

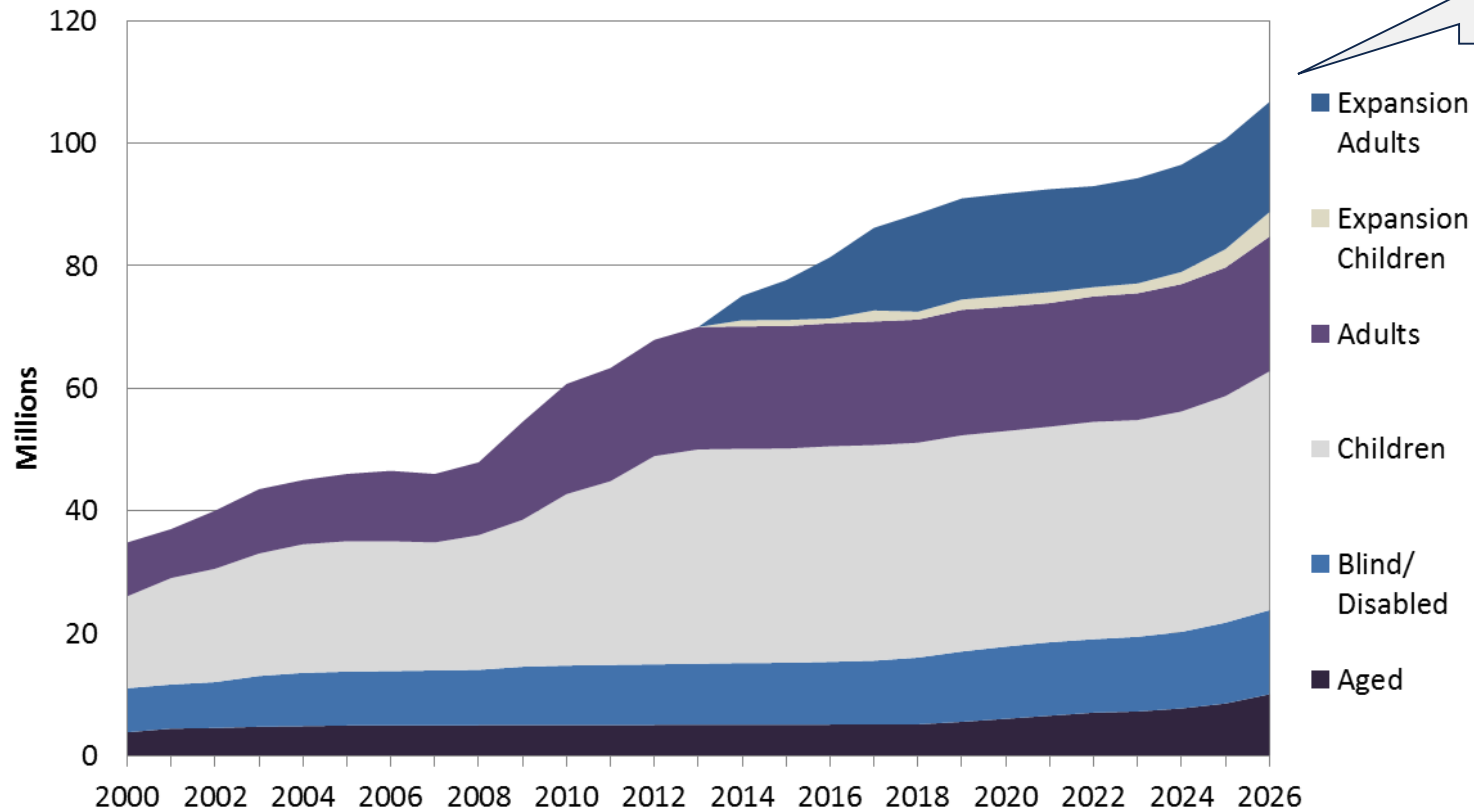
Environmental Scan: Opportunities and Challenges from a Regulatory Lens

