

ACA EXPANSION-PREGNANCY ONLY

REGULAR POLICY CHANGE NUMBER: 210
 IMPLEMENTATION DATE: 1/2015
 ANALYST: Ryan Witz
 FISCAL REFERENCE NUMBER: 1794

	<u>FY 2013-14</u>	<u>FY 2014-15</u>
FULL YEAR COST - TOTAL FUNDS	\$0	-\$33,145,000
- STATE FUNDS	\$0	-\$16,572,500
PAYMENT LAG	1.0000	1.0000
% REFLECTED IN BASE	0.00 %	0.00 %
APPLIED TO BASE		
TOTAL FUNDS	\$0	-\$33,145,000
STATE FUNDS	\$0	-\$16,572,500
FEDERAL FUNDS	\$0	-\$16,572,500

DESCRIPTION

Purpose:

This policy change estimates the savings from current pregnant women with incomes between 109% and 208% of the federal poverty level (FPL) who receive pregnancy-only services electing to receive coverage through the California Health Benefit Exchange (Covered California) beginning January 1, 2015.

Authority:

Proposed legislation

Interdependent Policy Changes:

Not Applicable

Background:

Effective January 1, 2014, the Affordable Care Act (ACA) expands Medicaid coverage to previously ineligible persons, primarily childless adults at or below 138 percent of the federal poverty level (FPL). The Department expects this optional expansion population to result in a significant number of new Medi-Cal beneficiaries. Additionally, the ACA requires states to participate in health benefit exchanges, whether they establish their own, partner with other states in a multi-state exchange, or have a federal government administered exchange. The health benefit exchange will provide the public with the ability to purchase health coverage. Individuals with incomes below 400% FPL will be eligible for federal subsidies to help offset the monthly premium costs. California developed a state-operated Health Benefit Exchange called Covered California, which is currently open for the public. Covered California will only be available for citizens and legal immigrants to purchase health coverage.

Pregnant women with incomes between 109% and 208% of the FPL are eligible for Medi-Cal pregnancy-only fee-for-service (FFS) coverage and coverage under Covered California. Pregnancy-only coverage is limited to pregnancy related services throughout the entire pregnancy.

ACA EXPANSION-PREGNANCY ONLY**REGULAR POLICY CHANGE NUMBER: 210**

This policy change estimates the savings from some pregnant women receiving pregnancy-only services through Medi-Cal electing to receive full coverage from Covered California. The Department will cover all out-of-pocket expenditures that may occur from shifting into Covered California.

Reason for Change from Prior Estimate:

There is no change.

Methodology:

- 1) Beginning January 1, 2015, the Department estimates 8,100 beneficiaries currently receiving pregnancy only coverage will shift into Covered California. The Department will implement a wraparound of potential differences in benefits and out-of-pocket expenditures related to shifting to Covered California.
- 2) The total estimated savings in FY 2014-15 is:

(in thousands)	<u>TF</u>	<u>GF</u>	<u>FF</u>
FY 2014-15 savings	(\$33,145)	(\$16,573)	(\$16,572)

Funding:

Title XIX FFP (4260-101-0001/0890)

ACA EXPANSION-NEW QUALIFIED IMMIGRANTS

REGULAR POLICY CHANGE NUMBER: 26
 IMPLEMENTATION DATE: 1/2014
 ANALYST: Ryan Witz
 FISCAL REFERENCE NUMBER: 1793

	<u>FY 2013-14</u>	<u>FY 2014-15</u>
FULL YEAR COST - TOTAL FUNDS	\$14,493,000	\$56,924,000
- STATE FUNDS	\$5,254,000	\$20,638,000
PAYMENT LAG	1.0000	1.0000
% REFLECTED IN BASE	0.00 %	0.00 %
APPLIED TO BASE		
TOTAL FUNDS	\$14,493,000	\$56,924,000
STATE FUNDS	\$5,254,000	\$20,638,000
FEDERAL FUNDS	\$9,239,000	\$36,286,000

DESCRIPTION

Purpose:

This policy change estimates the benefit costs for newly eligible New Qualified Immigrants (NQI) populations beginning January 1, 2014.

