Implementing the ACA: Rural Opportunities and Challenges

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Andrew F. Coburn, Ph.D.
Muskie School of Public Service
University of Southern Maine

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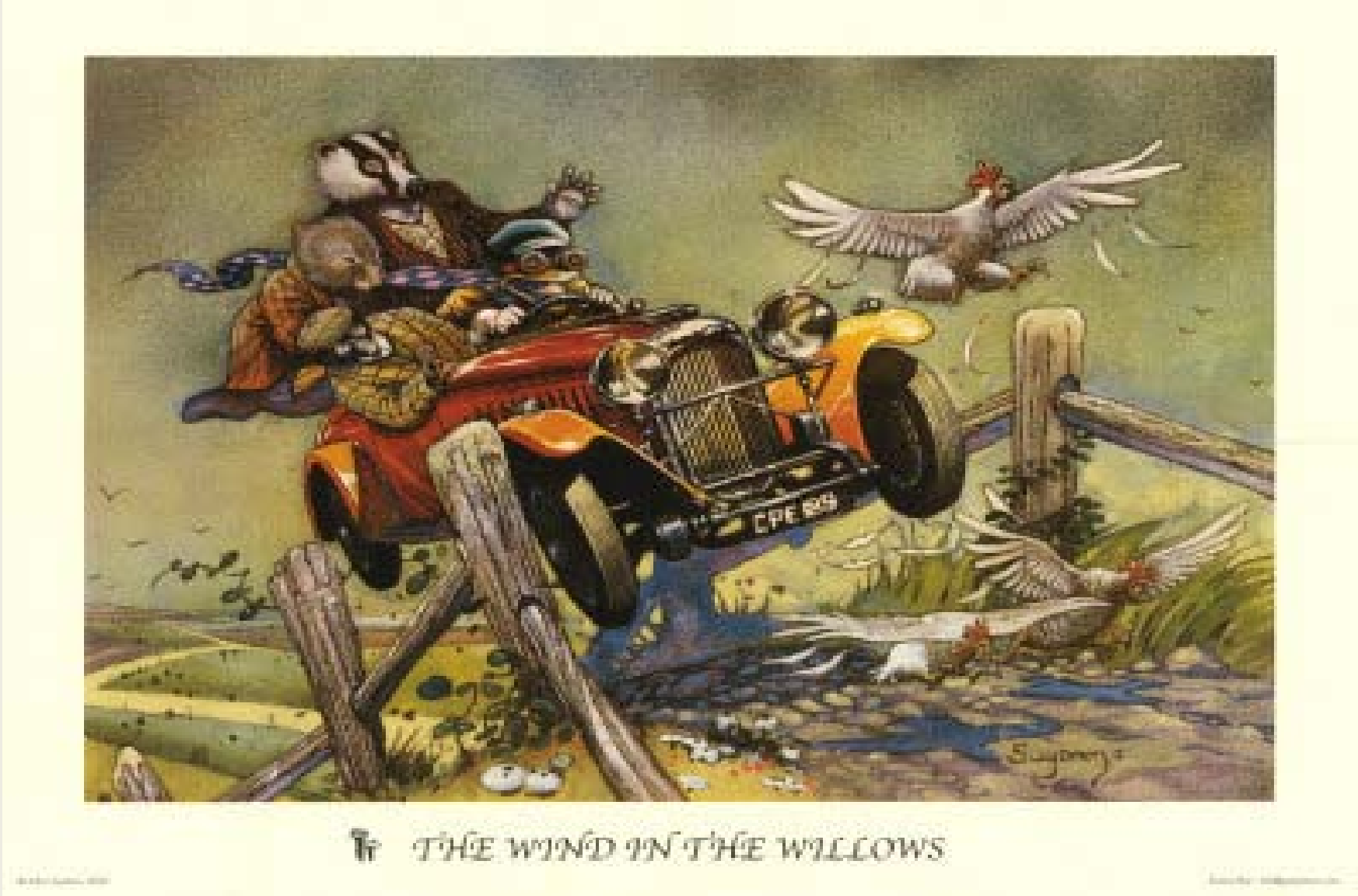
A Performance Monitoring Resource for
Critical Access Hospitals, States, and Communities

Flex Monitoring Team | University of Minnesota
University of North Carolina at Chapel Hill
University of Southern Maine