NACHC Winter Strategy Meeting

January 25, 2017

Projected Medicaid Enrollment

Past and Projected Numbers of Medicaid Enrollees by Category, 2000-2026



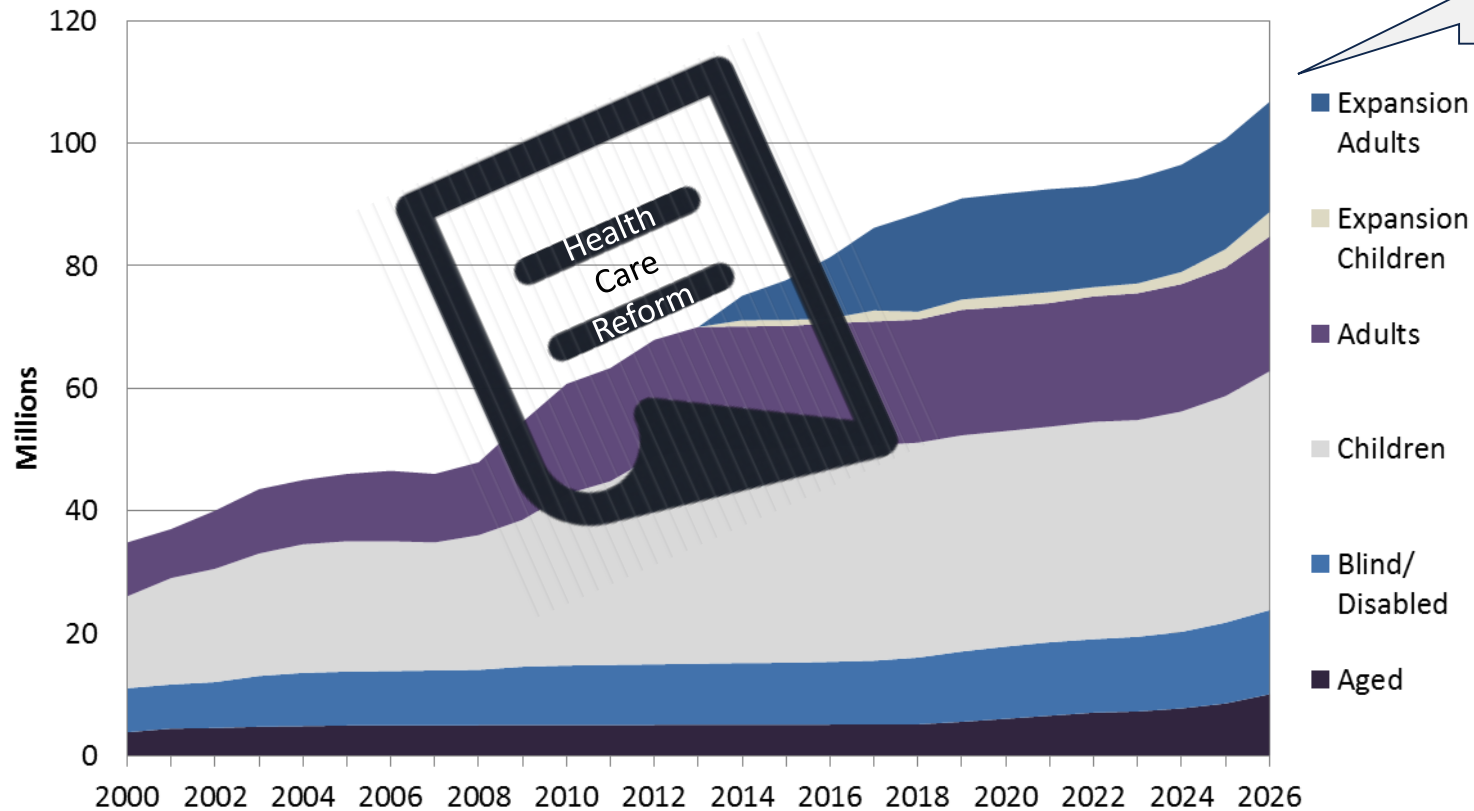
~110M Covered Lives in Medicaid by 2026

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



**Decrease
Federal Costs**



**Increase State
Flexibility**



**Reduce
Medicaid
Enrollment**

Previous "Signals" From CMS on 1115 Waivers

- | | | | |
|-------------------------------------|--|-------------------------------------|-----------------------------|
| <input checked="" type="checkbox"/> | Premiums (limited) | <input checked="" type="checkbox"/> | HSA-like models |
| <input checked="" type="checkbox"/> | Some copays above federal limits | <input checked="" type="checkbox"/> | Healthy behavior incentives |
| <input checked="" type="checkbox"/> | DSRIP | <input checked="" type="checkbox"/> | IMD exclusion |
| <input checked="" type="checkbox"/> | DSHP | <input checked="" type="checkbox"/> | Work requirement |
| <input checked="" type="checkbox"/> | Waiving retroactive coverage | <input checked="" type="checkbox"/> | Enrollment caps |
| <input checked="" type="checkbox"/> | Cost sharing below 100% FPL | <input checked="" type="checkbox"/> | Enrollment time limits |
| <input checked="" type="checkbox"/> | Lock-out period | <input checked="" type="checkbox"/> | Closed formularies |
| <input checked="" type="checkbox"/> | Partial expansion to 100% FPL with enhanced FMAP | <input checked="" type="checkbox"/> | PPS rate |

