

NJ FamilyCare Update

**Meghan Davey, Director
Division of Medical Assistance and Health Services**

**Division of Mental Health and Addiction Services'
Provider Quarterly Meeting
March 9, 2017**

February 2017 Enrollment Headlines

1,772,026 Overall Enrollment
3,130 (0.2%) Net Increase Over January 2017
39,235 (2.3%) Net Increase Over February 2016

487,545 (38.0%) Net Increase Since Dec. 2013

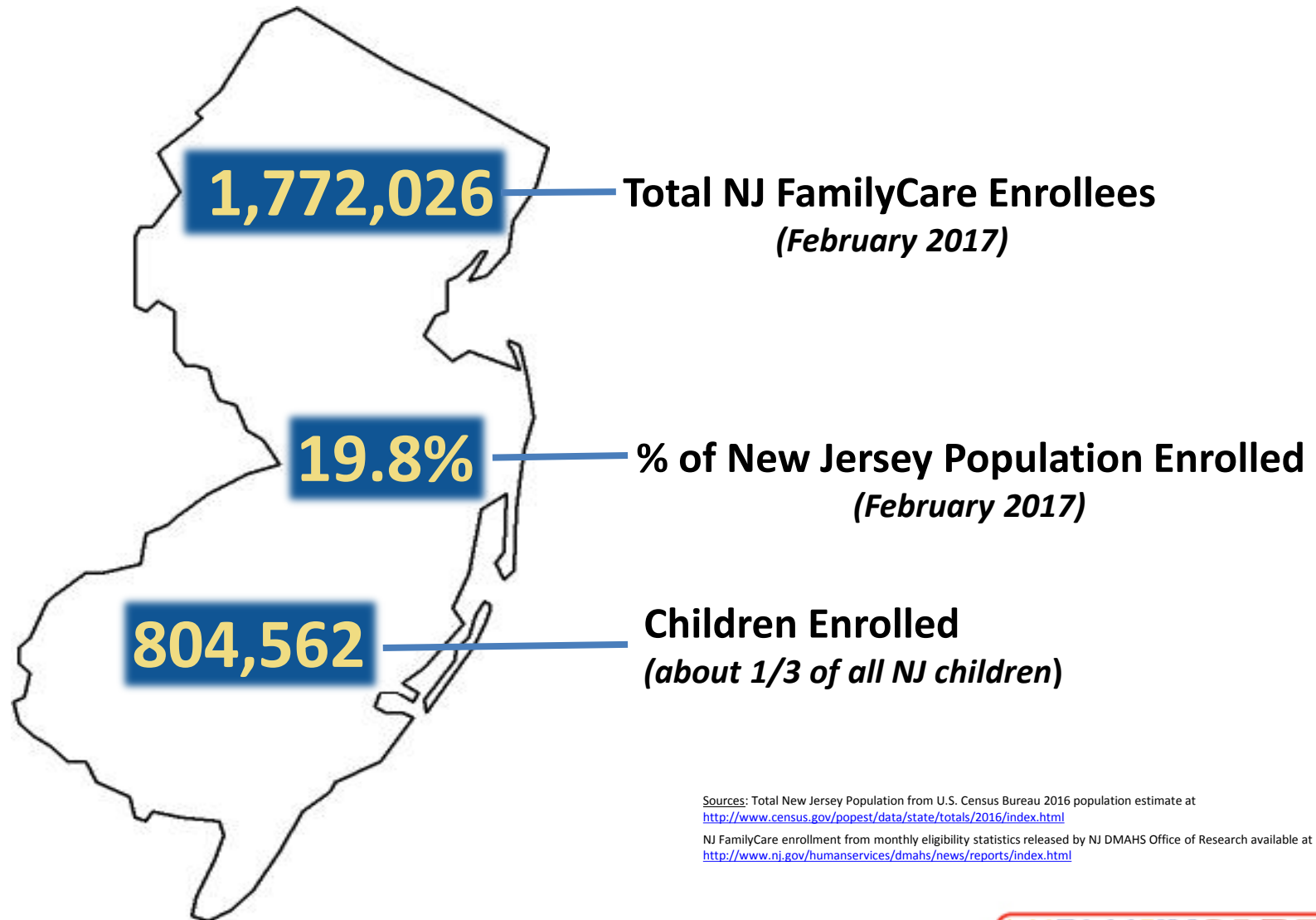
94.7% of All Recipients are Enrolled in Managed Care
Managed Care Penetration Rate Stabilizing

