# Key Facts About HUSKY Health (Medicaid and CHIP)

# Plan for today

**Presentation**

**Gui Woolston**
Medicaid Director

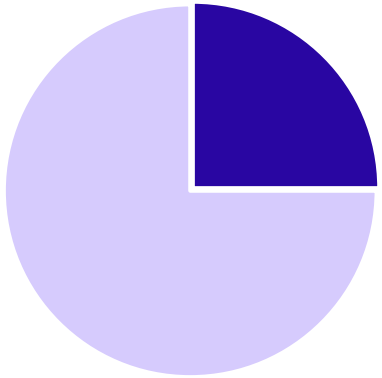
**Bill Halsey**
Deputy Medicaid Director

**Q&A**

- We'll pause for ~5 minutes of questions at the end of each section…and we'll have a long Q&A section at the end
- To make sure that we get through the material, we may hold some questions to the end

# HUSKY provides health coverage to…

**3.5 million**
total CT population



**1 in 4**
CT residents are covered by Husky (Medicaid + CHIP)

**Currently covering over 999,000 people, in every town in the state**

## In CT, HUSKY Covers


1 in 6 adults, ages 19-64


1 in 3 children (plus 4 in 10 births)


2 in 3 nursing home residents


3 in 8 individuals with disabilities


1 in 4 Medicare beneficiaries

# More details on Connecticut's model

DSS is the **single state Medicaid agency** for Connecticut

DSS partners with **several sister state agencies** (DMHAS, DCF, DDS, DOH) that have roles in managing Medicaid benefits and related services

**DSS works with DPH**, state healthcare licensing agency and the federally identified state survey and certification agency, to ensure quality

DSS oversees contracts with **three Administrative Services Organizations (ASOs)** (for medical, behavioral health, dental) and a non-emergency medical transportation broker. (The behavioral health ASO is overseen by the Behavioral Health Partnership – DSS, DMHAS and DCF)

# Plan for today's talk

Important context

Five key facts about HUSKY

Wind down of continuous enrollment portion of public health emergency

Question and answer

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# Distinguishing Medicare from Medicaid

| Medicare | Medicaid (HUSKY) |
| --- | --- |
| Federal program | **State-federal partnership**; administered by state…but subject to federal rules. |
| **Basic health insurance for people over 65** and, after a 2-year waiting period, people who have been determined to have a qualifying **disability** | **Expanded health coverage** for low-income adults and families, as well as elderly or blind individuals and those living with disabilities |
| • Main focus: hospital services, doctor's visits, prescription drugs.<br>• More **limited coverage** for behavioral health…long-term services and supports (LTSS) is limited…and dental care is generally not covered | **Comprehensive medical, behavioral health, dental care**; pays for **majority of LTSS** for older adults and people with disabilities who live in the community and in nursing homes |
| Funded through payroll taxes and beneficiary cost sharing | Jointly funded by state and federal governments<br>In FY 2022, federal government paid ~65% of total program costs (~60% when enhanced federal reimbursement related to the pandemic is excluded) - details next slide |

# Federal matching in Medicaid – more details

**High level summary**

- Medicaid is jointly financed by state and federal governments
- Federal Medical Assistance Percentage (**FMAP**): share of the cost of Medicaid services that the federal government finances – states with lower average personal income receive higher FMAP
- Federal match is one key advantage of administering programs through Medicaid

**Details**

- High income states, like Connecticut (and MA, NY, NJ, etc.) generally receive 50% match on most spending; during the public health emergency, this rate is increased to 56.2%
- HUSKY D (Medicaid "expansion" population under the Affordable Care Act) + family planning services covered at enhanced rate of 90%
- Overall, for SFY 2022, our average match rate was 65%

# Introducing CHIP, the second component of HUSKY Health

A. CHIP, the Children's Health Insurance Program - a federal/state partnership - covers **uninsured children** in families with incomes that are modest but too high to qualify for Medicaid

B. Unlike Medicaid, **CHIP is <u>not</u> an entitlement program** - CHIP must periodically be re-authorized, and is dependent on appropriations from Congress for funding

C. Under federal law, states are permitted to require **financial contributions** from families participating in CHIP

D. The federal **government pays for 65% of program costs** (69.34% with temporary enhanced reimbursement during the PHE)

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# Five key facts about HUSKY

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2. Connecticut HUSKY Health is an **investment in the health, economic security, school and work readiness, and independence** of people across the life span

3. Connecticut HUSKY Health is a **federal-state partnership** that is defined by Medicaid and CHIP State Plans and federal and state law and regulations

4. Connecticut HUSKY Health **manages its own benefit** (through managed fee-for-service) as opposed to using capitated managed care, and is efficient and effective

