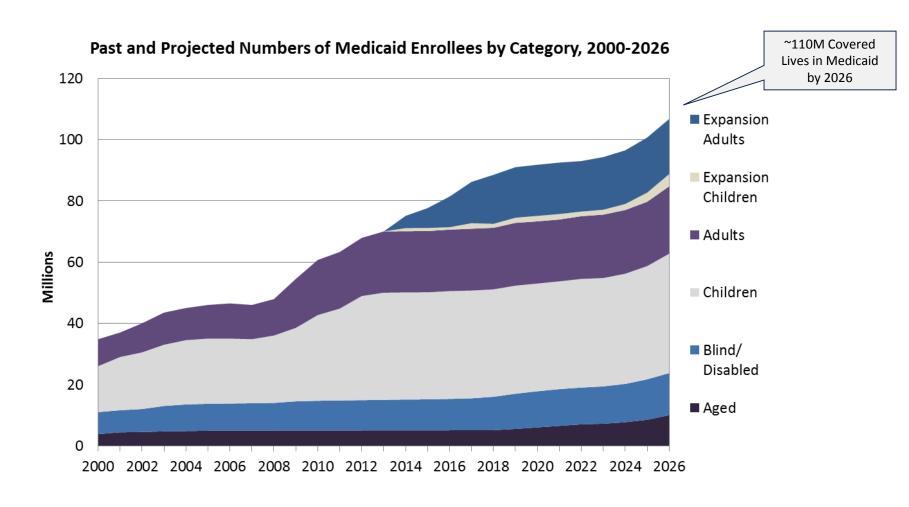


Environmental Scan: Opportunities and Challenges from a Regulatory Lens

NACHC Winter Strategy Meeting

January 25, 2017

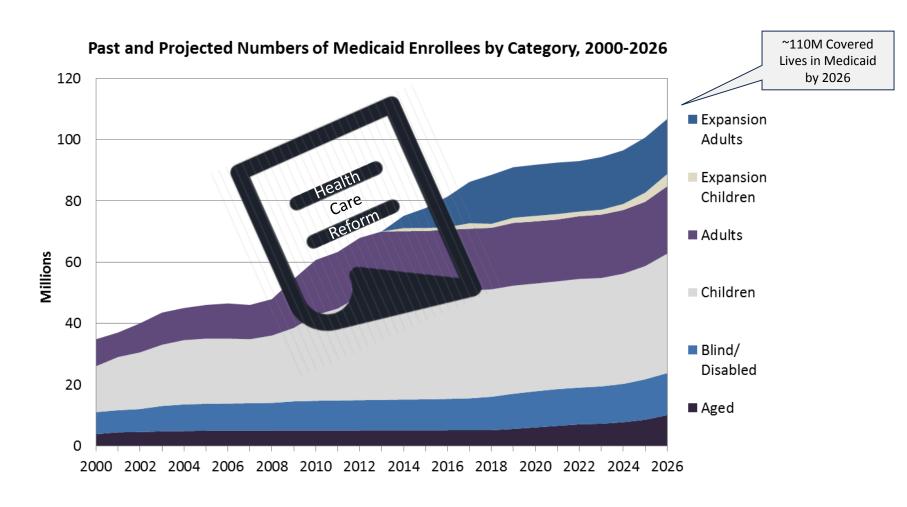
Projected Medicaid Enrollment



SOURCE: LP Analysis based on Medicaid Spending and Enrollment Detail for CBO's March 2016 Baseline.

Note: Enrollment numbers are "total ever enrolled."

