



VISION

ALASKA INDIVIDUALS, FAMILIES AND COMMUNITIES ARE SAFE AND HEALTHY

MISSION

TO PROMOTE AND PROTECT THE HEALTH AND WELL-BEING OF ALASKANS

House Finance Budget Subcommittee -- FY2016 Division Overview

Healthy Alaska Plan

February 16, 2015

Reform is Necessary

Reform is necessary

- State of the Budget Address
 - Identify 25% cuts over the next several years
- Minimize the impact to those we serve
- Efficiencies, Improvements and Innovations are critical to bend the cost curve

DHSS Budget = \$2.7B

- Medicaid = \$1.7B

The current Medicaid program is not sustainable



Building on Reforms Underway

- Control overutilization of hospital emergency room services
- Increased fraud and abuse prevention and control efforts
- Activities to reduce waste
- Home and community-based service improvements
- Coordination with Patient-Centered Medical Home initiatives
- Coordination with the Alaska tribal health system
- Investigating waiver options



Catalyst for Reform

Designing Reform

- Funding from the Alaska Mental Health Trust Authority
 - Trustees approved funding for an RFP
- Technical Assistance for Reform
 - Reform efforts in other states
 - Stakeholder process
 - Building An Alaskan Model



Additional Reform Options

Building blocks to achieving meaningful reform

- Payment Reform
- Strengthened Primary Care
- Care Management
- Workforce Innovation
- Maximizing federal matching fund opportunities
- Improved Telehealth Capability



Additional Reform Options

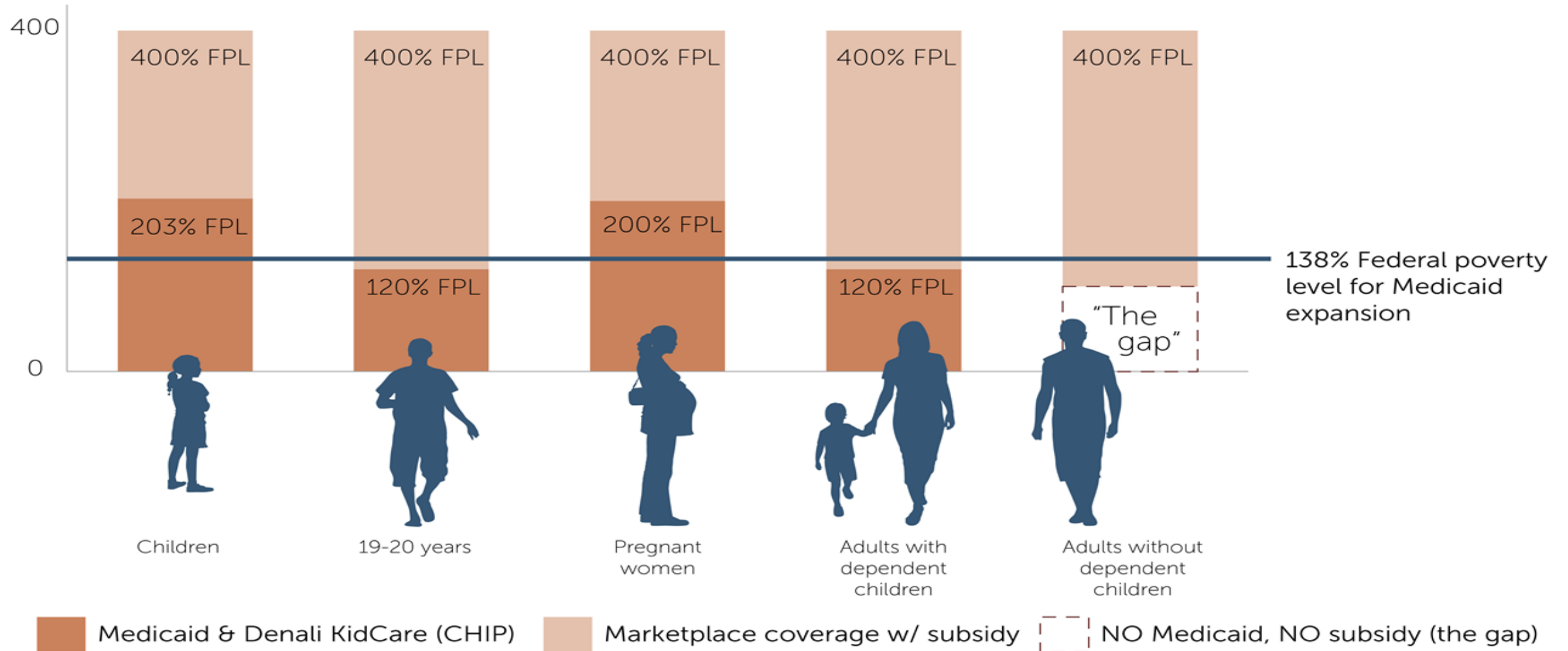
Reform strategies for increasing prevention and shared responsibility