5. Connecticut Medicaid has implemented a **range of reforms** that have improved care and controlled costs

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# HUSKY Medicaid consists of three separate eligibility groups…

| Medicaid Coverage Group | Provides services to | Representing | Income limits |
|---|---|---|---|
| **HUSKY A**<br>• Parents/Caregiver Relatives with incomes up to 160% of the Federal Poverty Level (FPL)<br>• Pregnant and postpartum individuals with incomes up to 263% FPL<br>• Children in households with incomes up to 201% FPL | **Over 549,000 parents/caregiver relatives and children** | • 57.2% of total members<br>• 29.6% of total Medicaid program costs | • For a family of 4: $48,000 (Parents and Caregiver Relatives), $60,300 (Children)<br>• For a pregnant individual: $51,864 |
| **HUSKY C**<br>• Older adults and individuals with disabilities, with incomes up to approximately 52% FPL; home and community-based services programs have higher income limits | **Over 79,000 older adults and people with disabilities** | • 9.4% of total members<br>• 38.2% of total Medicaid program costs | • Vary by program<br>• For a medically needy single individual: $7,836<br>• Asset limit of $1,600 |
| **HUSKY D** – Medicaid Expansion Population<br>• Eligible adults ages 19-64 with incomes up to 138% FPL | **Over 355,000 adults who do not have children or specified disabilities** | • 33.5% of total members<br>• 29.6% of total Medicaid program costs | • For a single individual: $20,120<br>• For a household of 2: $27,214 |

# …and CHIP has two major "bands"

| Children's Health Insurance Program (CHIP) Coverage Group | Provides services to . . . | Income limits |
|---|---|---|
| **HUSKY B Band 1**<br>• Children with family income up to 254% FPL<br>• Pregnant women who do not qualify for Medicaid due to immigration status up to 263% FPL | **Over 9,000 children under 19th birthday** | • For a family of 4: $76,200<br>• For a single individual: $37,033 (Children), $51,864 (Pregnant individuals who do not qualify for Medicaid due to immigration status) |
| **HUSKY B Band 2 (requires premium)**<br>• Children with family income between 254% and 323% FPL | **Over 5,000 children under 19th birthday** | • For a family of 4: $96,900<br>• For a single individual: $47,093 |

# Medicaid covers a wide range of services, within federal guidelines

**Mandatory services**

- *Services that Medicaid must cover to receive federal support*
- Examples include inpatient hospital, outpatient hospital, nursing facilities, family planning, medical transportation and Early and Periodic Screening, Diagnostic, and Treatment (EPSDT)
- Full list is here

**Optional services**

- Services that a state can decide to cover at its options
- Examples include prescription drugs, dental services, hospice, personal care, care management, and home and community based services
- Full list is here
- Connecticut has elected to cover a broad range of optional services…and receives federal "match" for this care – in general, Connecticut is a leader in the comprehensive nature of its Medicaid program

# HUSKY A,C, & D Health Program Covered Services

## Medical Services:

**Your doctor is the first stop for all your medical needs, such as:**

- Medical check-ups
- When you are sick
- Immunizations or "shots"
- Laboratory tests, including blood tests, and X-rays

**Find a primary care provider (PCP) in the Provider Directory at ct.gov/husky.**

## Behavioral Health Services: www.ctbhp.com

**The Connecticut Behavioral Health Partnership (CT BHP) can help you find the mental health and/or substance abuse services you need.**

**CT BHP Phone Number:**

- 1.877.552.8247 Monday through Friday, 9 a.m. to 7 p.m.
- The number if you are deaf or hard of hearing is 711 or 1.866.218.0525.

## Pharmacy:

**Pharmacy services and medicines that need a prescription are covered under the HUSKY Health program.**

**Connecticut Pharmacy Assistance Program Phone Number:**

- 1.866.409.8430 Monday through Friday, 8 a.m. to 5 p.m.
- The number if you are deaf or hard of hearing is 711 or 1.866.604.3470.

## Translation and American Sign Language Services:


**Our Member Engagement Services staff can:**

- Call an interpreter line
- Translate any written material into the language you speak
- Print materials in a larger font
- Copy materials into Braille

**Contact Member Engagement Services for assistance regarding interpretation services:**

- 1.800.859.9889 Monday through Friday, 8 a.m. to 6 p.m.
- The number if you are deaf or hard of hearing is 711.

## Vision:

**Services include medical equipment/supplies, eye exams, and eyeglasses.**

**Find an eye doctor in the Provider Directory at ct.gov/husky.**

## Dental: www.ctdhp.com

**The Connecticut Dental Health Partnership (CTDHP) can help you find a dentist to provide dental services.**

**CTDHP Phone Number:**

- 1.855.283.3682 Monday through Friday, 8 a.m. to 5 p.m.
- The number if you are deaf or hard of hearing is 711.

## Non-Emergency Medical Transportation: www.ct.ridewithveyo.com

**If you do not have transportation to your medical, dental, or behavioral health appointments, you may be able to get help to get there. You must request assistance in advance of your appointment.**

**Non-Emergency Medical Transportation Phone Number:**

- 1.855.478.7350 Monday through Friday, 7 a.m. to 6 p.m.
- The number if you are deaf or hard of hearing is 711.

