

# **Extending Health Care Coverage to All Floridians**

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# Patient Protection and Affordable Care Act

## Improve health

Expand access to health insurance

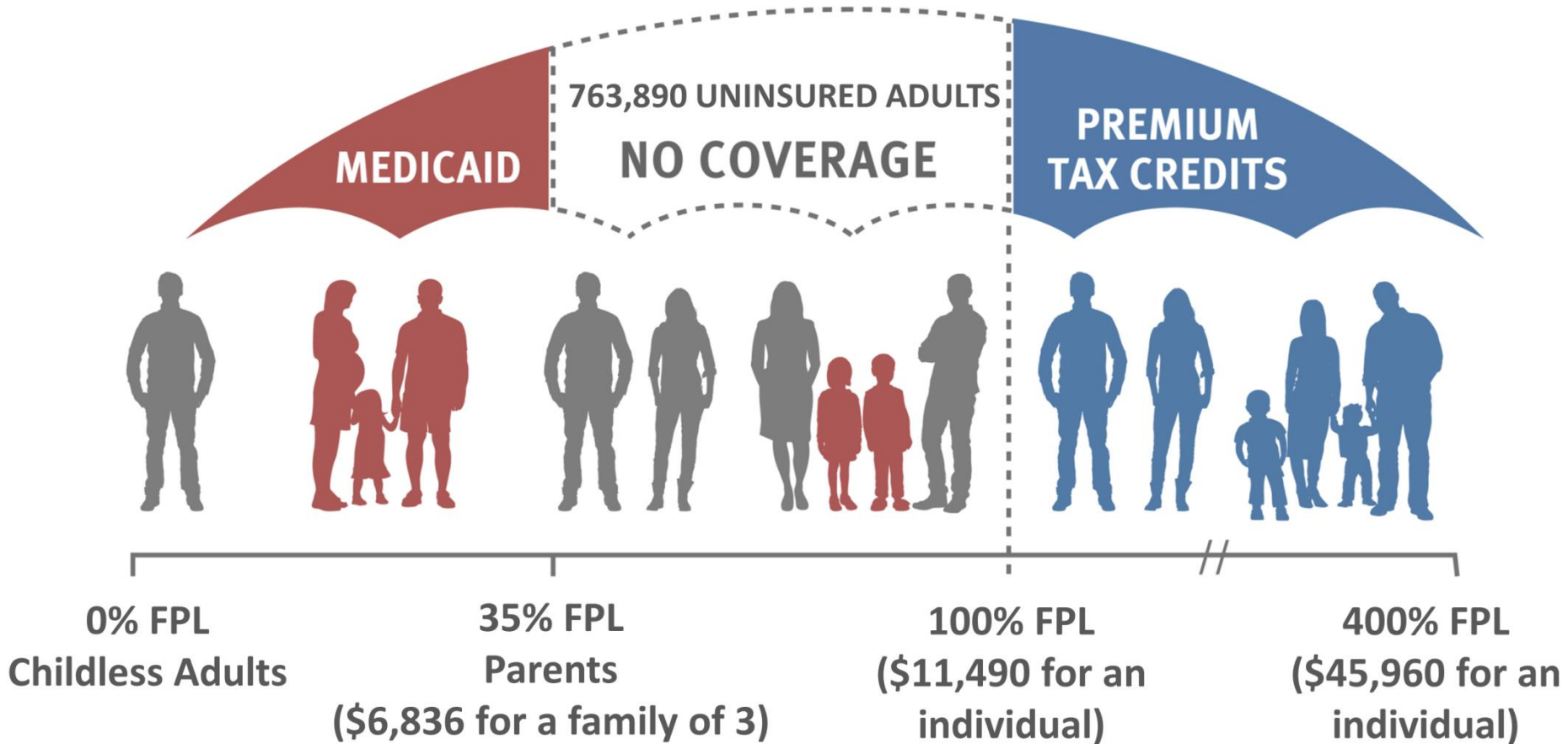
- Mandate coverage
- Support employer based coverage
- Market Place-Individuals/families
- Financial subsidies for low income
- Very low income enroll in MCade

# Supreme Court Ruling

- Supreme Court ruling makes Medicaid expansion “optional” to states
- Florida has not yet opted in

# Current Medicaid Program

- Very low income AND
  - Pregnant
  - Child <18
  - Care taker of eligible child
  - Disabled
  - Medicare eligible



## Medicaid Eligibility Limits in Florida

NOTE: Excludes undocumented immigrants and legal immigrants who have been in the US for <5 years.

