

**Kentucky**

**Cabinet for Health and Family Services**

**Eric Friedlander – Deputy Secretary**

**Medicaid Expansion**



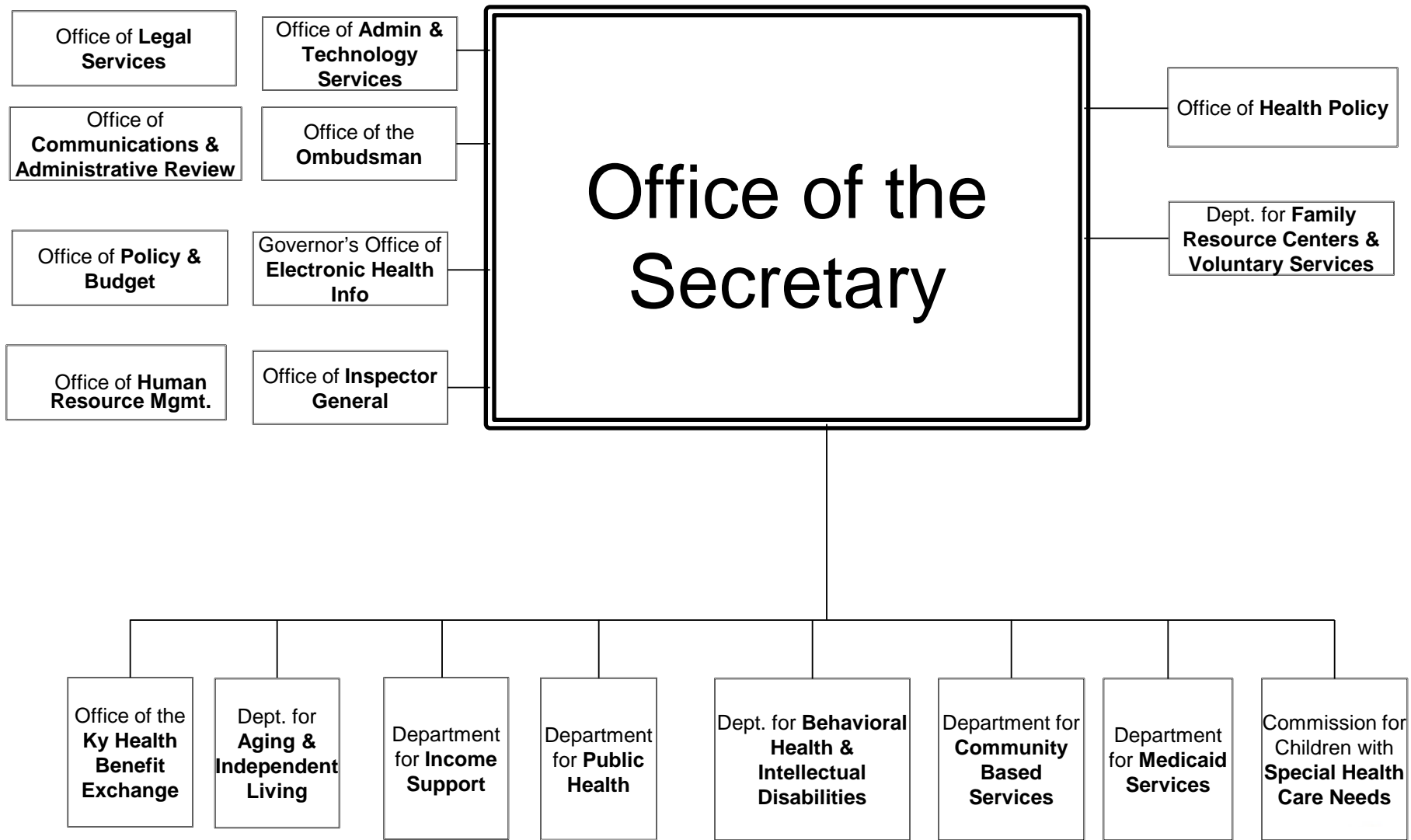
# Kentucky Health Status

## Kentucky Rankings from the United Health Foundation Report (2012)

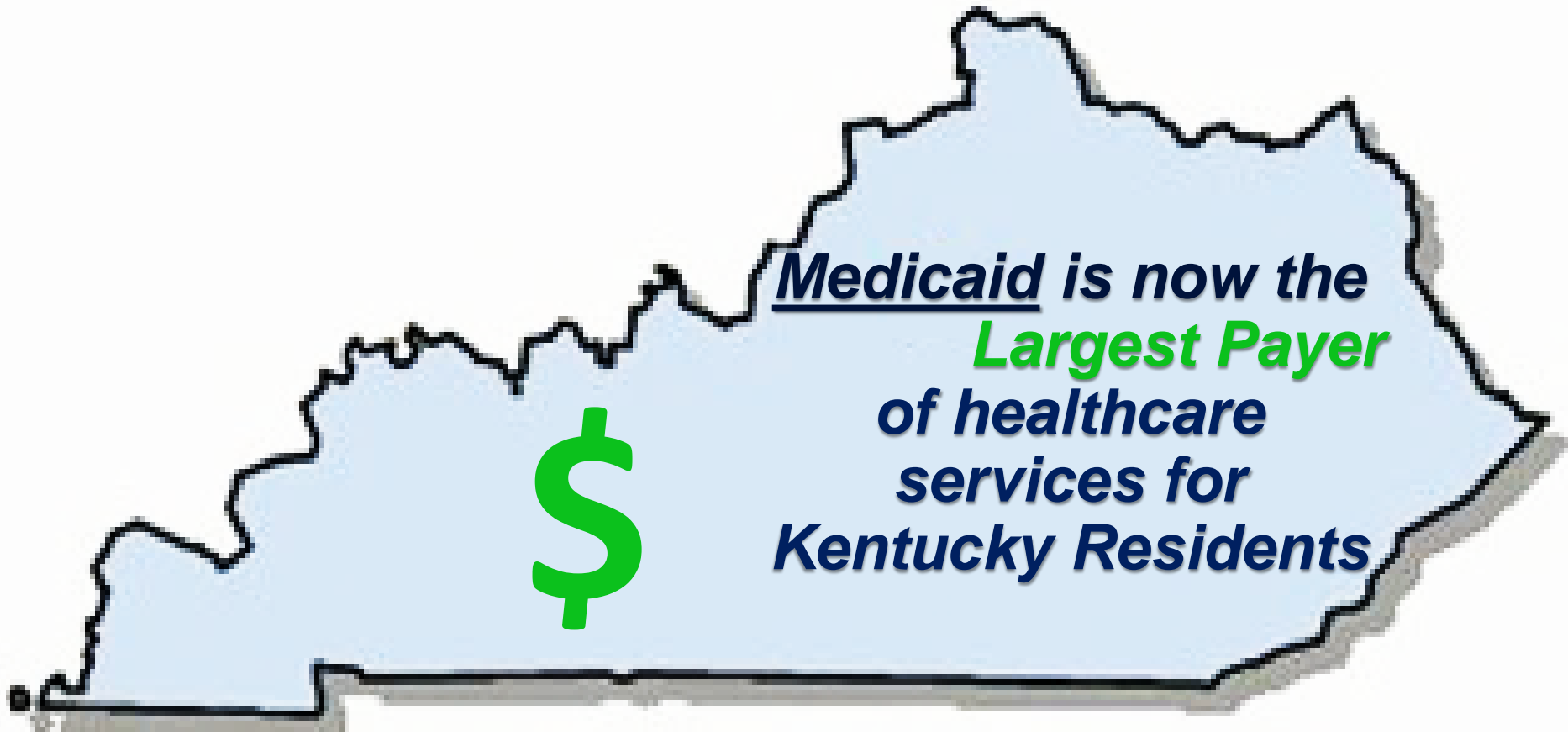
MEASURE	RANK	MEASURE	RANK
Smoking	50	Cancer Deaths	50
Obesity	40	Premature Death	44
Sedentary Lifestyle	43	Infant Mortality	28
Children in Poverty	37	Youth Obesity	41
Lack of Health Insurance	30	Youth Smoking	43
Preventable Hospitalizations	50	Cardiac Heart Disease	49
Low Birth weight	43	High Cholesterol	43
Diabetes	41	Heart Attack	48
Poor Mental Health Days	48	Stroke	46
Poor Physical Health Days	49	High Blood Pressure	46
Cardiovascular Deaths	43	Preterm Birth	44

Source: <http://www.americashealthrankings.org/KY/2012>

# Cabinet Overview



# Kentucky Medicaid



# Move to Medicaid Managed Care

On November 1st 2011, in order to meet budget requirements to save an estimated \$1.3 Billion required by the enacted budget, about 550,000 of over 800,000 Medicaid eligible individuals were transitioned to one of three Managed Care Organizations (MCOs). This was the culmination of eight months of intense work beginning in March 2011...