To view your handbook online or find a doctor/provider for any service:

**Go to ct.gov/husky ➡ For Members**

or

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**The HUSKY Health Program Has Gone Social**

Find us on Facebook and Twitter

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# HUSKY B* Program Covered Services

## Medical Services:

**Your doctor is the first stop for all your medical needs, such as:**

- Medical check-ups
- When you are sick
- Immunizations or "shots"
- Laboratory tests, including blood tests, and X-rays

**Get HUSKY Plus information (supplemental services) for medically eligible members at 1.800.859.9889**

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Copays may apply for some services

*Premium applies for Band 2

# To receive federal match, a state needs "spending authority" from CMS. There are two routes to receive this authority

## (1). State Plan Amendment (SPA)

Agreement between a state and the federal government describing how that state administers its Medicaid program and CHIP

Section 1 – Single State Agency Organization

Section 2 – Coverage and Eligibility

Section 3 – Services: General Provisions

Section 4 – General Program Administration

Section 5 – Personnel Administration

Section 6 – Financial Administration

Section 7 – General Provisions

A SPA changes this plan. Recent SPAs include

- CT 22-0023 SPA – Increase Adult Dental and Endodontic Rates
- CT-22-0020 SPA - Substance Use Disorder (SUD) Services – Rehabilitative Services Provided in Outpatient and Residential Levels of Care

## (2). Waiver

Provision in Medicaid law which allows the federal government to waive rules that usually apply to the Medicaid program

Examples include:

- 1115 research and demonstration waiver. Example: Covered CT
- 1915(c): home and community-based services waiver. Cover home and community-based long-term services and supports for target populations. Example in CT: CT Home Care Program for Elders
- 1915(b) managed care waiver. Not used in Connecticut

## Both require federal approval

# Two final facts on what services we cover

## Steps to having HUSKY Health expand coverage

1. Must be permissible under federal law (to receive federal match)
2. DSS identifies that service would meet member needs and identifies fiscal impact
3. The administration approves pursuing the service
4. The legislature enacts authorizing language if needed and appropriates funding

DSS must then define services and provider qualifications, prepare a fiscal impact analysis, and determine how to reimburse for the service

## Medicaid does NOT cover

- pilot projects or projects limited to a particular geographic area (unless through a waiver)
- most out-of-state care (although we do cover "border" providers + out-of-state placements)
- experimental care
- research
- services not coverable under federal law

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# Covering kids improves long term outcomes

Health care coverage to children supports not just their health status, but also aids in their growth and development, school readiness and their ability to become actively engaged citizens in the future

Research shows that Medicaid coverage of children has long-run impacts, including:

- … ↑ college enrollment
- … ↑ wages
- … ↑ taxes paid

- … ↓ hospitalizations as adults
- … ↓ rates of obesity
- … ↓ fertility before age 21

# Research deep-dive: How we know that covering kids is an investment worth making

## How we know

- Zoom-in on "natural experiments"…
- …often policy experiments where some children got covered and other, similar, children did not
- Example: In 1980s / 1990s, to phase in the Medicaid expansions, Congress expanded Medicaid only to children born after September 30, 1983.
- Compare children born "just before" to "just after" Sept 30, 1983 cutoff

## Sample findings

Brown et al (link): Greater Medicaid eligibility **increases college enrolment** and **decreases fertility**…starting at age 23, females have higher contemporaneous wage income. These adults collect less from the earned income tax credit and **pay more in taxes**. Cumulatively from ages 19 to 28, at a 3% discount rate, **the federal government recoups 58 cents of each dollar of its "investment" in childhood Medicaid**.

Wherry, et al. (link): "Exploiting a discontinuity in childhood Medicaid eligibility based on date of birth, we find that more years of childhood eligibility are associated with **fewer hospitalizations** in adulthood"

Miller & Wherry (link): "Cohorts whose mothers gained eligibility for prenatal coverage under Medicaid have **lower rates of obesity as adults** and fewer hospitalizations related to endocrine, nutritional and metabolic diseases, and immunity disorders as adults"

# How HUSKY might achieve these long-run improvements in health, education, and earnings

HUSKY Health . . .

- . . .provides family planning services and pre- and post-natal care
- . . .enables access to pediatricians through Person-Centered Medical Home (PCMHs) practices
- . . .is in the top three states in the country for utilization of children's preventative dental benefits
- . . .covers behavioral health and developmental screening as well as behavioral health services for children

# Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) – a key component of how Medicaid invests in children

**Federal law requires provision of comprehensive services and that programs furnish all Medicaid coverable, appropriate, and medically necessary services needed to correct and ameliorate health conditions**

| | |
|---|---|
| **Screening** | Comprehensive health and developmental history \| Comprehensive, unclothed physical exam \| Appropriate immunizations \| Laboratory tests (including lead) \| Health education \| Vision services \| Dental services \| Hearing services \| Other necessary health care services found to be medically necessary to treat, correct or reduce illnesses and conditions discovered |
| **Diagnostic** | When a screening examination indicates the need for further evaluation of an individual's health, diagnostic services must be provided |
| **Treatment** | Necessary health care services must be made available for treatment of all physical and mental illnesses or conditions discovered by any screening and diagnostic procedures |

# Investing in coverage for adults also has a measurable impact on important health outcomes, such as mortality

**Medicaid expansion**

*New England Journal of Medicine. Sommers, Baicker, Epstein (link)*

- Compares states that did and did not expand Medicaid under the Affordable Care Act, before and after expansion
- "Medicaid expansions were associated with a significant reduction in adjusted all-cause mortality (by 19.6 deaths per 100,000 adults, for a relative reduction of 6.1%; P=0.001)."