SOURCE: KFF analysis of March 2012 and 2013 CPS and 2014 Medicaid MAGI eligibility levels.

# Who is in the coverage gap?

- John is 28 and was employed as a “contract” construction worker. He injured his foot while helping his brother remodel his house. Then because he could not work he lost his job. He had no health insurance and the injury has become infected. When he went to the emergency room for the pain was told he may lose his foot unless he takes antibiotics. They give him a prescription but he cannot afford to fill it. His wife works part time at a convenience store and makes minimum wage. They are behind in their rent and utility bills.

# Who is in the coverage gap?

Betty is a 56 year old widow with diabetes. She lost her insurance when her husband died 2 years ago. She lives on his retirement benefits and has not seen a doctor since he died. She cannot afford the test strips for checking her blood sugar or the medicine for her diabetes. She has been to the emergency room twice in the last 6 months for high blood glucose. The doctor told her she needs regular check ups and annual eye exams .

# Health Impact of Extending Coverage

- Reduced mortality esp in high risk areas
- Improved self report of health
- Less delayed care
- Less depression
- Reduction in ER visits
- More preventive care and use of Rx
- Increased screening for cancer
- Reduced financial stress



# Health Impact Special Populations

- Diabetics- better HgbA1c Levels, eye exams, needed Rx
- Homeless- better health and more likely to find work
- Parolees- more recidivism among those without health coverage
- Racial disparities

# Uninsured eligible for expanded federal coverage

- Florida has one of the highest numbers of uninsured
  - 1.1 eligible for expanded federal coverage
  - 746,000 have no options for affordable coverage
- Alachua County (2012)
  - 22,303 uninsured residents (<65) who are uninsured and < 138% of FPL

# Financial Implications

- Florida's Estimating Conference: estimates Florida would receive over 5 billion dollars a year
- UF estimated the new income would result in 120,000 jobs
- Reduces cost of insurance due to less need to provide care to uninsured in ER (CC estimates \$1.4B)
- Florida is a donor state

# Special Payment to Hospitals

## LIP and DSH

- Medicaid payments to hospitals is below cost of providing service
- Hospitals must provided care to ALL who need it regardless of ability to pay
- Medicaid makes quarterly payments to hospitals to help make up the deficit

# Special Payment

- Beginning July 2015 these payments will be eliminated/reduced.
  - ACA plan anticipated that the previously uninsured would be covered
- In addition to hospitals these special payments go to some community based programs designed to reduce the need for hospital services esp among uninsured

# Decrease in Medicaid Revenue

- Florida Total- \$2.2 billion
  - \$1.8 billion for in-patient hospital
  - \$321.9 M for community based programs
    - » teaching hospitals for medical education (\$204M)
    - » FQHC and CHD (\$42M)
- Federal share is more than half this amount
- Some matching funds would no longer be available

# Alachua County Special Payments

- Shands Hospital Gainesville- \$92.1 M
- Local community based programs
  - ACHD- \$1.56
  - UF- \$24M

# Not Extending Coverage

- Thousands of uninsured residents
- Increases uncompensated care burden on hospitals
- Insurance premiums will increase due to an expected doubling of uncompensated costs for uninsured
- Health issues among low income continue to negatively affect productivity and progress



2015

## FL Legislative Session

- Legislators can decide to accept federal funds for providing full insurance coverage to individuals with income less than 138% FPL with no cost to the insured
- Federal funds will cover between 90-100% of medical costs
- Over 5 billion a year in federal revenue

# 2015 Legislative Session

- Pressure from consumers business and hospitals
- Other conservative states are accepting the funds
- Program proposals being generated by business groups

# Current proposals

## Healthy Florida Works

- Hospitals and other business groups
  - Accept federal funds
  - Coverage to <138% FPL
  - Premium payments \$3-25 /month
  - JET requirements-20-30 hr/wk

# “Smarter Health Care Coverage”

## FL Chamber of Commerce

- Cap state share of Medicaid to 32% of the budget and limit the number covered
- Use telemedicine, NP and PA
- Implement lawsuit reform
- Reform workman's comp
- Reduce healthcare fraud
- Maintain step therapy and prior authorization
- Use private marketplace and managed care model

**QUESTIONS/COMMENTS**