Update on Implementation of the Affordable Care Act

City & County Management Conference

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Kansas Health Institute

www.khi.org
Update

- Insurance Exchange
- Impact on Employers
- Medicaid Expansion?
Primary Sources of Health Insurance, All Kansans (2010-2011)

Notes: All Kansans — Approximately 2,786,000. Because CPS respondents can report more than one type of insurance, KHI used a standard hierarchy to assign health insurance status.

Figure 24. Percent of Kansans Age 0–64 Uninsured by County (2010)

Uninsured Rates:
- 10.6% to 15.1%
- 15.2% to 16.7%
- 16.8% to 18.2%
- 18.3% to 20.7%
- 20.8% to 27.8%

Source: U.S. Census Bureau, Small Area Health Insurance Estimates (2010).
Insurance Exchange

Medicaid

Subsidies

<table>
<thead>
<tr>
<th>Medicaid</th>
<th>Insurance Exchange</th>
<th>Subsidies</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 0</td>
<td>$32,500 Family of 4</td>
<td>$94,200 Family of 4</td>
</tr>
</tbody>
</table>

Insurance costs no more than 3% of income

Insurance costs no more than 9.5% of income
Insurance Exchange
Primary Sources of Health Insurance, All Kansans (2010-2011)

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## Estimated Potential Users of Kansas Exchange

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Currently uninsured or insured with direct-purchase coverage and eligible for tax credits</td>
<td>193,000</td>
</tr>
<tr>
<td>Currently uninsured or insured with direct-purchase coverage and ineligible for tax credits</td>
<td>75,000</td>
</tr>
<tr>
<td>Currently covered by insurance through a small employer group; eligibility for tax credits varies</td>
<td>245,000</td>
</tr>
<tr>
<td>Eligible for tax credits if Kansas chooses to not expand Medicaid</td>
<td>43,000</td>
</tr>
</tbody>
</table>
Kansas Employers
Primary Sources of Health Insurance, All Kansans (2010-2011)

- Employment-Based: 51.9%
- Medicare: 14.1%
- Medicaid/CHIP: 10.9%
- Other Public: 2.8%
- Medicare and Medicaid: 1.7%
- Other Private: 5.5%
- Uninsured: 13.1%

Notes: All Kansans — Approximately 2,786,000. Because CPS respondents can report more than one type of insurance, KHI used a standard hierarchy to assign health insurance status.

Two Key Facts

• More than 70 % of Kansas private employers have fewer than 50 employees.

• 97 % of large Kansas private employers already offer health insurance.
Medicaid Expansion?
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Current Eligibility (2012) and New Eligibility Under ACA (2014)

- **400% ($92,200)**: Newly eligible for cost-sharing subsidies or premium tax credits to purchase coverage through health insurance exchange.
- **238% ($54,859)**: Eligible for CHIP.
- **150% ($34,575)**: Eligible for CHIP; newly eligible for Medicaid.
- **133% ($30,656)**: Newly eligible for Medicaid, cost-sharing subsidies or premium tax credits to purchase coverage through health insurance exchange.
- **100% ($23,050)**: Eligible for Medicaid.
- **32% ($7,376)**: May be eligible for Medicaid.

**Percent of 2012 Federal Poverty Level (FPL)**

**Current Eligibility (2012)**

**New Eligibility Under ACA (2014)**
Medicaid

Kansas Funds
43%

Federal Funds
57%

Nursing Homes
Medical Services
Home and Community Based Care Services
Impact of Medicaid Expansion

110,425 new adults
11,760 “woodwork” adults
117,886 children
240,071
The federal government pays 100% of the cost for newly eligible recipients for 3 years, and then moves to a 90/10 cost share.

However, the federal government pays 57% and the state 43% for those already eligible but not previously enrolled.

KHI’s best estimate of total costs from 2014 to 2020 is $3.4 billion. $518 million of that would be paid by the state.
Medicaid subsidies for a family of 4 cost no more than 3% of income.

Insurance exchange subsidies for a family of 4 cost no more than 9.5% of income.
What should Kansas do?

- Should the state expand Medicaid as 27 other states have already planned to do?

- Is it worth the state cost to provide health coverage to more people?

- Is it worth the state cost to potentially pull in billions in federal dollars?

- Can the federal government be trusted to deliver in the future?
Kansas Health Institute

Information for policy makers. Health for Kansans.