- RFP released April 7th 2011
- Bids Due May 25th 2011
- Scoring and Contract negotiations throughout June 2011
- Contracts finalized first week of July 2011
- Final approval from CMS came on October 28th 2011.
- MCO Startup on November 1st.

# ACA

**With Medicaid Expansion we anticipated an additional 300,000+ would be eligible in 2014**

**What expansion means**

***1 out of every 4 Kentuckians will be Medicaid Eligible***

## **Benefits to Kentucky**

**An independent study found that expanding Medicaid is beneficial for Kentucky in several areas including:**

**17,000 New Jobs**



**11 Billion Funding to Providers (FY14-21)**



**\$800M Savings for Kentucky (FY14-21)**

# ACA Update

- The Medicaid Department has worked to fully implement all of the provisions related to expansion in compliance with the Affordable Care Act.
- Since August, 2013...
  - Filed and approved 27 unique state plan amendments (SPA) to CMS (Federal)
    - 6 remain pending CMS approval
  - Filed 48 Regulations
    - 44 E&O regs
    - 3 ordinary regs
    - 1 emergency reg

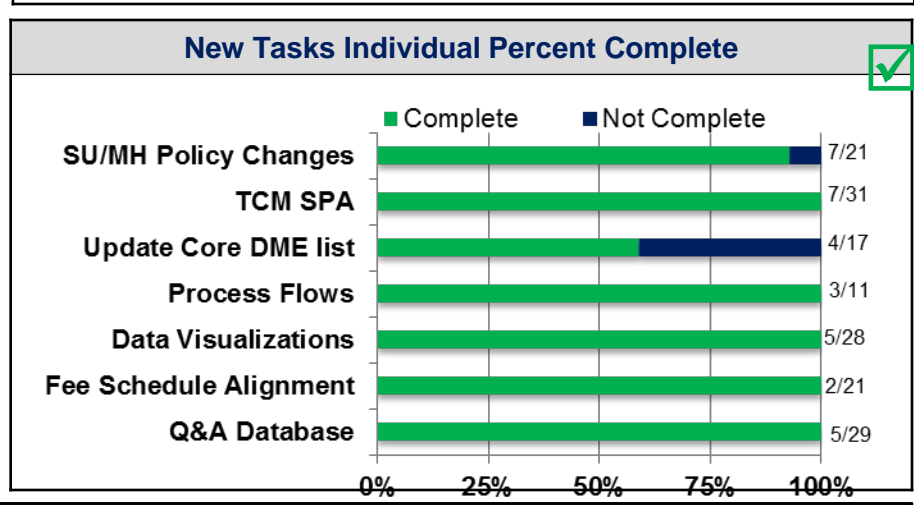
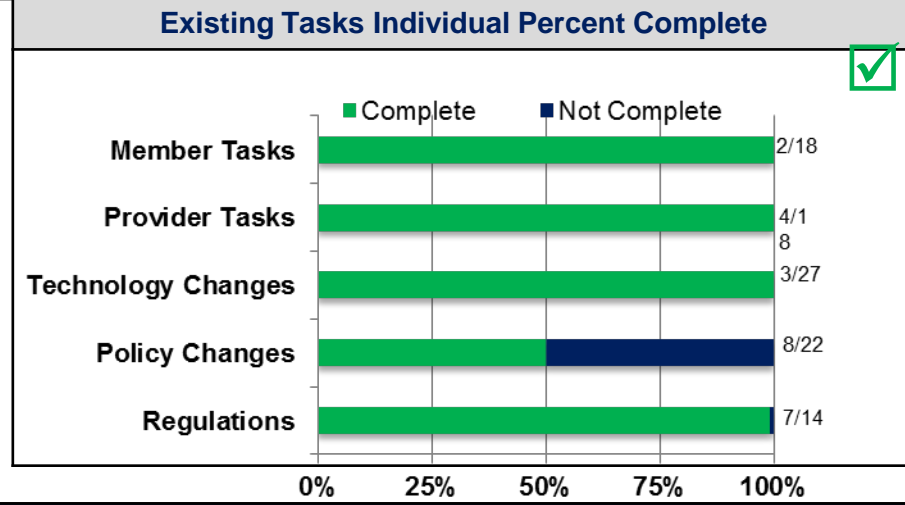
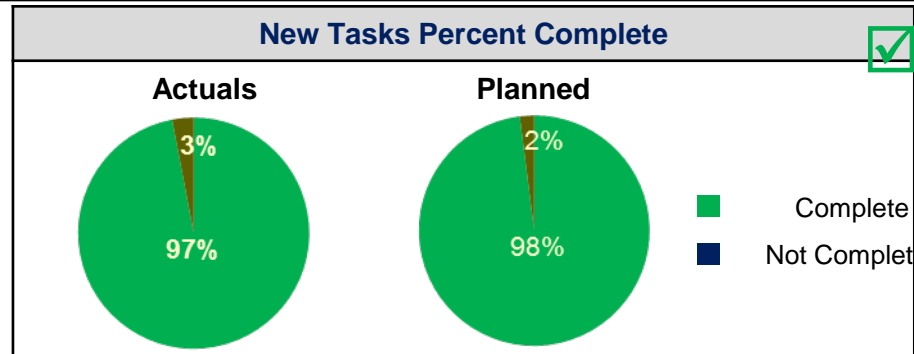
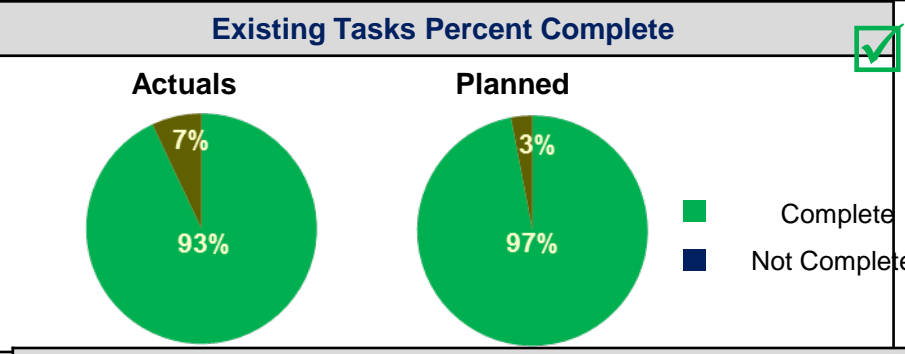
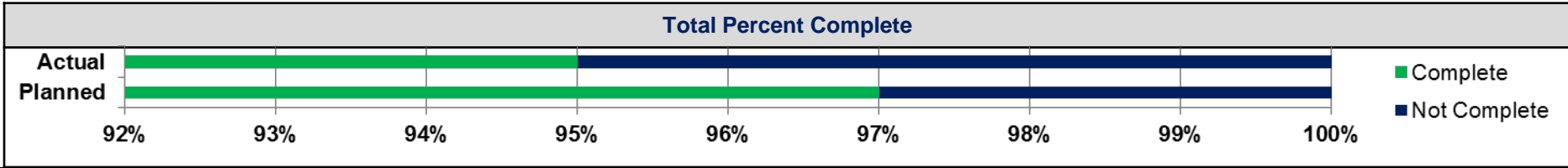
# Medicaid Expansion Project

Reporting Period:

07/03/14  
-  
07/09/14

Status:

On Track



### Legend



Meeting / Exceeding Expectations

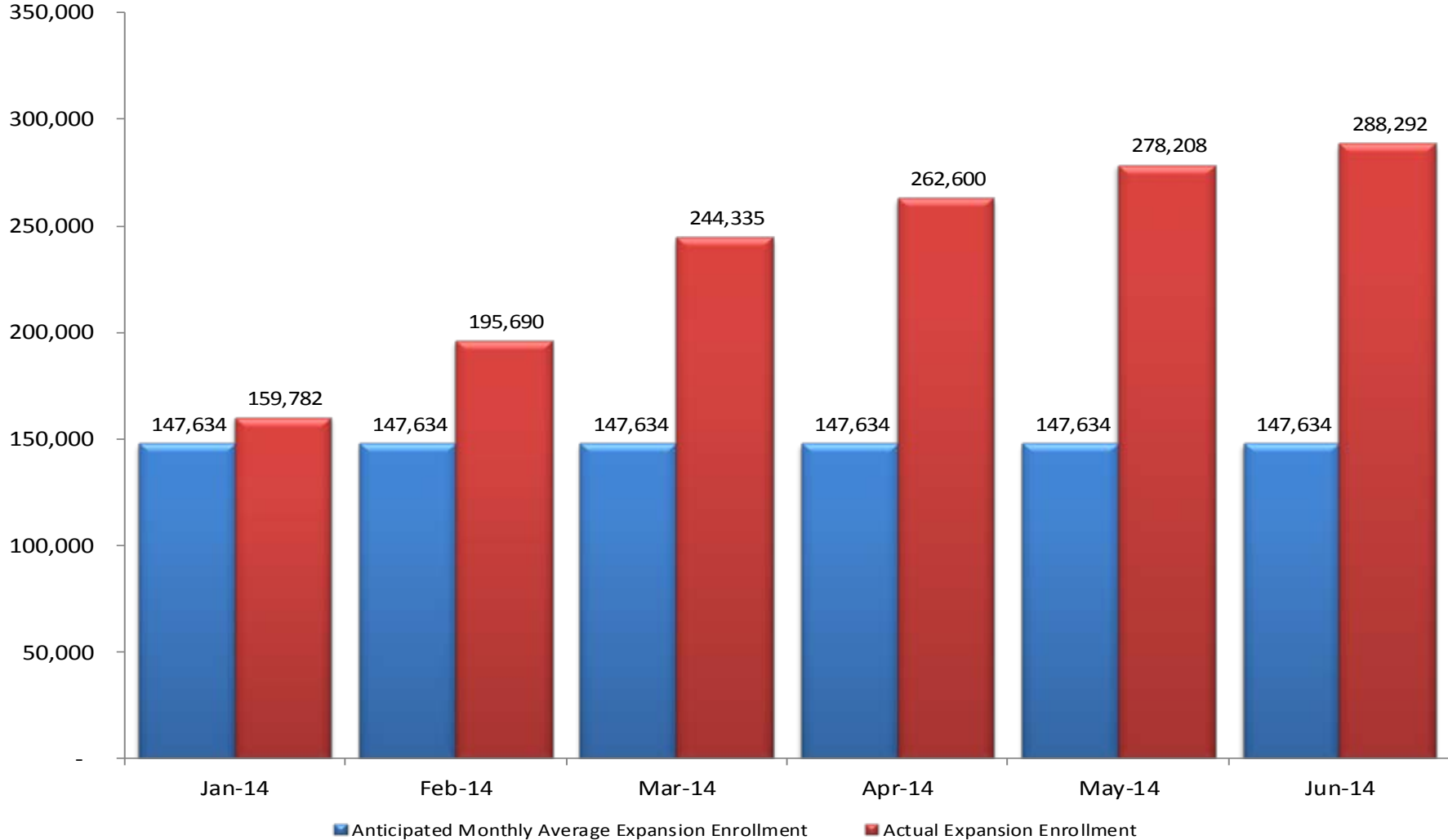


5% - 15% Delayed





### Actual vs. Anticipated Expansion Enrollment

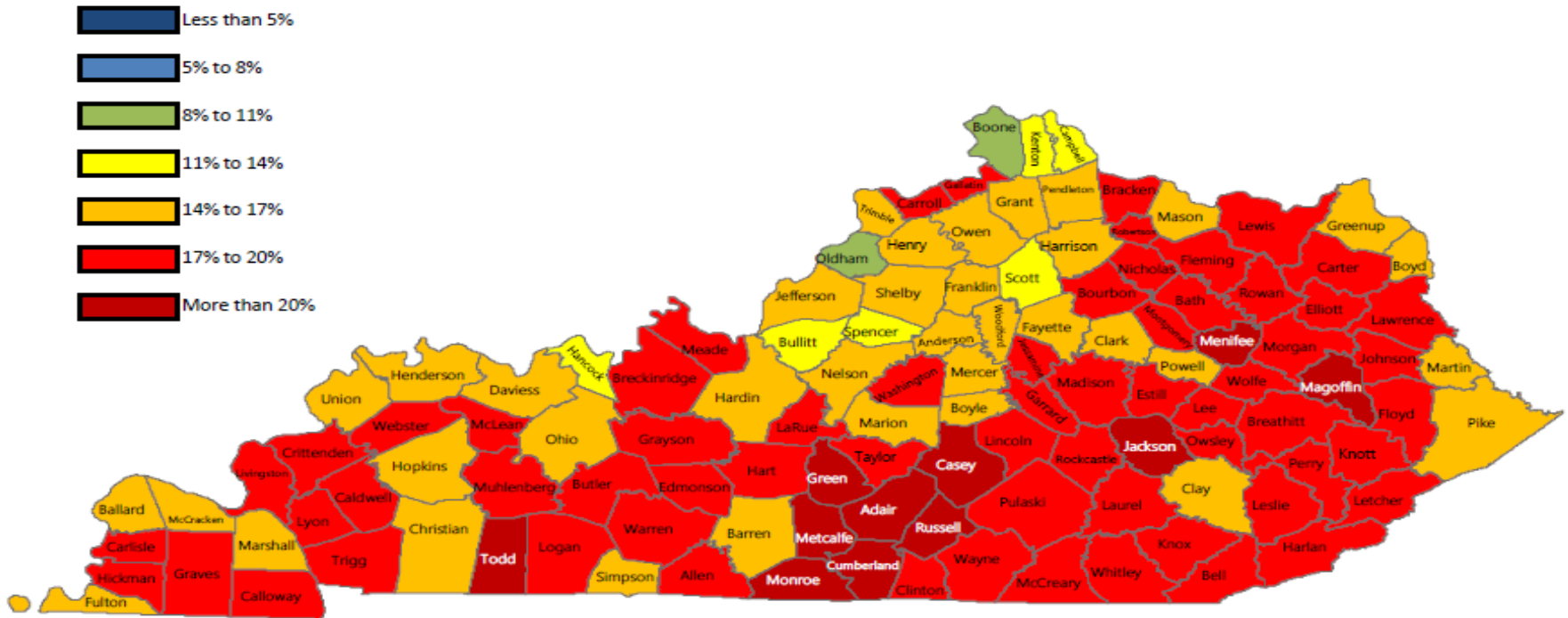


## Anticipated vs. Expansion Enrollment

- Medicaid Expansion Enrollment **outpaced the enrollment anticipated in the whitepaper in every county.**
- Whitepaper participation rates, as prepared by PwC, were based on estimates from the **Congressional Budget Office and anticipated 55% of eligible persons enrolling in the first year**, with that figure leveling out at 70% in future years.

# Pre-Expansion Rates

Percentage of the Population Under 65 that was Uninsured Prior to ACA  
[2012 Small Area Health Insurance Estimates]



# Post-Expansion Rates

Potential Percentage of the Population Under 65 that is Uninsured  
[Assumes 75% of New Enrollees were previously uninsured]



# Table 1. Medicaid Reimbursements by Major Categories

Provider Type	SFY 2012	SFY 2013	SFY 2014
Inpatient Hospital	\$854,222,900	\$812,218,500	\$959,312,300
Outpatient Hospital	\$398,231,100	\$518,713,100	\$633,265,000
Physician	\$422,358,500	\$432,838,300	\$469,304,100
Pharmacy	\$559,980,800	\$512,451,700	\$712,410,400
Other	\$3,269,506,200	\$3,228,182,400	\$3,440,715,500