Source: Monthly eligibility statistics released by NJ DMAHS Office of Research available at <http://www.nj.gov/humanservices/dmahs/news/reports/index.html>;
Dec. eligibility recast to reflect new public statistical report categories established in January 2014

Notes: Net change since Dec. 2013; includes individuals enrolling and leaving NJFamilyCare.

Advisory, Consultative, Deliberative

NJ Total Population: 8,935,421



Sources: Total New Jersey Population from U.S. Census Bureau 2016 population estimate at <http://www.census.gov/popest/data/state/totals/2016/index.html>

NJ FamilyCare enrollment from monthly eligibility statistics released by NJ DMAHS Office of Research available at <http://www.nj.gov/humanservices/dmahs/news/reports/index.html>

February 2017 Eligibility Summary

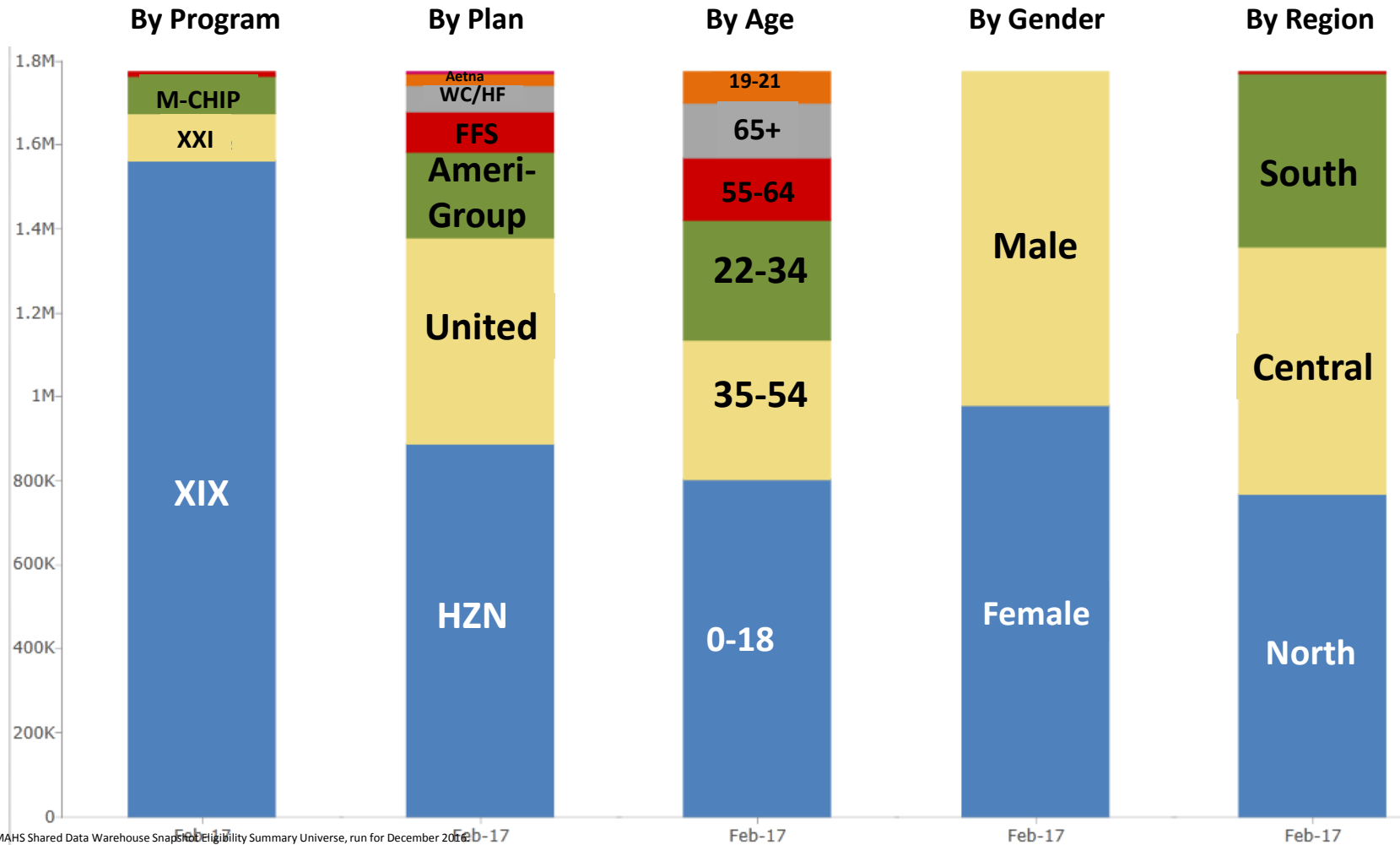
Expansion Adults	553,474	31.2%
Other Adults	110,049	6.2%
Medicaid Children	698,277	39.4%
CHIP Children	112,068	6.3%
Aged/Blind/Disabled	298,158	16.8%

