CMS 2015 Update

Puerto Rico Health & Insurance Conference

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Centers for Medicare & Medicaid Services

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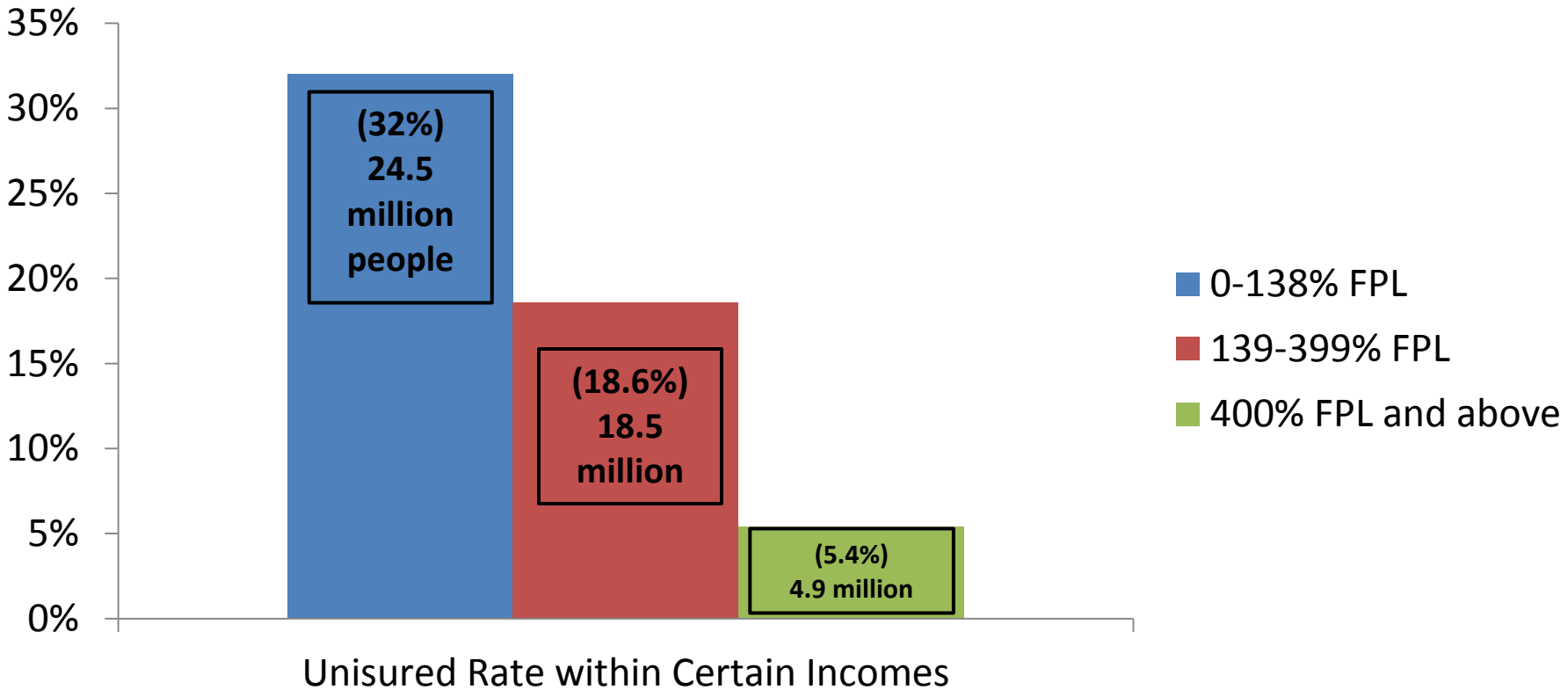
CMS
CENTERS for MEDICARE & MEDICAID SERVICES

Who Are the Uninsured?

- 1 in 2 has an income below 138% FPL
- 1 in 5 has not finished high school
- 1 in 2 identifies as a racial or ethnic minority
- 1 in 5 has limited English proficiency
- 1 in 2 uninsured adults do not have a usual source of care
- 2 in 5 had no health care visit in the past year
- 1 in 2 likely to have been uninsured for more than 12 months

Most of the Uninsured Are Low Income



In 2014, 138 percent of the federal poverty level for a single individual is slightly less than $16,000 per year.

Source: kff.org
FPL = Federal Poverty Level

How the Marketplace Works

Create an account

First provide some basic information. Then choose a user name, password, and security questions for added protection.

Apply

Next you'll enter information about you and your family, including your income, household size, other coverage you're eligible for, and more.

Visit HealthCare.gov to get a checklist to help you gather the information you'll need.

Pick a plan

Next you'll see all the plans and programs you're eligible for and compare them side-by-side.

You'll also find out if you can get lower costs on monthly premiums and out-of-pocket costs.

