “Reconciliation” process rules requiring a simple majority in the Senate ended on September 30, 2017

• Following Alabama Special Senate election, Republican majority has narrowed to 51-49
  – Makes ACA repeal less likely
Tax Reform Legislation Repeals ACA Individual Coverage Mandate Penalty

• Repeal of coverage mandate penalty becomes effective in 2019
• Chief concern is that younger, healthier people will not purchase coverage resulting in a higher risk pool and increased premiums
  – Some believe impact will be less than feared due to the modest tax penalty for not purchasing coverage
• Other provisions of ACA remain intact
  – Marketplaces, premium subsidies, consumer protections, Medicaid expansion
• Mixed messages from Senate & House regarding broader repeal efforts in 2018

CBO Score: Repealing Individual Mandate

• Federal budget deficits would be reduced by about $338 billion 2018 - 2027
• The number of people with health insurance would decrease by 4 million in 2019 and 13 million in 2027
• Nongroup market would remain stable
• Average premiums would increase by about 10 percent in most years of the decade

Several Actions Taken by Trump Administration Impact the ACA

- President Trump terminated cost-sharing reduction (CSRs) subsidies to insurers for low-income persons*
  - Insurers increased Silver plan premiums to offset loss of CSR payments, premium subsidies have cushioned the financial impact for low income enrollees
  - Higher income enrollees with no premium subsidy face much higher premiums
  - Bi-partisan legislation in Senate would restore CSRs; passage has been stalled for months; however, interest in reinsurance for individual market has picked up recently (not funded in February 9th Bipartisan Budget Act of 2018)

- Funding for enrollment support (e.g., Navigators) was reduced from $100 M to $10 M; enrollment period shortened (November 1-December 15)

* President’s Budget Proposal would fund CSRs October 2017- December, 2019

Several Actions Taken by Trump Administration Impact the ACA (cont.)

- CMS’ proposed regulations would broaden “association health plans (AHPs);” Executive Order seeks to expand short-term & limited duration insurance policies*
  - Unrestricted, these low-cost and low-coverage plans could weaken market stability, making more comprehensive coverage unaffordable
  - Not required to offer EHBs
  - AHPs would still be subject to prohibition against charging higher premiums for those with pre-existing conditions

- CMS’ proposed regulations would allow states to develop their own categories of “essential health benefits,” and choose from a larger number of “Benchmark” plan options beginning in 2019*
  - Would also allow states to determine levels of “navigator” assistance, network adequacy standards, and medical loss requirements

- Pediatric dental benefits (and others) would be at risk

- Potential for including adult dental benefits is reduced

* President’s Budget Proposal also supports expansion of AHPs and states’ authority to determine their own EHBs

Despite “Doom Narrative,” 2018 ACA Open Enrollment Fared Pretty Well

National Marketplace Enrollment, 2016-2018

<table>
<thead>
<tr>
<th>Year</th>
<th>Federally Facilitated Marketplace</th>
<th>State-Based Marketplaces</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>9,262,215</td>
<td>3,419,659</td>
<td>0</td>
</tr>
<tr>
<td>2017</td>
<td>8,751,102</td>
<td>3,464,901</td>
<td>-3.37%</td>
</tr>
<tr>
<td>2018</td>
<td>8,289,073</td>
<td>3,471,345</td>
<td>-3.73%</td>
</tr>
</tbody>
</table>

Note: Enrollment = Plan Selections

After Significant Decline in 2017, Missouri’s ACA Enrollment Stabilized in 2018

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>290,201</td>
</tr>
<tr>
<td>2017</td>
<td>244,382</td>
</tr>
<tr>
<td>2018</td>
<td>243,382</td>
</tr>
</tbody>
</table>

Percentage Change

<table>
<thead>
<tr>
<th>Period</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016-17</td>
<td>-15.79%</td>
</tr>
<tr>
<td>2017-18</td>
<td>-0.41%</td>
</tr>
</tbody>
</table>

Note: Enrollment = Plan Selections

2017 National Market Uncertainty and Tumult Caused a Decrease in Participating Insurers

Percentage of Enrollees With Three or More, Two, or One Marketplace Insurer (2015-2018)

CMS estimates the number of issuers has dropped from 2,400 to 700

% of enrollees with:
- 3 or More Insurers
- 2 Insurers
- 1 Insurer

- 2015: 91% (8% 3 or More) 1% (85% 2 Insurers) 1% (1% 1 Insurer)
- 2016: 85% (13% 3 or More) 2% (2% 2 Insurers) 1% (1% 1 Insurer)
- 2017: 58% (21% 3 or More) 21% (21% 2 Insurers) 21% (21% 1 Insurer)
- 2018: 48% (27% 3 or More) 26% (26% 2 Insurers) 27% (27% 1 Insurer)

SOURCE: Kaiser Family Foundation
Modern HealthCare
http://www.modernhealthcare.com/assets/pdf/CH113870110.PDF
Missouri Has Seen Similar Decline in Number of Marketplace Insurers

Percentage of Enrollees With Three or More, Two, or One Marketplace Insurer (2015-2018)