**Exchange coverage**

*Quarterly Journal of Economics. Goldin, Lurie, McCubbin (link)*

- IRS randomly sent informational letters to 3.9 million households that paid a tax penalty for lacking heath insurance coverage
- Among uninsured adults aged 45 – 64, intervention boosted insurance rate and decreased mortality; "one fewer death for every 1,587 treated individuals"

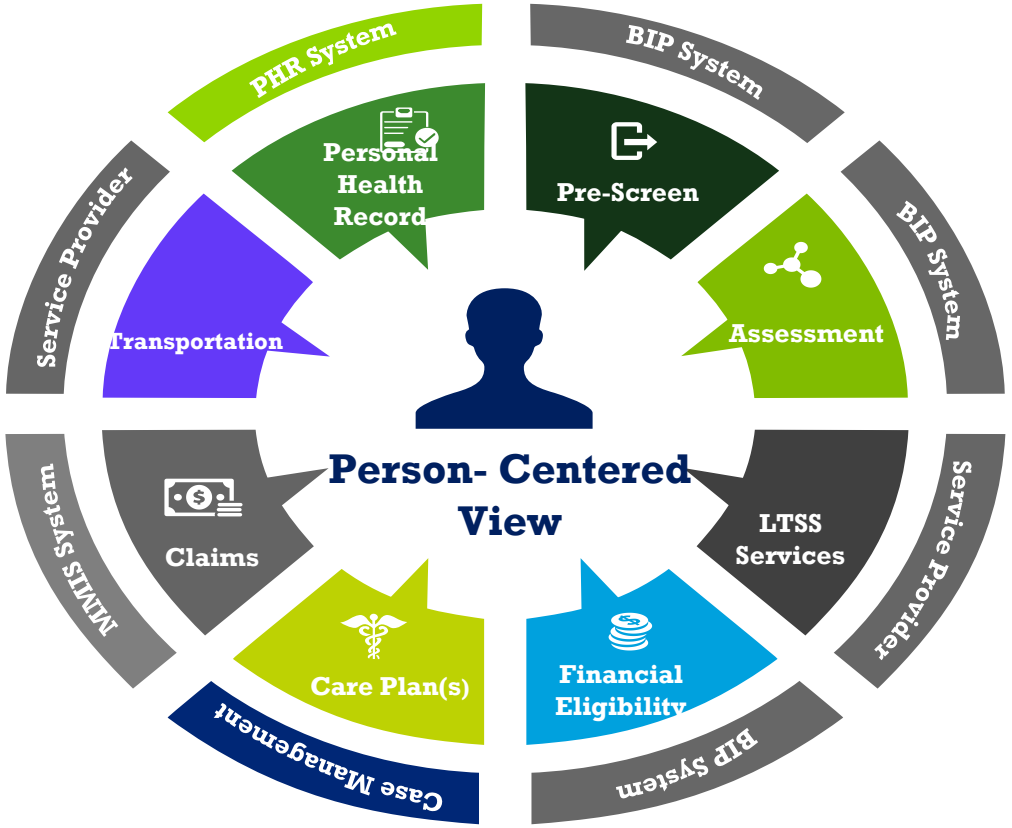
**Medicare**

*Quarterly Journal of Economics. Card, Dobkin, Maestas (link)*

- Compares health outcomes for people just under versus just over Medicare threshold
- "We estimate a nearly 1-percentage-point drop in 7-day mortality for patients at age 65, equivalent to a 20% reduction in deaths for this severely ill patient group."

Medicaid coverage also appears to reduce bankruptcies (link and link) and financial hardship (link)

# Covering older adults and people with disabilities supports them and their circles of support




Coverage of long-term services and supports enables people to remain independent, make meaningful choices, and engage with community

# How HUSKY Health helps older adults and individuals with disabilities

HUSKY Health . . .

- . . .provides both home health care and an array of Medicaid "waivers" that pay for home and community-based services
- . . .enables self-direction of services under Community First Choice
- . . .has helped over 6,600 people to transition from nursing homes to the community under Money Follows the Person

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# Federal role in Medicaid

## Reminder of federal goals for Medicaid / CHIP

Sec. 1901. [42 U.S.C. 1396] "For the purpose of enabling each State, as far as practicable under the conditions in such State, to furnish (1) medical assistance on behalf of families with dependent children and of aged, blind, or disabled individuals, whose income and resources are insufficient to meet the costs of necessary medical services, and (2) rehabilitation and other services to help such families and individuals attain or retain capability for independence or self-care, there is hereby authorized to be appropriated for each fiscal year a sum sufficient to carry out the purposes of this title."

