Medicaid Buy-In: Is it the Next Frontier?

2017 NASHP Annual Conference

October 24, 2017
What Are States Solving For?

Improving Marketplace Access and Competition

Strengthening Coverage, Continuity & Alignment

Strengthening Medicaid Purchasing Power
What Do We Mean by Medicaid Buy-in?

1. Leverage Medicaid to offer a new public product in the Marketplace

2. Permit individuals above Medicaid eligibility levels to “buy-in” to a Medicaid product
   a. Buy-in without subsidies
   b. Buy-in with subsidies
      1. 1332
      2. BHP
Overview of New Public Option on Marketplace

- State promotes access and/or competition in Marketplace by offering new Medicaid product in the Marketplace
- State procures the public product through its Medicaid managed care (MMC) plans
- State would set rates and plans would leverage Medicaid provider networks
- Product would be designed to meet Marketplace standards and qualify for APTCs (i.e., QHP)
- Expands Medicaid Agency product line and responsibilities
- Requires close collaboration of Medicaid and insurance agencies
Overview of Medicaid Buy-in

- State makes a Medicaid benefit available for consumers above Medicaid levels to “buy-in”

- Consumers would use their own money and possibly tax credits (1332 option) or federal pass-through funding (BHP option)

- Medicaid product likely to differ from regular Medicaid benefit to make buy-in affordable

- Like public option, State would procure product, set rates and plans would leverage Medicaid provider networks

- Like public option, would expand Medicaid product line and require close collaboration across agencies
## Implications across Options

<table>
<thead>
<tr>
<th></th>
<th>Public Option</th>
<th>Buy-in without subsidies</th>
<th>1332</th>
<th>BHP</th>
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</thead>
<tbody>
<tr>
<td><strong>Federal approval</strong></td>
<td>QHP certification</td>
<td>None</td>
<td>1332 waiver</td>
<td>BHP State Plan Amendment</td>
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<tr>
<td><strong>Use of Medicaid</strong></td>
<td>Consistent with Marketplace</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
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<tr>
<td><strong>infrastructure and</strong></td>
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<td><strong>delivery system</strong></td>
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<tr>
<td><strong>Product alignment</strong></td>
<td>Aligned to Marketplace</td>
<td>Aligned to Medicaid, likely more narrow benefit</td>
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<tr>
<td><strong>Consumer affordability</strong></td>
<td>Likely to increase Marketplace affordability</td>
<td>Consumer pays all; least affordable</td>
<td>Subject to state discretion and federal guardrails</td>
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<tr>
<td><strong>Use of existing MMC</strong></td>
<td>State discretion</td>
<td>State discretion</td>
<td>State discretion</td>
<td>State discretion</td>
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<td><strong>rates</strong></td>
<td></td>
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<tr>
<td><strong>Marketplace stability</strong></td>
<td>Increase, but could have mixed impact</td>
<td>Likely limited impact</td>
<td>Increase, but could have mixed impact</td>
<td>Increase, but could have mixed impact</td>
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Thank You!

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