Enroll

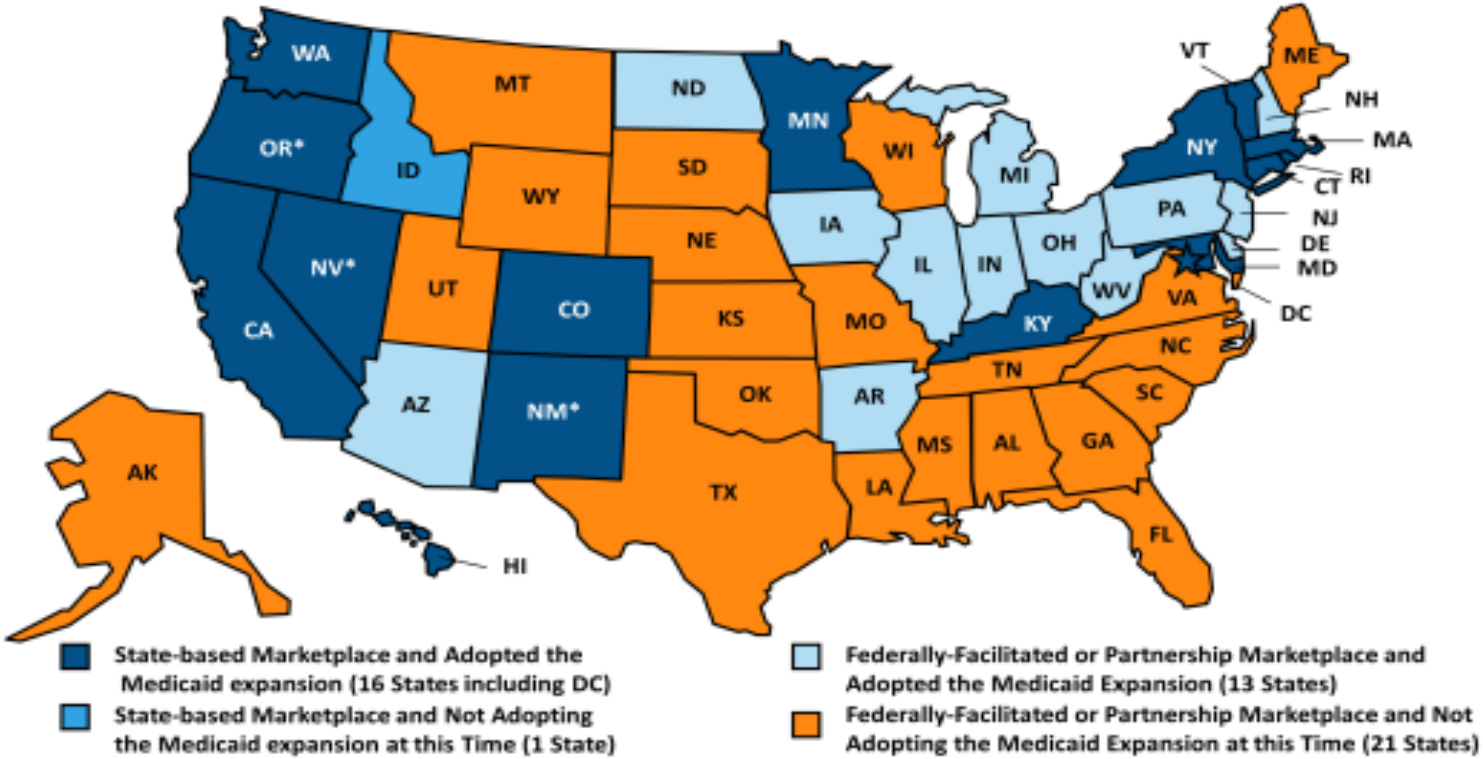
Choose a plan that meets your needs and enroll!

May apply or change plan during Special Enrollment Period due to certain life changing events.

Health Insurance Marketplace
HealthCare.gov
1-800-318-2596

CMS Product No. 11671
October 2013

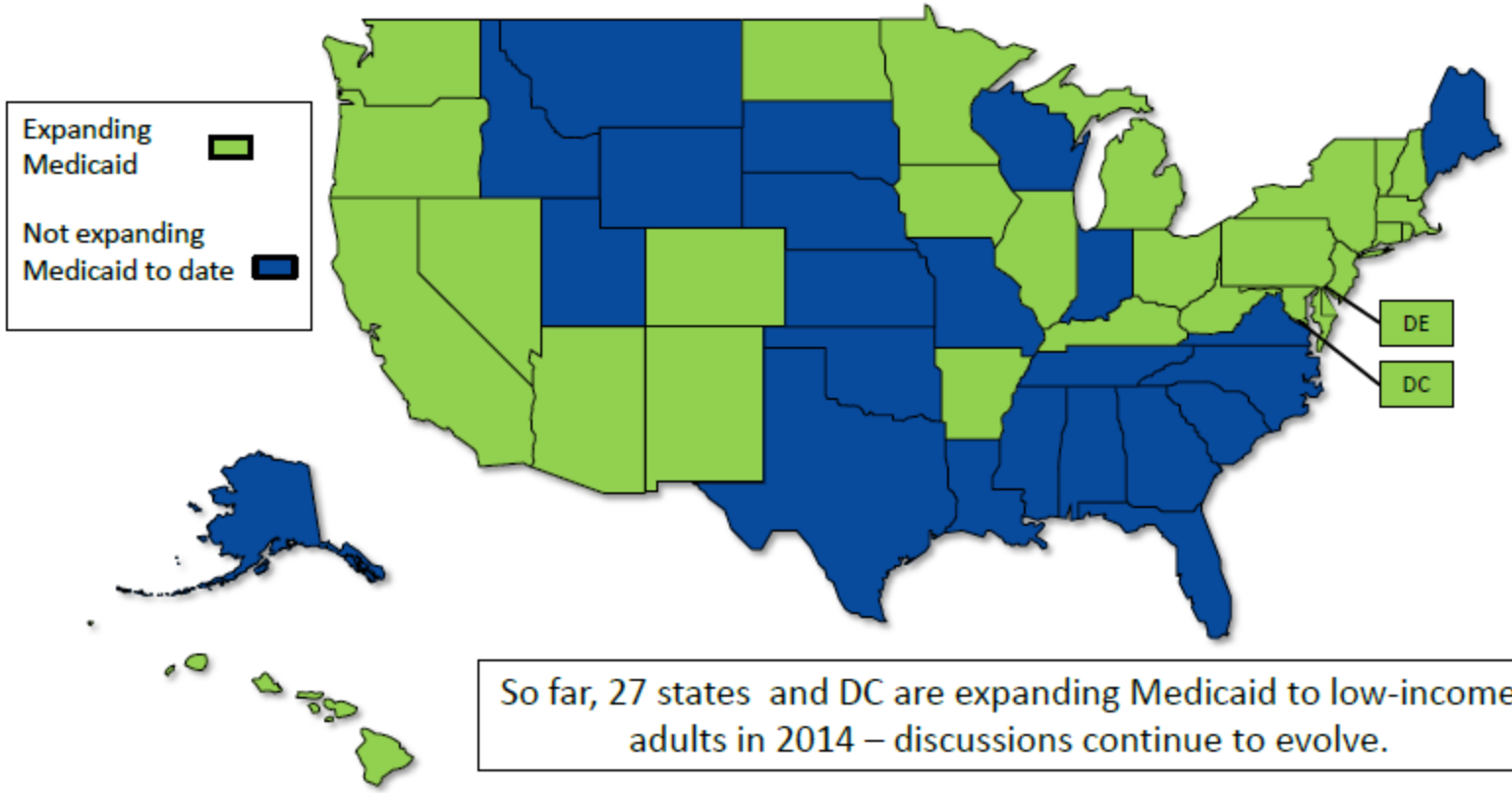
Current Status of State Individual Marketplace and Medicaid Expansion Decisions