Source: Monthly eligibility statistics released by NJ DMAHS Office of Research available at <http://www.nj.gov/humanservices/dmahs/news/reports/index.html>;

Notes: Expansion Adults consists of 'ABP Parents' and 'ABP Other Adults'; Other Adults consists of 'Medicaid Adults'; Medicaid Children consists of 'Medicaid Children', 'M-CHIP' and 'Childrens Services'; CHIP Children consists of all CHIP eligibility categories; ABD consists of 'Aged', 'Blind' and 'Disabled'.

NJ FamilyCare Enrollment “Breakdowns”

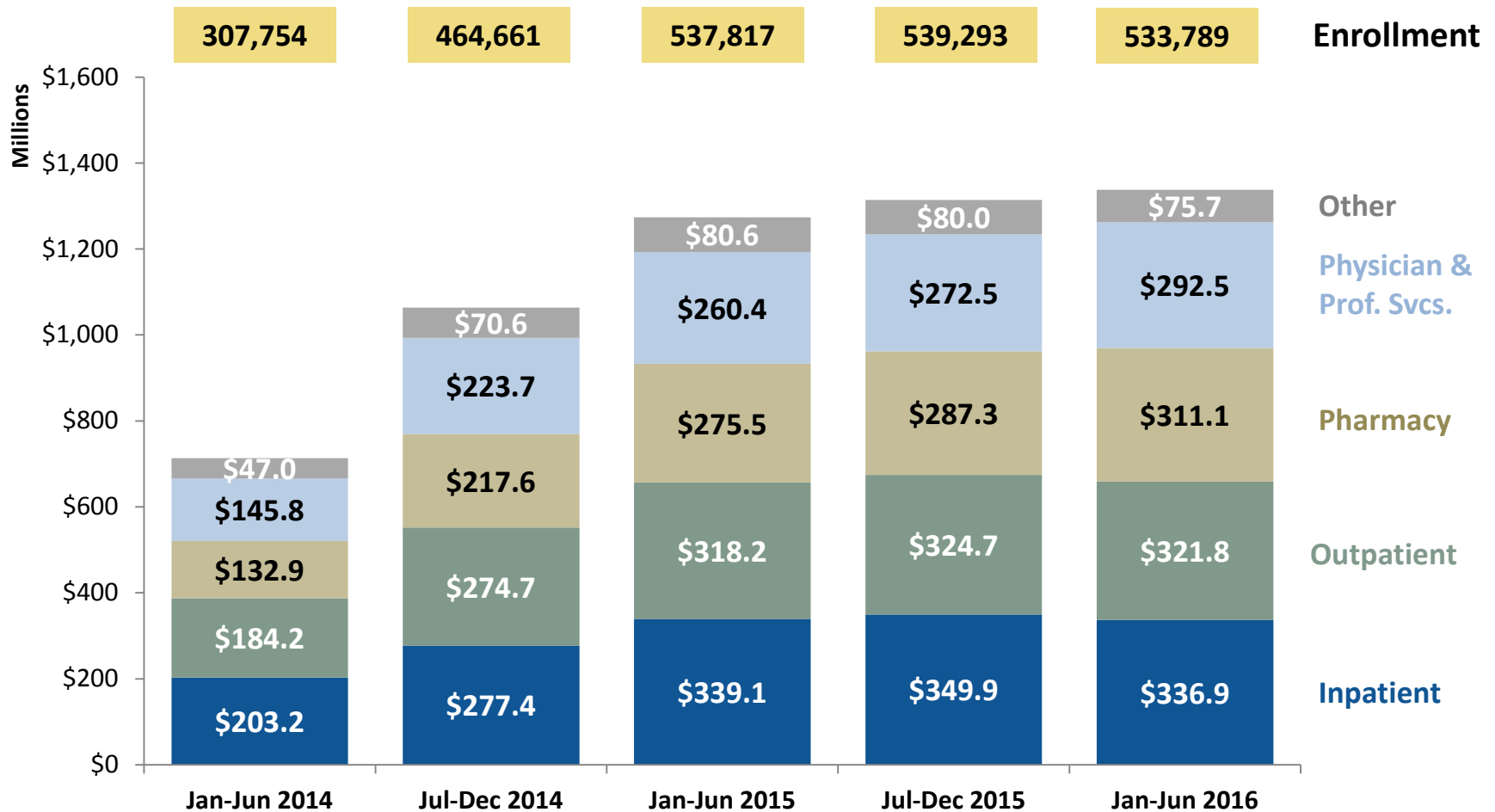
Total Enrollment: 1,771,672



Source: NJ DMAHS Shared Data Warehouse Snapshot Eligibility Summary Universe, run for December 2016
 Notes: By Region: North= Bergen, Essex, Hudson, Morris, Passaic, Sussex & Warren. Central= Hunterdon, Mercer, Middlesex, Monmouth, Ocean, Somerset & Union. South= Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester & Salem. Region does not add up to total enrollment due to small “unknown” category that is not displayed. *M-CHIP: Individuals eligible under Title XIX, but paid with CHIP (Title XXI) federal funds.



Expansion Population Service Cost Detail



Source: NJ DMAHS Share Data Warehouse fee-for-service claim and managed care encounter information accessed 1/10/2017