## Table 2. Medicaid Reimbursements for Expansion Members Only

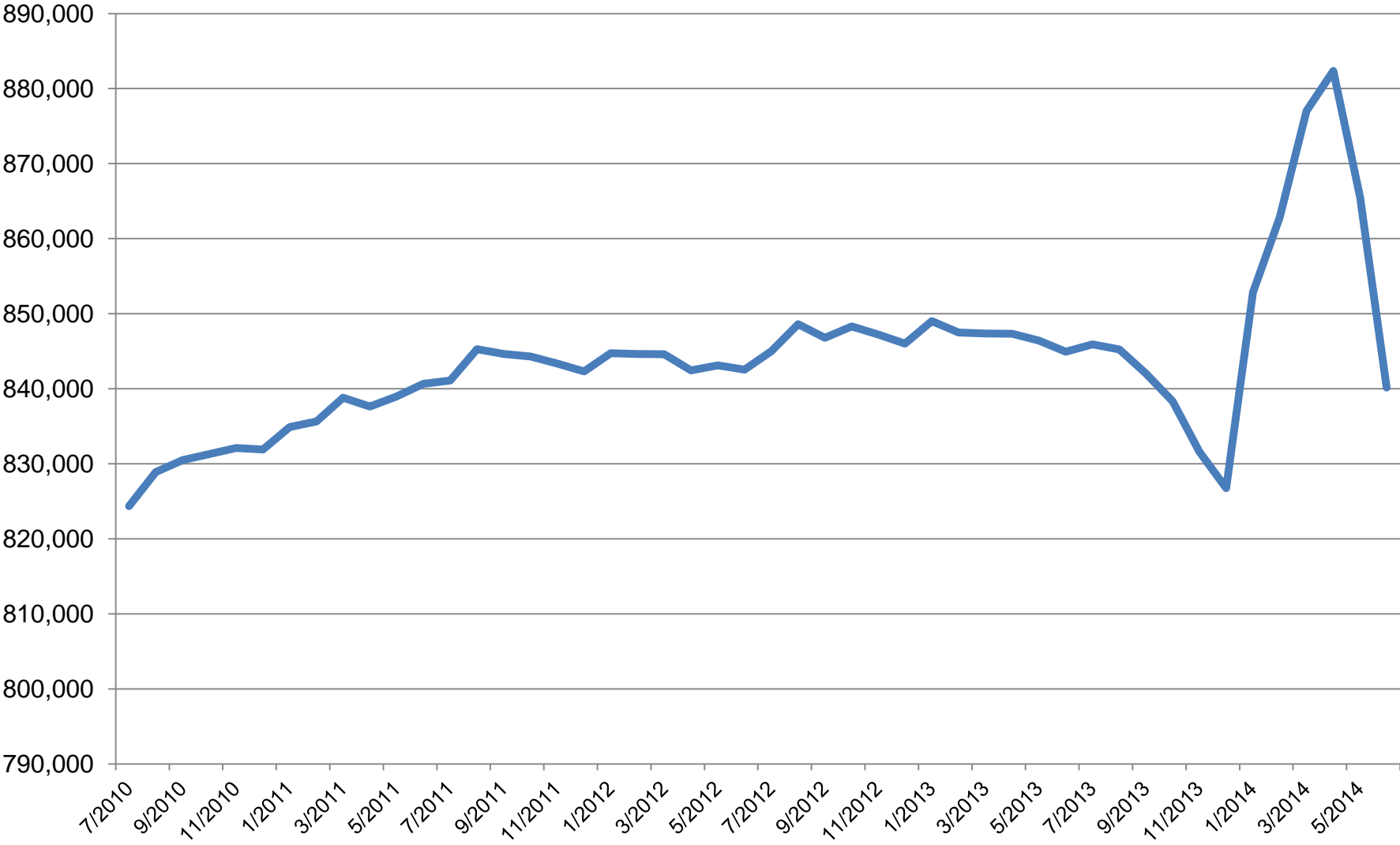
Provider Type	Reimbursements Jan 2014 – Jun 2014
Hospital	\$135,434,419
Pharmacy	\$73,882,872
Physicians, Primary Care, FQHC, etc.	\$42,213,262
Other Providers	\$32,854,228
<b>Total</b>	<b>\$284,384,780</b>

# Enrollment, Woodwork, and Churn

- Medicaid Expansion is not static. It is dynamic.
- While Kentucky has consistent enrollment figures. The **individuals** that make up that enrollment **are constantly changing.**
- While 81% of people enrolled in June of 2012 were also enrolled the following June, only 70% of members were enrolled in all 3 years.
- **The Medicaid population is a constantly shifting changing group.**

	June Enrollment
2012	842,550
2013	844,948
2014	837,963

# Traditional Enrollment





# Deputy Secretary Eric Friedlander

Cabinet for Health and Family Services

275 East Main Street

Frankfort, KY 40621

502-564-7042

[Eric.Friedlander@ky.gov](mailto:Eric.Friedlander@ky.gov)

## ***Analysis of the Affordable Care Act (ACA): Medicaid Expansion in Kentucky***

[governor.ky.gov/healthierky/medicaid/Pages/default.aspx](http://governor.ky.gov/healthierky/medicaid/Pages/default.aspx)