NOTES: *NM, NV, and OR are federally-supported state-based Marketplaces in 2015.
SOURCE: State Decisions on Health Insurance Marketplaces and the Medicaid Expansion, KFF State Health Facts, updated January 27, 2015.
http://kff.org/health-reform/state-indicator/state-decisions-for-creating-health-insurance-exchanges-and-expanding-medicaid/.

THE HENRY J. KAISER FAMILY FOUNDATION

The Medicaid Expansion



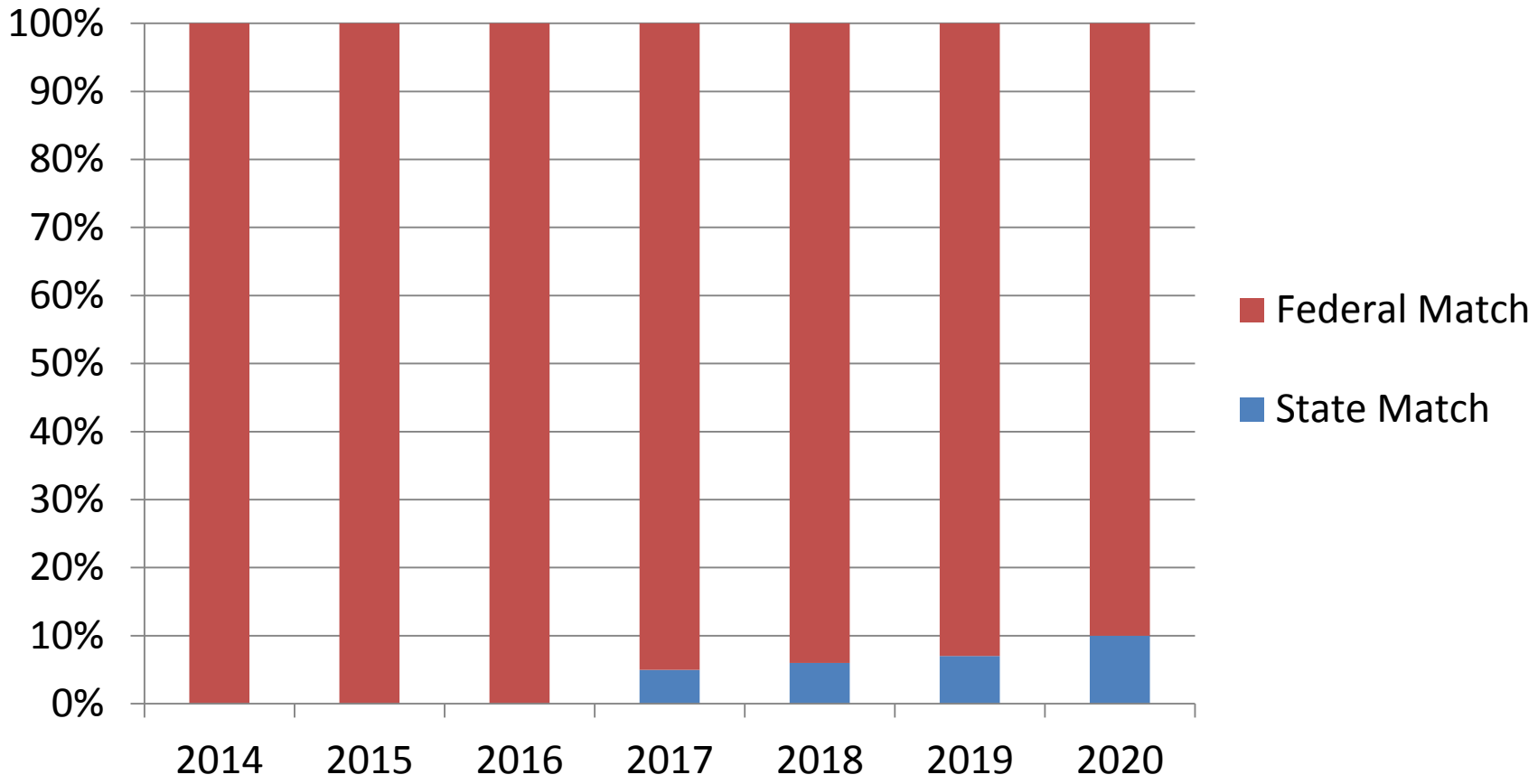
So far, 27 states and DC are expanding Medicaid to low-income adults in 2014 – discussions continue to evolve.

Expansion Potentially Reaches Many Different Groups of People

The Medicaid expansion: potential for coverage for millions of uninsured Americans

- Parents of children states now cover
- Parents of children who have grown and left home
- Women that states cover while they are pregnant
- Older people but still too young for Medicare
- Younger people just starting out on their own
- Individuals who are not yet in poor enough health to qualify based on disability

The Federal Share for Medicaid Expansion the First Three Years is 100 Percent



The 100 percent federal funding phases down to 90 percent by 2020, and stays at 90 percent onward.