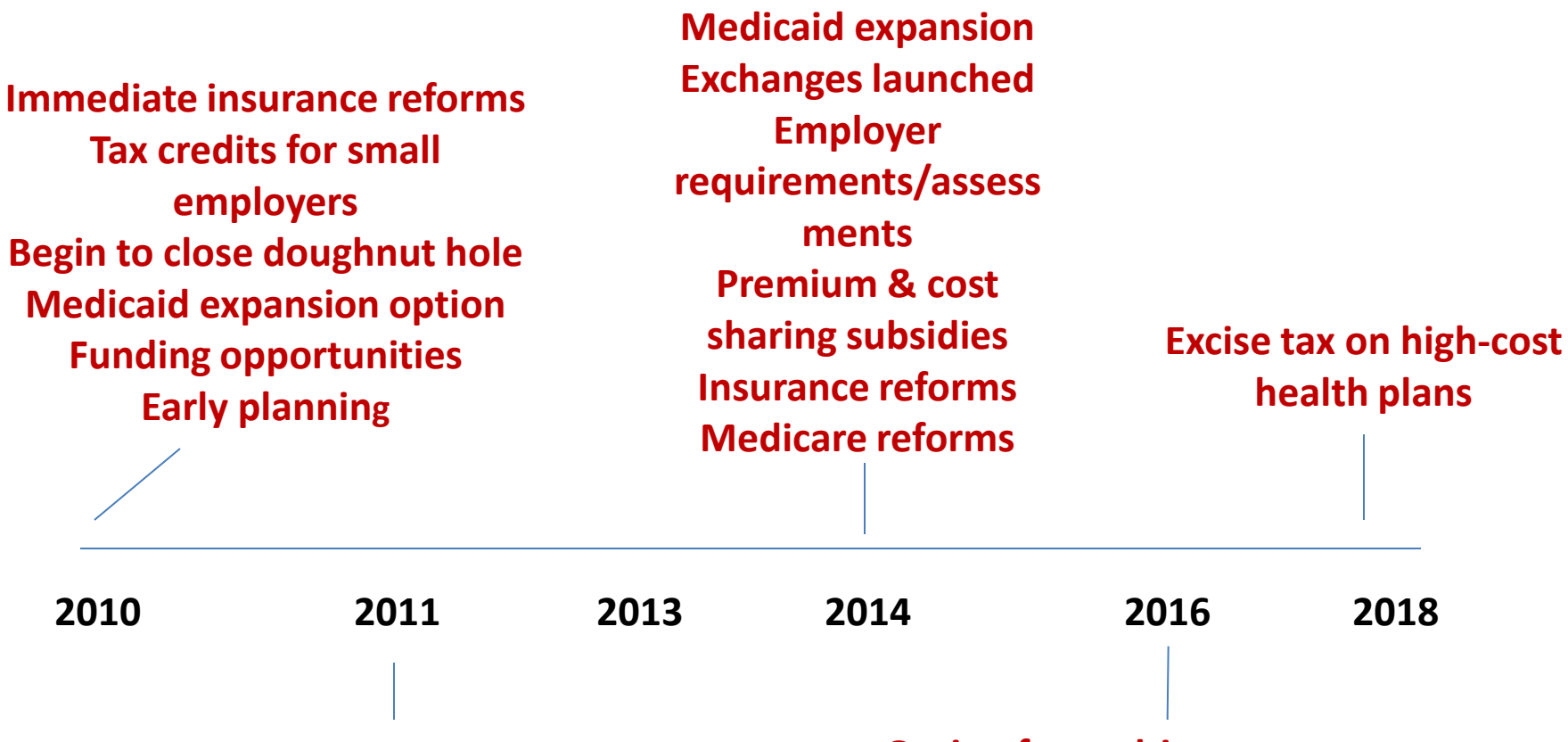
Mr. Toad’s Wild Ride: Buckle Your Seatbelts!