Some States Considering Various Responses to Federal ACA Actions

<table>
<thead>
<tr>
<th>Individual Coverage Mandate</th>
<th>Enrollment Period &amp; Marketing</th>
<th>Essential Health Benefits</th>
<th>Insurer Participation in ACA Marketplaces</th>
</tr>
</thead>
</table>
| • **Maryland** legislation to establish state-based coverage mandate; fines for not purchasing coverage used to subsidize coverage for low-income uninsured persons | • **State Based Marketplaces:**  
  – Retaining longer enrollment periods  
  – Modified marketing and outreach strategies to combat federal confusion | • **Virginia**  
  – [HB 1268](http://thehill.com/policy/healthcare/372161-9-states-considering-individual-mandate-rules-report?utm_campaign=KHKn%20First%20Edition&utm_source=hs_email&utm_medium=email&utm_content=60440067&_hsenc=p2ANqtz--SKKDEj-JuVcG2ZGt3YqyjOHxH0fjhbWIPG8Y3vXd1jFVild4rOFBwwqfl90f8r4App-i4gg1rM7HHYaUSSUEw&hsmi=60440067) would require Association Health Plans to offer ACA EHB  
  – [HB 368](http://thehill.com/policy/healthcare/372161-9-states-considering-individual-mandate-rules-report?utm_campaign=KHKn%20First%20Edition&utm_source=hs_email&utm_medium=email&utm_content=60440067&_hsenc=p2ANqtz--SKKDEj-JuVcG2ZGt3YqyjOHxH0fjhbWIPG8Y3vXd1jFVild4rOFBwwqfl90f8r4App-i4gg1rM7HHYaUSSUEw&hsmi=60440067) directs Bureau of Insurance to seek waiver from EHB requirements  
  – [SB 671](http://thehill.com/policy/healthcare/372161-9-states-considering-individual-mandate-rules-report?utm_campaign=KHKn%20First%20Edition&utm_source=hs_email&utm_medium=email&utm_content=60440067&_hsenc=p2ANqtz--SKKDEj-JuVcG2ZGt3YqyjOHxH0fjhbWIPG8Y3vXd1jFVild4rOFBwwqfl90f8r4App-i4gg1rM7HHYaUSSUEw&hsmi=60440067) would require insurers to participate in ACA marketplace |

**DC, CA, CT, HI, MN, NJ, RI, VT and WA also considering mandate legislation**

– Described as “first-in-nation”
Medicaid Expansion Remains Intact; Budget Decisions Still Pose Threat

- Efforts to eliminate Medicaid expansion funding and convert the program to a block grant and/or per capita cap funding mechanism ended *(for the moment)* with unsuccessful attempts to “repeal and replace” the ACA
  - Legislation would have cut Medicaid enrollment 14-15 M by 2026, and reduced federal funding for Medicaid 25-35% (2036)

- Medicaid cuts/capped funding in President’s budget proposal and Congressional budget deliberations remain a major concern

**Medicaid Expansion Enrollment** (Sept, 2016)

<table>
<thead>
<tr>
<th>(Thousands)</th>
<th>Total</th>
<th>Newly Eligible</th>
<th>Not Newly Eligible</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>15,143</td>
<td>11,946</td>
<td>3,264</td>
</tr>
</tbody>
</table>

**SOURCE:** Kaiser Family Foundation: [https://www.kff.org/health-reform/state-indicator/medicaid-expansion-enrollment/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D](https://www.kff.org/health-reform/state-indicator/medicaid-expansion-enrollment/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D)
States Using Waiver Authority to Modify Medicaid, Including Expansion Population

Landscape of Approved vs. Pending Section 1115 Medicaid Demonstration Waivers, February 2, 2018

Note: Some states have comprehensive waivers that include multiple topics

Recent CMS Guidance Encourages States to Seek Waiver Authority

- Alternative benefit plan designs and cost-sharing models
- Employer-sponsored health insurance options
- Premium or contribution requirements
- Waivers of non-emergency medical transportation benefit requirements
- Emergency room copayments to encourage use of primary and other non-emergency providers
- Waivers of presumptive eligibility and retroactive coverage
- Work/community engagement for non-disabled working-age adults as condition of Medicaid eligibility has received greatest attention

Selected 1115 Waiver Status (Feb 2, 2018)

2018 Elections Will Have a Significant Impact on Our Work

• Congressional Elections
  – All 435 House Seats
  – 33 of 100 U.S. Senate Seats

• State Elections
  – Governorships in 36 states and 3 territories
  – 87 of 99 State Legislative Chambers

• Following Maine, efforts are underway in several states to hold voter referenda on Medicaid Expansion
  – Idaho, Nebraska, Utah

Unpredictable Predictions

- Full repeal of ACA is not likely given prior unsuccessful attempts and slim majority in Senate
- Budget proposals will rattle loudly, but not result in dramatic shifts in policy/funding
- Medicaid will be focus of attention in 2018-2019
  - Administration will continue efforts to reframe Medicaid
  - States will continue seeking waiver authority; some good, some not so good
- No specific actions intended to weaken oral health; but collateral damage from potential budget/Medicaid changes is always a threat
- Elections will provide opportunities for advancing our oral health message
So, What Does All This Mean for OH2020?

• Our advocacy efforts have worked, but challenges remain
  – Budget, ACA, and Medicaid (expansion, financing, structure, and waiver authority)

• Much of the national health policy debate will play out in the states

• Dental benefits and funding for oral health services will continue to be at risk

• We will need to be vigilant, persistent, and active

• 2018 elections will be vitally important
QUESTIONS/COMMENTS?