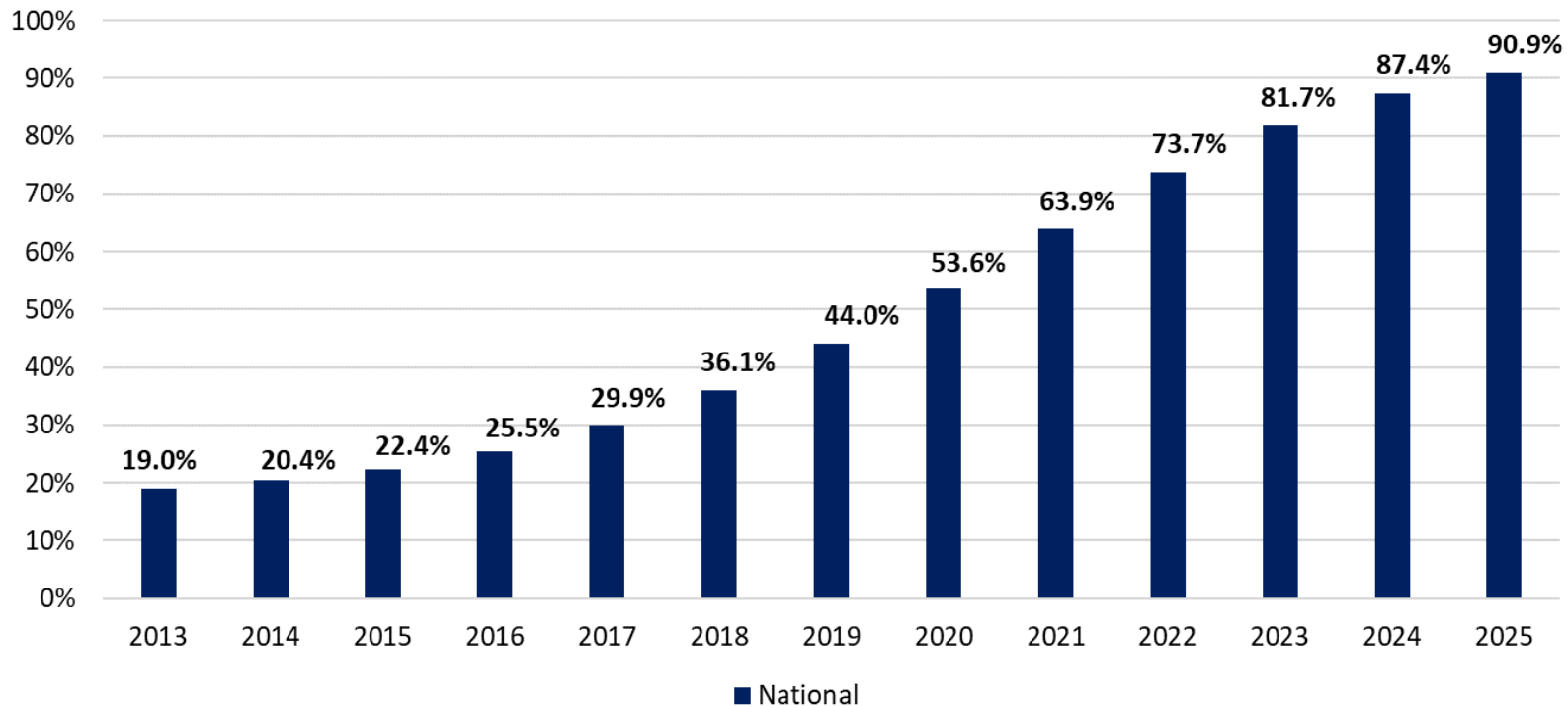
New Administration: New Priorities

- | | | | |
|-------------------------------------|--|-------------------------------------|-----------------------------|
| <input checked="" type="checkbox"/> | Premiums | <input checked="" type="checkbox"/> | HSA-like models |
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Focus on Value-Based Payments May Slow

