

Stop Playing Politics and Start Making Policy: Tennessee's Refusal to Expand Medicaid is a Political Battle that is Hurting the State.

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Presenter Disclosures

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(1) The following personal financial relationships with commercial interests relevant to this presentation existed during the past 12 months:

No relationships to disclose.

Structure

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Introduction

Thesis: Tennessee's failure to pass the Medicaid expansion plan, "Insure Tennessee", is a result of political antagonism, which leaves many citizens uninsured and threatens the foreclosure of some local hospitals.

Food 4 Thought

- Is Medicaid expansion really that poor of a policy that Tennessee (and other states) refuse to expand it?



...

- Or is there an underlying reason Tennessee (and other states) refuse to expand Medicaid?

Medicaid

- Medicaid is a program jointly funded by the federal and state government that provides health insurance to people with low incomes.

Medicaid (cont.)

- Prior to the ACA, the mandated groups included:
 - Pregnant women and children under age 6 with family incomes at or below 133% FPL
 - Children ages 6-18 with family incomes at or below 100% FPL

Medicaid (cont.)

- Parents and caretaker relatives who meet the financial eligibility requirements for the former AFDC (cash assistance program)
- Elderly people and people with disabilities who qualify for SSI

Medicaid Expansion –ACA

- The ACA intended that all states expand Medicaid to cover nearly all people under age 65, who are not pregnant, not entitled to Medicare, not described in an existing mandatory coverage group, and who have incomes at or below 138% FPL (in other words, **A LOT** of people!)

Medicaid Expansion (cont.)

- Federal government will fund 100% of states' cost in 2014–2016, gradually decreasing to 90% in 2020 and thereafter
- ACA also required states to provide newly eligible Medicaid beneficiaries with a benchmark benefits package, which must include the 10 categories of “essential health benefits”

Medicaid Expansion (cont.)

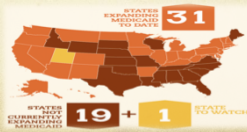
- The ACA originally proposed that all states were required to accept the expansion or lose all Medicaid benefits

Medicaid Expansion (cont.)

- However, the Supreme Court held it unconstitutional for the federal gov't to require all states to participate in the Medicaid expansion
- Essentially, this made the ACA's Medicaid expansion optional for states.

Expansion's Current Status

- As of July 2015:
 - 31 states (including D.C.) have expanded Medicaid
 - 19 states have not yet expanded Medicaid
 - 1 state is still undecided (Utah)



Source: FamiliesUSA

Benefits of Expanding Medicaid

- **Direct Benefits for the Newly Insured**
 - *Improved Access to Care*
 - 1 Million more people would have a usual source of clinic care
 - 491,000 more people would receive all needed care in a year

*Source: White House Report

Benefits (cont.)

- Hundreds of thousands more people would receive recommended preventive care each year
 - 626,000 would receive cholesterol-level screenings
 - 163,000 women (ages 50-64) would receive mammograms
 - 262,000 women would receive pap smears

Benefits (cont.)

- *Better Health and Longer Lives*
 - 572,000 additional people would report being in excellent, very good, or good health
 - 393,000 fewer people would experience symptoms of depression
 - 5,200 fewer people would die each year

Benefits (cont.)

- *Greater Financial Security*
- 193,000 fewer people will face catastrophic out-of-pocket medical costs in a typical year

- 611,000 fewer people will have trouble paying other bills due to the burden of medical cost

Benefits (cont.)

- **Benefits of Expanding Medicaid for State Economies**
- *Higher Standard of Living*
- States can pull billions in additional Federal funding into their economies every year

Benefits (cont.)

- *Greater Macroeconomic Resilience*
- Expanded coverage through Medicaid will help safeguard access to health care and cushion household budgets in the face of the job and income losses that occur during a recession

Benefits (cont.)

- *Healthier, More Productive Workers*
- Medicaid expansion will help people live longer, healthier lives...improvements in workers' health may improve workers' productivity in the long run

Tennessee's Benefits

- Between 2014 and 2019, Medicaid expansion will bring approximately \$6 billion federal dollars to TN
- Medicaid expansion will cover an additional 200,000 people in TN by 2019
- Expansion will lower state costs for uncompensated care by as much as \$1.6 billion between 2014 and 2016

Tennessee's Benefits (cont.)

