



The Arizona Health Insurance Exchange and Medicaid Expansion

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Health Insurance Exchange (HIX)

Refresher:

- Government regulated marketplace of insurance plans with 4 levels of coverage, offered to individuals & to small businesses.
- Legal residents are eligible to purchase insurance through the HIX and lower-income residents can receive tax credits to help them afford insurance or can apply for AHCCCS.
- Every state must have a health insurance exchange by January 1, 2014.
- States can run these exchanges or turn this function over to CMS or partner with CMS.



Medicaid Expansion

- AHCCCS eligibility expands to individuals under 65 (without Medicare) up to 133% (really 138%) FPL January 1, 2014.
- Eligibility determination based on Modified Adjusted Gross Income (MAGI).
- MAGI bases household composition and income on IRS requirements.
- Reset current eligibility income standards for children, families, pregnant women and childless adults to reflect a % of FPL that incorporates today's deductions from gross income.



What Changes for AHCCCS & DES with the HIX?

- Public can apply for and renew AHCCCS and KidsCare eligibility through the HIX.
- Determine eligibility for AHCCCS as close to real time as possible.
- Use electronic matching first, self attestation second and paper last for verification.
- Simplify verification requirements and submission of documents.
- Facilitate communication with AHCCCS and KidsCare applicants and members about eligibility and renewal.
- Store and reuse eligibility information.



Insurance Affordability Programs

- Insurance Affordability Programs (IAP) are a new category of programs within the health insurance exchange.
- IAP includes:
 - AHCCCS
 - KidsCare (enrollment is currently frozen)
 - Coverage in a QHP w/Tax Credits
 - Coverage in a QHP w/Cost Reductions



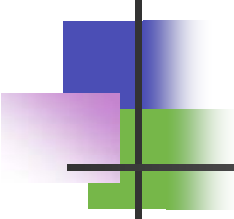
Eligibility for Tax Credits & Cost Sharing Reductions

- Must be eligible to enroll in QHP.
- Tax credits for income between 100 and 400% FPL (or < 100% FPL for lawfully present individuals, who are ineligible for Medicaid).
- Not eligible for Minimum Essential Coverage (MEC) from government sponsored coverage or private coverage costing less than 9.5% of family income.
- Tax Credits limit the cost of premiums to 2% of income for families up to 133% FPL to 9.5% of income for families at 300-400% FPL.
- Cost Sharing Reductions for families eligible for Tax Credits, and
- Income between 100% and 250% FPL, and
- Determined ineligible for Medicaid.
- American Indians with income between 100% and 300% FPL are eligible for cost sharing reductions.



Core Exchange Responsibilities

- Plan Management
- SHOP
- Consumer Assistance
- Eligibility
- Enrollment
- Financial Management



What Should We Achieve Through These Changes?

- ACA requires everyone under age 65, without Medicare, to have health insurance.
- HIX enables US Citizens and legal immigrants to obtain coverage, no matter their income level, by providing or reducing the cost of coverage, or enabling them to purchase coverage privately or through their employer.
- Processing eligibility near real time, selecting and enrolling in a QHP and paying for coverage with easy to use tools via a highly streamlined process will encourage people to acquire coverage while they are on the HIX, helping to reduce the uninsured population.



The Arizona Health Insurance Exchange

- While legal issues are pending the state will move ahead with the development of an exchange.
- Leverage Health-e-Arizona and Arizona's current infrastructure to handle the screening, tax credit, Medicaid and CHIP eligibility components of the exchange.
- Award a contract to build the Plan Management, Plan Selection, SHOP, Master Data Management, Data Warehouse and Financial Management components of the exchange.



Funding HIX Development

- Establishment Grant to pay for the QHP and SHOP components of the exchange, Level I submitted 9/29/11.
- Enhanced federal funding (90/10) to pay for Medicaid components of the exchange, submitted 9/7/11.
- Both of these funding sources to pay for integrating all of the components.
- 90/10 will also pay for SNAP and TANF changes, if they are the same as Medicaid.



Next Steps

- Initiate system design, planning and development by 10/14/11.
- Release RFP by 3/1/12.
- Award contract and begin development by 7/1/12.
- CMS certifies exchange by 1/1/13.
- Complete all testing by 9/13/13.
- Open enrollment and system live by 10/1/13.



Issues for AHCCCS and DES

- Significant changes to eligibility policy, process and operations
- Insufficient guidance about changes
- Significant changes to Health-e-Arizona, AZTECS, ACE and TIPS
- Very short timelines to complete planning, design, development, testing and implementation
- Requires careful prioritization and severe limitation on changes to the scope of work
- Other projects competing for resources

Questions?