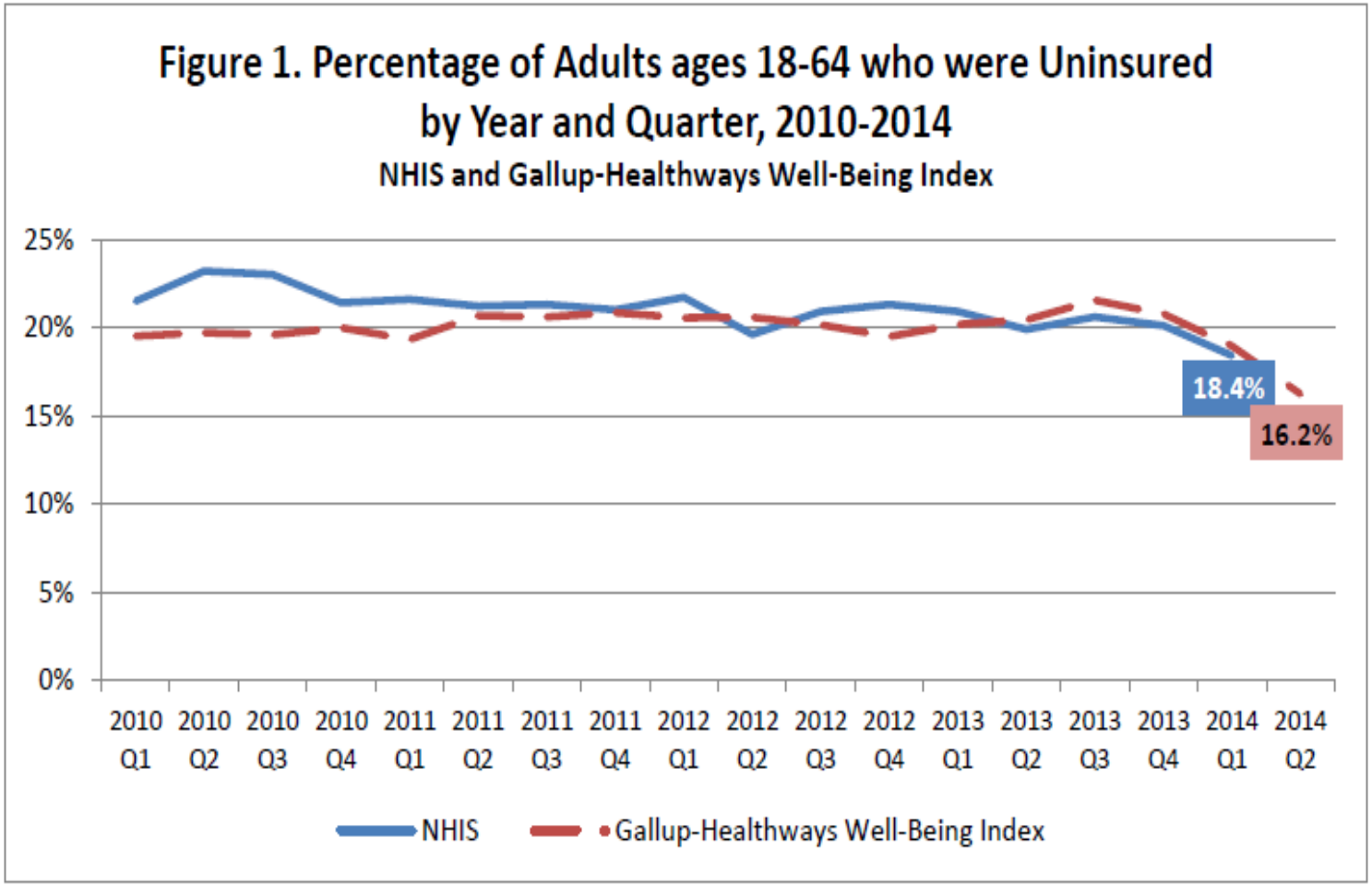


Figure 1. Percentage of Adults ages 18-64 who were Uninsured by Year and Quarter, 2010-2014
NHIS and Gallup-Healthways Well-Being Index
25%
20%
15%
10%
5%
0%
18.4%
16.2%
2010 Q1
2010 Q2
2010 Q3
2010 Q4
2011 Q1
2011 Q2
2011 Q3
2011 Q4
2012 Q1
2012 Q2
2012 Q3
2012 Q4
2013 Q1
2013 Q2
2013 Q3
2013 Q4
2014 Q1
2014 Q2
NHIS
Gallup-Healthways Well-Being Index

Marketplace Affordability

- Financial help is available for eligible families and individuals, including
  - Tax credits that may be used to lower monthly premiums
    - Refundable premium tax credits
    - Advance payment of premium tax credits
  - Reduced cost sharing to lower out-of-pocket spending for health care costs

WHAT WAS PUERTO RICO'S ACA TRAJECTORY?

ACA Provisions Applicable in Puerto Rico

- ***Ending Pre-Existing Condition Exclusions for Children***: Health plans can no longer limit or deny benefits to children under 19 due to a pre-existing condition.
- ***Ending Pre-Existing Condition Exclusions for Adults***
- ***Prohibition on Annual and Lifetime Dollar Limits on Essential Benefits***
- ***Ending Arbitrary Withdrawals of Insurance Coverage:*** Insurers can no longer cancel your coverage just because you made an honest mistake.
- ***Guaranteeing Your Right to Appeal***: You now have the right to ask that your plan reconsider its denial of payment.
- ***Keeping Young Adults Covered*:** If you are under 26, you may be eligible to be covered under your parent's health plan.

