

Local

# Medicaid future uncertain

## Governor's plan to go before federal regulators

✎ By Austin Ramsey Messenger-Inquirer

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Gov. Matt Bevin's comprehensive plan to restructure Kentucky's Medicaid system will be turned over to federal regulators Monday, signaling what could be considerable changes on the horizon for the state's low-income health program.

What those changes mean exactly for the 440,000 Kentuckians who enrolled in Medicaid under a nationwide expansion in 2014 remains uncertain. The Republican-led administration in Frankfort says the plan, dubbed Kentucky HEALTH (Helping to Engage and Achieve Long Term Health) will lead to better wellness outcomes on a more sustainable fiscal path, but many advocates and providers argue that it's a step backward for a state burdened by serious health needs.

Gov. Steve Beshear made the decision to enact one of the key element in President Barack Obama's Affordable Care Act more than two years ago now.

It came in the form of a tweet.

"Announced today: More than 300,000 uninsured Kentuckians will now have health coverage under new #Medicaid expansion #healthierKy," he wrote.

By spring of the next year, it became certain that the former Democratic governor's predictions were wrong. Not 300,000, but nearly half a million Kentuckians would join the Medicaid rolls through the kynect health insurance exchange, cutting the uninsured population by some 12.5 percent. The expansion, which raised the minimum threshold to 138 percent of the federal poverty level (about \$16,200 a year for an individual), was praised as one of the nation's most successful implementations of the president's plan.

But the state narrowly endorsed a different direction for public health care in last year's gubernatorial election. Bevin pledged to disband the state insurance marketplace and scale back the expansion, which he called "unsustainable."

His Kentucky HEALTH plan is aimed at increasing consumer cost sharing, improving health and encouraging expansion beneficiaries to take more personal responsibility for their health, while preparing them for the commercial insurance arena.

"There are a number of significant public health issues plaguing this state," said Vickie Yates Brown Glisson, cabinet secretary for Health and Family Resources. "We haven't moved the needle on these problems. The (expansion) has not improved health outcomes."

Glisson said rates of smoking, obesity and drug addiction are out of control. Just increasing the number of individuals who are eligible to receive government-funded Medicaid benefits, she said, doesn't equate to making them healthier. This plan, however, does. It promotes community engagement and requires able-bodied individuals to work, volunteer, search for jobs or participate in training activities. Nearly one-third of the state is already enrolled in Medicaid, falling either within the original or expanded populations. Meanwhile, program inefficiencies aren't turning around the statistics and present future financial burdens, she said.

Beyond that, she said, it presents a viable financing plan for the Medicaid expansion.

"We expanded Medicaid," Glisson said, "and we didn't have a plan to pay for it."

Indeed, starting next year, Kentucky is expected to begin absorbing some of the expansion costs, and could end up paying as much as 10 percent by 2020, according to the Kentucky HEALTH plan.

Scott Brinkman, secretary of Bevin's executive cabinet, said the plan has the potential to save up to \$2.2 billion over five years, although more than half of that would come in federal dollars. The federal government funds more than 70 percent of all Medicaid costs.

"Traditional Medicaid is intended to be a long-term support system," he said. "But when we sat down to write this plan, we were instructed to get this able-bodied expansion population healthier and enhance their job skills. We want to see them graduate into the commercial market.

"This is where we disagree with others," he added. "The fact of the matter is, this population has the ability to improve their lives. We believe they have the capacity for growth."

But there has been a lot of disagreement over the governor's plan. The proposal, which requires federal approval, seeks to charge premiums in lieu of copayments for most of the Medicaid population. Glisson said premiums are often less expensive than procedure-based copayments, but the state's low-income community service agencies are skeptical.

In western Kentucky, Audubon Area Community Services facilitates several federal programs and operates Kentucky's kynector program that gives in-person counseling to individuals signing up for public or private insurance through the marketplace. It's one of the few service providers still offering the service.

CEO Brandon Harley said he finds it difficult to understand how individuals already struggling to pay bills will be able to muster the premiums (between \$1 and \$15) this plan would introduce.

"It's hard to see how that wouldn't be a strain," he said. "It may not be an exorbitant amount of money to you or me, but if you've got a small pot of money and the state wants monthly payments, it's only going to get smaller."

That's the position of dozens of consumer advocacy health groups, faith groups and Kentuckians who have banded together to punch holes in the Kentucky HEALTH plan.

Susan Zepeda is president of the Foundation for a Healthy Kentucky. She said there are items of in the governor's plan that make sense, like an expansion of substance use treatment services, incentives to encourage healthy behaviors and changes in Managed Care Organization contracts that control costs, streamline administration and move to value-based reimbursement.

Still, she said, premiums are difficult for those living below the poverty level, and cuts to dental and vision benefits in the core Medicaid package could increase emergency department use and leave preventable problems unaddressed.

"We look at the numbers a lot, and we understand that when the Medicaid expansion occurred, the feds underwrote the bill for just the first couple of years," she said. "It's going to cost Kentucky taxpayer dollars to do this, but we don't know what kinds of impacts this can have on providers' bottom lines."

At ACCS, the Green River Area Transit System operates the Medicaid's existing nonemergency transportation program, which could be cut. The Messenger-Inquirer reported last month on how well the expansion improved the budget there. Zepeda says cuts to the expansion population's access to nonemergency transportation could hurt agencies like that just as much as they do patients.

Earlier this summer, the Green River Area Development District's kynector agreement with the state ended. Executive Director Jiten Shah oversees individual Medicaid waivers in the local area and facilitated that contract through the Kentucky Department of Aging and Independent Living. He has a direct line to talks that the state has had with critical advocates, because he sits on the board of directors for Kentucky Voices for Health, which has led the charge against Bevin's plan.

He said he is cautiously optimistic about a proposal that would allow individuals the opportunity to take responsibility for their own health, and he sees benefits in a credit program that could return some vision and dental coverage benefits, but he has questions. He said he wants to know more about how the state will define the medically frail and whether mental health constraints will apply.

"Ultimately, this has to be about improving the health of Kentucky," he said. "There are positives and there are negatives to take into consideration, but I think we are all just waiting to see what this will look like."

Sources within the state's largest MCO say the federal government have cut other states' Medicaid waiver proposals to exclude things like penalties for emergency care and additional costs for those below 100 percent of the federal poverty line, both of which are in the Bevin plan. If regulators reject the plan outright, Bevin has threatened to scaleback the expansion entirely.

Several public hearings since the governor's announcement have likely resulted in a slightly evolved plan that the Centers for Medicare & Medicaid Services will release within the next few weeks.

Until then, says Zepeda, it's a waiting game.

Austin Ramsey, 270-691-7302, aramsey@messenger-inquirer.com, Twitter: @austinrramsey



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Jiten Shah, executive director of the Green River Area Development District, says there are parts of Gov. Matt Bevin's comprehensive overhaul of the state Medicaid system of which he approves, while he has questions and concerns about others. It's a sentiment shared by many in the health care and social service industry as the plan goes to Washington for approval.