Further, the Medicaid Act requires that each state medical assistance program be administered in the "best interests of the recipients"

The purpose of CHIP is to cover uninsured children in families with incomes that are modest but too high to qualify for Medicaid

## Federal government plays a key role in regulating Medicaid

- Federal government pays for majority of Medicaid costs
- State Plan / State Plan Amendments (SPA) and waivers outline eligibility standards, provider requirements, payment methods, and health benefit packages
- Amendments require joint agreement between state and federal governments

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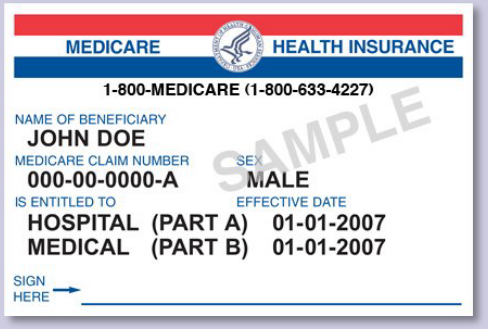
# Brief overview of HUSKY's model: Managed Fee-For-Service

| | (A). Traditional Fee-For-Service | (B). Managed Fee-For-Service | (C). Capitated Managed Care Organizations |
|---|---|---|---|

# Brief overview of HUSKY's model: Managed Fee-For-Service

| | (A). Traditional Fee-For-Service | (B). Managed Fee-For-Service | (C). Capitated Managed Care Organizations |
|---|---|---|---|
| Example | Traditional Medicare   | Most large employers ("self-insured")   | Medicaid Managed Care   |
| Overview | Payer sets rates and determines benefits<br><br>Generally little care management (CM) or utilization management (UM) | Payer sets rates and determines benefits<br><br>Payer hires ASO, who performs CM, UM, and other functions | Payer sets broad regulatory framework and pays capitation payment to managed care plans<br><br>Managed care plans set rates, network, UM, CM and other policies |

# More details on managed fee-for-service versus capitated managed care

*Connecticut Medicaid does not contract with capitated managed care organizations. Instead, like most large employers, the program is self-insured and uses a managed fee-for-service approach.*

| Topic | Managed Fee for Service | Capitated Managed Care |
|---|---|---|
| Payments | Connecticut Medicaid does <u>not</u> make payments to managed care plans.<br><br>Instead, we are at financial risk…and we pay the costs of health care claims. | Medicaid agency pays monthly premiums to a Medicaid managed care organization (MCO). |
| Assumption of risk | Connecticut Medicaid assumes financial risk. | The Medicaid MCO assumes at least <u>*some*</u> financial risk.<br><br>*Note: through risk corridor's, reinsurance, and lobbying some risk is often transferred back to state* |
| Plan design | Connecticut Medicaid controls and has standardized statewide coverage, utilization management and rates for provider. | Each Medicaid MCO determines its own coverage, utilization management, provider network, and provider payments. |
| Data | Connecticut Medicaid has a fully integrated, statewide set of claims data. | Each Medicaid MCO produces limited "encounter data" for the Medicaid program. |

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# Overall, how is Connecticut Medicaid doing - quality

Annual CMS Medicaid and CHIP Scorecard: Connecticut's performance was well above the national median for most of the State Health System Performance Measures, including:

- well-child visits
- immunizations for adolescents
- preventive dental visits
- diabetes short-term complications admission