ACA Provisions NOT Applicable to the Territories per CMS Letter to Territorial Insurance Commissioners July 16, 2014 <u>but</u> Remain Applicable to Commercial Plans under Local Law- PL 194 as Amended

- PHS Section 2702 – *Guaranteed Availability*
- PHS Section 2701 – *Community Rating*
- ACA Section 1312(c) *Single Risk Pool*
- PHS Section 2794 – *Rate Review*
- PHS Section 2718 - *Medical Loss Ratio*
- PHS Section 2707 - *Essential Health Benefits*

MEDICARE ADVANTAGE AFTER ACA

Medicare Advantage
National Trends in 5-Star Ratings

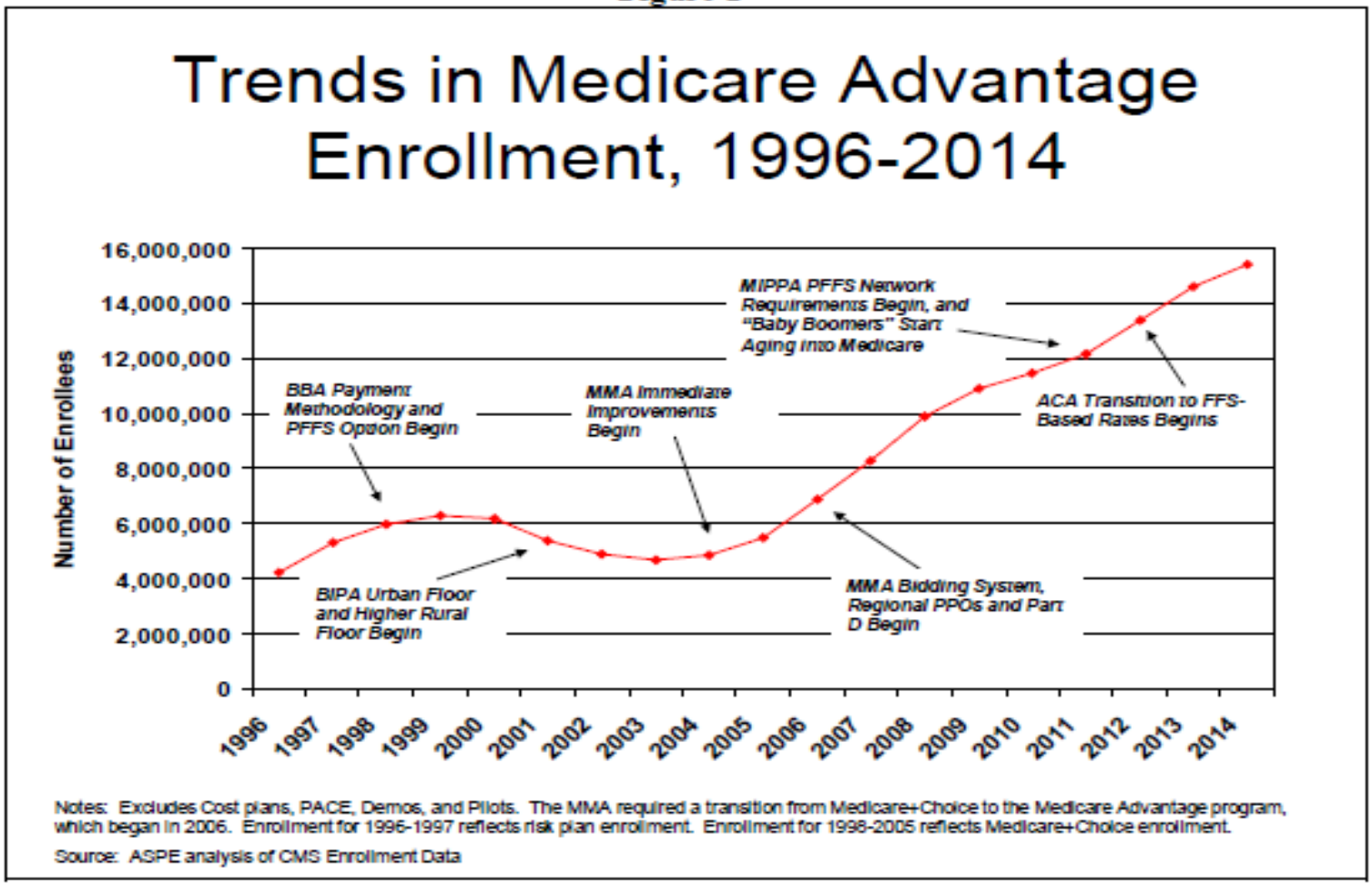
Table 3

Trends in Medicare Advantage (MA) 5-Star Quality Ratings, 2011-2014				
Description	2011	2012	2013	2014
Percentage of MA Contracts With 4 or More Stars	14%	24%	28%	38%
Percentage of MA Enrollees in Plans With 4 or More Stars	24%	29%	37%	53%

- *Percentage are based on the total number of contracts with quality rating*
- *Source: Centers for Medicare & Medicaid Services*

