

THE PRIVATE OPTION

The Arkansas Health Care Independence Act of 2013

The Honorable Davy Carter
Speaker of the House
Arkansas House of
Representatives

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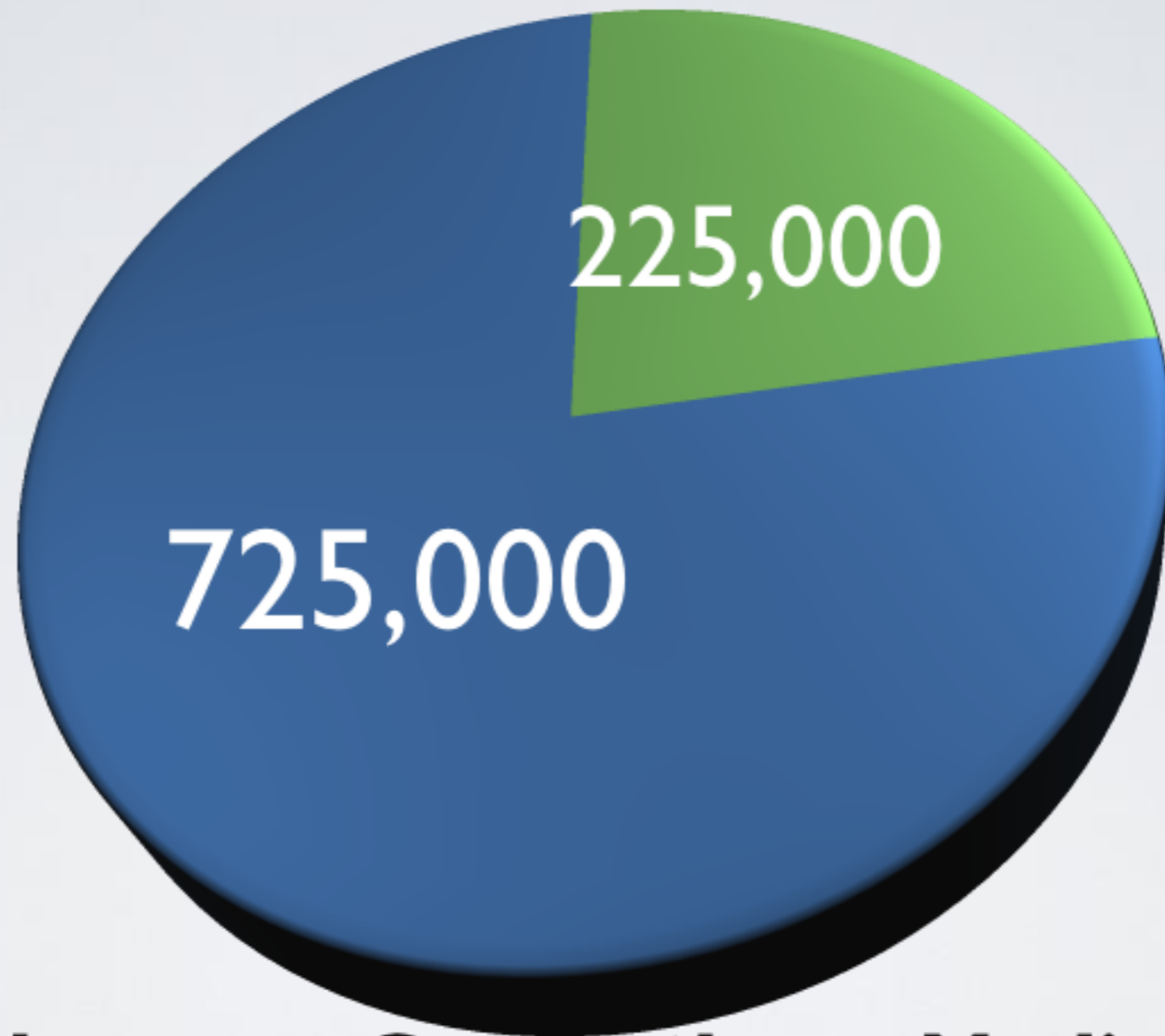
The Arkansas Health Care Independence Act of 2013

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The Arkansas Health Care Independence Act of 2013

The Arkansas Legislature's Policy
Alternative to the Patient Protection &
Affordable Care Act's One-Size-Fits-All,
State-Based Method of Expanding the
Medicaid Program

MEDICAID EXPANSION



- **Arkansans Currently on Medicaid***
- **18-138% FPL Expansion Population**

MEDICAID EXPANSION

Would Place

950,000

Arkansans on the
Medicaid Rolls

MEDICAID EXPANSION

950,000

Arkansans Enrolled in Medicaid

- Few Structural Reforms
- Limited Access
- Declining Provider Mix
- Increase Cost Shifting to Private Insurance
- Increase Waste, Fraud and Abuse
- Increase Administrative Overhead

MEDICAID EXPANSION

950,000

Arkansans Enrolled in Medicaid

- Perpetuates a Broken Model
- Further Fragmentation of Care
- Limits Arkansans Care Options
- Fully Embraces ObamaCare
- Path to Single-Payer, Government-Run System
- Bad for Arkansas and the Country