Percentage of Total Care Delivered Under Value-Based Payments

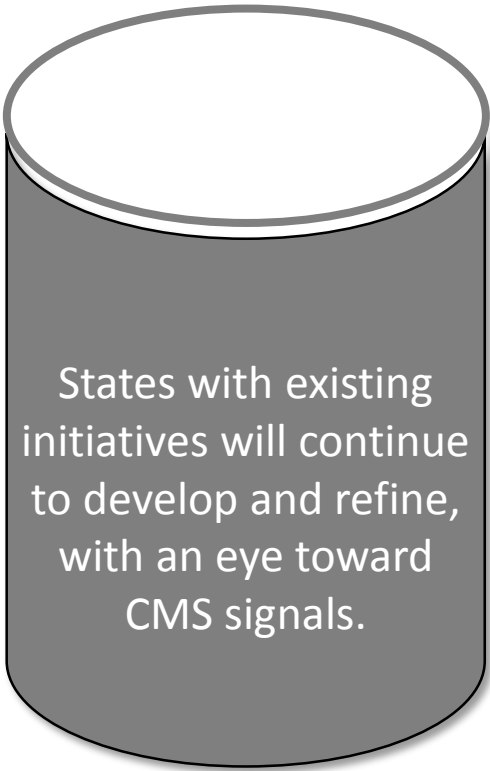
Pre-2017



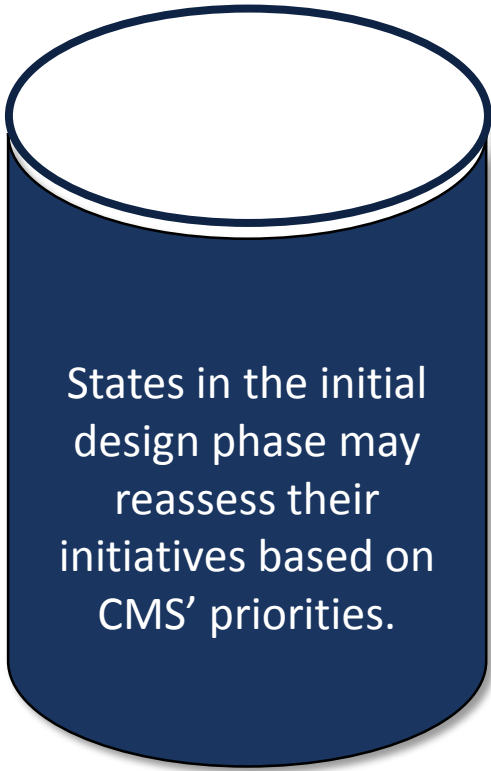
Source: Leavitt Partners 2016. All payers.

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

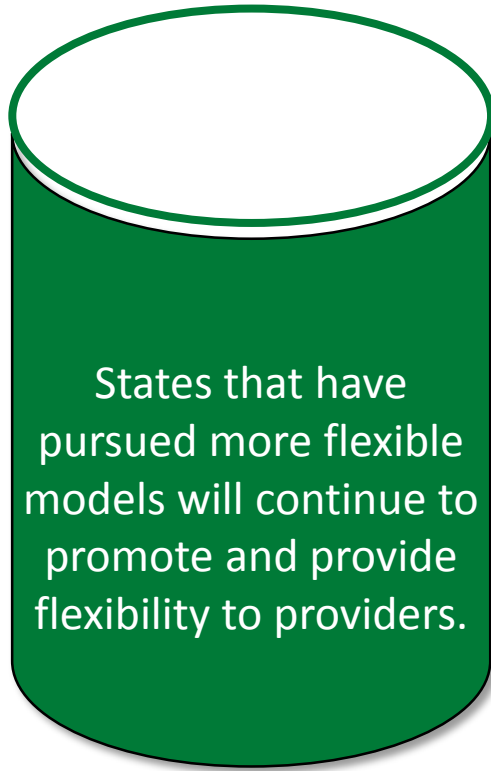
Expected State Actions on Value-Based Payments