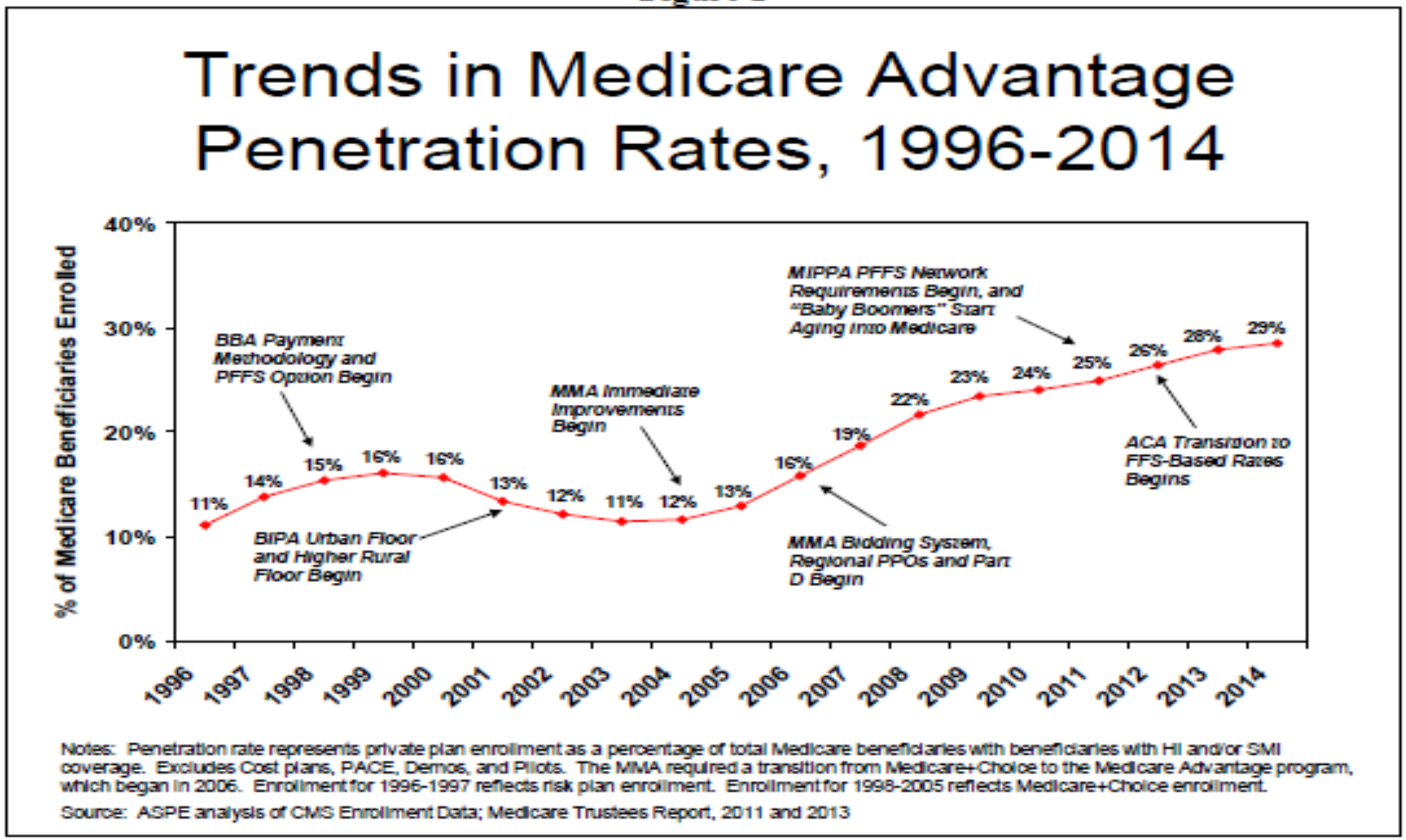
Medicare Advantage National Enrollment Trends

Figure 1



Medicare Advantage National Penetration Rates

Figure 2



Notes: Penetration rate represents private plan enrollment as a percentage of total Medicare beneficiaries with beneficiaries with HI and/or SMI coverage. Excludes Cost plans, PACE, Demos, and Pilots. The MMA required a transition from Medicare+Choice to the Medicare Advantage program, which began in 2006. Enrollment for 1996-1997 reflects risk plan enrollment. Enrollment for 1998-2005 reflects Medicare+Choice enrollment.

Source: ASPE analysis of CMS Enrollment Data; Medicare Trustees Report, 2011 and 2013

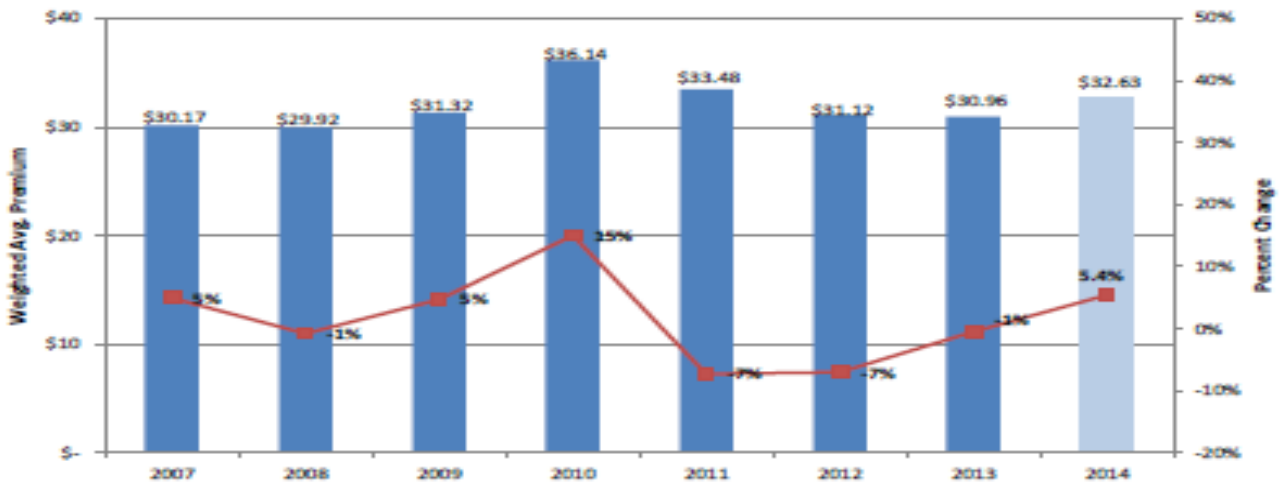
Since ACA: Medicare Advantage Plan Availability