Overview of the ACA

- Legislation has 10 Titles. In addition to coverage expansions:
  - Financing and delivery system reform: links performance and payment
  - Health improvement and public health infrastructure
  - Workforce
  - Long term care
- Time line of up to 10 years
- Opportunities and challenges for rural America

ACA Timeline At-A-Glance



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Six Areas Of Impact On Rural People, Providers, And Places

- ***Health insurance coverage expansions***
- ***Medicare and Medicaid payment changes***
- ***Quality, financing and delivery system reform***
- Public health
- Healthcare workforce
- Long-term care

Coverage Expansions: Key Rural Considerations (1)

- Key strategies in ACA:
  - Medicaid expansions: adults and children
  - Responsibility: individual mandate and employer sanctions
  - Health Insurance Exchanges: individual and small group insurance
  - Tax credits and subsidies

Expanded Medicaid Eligibility under the ACA

If Medicaid expansions are implemented in 2014, expect a 40% increase in rural Medicaid enrollment:

- Mandatory Expansion to 133% of the FPL
  - Coverage must meet benchmark or benchmark-equivalent level
  - States can expand at regular FMAP prior to 2014; enhanced FMAP begins in 2014
- States must offer premium assistance for ESI (for adults and children in families where parents have access to coverage)

Coverage Expansions: Key Rural Considerations (2)

- Medicaid expansions for childless adults will be especially important (most of the estimated 40% increase in rural Medicaid enrollment)
- How far will states go beyond 133% FPL?
- Most rural businesses exempt from penalties but…
- Tax credits and subsidies for small firms and individuals: Will they be enough to get small rural firms into the market?

Coverage Expansions: Key Rural Considerations (3)

Implementation of Exchanges:

- Eligibility determination using Modified Adjusted Gross Income
- Risk rating: Potential for risk segmentation (e.g. geographic rating)
- Plan choices: will more plans move into the market?
- Intersection of Medicaid and private plans: allowing for seamless transitions
- Plan requirements: network adequacy and access standards?

ACA Changes Eligibility Determination

Eligibility Coordination with Exchange:

- A single, streamlined eligibility form
- States required to develop a secure electronic interface for all health subsidy programs (Medicaid, CHIP, Exchange)
- No wrong door approach between Medicaid and Exchange
  - Medicaid website must link to Exchange website
  - Website must provide plan comparisons

Outreach and Enrollment

- ACA requires outreach to enroll vulnerable and underserved populations in Medicaid & CHIP

- States can coordinate outreach and enrollment functions with the Exchange, including the potential of utilizing navigators to assist in applications

Medicare and Medicaid Payment Changes

- Geographic practice expense disparity reduction and 10% primary care bonus
- Medicaid physician payment increases
- Hospitals: fewer uninsured and decreasing DSH payments; reduced market-basket increases in PPS payment updates; full implementation of value based purchasing

Payment and Delivery System Reforms (1)

- Advanced Primary Care, Health Homes, Accountable Care Organizations
- Bundled payment: effect on rural providers and where care is delivered
- Medicare Advantage payment changes: response from plans and alternatives available to rural beneficiaries

Payment and Delivery System Reforms (2)

- Payment tied to performance: measurement, reporting, and payment needs to:
  (1) recognize realities of rural services delivery (e.g. lower volumes, mix of services)
  (2) Incentivize performance.
- Adult and child health quality measures

The Rural Safety Net

- Investment in Community Health Centers
- Opportunities for new financing and delivery system models for CHCs
- Collaboration among local providers all meeting some aspect of safety net demand

New Centers, Commissions, and Research

- Studies of geographic variation in payment: MedPAC in the ACA; IOM under separate contract
- Independent Payment Advisory Board: need for rural representation
- Center for Medicare and Medicaid Innovations
- Federal Coordinated Health Care Office
  - Focused on simplifying access; improving quality
  - Eliminating regulatory conflicts between Medicare & Medicaid
- Comparative Effectiveness research

Other Important Titles in ACA

- Public Health: infrastructure improvements and emphasis on performance management: will CDC and states target rural public health?
- Workforce: Commission and state counterparts need to monitor adequacy of supply to meet demand from increased coverage
- LTSSS: relaxed federal requirements and funding for states to expand home and community based services; spousal impoverishment provisions expanded to HCBS; Federal Medicaid FMAP incentives

Final Questions

"The future ain't what it used to be"

-Yogi Berra

- ACA: a bridge to the future? A threat to the past? What are we aiming for?
- Can we envision a "high performing" rural health system? How would be get there?

For Further Information

Andy Coburn
Maine Rural Health Research Center
Muskie School of Public Service
University of Southern Maine
http://muskie.usm.maine.edu/ihp/ruralhealth/
andyc@usm.maine.edu