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CMS: Key Signals



Previous "Signals" From CMS on 1115 Waivers

- Premiums (limited)
- Some copays above federal limits
- **DSRIP**
- **✓** DSHP
- Waiving retroactive coverage
- Cost sharing below 100% FPL
- X Lock-out period
- Partial expansion to 100% FPL with enhanced FMAP

- **✓** HSA-like models
- Healthy behavior incentives
- **✓** IMD exclusion
- X Work requirement
- X Enrollment caps
- Enrollment time limits
- NA Closed formularies
- NA PPS rate

New Administration: New Priorities

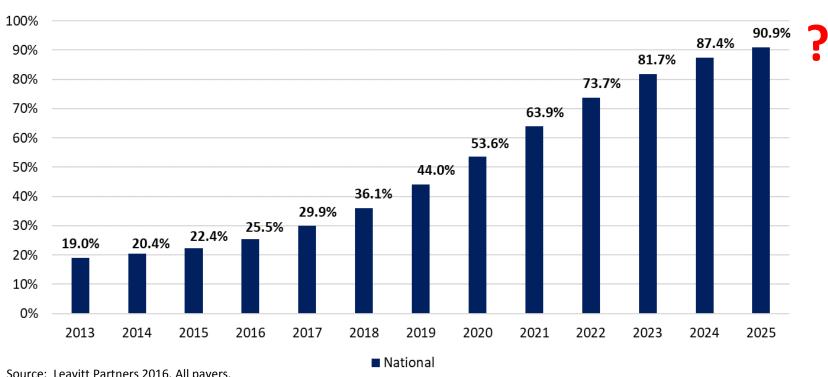
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- ? PPS rate

Focus on Value-Based Payments May Slow

Percentage of Total Care Delivered Under Value-Based Payments

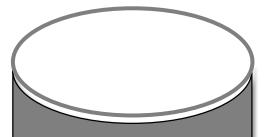
Pre-2017



Source: Leavitt Partners 2016. All payers.

More state-driven models, but less federal support...

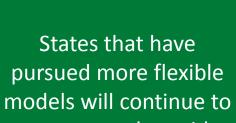
Expected State Actions on Value-Based Payments



States with existing initiatives will continue to develop and refine, with an eye toward CMS signals.



States in the initial design phase may reassess their initiatives based on CMS' priorities.



models will continue to promote and provide flexibility to providers.

Future of State Medicaid Programs



Reducing benefits and services and eliminating all non-essential costs

Increasing efforts to maximize efficiency and reduce duplicate services

Most states will seek elements of both sides

Opportunities

Opportunities and strategies will be state specific and vary:

- > Determine where your state falls on the spectrum
- Note: States may have different initiatives across the spectrum

States that fall more to the left side of the spectrum:

- Promote CHCs' role as the "true safety net provider"
- Look for opportunities within key initiatives (e.g., work requirements, expanding managed care)

States that fall more to the right side of the spectrum:

- Promote CHCs' role as contributing to integration
- Look for opportunities within key initiatives (e.g., behavioral health integration, full or targeted expansions)

All states:

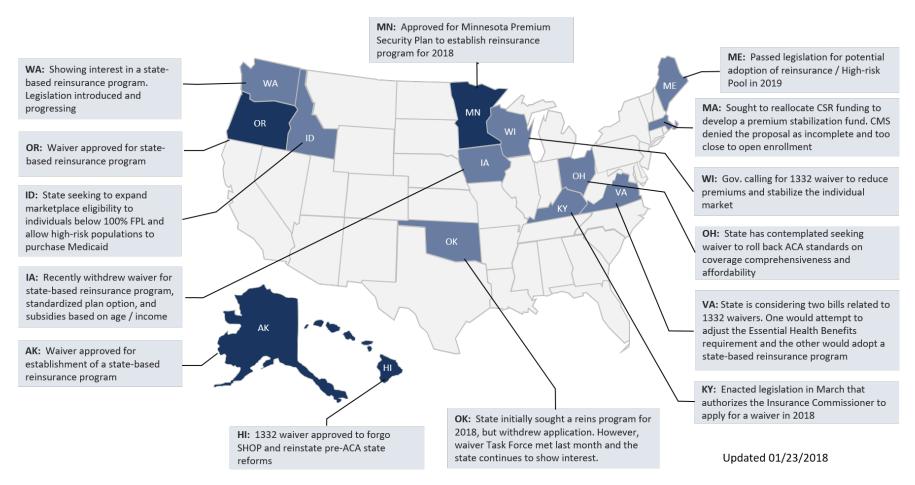
Continue to pursue value-based payment opportunities