Table 2

Percent of Beneficiaries with Access to Medicare Advantage Plans By Type, 2011-2014 (1)				
Type of Plan	2011	2012	2013	2014
All Plan Types	99.7%	99.7%	99.6%	99.1%
Local Coordinated Care Plan (CCP)	92.3%	92.9%	95.0%	95.0%
Regional Preferred Provider Organization (PPO)	86.0%	75.8%	70.5%	70.5%
Private Fee-For-Service (PFFS)	63.3%	61.2%	59.1%	51.5%
Zero-Premium Plans With Drugs	89.8%	87.6%	85.9%	84.2%
Average Number of Plan Choices (unweighted) (2)	12	12	12	10
Average Number of Plan Choices (weighted) (3)	20	19	19	17

National Trends in Medicare Advantage Premiums

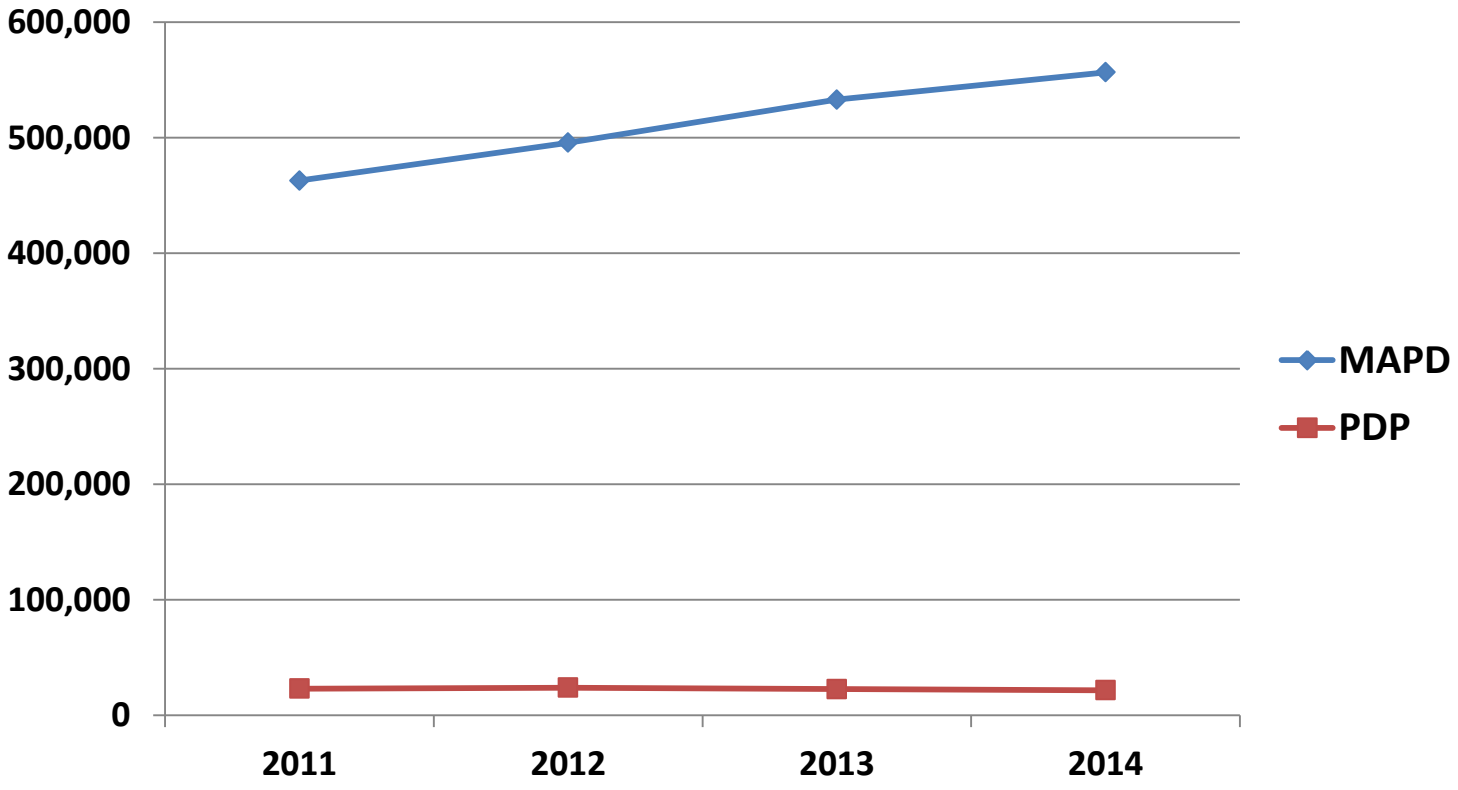
Figure 3



Note: 2007-2013 data is weighted by July enrollment of the plan year, 2014 data is weighted by plan projected enrollment.

Source: Centers for Medicare & Medicaid Services

MAPD and PDP Enrollment in Puerto Rico



Medicare Disproportionate Hospital Payments

Beginning with discharges in FY 2014, DSH payments to IPPS hospitals consist of:

- *25% of payments based on traditional DSH factors – (SSI is a variable)*

and

- *75% of what the national DSH payments would've been under traditional DSH, reduced by an amount representing the <u>percentage of uninsured</u>*

The CMS Innovation Center

Identify, Test, Evaluate, Scale

"The purpose of the [Center] is to test innovative payment and service delivery models to reduce program expenditures…while preserving or enhancing the quality of care furnished to individuals under such titles.