- Cost-sharing options
- Health Savings Accounts (HSAs)
- Services to direct patients to the appropriate level of care
- Incentives for healthy behaviors
- Increased access to preventative services
- Work assistance benefits for the expansion group



Healthy Alaskans

Who is covered now?



Medicaid Expansion

Higher Federal Match

An immediate economic boost

Reducing Uncompensated Care by reducing the number of uninsured

Opportunities for reform and waivers

Reduce the cost of the Medicaid program

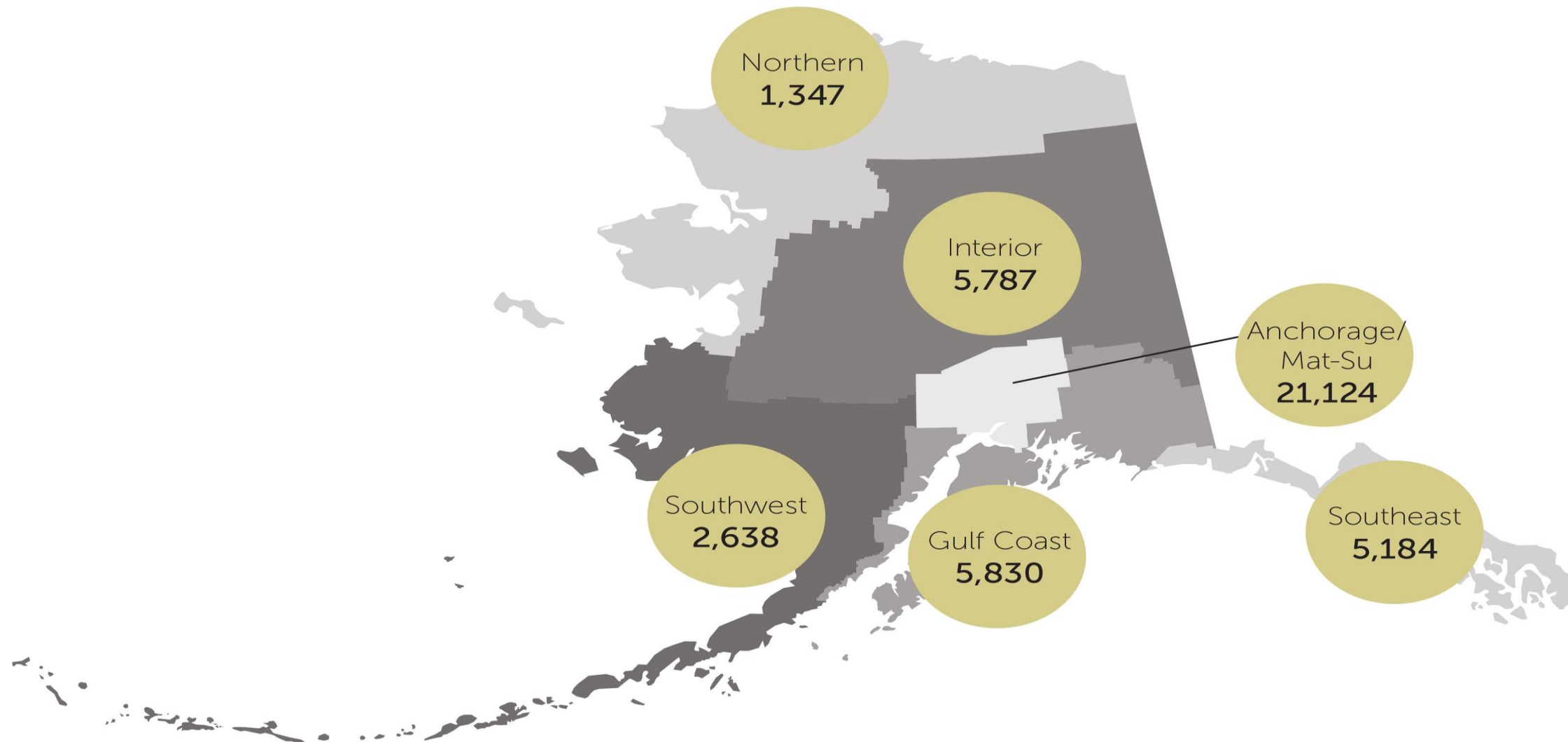


Who would be covered by Expansion?

- Adults without dependent children
- Ages 19 – 64
 - Not otherwise eligible for Medicaid or Medicare
- Earning up to 138% of the Federal Poverty Level (FPL)
 - Single adults earning up to \$20,314 per year
 - Married couples earning up to \$27,490 per year