MEDICAID EXPANSION



- Bad for Arkansas and the Country

OBAMACARE:
COSTS AND CONSEQUENCES
Medicare Cuts

Burden on Business

Taxes and Penalties

Onerous Regulation

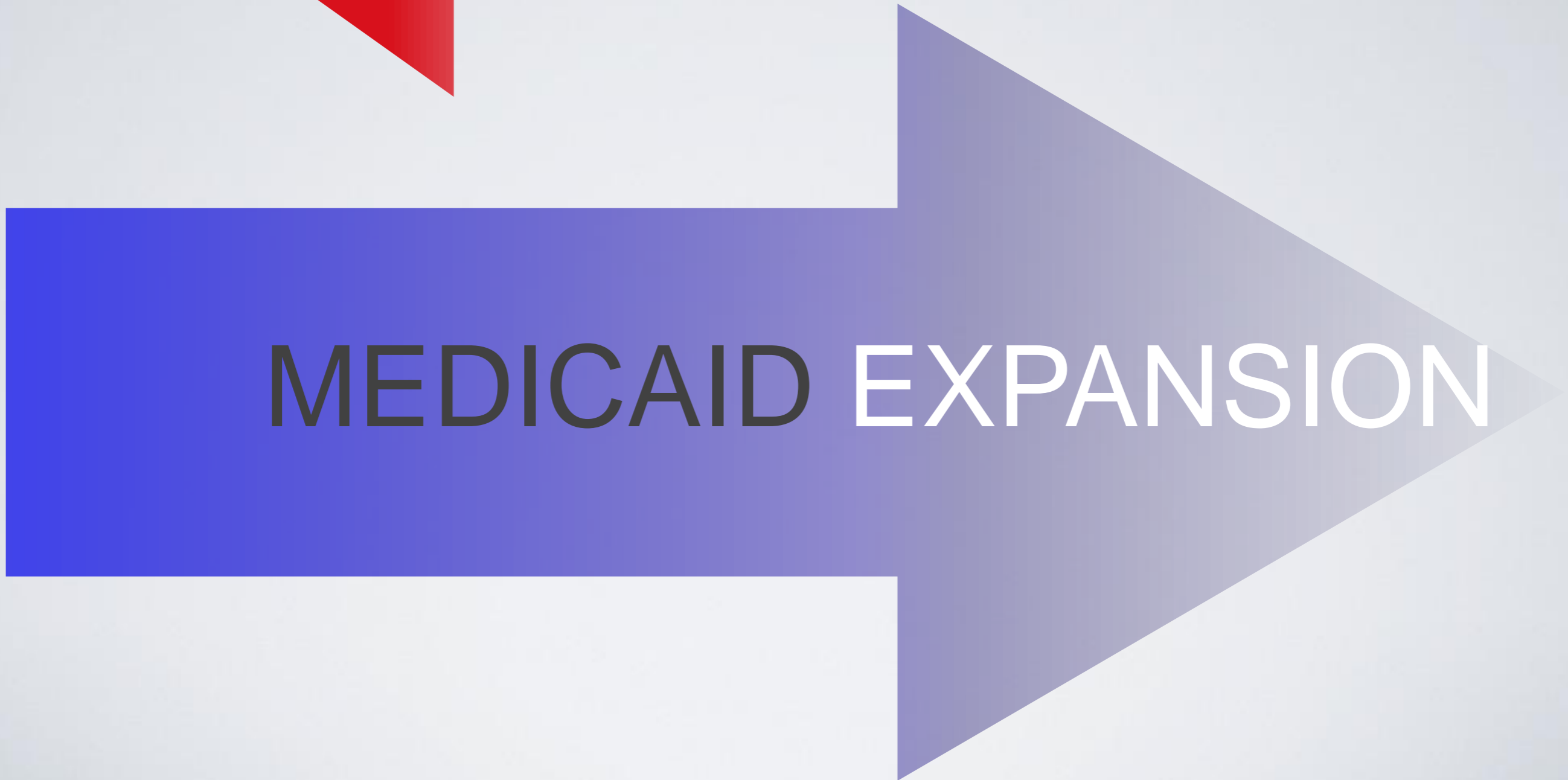
**Driving Up Cost of
Care**

OBAMACARE:
COSTS AND CONSEQUENCES
Medicaid Growth
Fragmented Coverage
Uninsured and
Underinsured
Weakens States
Strengthens Washington

Different Direction



THE PRIVATE OPTION



MEDICAID EXPANSION

THE PRIVATE OPTION:

The Arkansas Health Care Independence Act of 2013

- Implemented Through 1115b Waiver, not the PPACA
 - Will Meet Budget Neutrality Requirement
- Exchange-Based, Private Insurance Coverage Through Premium Support
- Transition of Existing Medicaid/SCHIP Populations from Medicaid to the Private Option -- 0-138 % FPL (2015)
- Health Savings Accounts - 50-138% FPL (Bronze-Level)
- Creative Cost-Sharing Development by Plans - 50-138% FPL

THE PRIVATE OPTION:

The Arkansas Health Care Independence Act of 2013

- Reduce GR Expenditures for Uncompensated Care
- Churn onto and off-of State Medicaid Program Avoided
- Provider Rates Determined by Market
- Underpayment and Uncompensated Payments Resulting in Cost-Shift to Private Insurance Premiums will be Mitigated.
- Administrative Overhead and Gov't Agency Expansion Will be Avoided.

The Stool's Other Legs

REFORMING THE BROKEN SYSTEM

Medicaid Reforms Passed By the Arkansas Legislature

- Medicaid Inspector General -- Integrity Function
- Advanced Analytics for Waste, Fraud, and Abuse Prevention*
- Robust Eligibility Verification System
- Background Checks and Drug Tests for Self-Directed Care Providers
- Out-Patient Ambulatory Surgical Centers Participation

TRUE HEALTH CARE SYSTEM CHANGE

Arkansas Legislature/DHS Health Care Transformation Project

- Two Year Plan Development -- Starting Fall 2013
- Self-Insured, Private Pay-Style Reforms that Bend the Cost Curve Downward, While Increasing Quality of Care :

✓ *Focus on Outlier Populations: Avoiding Misdiagnosis and Incorrect Treatments with High Utilizers*

✓ *Setting up High Performance Provider Networks Based on the Centers for Excellence Model*

Thank You