Authority:

SBX1 1 (Chapter 4, Statutes of 2013)

Interdependent Policy Changes:

Not Applicable

Background:

HR 3734 (1996), Personal Responsibility and Work Opportunity Act (PRWORA) specified that federal financial participation (FFP) is not available for full-scope Medi-Cal services for most qualified nonexempt aliens during the first 5 years they are in the country. Currently, FFP is only available for emergency, children, and pregnancy services. California law requires that legal immigrants receive the same services as citizens and pays for other services with 100% State GF.

Effective January 1, 2014, the Affordable Care Act (ACA) expands Medicaid coverage to previously ineligible persons, primarily childless adults at or below 138 percent of the federal poverty level (FPL). The Department expects this optional expansion population to result in a significant number of new Medi-Cal beneficiaries. Additionally, the ACA requires states to participate in health benefit exchanges, whether they establish their own, partner with other states in a multi-state exchange, or have a federal government administered exchange. The health benefit exchange will provide the public with the ability to purchase health coverage. Individuals with incomes below 400% FPL will be eligible for federal subsidies to help offset the monthly premium costs. California has developed a state-operated Health Benefit Exchange called Covered California, which opened to the public October 1, 2013. Covered California is available for citizens and legal residents to purchase health coverage.

ACA EXPANSION-NEW QUALIFIED IMMIGRANTS

REGULAR POLICY CHANGE NUMBER: 26

This policy change estimates the benefit costs for newly eligible NQI adult populations beginning January 1, 2014. Beginning January 1, 2015, the Department will begin transitioning new NQI eligibles and the optional expansion childless adult NQIs from Medi-Cal into Covered California. The Department will cover all out-of-pocket expenditures that may occur by transitioning into Covered California. The cost avoidance impact for the State is reflected in the summary table below.

Reason for Change from Prior Estimate:

There is no change.

Methodology:

1. Effective January 1, 2014, newly eligible NQI adult populations (childless adults with incomes between 0-138% FPL and parent/caretaker relatives with incomes between 101-138% FPL) will receive Medi-Cal coverage as part of the ACA optional expansion.
2. The Department estimates 3,060 NQI parent/caretaker relatives and 17,360 NQI childless adults will enroll in Medi-Cal during 2014. Both NQI adult populations are estimated to phase-in evenly over 12-months.
3. Effective January 1, 2015, all childless adult NQIs will begin transitioning into Covered California. The Department will cover all premiums, copayments, and any differences in benefits that may occur from transitioning into Covered California.
4. The Department estimates the benefit costs for the newly eligible NQI adult populations will be:

(Dollars in Thousands)

Exchange related Costs:

Newly Eligible NQI Childless Adults:	FY 2013-14		FY 2014-15	
	TF	GF	TF	GF
Premiums for 0-138%	\$0	\$0	\$2,465	\$894
Wraparounds 0-138%	\$0	\$0	\$1,129	\$409
Copays 0-138%	\$0	\$0	\$4,008	\$1,453
Subtotal	\$0	\$0	\$7,603	\$2,756

Medi-Cal related Costs:

NQI Parents 101-138%:	\$2,172	\$787	\$14,077	\$5,103
Childless NQI Adults 0-138%:	\$12,322	\$4,467	\$35,245	\$12,778
Subtotal	\$14,493	\$5,254	\$49,321	\$17,881

Total DHCS Costs:

\$14,493	\$5,254	\$56,924	\$20,638
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Medi-Cal related cost avoidance:

Benefit cost avoidance 0-138%	\$0	\$0	(\$44,614)	(\$16,175)
Net Difference:	\$14,493	\$5,255	\$12,310	\$4,463

Funding:

100% Title XIX FFP (4260-101-0890) (emergency and pregnancy related services)

100% GF (4260-101-0001) (all other services)