- *The Affordable Care Act*

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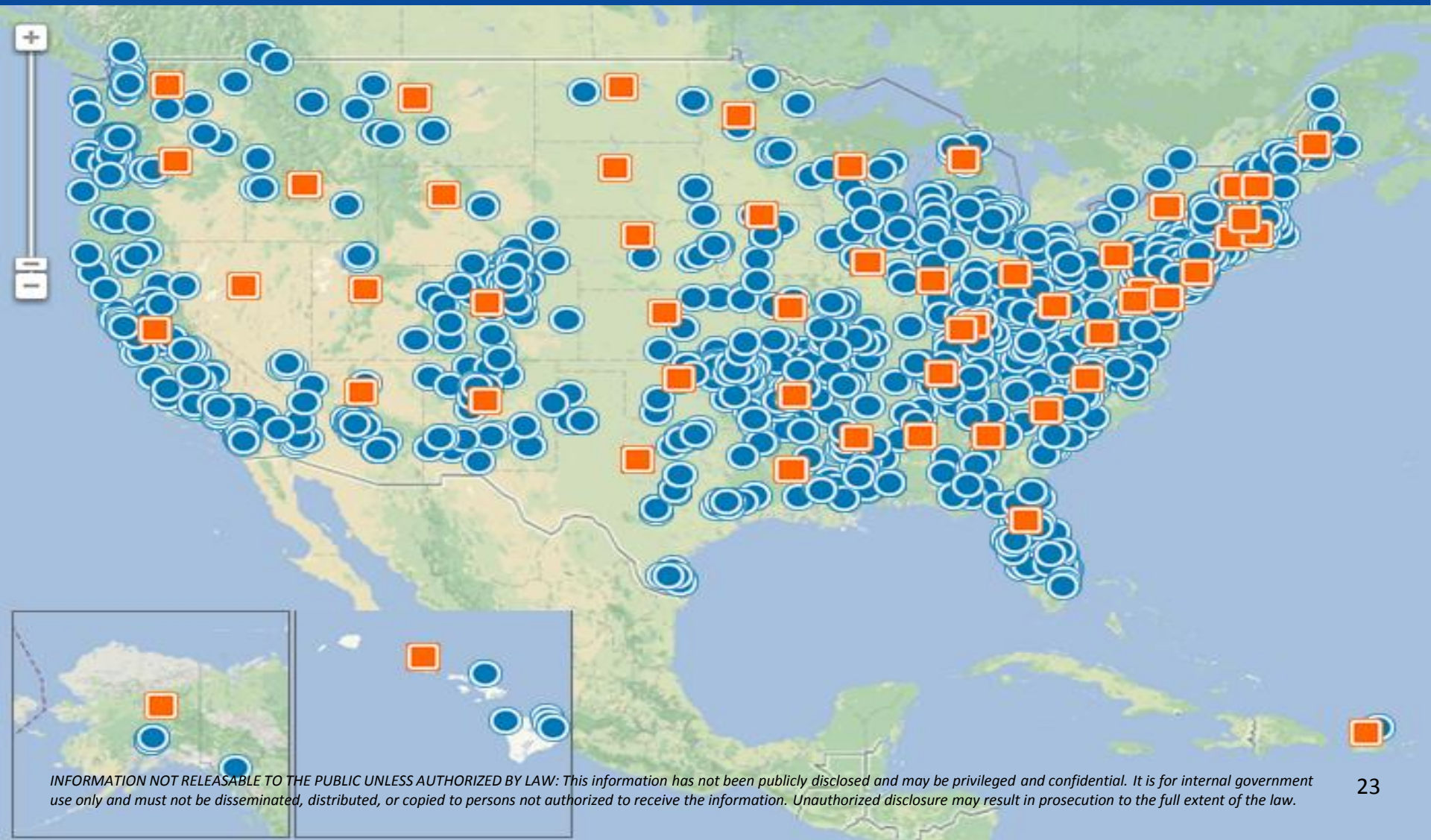
Innovation is happening broadly across the country



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CMS Innovations Portfolio

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I. Accountable Care Organizations (ACOs)

- Medicare Shared Savings Program (Center for Medicare)
- Pioneer ACO Model
- Advance Payment ACO Model
- Comprehensive ERSD Care Initiative

II. Primary Care Transformation

- Comprehensive Primary Care Initiative (CPC)
- Multi-Payer Advanced Primary Care Practice (MAPCP) Demonstration
- Federally Qualified Health Center (FQHC) Advanced Primary Care Practice Demonstration
- Independence at Home Demonstration
- Graduate Nurse Education Demonstration

III. Bundled Payment for Care Improvement

- Model 1: Retrospective Acute Care
- Model 2: Retrospective Acute Care Episode & Post Acute
- Model 3: Retrospective Post Acute Care
- Model 4: Prospective Acute Care

IV. Capacity to Spread Innovation

- Partnership for Patients
- Community-Based Care Transitions Program
- Million Hearts
- Innovation Advisors Program

V. Health Care Innovation Awards (Rounds 1 & 2)

VI. State Innovation Models Initiative

VII. Initiatives Focused on the Medicaid Population

- Medicaid Emergency Psychiatric Demonstration
- Medicaid Incentives for Prevention of Chronic Diseases
- Strong Start Initiative

VIII. Initiatives Focused on the Medicare Population

- Medicare Intravenous Immune Globulin Demo
- Medicare Acute Care Episode Demonstration
- Medicare Imaging Demo

IX. Medicare-Medicaid Enrollees

- Financial Alignment Initiative
- Initiative to Reduce Avoidable Hospitalizations of Nursing Facility Residents

For More Information…

- *For Affordable Care Act information: www.HealthCare.gov*

- *For information specific to expansion of insurance coverage and consumer protections: http://cciio.cms.gov/*

- *For information on CMS' Innovation Center: www.innovations.cms.gov*

- *Find a Part C & D Plan*
  - *www.medicare.gov/find-a-plan*

- *For any further assistance:*

  CMS Puerto Rico Field Office: PRFO@cms.hhs.gov