A grey 3D-style cylinder with a white top rim and a white bottom rim. It contains text about states with existing initiatives.

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

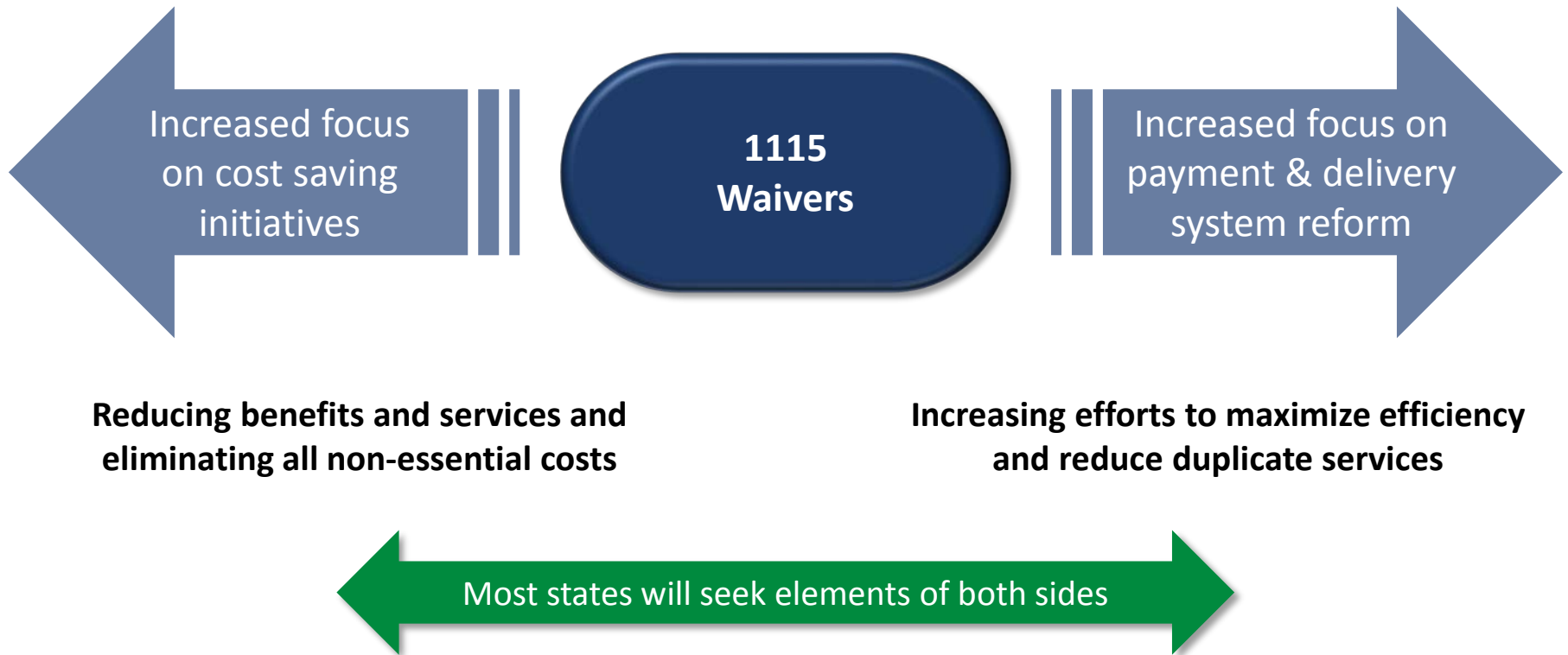
A dark blue 3D-style cylinder with a white top rim and a white bottom rim. It contains text about states in the initial design phase.