Areas to Watch

- Behavioral Health Integration
- Dual Eligible Initiatives
- Delivery System and Payment Reform
- Long-Term Services and Supports
- Social Determinants of Health
- Targeted Interventions (high cost individuals)
- Prescription Drugs
- Medicaid Financing

State Interest in 1332 Waivers

Interest in 1332 waivers has grown as states seek urgent policy solutions as federal uncertainty is sustained.



States Can Coordinate 1332 & Medicaid 1115 Waivers

Waivers allowed to date

1115 Waivers

Medicaid-focused (0-133% FPL)

- Premium assistance for QHPs in the Marketplace (for Medicaid)
- Restrictions to beneficiaries' choice of providers participating in the QHP or ESI network
- Payment to providers equal to QHP or ESI market rates
- Targeted cost-sharing
- Premiums for individuals with incomes between 100-138% FPL

1332 Waivers

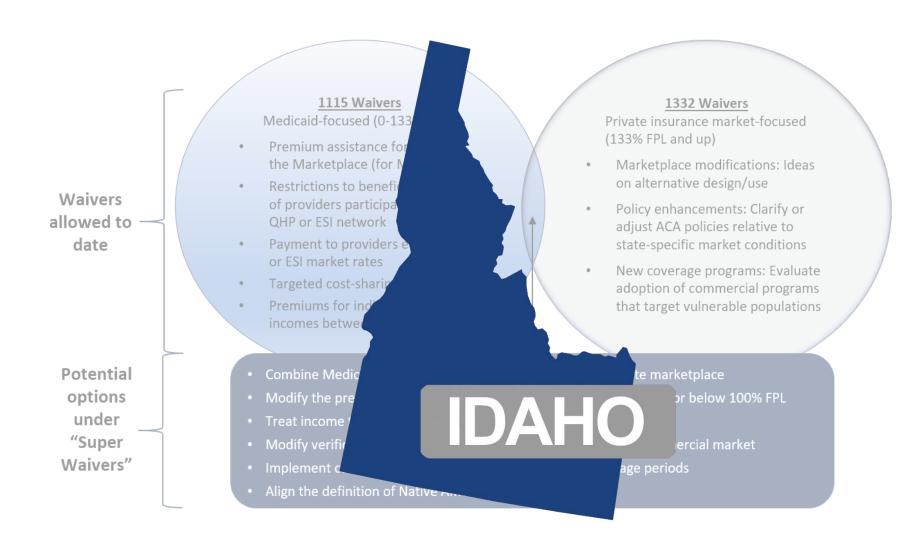
Private insurance market-focused (133% FPL and up)

- Marketplace modifications: Ideas on alternative design/use
- Policy enhancements: Clarify or adjust ACA policies relative to state-specific market conditions
- New coverage programs: Evaluate adoption of commercial programs that target vulnerable populations

Potential options under "Super Waivers"

- Combine Medicaid and premium assistance into a single private marketplace
- Modify the premium subsidy calculation for those who move above or below 100% FPL
- Treat income the same way across the Marketplace and Medicaid
- Modify verification rules to be consistent across Medicaid and commercial market
- Implement consistent enrollment effective dates and coverage periods
- Align the definition of Native American

States Can Coordinate 1332 & Medicaid 1115 Waivers



Future of Individual Insurance Markets



Efforts to stabilize current markets, working within the structure of the ACA

Alter benefits, reprioritize subsidies, and eliminate all non-essential costs

Key Actions

- Be proactive and collaborative
- Understand your state's pressure points and motivations
- Turn pressure points into positives for health centers
- Approach with attitude of "how you can help."
- Leverage existing partnerships as well as potential partnerships



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