Health and Economic Livelihood Partnership Oversight Committee

July 31, 2017

The call will begin shortly.
HELP Oversight Call Agenda
7/31/17
3 pm  WebEx

• Welcome from the Chair & Introductions of new members – John Goodnow, Chair (5 min)

• General Overview – Sheila Hogan, DPHHS (5 min)
   Introduction of Marie Matthews, new Medicaid Director; Erica Johnston, new Operations Branch Manager

• Quantitative Data Reports
  a. DPHHS Data report (10 min)
     Enrollment and demographic info – DPHHS (5 min)
     Financial Data – Erica Johnston, DPHHS (5 min)
     Premium payments report
  b. Dept. of Labor Data report – Scott Eychner (5 min)
     HELP-Link and workforce update
  c. Wellness activities report – Peg Hasner, BCBS (5 min)

• Federal initiatives that may impact Montana Medicaid, CHIP, or HELP Act – Jess Rhoades, Governor’s Office; John Goodnow (8 min)

• Discuss what, how, when committee needs to publicize to the public and the Legislature the positive impacts of the HELP Act – John Goodnow (5 min)

• SB 261 Update – Laura Smith, DPHHS Deputy Director (5 min)

• Questions from the Committee (10 min)

• Public Comment (5 min)
General Overview

DPHHS Director
Sheila Hogan
Medicaid Expansion Member Profile
As of 7/15/17

Quick Facts

- 80,806 members
- $30.4 million dollars in Medicaid benefits saved
- $550 million dollars in health care services to Montanans
- $4.6 million dollars in premiums collected

By Percent of County Population

[Map showing county population distribution with color coding for different percentage ranges: 2.3% - 4.5%, 4.6% - 5.9%, 6.2% - 8.2%, 8.4% - 10.3%, 10.4% - 15.9%]
Health Care by Provider Type

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharmacy</td>
<td>108,356,363</td>
</tr>
<tr>
<td>Inpatient Hospital</td>
<td>92,691,245</td>
</tr>
<tr>
<td>Outpatient Hospital</td>
<td>64,596,412</td>
</tr>
<tr>
<td>Physician &amp; Psychiatrists</td>
<td>58,315,305</td>
</tr>
<tr>
<td>Critical Access Hospital</td>
<td>55,118,409</td>
</tr>
<tr>
<td>Adult Mental Health and Chem Dep</td>
<td>48,883,693</td>
</tr>
<tr>
<td>Other Hospital and Clinical Services</td>
<td>33,760,259</td>
</tr>
<tr>
<td>Dental &amp; Denturists</td>
<td>23,183,253</td>
</tr>
<tr>
<td>Indian Health Services - 100% Fed funds</td>
<td>20,322,616</td>
</tr>
<tr>
<td>Other Practitioners</td>
<td>16,532,110</td>
</tr>
<tr>
<td>Other Acute Services</td>
<td>6,895,689</td>
</tr>
<tr>
<td>Nursing Homes &amp; Swing Beds</td>
<td>6,344,872</td>
</tr>
<tr>
<td>Durable Medical Equipment</td>
<td>6,167,862</td>
</tr>
<tr>
<td>Other Managed Care Services</td>
<td>4,989,245</td>
</tr>
<tr>
<td>Other STLC Home Based Services</td>
<td>1,581,702</td>
</tr>
<tr>
<td>MDC &amp; ICF Facilities - 100% Fed funds</td>
<td>1,438,527</td>
</tr>
<tr>
<td>Personal Care</td>
<td>1,052,509</td>
</tr>
<tr>
<td>School Based Services - 100% Fed funds</td>
<td>7,598</td>
</tr>
</tbody>
</table>

550,237,669

Health Care by County*

*services by treating provider county
Number of Participants
HELP-Link enrollment continues to grow:

- Over 10,000 people completed HELP-Link surveys;
- Over 12,300 people enrolled through the Montana HELP Plan have received employment services through the Department of Labor & Industry;
- Since the launch of HELP-Link, over 1,900 people have received intensive, one-on-one employment training services through the program.

Employment Outcomes
HELP-Link is putting Montanans to work with higher wages for participants:

- 78% of HELP-Link participants have found employment after receiving employment services;
- HELP-Link participants are making higher wages with roughly 72% of trainees seeing wage increases in the second quarter of 2016. The average wage increase was $1,680.

Training Outcomes
HELP-Link continues to expand Montana’s labor force with trained workers:

- The most common occupations pursued by HELP-Link participants are:
  - Heavy and Tractor-Trailer Truck Drivers (49)
  - Nursing Assistants (41)
  - Registered Nurses (36)
  - Bookkeepers (16)
  - Medical Assistants (15)

- Registered nurses earn a median wage of roughly $60,000 in Montana, which would likely be enough to lift a family of five out of poverty and above the Medicaid expansion eligibility threshold.

- The remaining occupations listed have median wages between $32,000 per year and $42,000 per year, which would be enough to lift families out of poverty, and would place individuals and small families of two people above the Medicaid expansion eligibility threshold.