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

A green 3D-style cylinder with a white top rim and a white bottom rim. It contains text about states that have pursued more flexible models.

States that have pursued more flexible models will continue to promote and provide flexibility to providers.

Future of State Medicaid Programs



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:

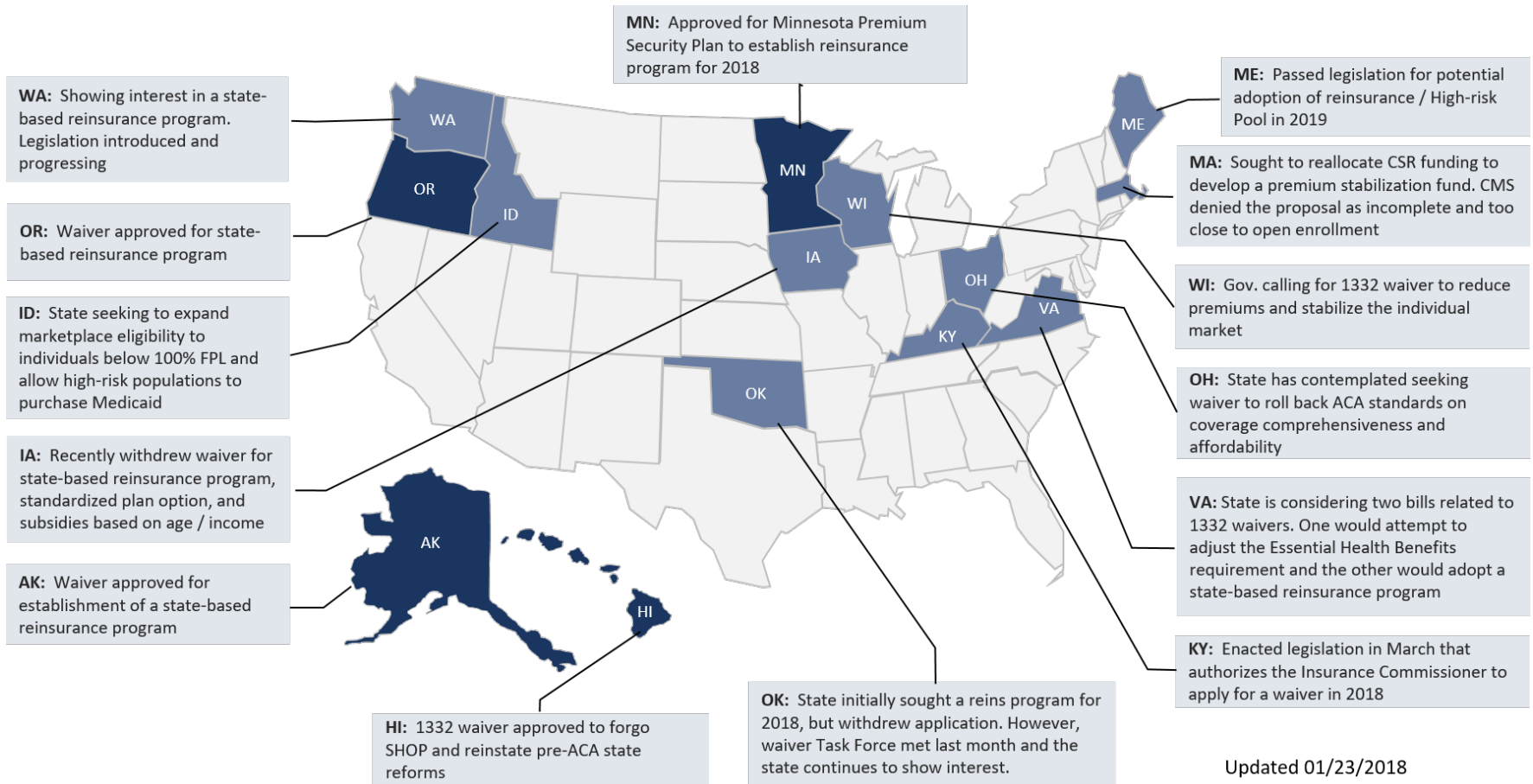
- Continue to pursue value-based payment opportunities