# Some key finance facts about HUSKY

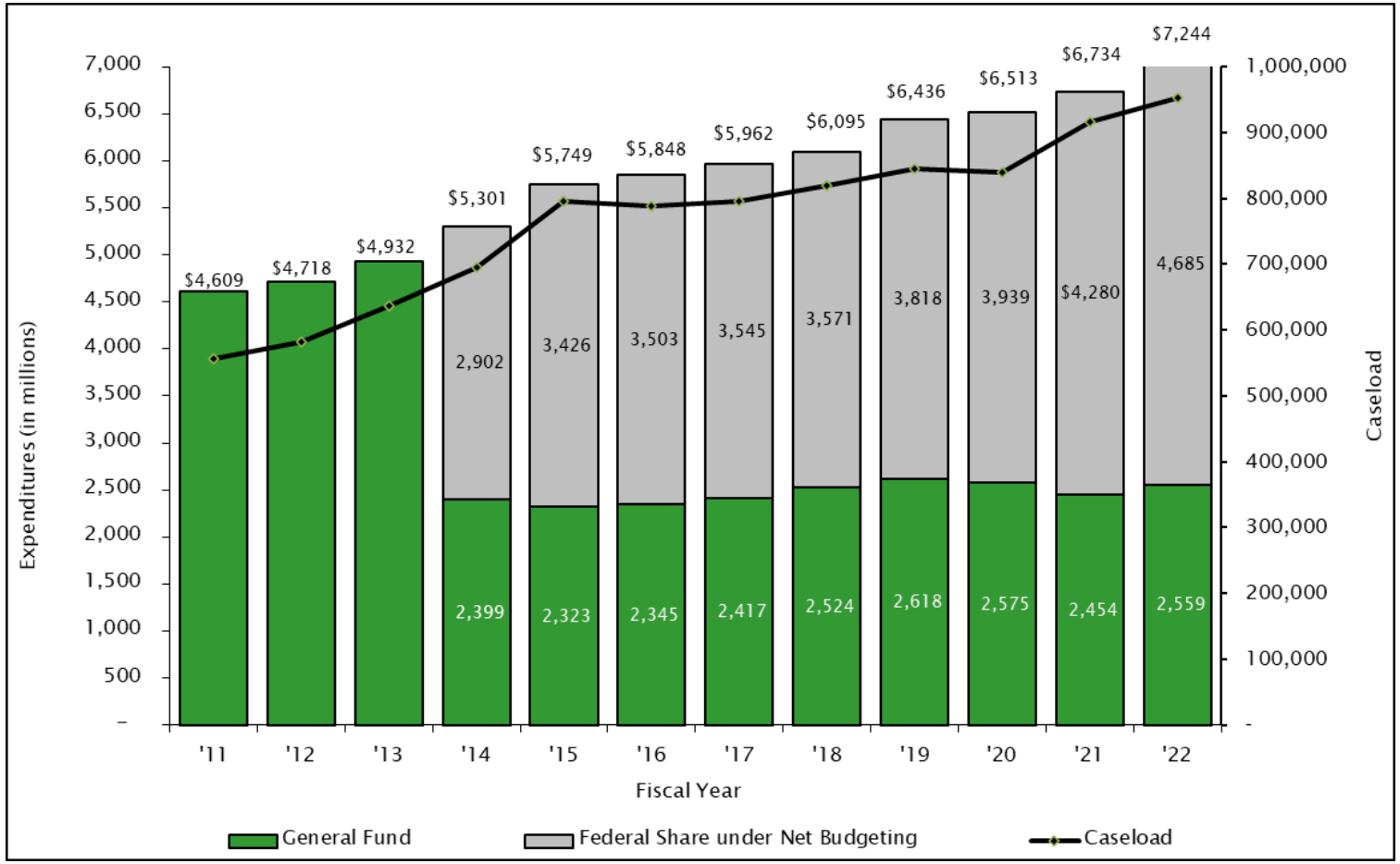
- The DSS Medicaid account is net budgeted. DSS receives an appropriation for the state share of Medicaid expenditures (approx. 37% with PHE enhanced FMAP and approx. 40% with regular FMAP).
- Over time, the state share of Medicaid expenditures has remained steady while the majority of the growth has been on the federal share of expenditures.
- The DSS Medicaid account Per Member Per Month (PMPM) has been very stable, reflecting only a 1.35% average annual increase from SFY 2015 to SFY 2020

*Administrative loss ratio per 2018 Milliman Medicaid Managed Care Financial Results report, June 2019

# DSS Budget Overview - Medicaid

Beginning with the budget adopted in 2013, the Medicaid account in the Department of Social Services was "net appropriated." A total of $2.77 billion was removed from both budgeted revenues and appropriations to accomplish this transition in FY 2014.

*Note: Expenditures have been adjusted to include funds transferred to DSS from DMHAS for behavioral health services which qualify for Medicaid reimbursement. Expenditures exclude hospital supplemental payments given the significant variance in that area over the years.*