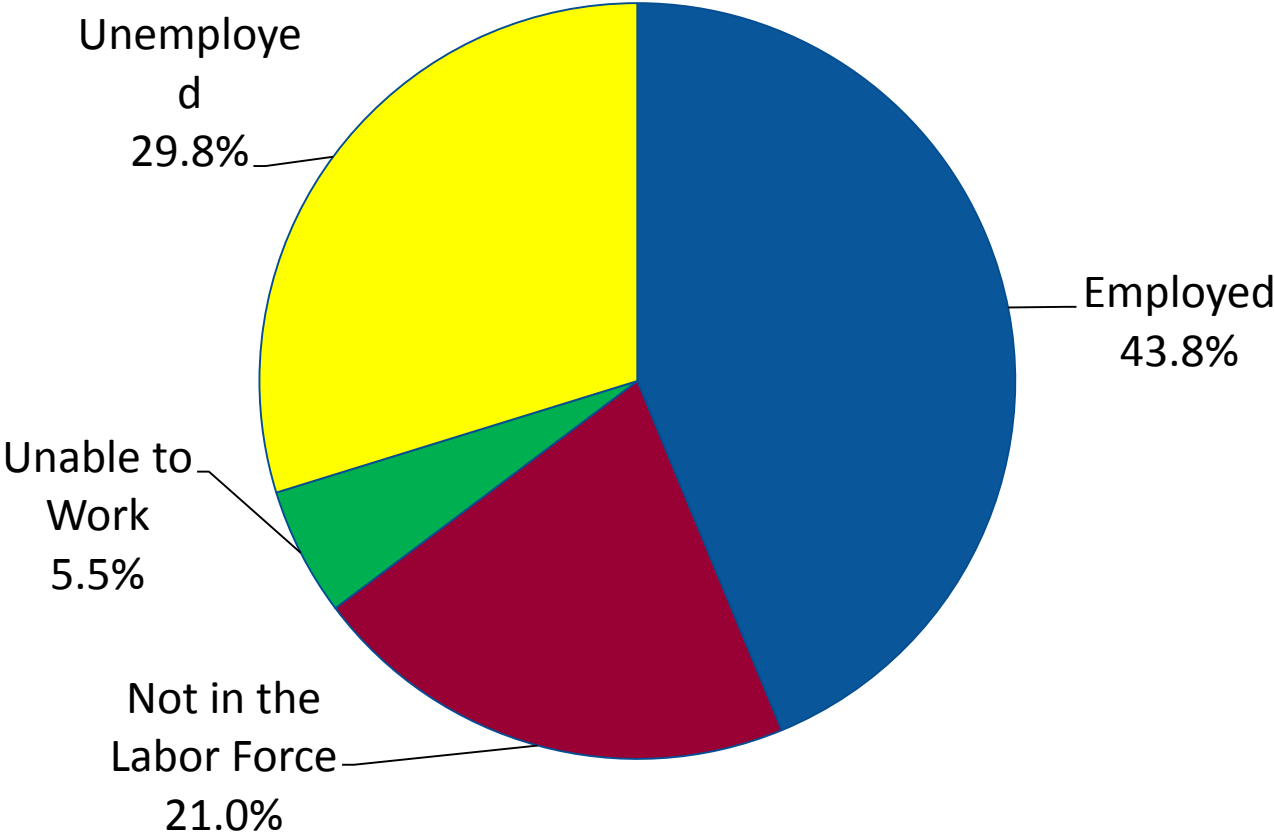


Healthy Alaskans



The Expansion Population

Employment Status of Alaska's Medicaid Expansion Population



Health Coverage	Percent of Responses
None	43.3%
Employer	19.6%
Purchased	4.3%
Partial Coverage*	29.3%
Not Sure, Don't Know, Refused	3.4%

Source: Analysis by Evergreen Economics of data from the BRFSS survey
*Partial coverage includes healthcare services provided by tribal health facilities and possibly other sources.



How many will sign up?

	2016	2017	2018	2019	2020	2021
Newly Eligible Adults	41,910	41,980	42,050	42,120	42,190	42,260
Take-up Rate	47.90%	55.40%	63%	63%	63%	63%
New Enrollees	20,066	23,273	26,492	26,535	26,580	26,623



Healthy Alaskans Cost Per Enrollee

Projected Cost of Service Per Newly Eligible Medicaid Enrollee by Fiscal Year,
Weighted by Expected Gender and Age Distribution of the Expansion Population

	2016	2017	2018	2019	2020	2021
Per Enrollee Cost	\$7,248	\$7,495	\$7,752	\$8,018	\$8,293	\$8,433

Estimated Distribution of Expansion Group With Respect to Gender and Age

Gender	Ages 19-34	Ages 35-44	Ages 45-54	Ages 55-64	All Ages
Male	20.1%	5.2%	13.6%	14.4%	54%
Female	12.6%	5.8%	13.8%	14.5%	46%
Total	32.7%	11.0%	27.4%	28.9%	100%



Healthy Economy New Federal Dollars

- Higher Federal Contribution under Expansion