Areas to Watch

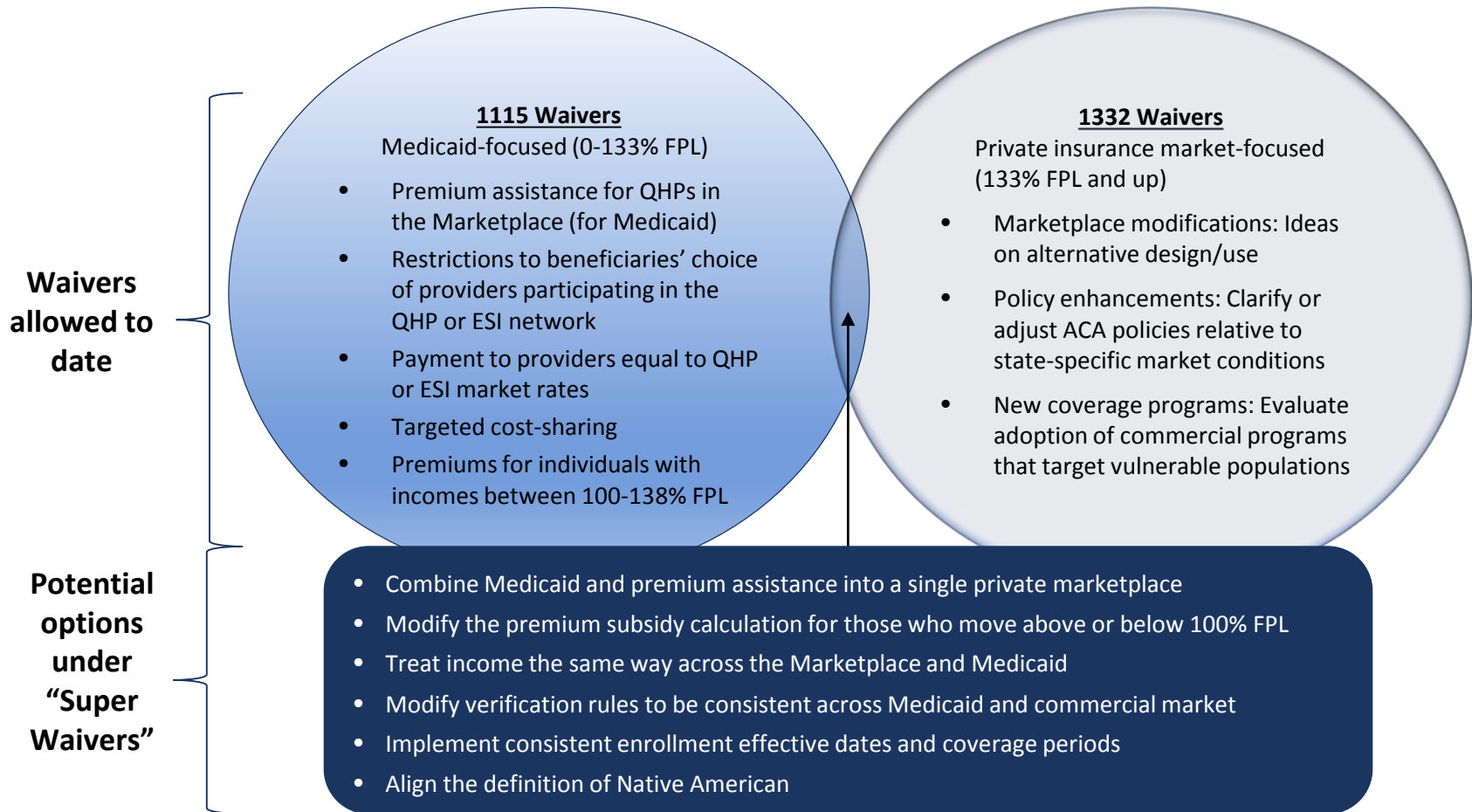
- Behavioral Health Integration
- Dual Eligible Initiatives
- Delivery System and Payment Reform
- Long-Term Services and Supports
- Social Determinants of Health
- Targeted Interventions (high cost individuals)
- Prescription Drugs
- Medicaid Financing