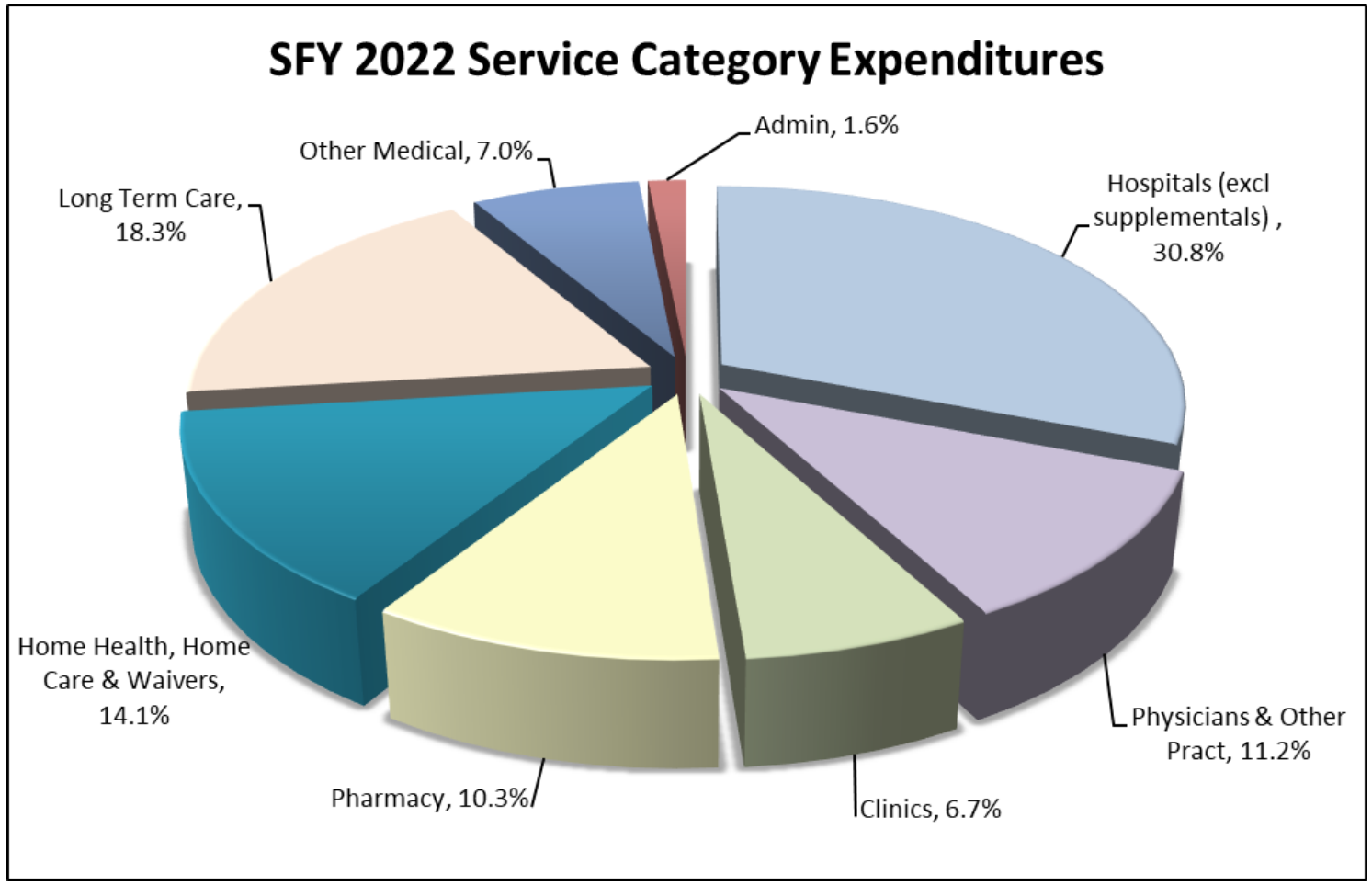



Represents total directly reimbursed from the DSS Medicaid account to providers. Total spending, including DSH, CPE, and hospital supplement payments was $9.2b in FY 2022

# DSS Budget Overview - Medicaid

- Hospital services account for the largest share of the DSS Medicaid spend at 31%, followed by nursing homes and LTC facilities at 18.3%. Waiver/CFC services account for 14.1%. Physician expenses comprise 11.2%.

*Note: Represents both state and federal shares of Medicaid funding. Excludes hospital supplemental payments of $568.3 million which were paid outside of the Medicaid account.*