Notes: Amounts shown are dollars paid by NJ FamilyCare MCOs to providers for services supplied to NJ FamilyCare members – capitation payments made by NJ FamilyCare to its managed care organizations are not included. Amounts shown include all claims paid through 12/28/15 for services provided in the time period shown. Additional service claims may have been received after this date. Subcapitations are not included in this data. In addition to traditional “physician services” claims, “Professional Services” includes orthotics, prosthetics, independent clinics, supplies, durable medical equipment, hearing aids and EPSDT, laboratory, chiropractor, podiatry, optometry, psychology, nurse practitioner, and nurse midwifery services. “Other” includes dental, transportation, home health, long term care, vision and crossover claims for duals.

The Future of Medicaid

Health and Human Services Leadership



Secretary of HHS: Tom Price, M.D.

Duties of the Secretary of Health and Human Services include advising the President on issues of health and human welfare

Confirmed February 10, 2017; Congressman from Georgia.

Physician for 25 years

Strongly favors repealing the Affordable Care Act and reforming Medicaid and Medicare

Health and Human Services Leadership



CMS Administrator: Seema Verma (Nominated)

Duties of CMS Administrator include overseeing Medicare, Medicaid, CHIP and ACA Health Insurance Marketplaces.

Awaiting Confirmation.
Confirmation hearing was in mid- February.

Worked for many years as a consultant to the State of Indiana both under Governor Mitch Daniels and Governor Mike Pence, including creating the Healthy Indiana Plan and Healthy Indiana Plan 2.0.