State Interest in 1332 Waivers

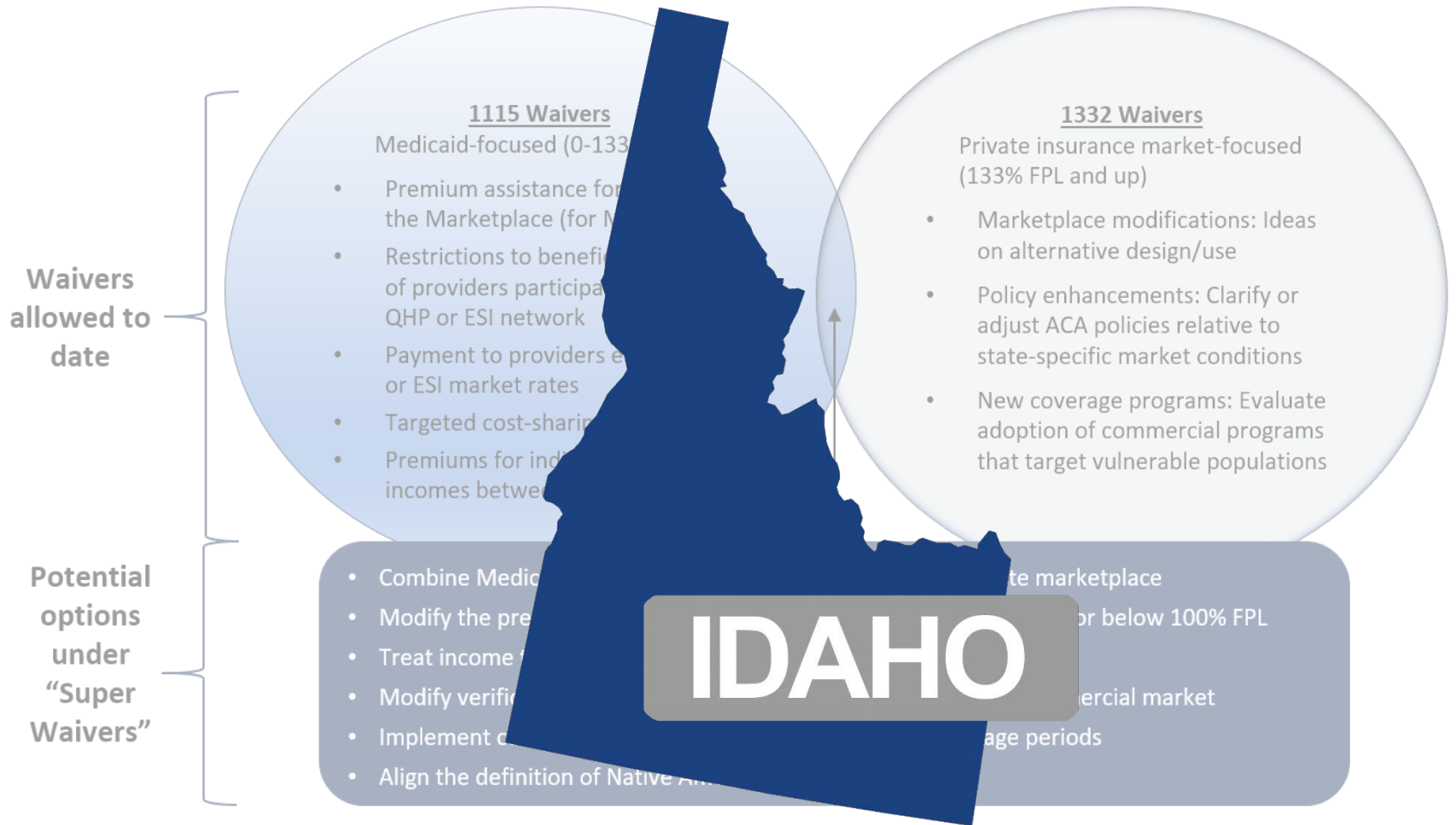
Interest in 1332 waivers has grown as states seek urgent policy solutions as federal uncertainty is sustained.



States Can Coordinate 1332 & Medicaid 1115 Waivers



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**



Smart on Value

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