	2014	2015	2016	2017	2018	2019	2020 & Beyond
FMAP under Expansion	100%	100%	100%	95%	94%	93%	90%

- \$1.12B from FY2016 – FY2021

	2016	2017	2018	2019	2020	2021
Federal Match*	\$145,435.0	\$170,633.0	\$195,514.0	\$200,683.0	\$204,087.0	\$204,928.0

* Costs in Thousands of Dollars



Annual State Spending on Expansion

		2016	2017	2018	2019	2020	2021
C O S T S	State Match for Health Care Costs	\$0	\$3,804.0	\$9,854.0	\$12,064.0	\$16,346.0	\$19,587.0
	Administrative Costs for Medicaid expansion (State General Fund)	\$0*	\$1,392.0	\$1,478.0	\$1,499.0	\$1,600.0	\$1,625.0
State Costs:		\$0	\$5,196.0	\$11,332.0	\$13,563.0	\$17,946.0	\$21,212.0
O F F S E T S	Chronic & Acute Medical Assistance (CAMA)	\$1,000.0	\$1,300.0	\$1,400.0	\$1,500.0	\$1,500.0	\$1,500.0
	Corrections	\$4,100.0	\$7,000.0	\$7,000.0	\$7,000.0	\$7,000.0	\$7,000.0
	Behavioral Health Grants	\$1,500.0	\$5,000.0	\$9,000.0	\$13,000.0	\$16,000.0	\$16,000.0
State Offsets		\$6,600.0	\$13,300.0	\$17,400.0	\$21,500.0	\$24,500.0	\$24,500.0
Net Savings to State GF		(\$6,600.0)	(\$8,104.0)	(\$6,068.0)	(\$7,937.0)	(\$6,554.0)	(\$3,288.0)
Federal Match		\$145,435.0	\$170,633.0	\$195,514.0	\$200,683.0	\$204,087.0	\$204,928.0

* FY16 Administrative Cost is being funded by the Alaska Mental Health Trust Authority



Healthy Economy Impact to the Economy



Questions?

Thank You