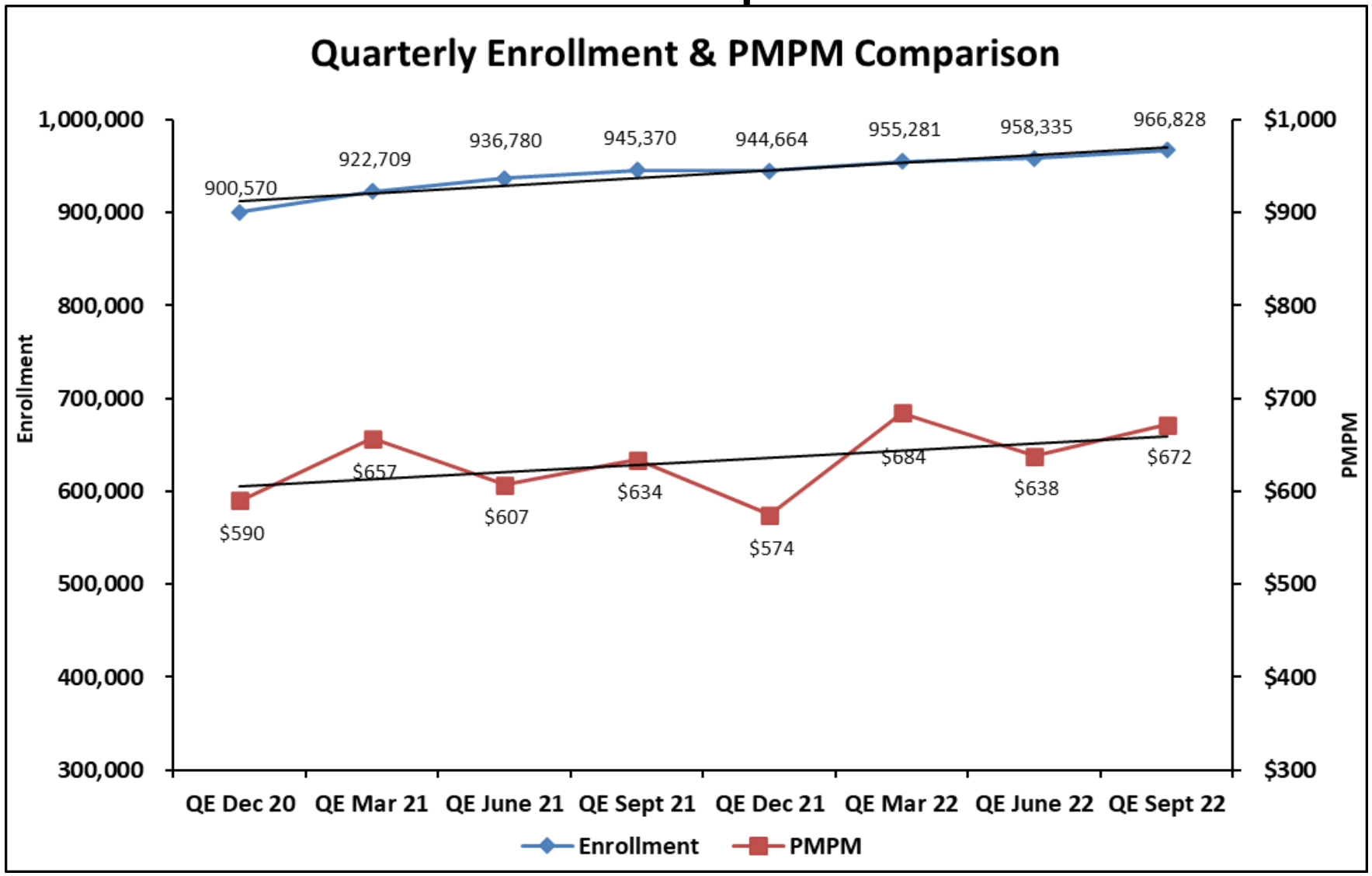


# DSS Budget Overview - Medicaid

| Category of Service | SFY 2017 | SFY 2018 | SFY 2019 | SFY 2020 | SFY 2021 | SFY 2022 | 5 Year Change |
|---|---|---|---|---|---|---|---|
| Hospitals (excl supplementals) | 26.26% | 28.01% | 29.7% | 29.1% | 31.4% | 30.8% | 4.6% |
| Physicians & Other Pract | 10.20% | 10.32% | 10.7% | 10.5% | 10.8% | 11.2% | 1.0% |
| Clinics | 6.98% | 6.91% | 6.9% | 6.9% | 6.9% | 6.7% | -0.3% |
| Pharmacy | 10.54% | 9.78% | 9.2% | 10.2% | 10.9% | 10.3% | -0.3% |
| Home Health, Home Care & Waivers | 12.59% | 13.40% | 13.3% | 13.6% | 14.0% | 14.1% | 1.5% |
| Long Term Care | 23.34% | 22.12% | 21.3% | 21.5% | 17.5% | 18.3% | -5.0% |
| Other Medical | 7.95% | 7.66% | 7.1% | 6.5% | 6.8% | 7.0% | -1.0% |
| Admin | 2.15% | 1.81% | 1.8% | 1.8% | 1.7% | 1.6% | -0.6% |
| TOTAL | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | |

Over the past five years the Medicaid budget has seen a significant shift in the percentage of costs by category of service. The largest increase being a 4.6% shift in Hospitals offset nearly in total by the largest decrease under Long Term Care (Skilled Nursing Facilities) of 5%.

# Enrollment and PMPM comparison




Overall, quarterly PMPM trends have increased on average for the most recent four quarter period ($642 PMPM) when compared to the prior four quarter period ($622 PMPM). This change represents a 3.2% increase in the average quarterly PMPM.

Enrollment continues to increase as a result of the PHE Maintenance of Effort (MOE) requirement to delay discontinuances of Medicaid enrollees.

# Plan for today's talk

Important context

Five key facts about HUSKY

Wind down of continuous enrollment portion of public health emergency

Question and answer

# End of the continuous eligibility provisions of the Public Health Emergency (PHE) 101

## How does PHE impact HUSKY?

At the start of pandemic, Congress required that Medicaid programs keep most people continuously enrolled through the end of the PHE, in exchange for enhanced federal funding.

Since February 2020, enrollment in Medicaid programs has grown substantially: 26.3% nationally…and 15.7% in Connecticut (Feb 2020 -> July 2022).

After the public health emergency ends, Medicaid will resume process of re-determining member eligibility.

Approximately 45% of all current HUSKY A/D enrollees are on a PHE-related extension.

Approximately 2% of all current HUSKY C enrollees are on a PHE-related extension.

## When will it end?

The Omnibus Spending Bill enacted on December 29, 2022, decoupled the PHE declaration from the continuous enrollment policy. **The continuous enrollment requirements will end on March 31, 2023, regardless of the PHE declaration**. DSS will initiate redeterminations that could result in coverage ending on or around March 1, 2023.

## What is our plan?

12-month staggered renewal schedule using primarily a time-based approach (e.g., those individuals with the earliest date of extension will be acted upon first)

Will highlight availability of Covered CT as another potential option for no-cost coverage for those going through the renewal process and being determined no longer eligible.

Use a variety of outreach strategies including: social media, posters, billboards, special mailings, emails, calls, provider bulletin, community partners

# Covering kids improves long term outcomes

Health care coverage to children supports not just their health status, but also aids in their growth and development, school readiness and their ability to become actively engaged citizens in the future

Research shows that Medicaid coverage of children has long-run impacts, including:

- … ↑ college enrollment
- … ↑ wages
- … ↑ taxes paid

- … ↓ hospitalizations as adults
- … ↓ rates of obesity
- … ↓ fertility before age 21

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