State Perspectives on the Future of Health Care

n4a Aging Policy Briefing
Washington, D.C.
April 4, 2017
About NGA

The National Governors Association (NGA) is the nation’s oldest organization serving the needs of governors and their staff

NGA Office of Government Relations (OGR): Serves as the collective voice of the nation’s governors in Washington, DC

NGA Center for Best Practices (NGA Center): A hybrid think tank/consultancy that works directly with governors on specific policy projects and provides support to OGR. The NGA Center is comprised of five divisions:

- Economic Opportunity Division
- Education Division
- Environment, Energy & Transportation Division
- Health Division
- Homeland Security & Public Safety Division
Health Division Guiding Principles

The Health Division grounds all of its work in the following guiding principles:

• **Helping Governors Succeed**: Harnessing unbiased expertise to surface and disseminate the most promising evidence-based practices that can assist governors as they strive to improve the lives of their residents

• **Moving Beyond Theory**: Moving beyond theory by breaking down complex challenges and translating best practices into actionable steps governors can take to effectively and efficiently solve problems and create change

• **Breaking Down Silos**: Leveraging expertise across the NGA Center to help governors and their state leaders break down silos and develop integrated, innovative, whole-person solutions that are sustainable over time
Health Division Focus Areas

Health Systems Transformation

Behavioral Health and Social Determinants of Health

Data and Analytics

Medicaid and Health Insurance

Workforce

Public Health
Employer: 49%
Medicaid: 20%
Medicare: 14%
Uninsured: 9%
Individual: 7%

Source: Kaiser Family Foundation, "Health Insurance Coverage of the Total Population", http://kff.org/other/state-indicator/total-population/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D (accessed March 15, 2017).
### Medicaid Facts

Medicaid covers roughly 68 million people – about 1 in 5 Americans as of December 2016.\(^1\) Medicaid also covers 1 in 2 births nationally.

<table>
<thead>
<tr>
<th>Medicaid Facts</th>
</tr>
</thead>
<tbody>
<tr>
<td>In 2016, Medicaid spending totaled $576 billion; and Medicaid accounted for approximately 29% of all state spending.</td>
</tr>
<tr>
<td>From 1975-2012, roughly 70% of the growth in Medicaid spending was a result of increased enrollment(^2).</td>
</tr>
<tr>
<td>Medicaid is the largest single payer for behavioral health(^3) and long-term services and supports in the United States(^4).</td>
</tr>
</tbody>
</table>

---

\(^1\) Centers for Medicare & Medicaid Services, “December 2016 Medicaid and CHIP Application, Eligibility Determination, and Enrollment Report” (December 2016).


\(^3\) Medicaid and CHIP Payment and Access Commission, March 2016 Report to Congress.

\(^4\) Everette James, Walid Gellad, and Meredith Hughes, *Health Affairs Blog*, “In This Next Phase Of Health Reform, We Cannot Overlook Long Term Care,” (accessed March 24, 2017).
Governors are Activated on Health Reform

“It is critical that any changes to Medicaid and the private health insurance market reflect states’ experience as major health care purchasers, regulators and administrators who will be responsible for carrying out new reforms.”

- 2017 NGA LETTER TO CONGRESS
Stated Path for Health Care Reform

Phase 1: Repeal and Replace Through Reconciliation

Phase 2: Administrative Actions

Phase 3: Other Legislative Action
## Elements of Proposed Health Care Reforms

<table>
<thead>
<tr>
<th>Element</th>
<th>Reform Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicaid Caps</td>
<td>Replace entitlement with capped federal funding, such as per capita caps or block grants</td>
</tr>
<tr>
<td>Medicaid Expansion</td>
<td>Limit or eliminate federal support for Medicaid expansion</td>
</tr>
<tr>
<td>Insurance Mandates</td>
<td>Replace ACA health insurance mandates with other coverage incentives (e.g., continuous coverage)</td>
</tr>
<tr>
<td>Insurance Market Reforms</td>
<td>Provide more flexibility for states and insurers by loosening mandates (e.g., essential health benefits, age-rating)</td>
</tr>
<tr>
<td>Subsidies for Private Insurance</td>
<td>Restructure current income-based subsidy structure</td>
</tr>
</tbody>
</table>
Map of State Medicaid Expansion Decisions

NOTES: Current status for each state is based on KCMU tracking and analysis of state executive activity. *AR, AZ, IA, IN, MI, MT, and NH have approved Section 1115 waivers. WI covers adults up to 100% FPL in Medicaid, but did not adopt the ACA expansion.

Recent Administrative Actions

Health Care Executive Order (Jan. 20)

• Affirms the Executive Branch’s commitment to repealing the Affordable Care Act
• Directs federal agencies to take actions aimed at reducing the fiscal burden of the law on states, patients, providers and insurers

HHS/CMS Letter to Governors on Medicaid (Mar. 14)

• Commits to improving collaboration with states in several areas:
  o Streamlining the approval of state plan amendments and waiver applications
  o Implementing work requirements and community engagement incentives
  o Aligning benefit designs with private health insurance products
  o Allowing additional time to comply with the 2014 home and community-based services rule
  o Providing states with more tools to combat the opioid crisis
Examples of Health Division Projects

- Complex Care Policy Academy (Housing as Healthcare)
- Medicaid Transformation
- Governors’ Bipartisan Health Reform Learning Network
- Upcoming: Complex Care Learning Network

- Learning Labs on State Strategies for Reducing Overdose Deaths from Heroin and Illicit Fentanyl
- Upcoming: Learning Lab on Medication Assisted Treatment for Justice Involved Populations

- Linking Medicaid and Workforce
- Upcoming: Rural Health Learning Network

- Data and Analytics
  - Getting the Right Information to the Right Provider: How States Can Improve Information Flow Between Providers

Link to Publications: https://www.nga.org/cms/home/nga-center-for-best-practices(center-publications)/page-health-publications.html
Questions?

Hemi Tewarson
Acting Director, Health Division
NGA Center for Best Practices
htewarson@nga.org
202-624-7803