Number of HELP-Link survey completers reported as of 6/30/17. Number of participants reported as of 6/2/17. Employment and training outcome data reflects 2016 HELP-Link participant data. This memo does not include data for Montana HELP plan participants who have been trained through DPHHS programs.
Wellness Activities Report

Blue Cross Blue Shield Montana

Peg Hasner, BCBS-MT
Federal initiative impacts to Montana Medicaid / HELP Act

Jess Rhoades,
Governor’s Office
&
John Goodnow,
CEO Benefis
Health System
ALL 5 ACA REPEAL BILLS CAUSE MORE THAN 20 MILLION PEOPLE TO LOSE COVERAGE

Increase in uninsured compared to current law, 2026

<table>
<thead>
<tr>
<th>Bill</th>
<th>Increase in Uninsured</th>
</tr>
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<tbody>
<tr>
<td>AHCA I</td>
<td>24 mil.</td>
</tr>
<tr>
<td>AHCA II</td>
<td>23 mil.</td>
</tr>
<tr>
<td>BCRA I</td>
<td>22 mil.</td>
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<tr>
<td>Repeal-Without-Replace</td>
<td>32 mil.</td>
</tr>
<tr>
<td>BCRA II</td>
<td>22 mil.</td>
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Source: Congressional Budget Office
Under the BCRA, Montana is expected to lose $5.3 billion in federal Medicaid funds between FY 2020 and 2026 due to changes to expansion financing and the per capita cap.

This represents 39.6% of Montana’s current law federal Medicaid funding - not just for expansion but also for children, seniors, people with disabilities. Under the BCRA, Montana’s expansion adults would lose coverage entirely, likely starting in 2021.

http://mthcf.org
The repeal bills would lead to about 4,700-10,000 fewer Montana jobs by 2026.

Protecting Medicaid Expansion and the Vulnerable in Montana
In addition to having devastating coverage implications, Affordable Care Act Repeal and Replace (or straight Repeal) would have a huge financial impact on States, particularly those States that expanded Medicaid. However, it appears that these options are extremely unlikely to pass on a straight party line vote at this time.
Ten Ways to Reduce Cost and Improve Affordability

Idea #1
Payment reform in regard to patients with multiple chronic conditions.

12 percent of the U.S. population accounts for 41 percent of national healthcare spending.
Ten Ways to Reduce Cost and Improve Affordability

Idea #2
Payment reform (particularly what is covered by taxpayers and how payment is made to providers) in regard to the small portion of Medicare beneficiaries who account for the majority of Medicare spending.

10 percent of Medicare beneficiaries account for 70 percent of Medicare spending.
Idea #3
Support research, development, adoption, and funding of cost-effective technologies to help manage chronic diseases and costs.

Idea #4
Allow Medicare to negotiate drug costs.

Each year, Medicare spends $100 billion on prescription drugs.
Idea #5
Reform the Medical Malpractice Laws at the national level.

Idea #6
End of Life Care (specifically, what care and heroic measures taxpayers will and will not fund at the end of life.)

40% of Medicare dollars are spent to cover care for people in the last month of life.
Idea #7
Reduce the payment variation per Medicare Enrollee between high and low-cost states.

Montana is the lowest-cost State in the nation based on cost per Medicare enrollee.
Ten Ways to Reduce Cost and Improve Affordability

**Idea #8**
Modify the Airline Deregulation Act of 1978 as it relates to air ambulance services.

**Idea #9**
Eliminate Federal programs that are ineffective.

**Idea #10**
Reduce overregulation at the national level.

Obviously, many of these ten ideas apply to Medicaid as well, whether at the Federal or the State level.
HELP Act Benefit to Montana Hospitals

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<tr>
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<th>2015</th>
<th>2016</th>
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<tbody>
<tr>
<td><strong>Uninsured</strong></td>
<td>7.2%</td>
<td>3.3%</td>
</tr>
<tr>
<td><strong>Bad Debt</strong></td>
<td>4.3%</td>
<td>1.4%</td>
</tr>
<tr>
<td><strong>Operating Margin</strong></td>
<td>No Negative Impact</td>
<td></td>
</tr>
</tbody>
</table>
Unintended Consequences of the BRCA

• The percentage of uninsured and the bad debt experience at America’s Not-For-Profit Hospitals would increase, putting many small rural Critical Access Hospitals at risk of financial failure/closure.

• As more uninsured are seen, Hospitals will have to increase cost shifting to those with commercial insurance. While such cost shifting already occurs, the BCRA would make it worse. Commercial insurance rates would increase even more, and more employers would stop providing employer-sponsored health insurance. (Note: Across employers of all sizes, only approximately half of employers offered employer-provided health insurance in 2015.) Meanwhile, fewer individuals would continue to purchase their own insurance.

• Many healthcare jobs (which currently represent 18% of the United States economy) would be lost.

Closing America’s small rural hospitals (with devastating impact on their communities); increasing cost shifting to those with commercial insurance; and reducing healthcare jobs are likely, unintended consequences of the AHCA, the BCRA, or ACA Repeal.
Discuss what, how, when Committee needs to publicize positive impacts of the HELP Act.
SB 261 Update

Laura Smith
DPHHS Deputy Director
Questions from the Committee
Public Comment