Has also consulted for other State Medicaid programs including Iowa, Ohio, Kentucky, Tennessee, Michigan and Maine.

Health and Human Services Leadership



CMCS Administrator: Brian Neale (Appointed)

Most recently Executive Director at the
United States Congress Joint Economic Committee

Served as Health Care Policy Director for Vice
President Pence in Indiana

Worked with Seema Verna and then-Governor Pence to craft the
Healthy Indiana Plan and Healthy Indiana Plan 2.0,
the state's Medicaid expansion plan.

Favors proposals such as work search requirements, wider use
of premiums, and coverage lock-outs for non-payment for
Medicaid clients.

Five Principles for Repeal and Replace

Federal Administration Outline for Replacing the Affordable Care Act Included:

- Ensuring people with **pre-existing health conditions** are guaranteed **"access" to health insurance**, "and that we have a **stable transition for Americans currently enrolled in the health-care exchanges**.
- Giving people who buy their own health coverage **tax credits** and **expanded health savings accounts to help pay for their coverage**, as well as **flexibility about the design of their plans**.
- Give states **"the resources and flexibility"** in their Medicaid programs "to make sure no one is left out."
- Legal reforms to protect doctors and patients **"from unnecessary costs"** that drive up insurance costs, and to **bring down the price of high-cost drugs**.
- Creating a **national insurance marketplace** that allows insurers to **sell health plans across state lines**.

Various speculation around changes to the way Medicaid is financed at the federal level.

Current Medicaid Financing Structure

Federal money is guaranteed as a match to State Spending

- **50% match for New Jersey**
- **State's must follow federal rules, or waiver special terms and conditions to receive this funding**

Medicaid is the largest source of federal revenue to New Jersey

Federal Medicaid funding accounts for more than \$9.4 billion, or 17% of New Jersey's general revenue.

Alternative Medicaid Financing Structure: Block Grant and Per Capita Funding

Basic formula: A “base” spending level is established for each state and it is trended forward by an annual “trend rate,” often linked to Consumer Price Index (CPI) or Gross Domestic Product (GDP) growth.

Opportunities: Provides funding/spending certainty to the federal government and increased flexibility to States who want to try new ways of administering their Medicaid program

Challenges: Shifts the risks for enrollment growth and program costs over the set amount of funding to the States. Could mean less federal regulation or oversight from the government

National Policy Discussions

- Work requirements for Medicaid recipients
- Cost-sharing and premiums for non-disabled adults
- Expanding premium support options to encourage individuals to purchase health insurance on the exchange
- The use of wait-lists for certain services
- Enrollment caps

House Republicans Plan for Repeal and Replace: Medicaid

- Repeals enhanced match for expansion population effective 1/1/2020.
- After 1/1/2020 states could only enroll newly eligible individuals at the state's traditional matching rate.
- Proposes redeterminations every 6-months for the expansion population beginning 10/1/2017.
- Eliminates the 3-month retroactive eligibility period.
- Converts Medicaid to a per capita cap funding starting FY 2020.

DMAHS Engagement and the National Conversation

DMAHS is engaged in conversations on the national level and is actively participating in webinars and calls with the following entities:

- The National Governors Association (NGA)
- National Association of Medicaid Directors (NAMD)



Resources

- **Tom Price's HR 2300 Empowering Patients First**
<http://tomprice.house.gov/sites/tomprice.house.gov/files/Section%20by%20Section%20of%20HR%202300%20Empowering%20Patients%20First%20Act%202015.pdf>
- **Paul Ryan's "A Better Way"**
<http://abetterway.speaker.gov/?page=health-care>
- **State Health Reform Assistance Network (SHRAN)**
<http://statenetwork.org/resource/?tag=shran,shvs&topic=&type=>
<http://statenetwork.org/medicaid-expansions-economic-impact/>
- **National Governor's Association Recommendations for President-elect Trump:**
<https://resources.nga.org/cms/westates/healthcare.html>