- Hospitals, doctors, and other health care providers will also be paid for much of the care that they now provide w/o being paid
- Between 2014–2019, federal funding from expansion will produce 18,000 jobs

Insure Tennessee

- Governor Haslam did not like the approach of Medicaid expansion under the ACA...proposed a market-based plan that promoted personal responsibility



Insure Tennessee (cont.)

- 2 year pilot program
- Introduces market principles to Medicaid
- Provides coverage to uninsured Tennesseans, ages 19–64, who earn less than 138% of the FPL
- Provides coverage to over 200,000 low-incomes Tennesseans
- Creates no new taxes for Tennesseans

Insure Tennessee (cont.)

- Eligible adults choose between 2 options:

(1) Volunteer Plan

- Members would receive a fixed contribution voucher to purchase employer-sponsored insurance in the private market. The voucher would be used to pay for out-of-pocket expenses associated with that private coverage.

Insure Tennessee (cont.)

(2) Healthy Incentives Plan

- Members would receive Healthy Incentives for Tennesseans (HIT) accounts, into which members can earn contributions by making healthy choices and utilizing the healthcare system appropriately.

Insure Tennessee (cont.)

- Volunteer Plan
 - Members receive a defined contribution voucher to help pay for private insurance
 - In the first year of implementation, only certain employer-sponsored insurance (ESI) would qualify. The employer contribution must cover at least 50% of the premium cost to qualify

Insure Tennessee (cont.)

- Members who choose the Volunteer Plan can move out of the plan and into the Healthy Incentives Plan at any time.

Insure Tennessee (cont.)

- Healthy Incentives Plan
 - Enrolled in an Alternative Benefit Plan and will receive the same services and be subject to the same service limitations as the existing population
- Have access to Healthy Incentives for Tennesseans (HIT) account that could be used to pay for health care related expenses

Insure Tennessee (cont.)

- Members above 100 % of the FPL would be responsible for paying a monthly premium and medical co-pays
- Premiums in the first year of implementation would be around \$20 a month

Insure Tennessee

- Will not create any new taxes for Tennesseans
- Once the federal match decreases below 100% **Tennessee hospitals** committed to covering the state's portion of the cost
- The program could have been terminated at anytime

The Hearing

- In February 2015, Gov. Haslam called for the *Senate Health and Welfare Committee* to hold a special session concerning Insure Tennessee
- If the plan passed the special session, it would go to the General Assembly for a full debate

The Hearing (cont.)

- By a 7-4 vote, the committee DEFEATED the Insure Tennessee bill on the third day of special session



Effects of Defeated Legislation

- Hundreds of thousands of Tennesseans remain uninsured
- Financially hurts some rural hospitals
 - Insure TN would have helped rural hospitals who were seeing fewer reimbursements from the federal gov't under the ACA
 - Some rural hospitals risk being closed

Why vote 'NO'?

- With all the purported benefits that come from expanding Medicaid, why vote 'no'?
- Some senators expressed concern about the lack of assurance that the gov't would back the plan or that TN could pull out if it got too costly



Why Vote 'No'? (cont.)

- No free federal dollars...every dollar used to finance Medicaid expansion adds to the national debt
- Some senators did not see much of a difference between Insure TN and Medicaid expansion under the ACA

However,

- Could there be an underlying, unspoken reason Insure Tennessee did not pass?



Is it possible that Insure Tennessee did not pass, at least in part, because of...

President OBAMA and his administration??!



Playing Politics v. Making Policy

- It seems that the failure of TN to expand Medicaid is— at least in part— a product of political antagonism



- Is our government playing politics at the expense of making effective policy?

Playing Politics v. Making Policy (cont.)

- No policy is perfect, however simply defeating, or trying to defeat, legislation w/o offering an alternative solution is problematic
- In the midst of this Republican vs. Democrat healthcare battle, many Americans remain uninsured

Conclusion

- Providing healthcare coverage should be a top priority in our society and its political battle should not come at the expense of the people
- Tennessee, like other states, could greatly benefit from Medicaid expansion
- Insure Tennessee was a modified expansion plan that was proposed by a conservative Governor...yet it was still defeated

Conclusion (cont.)

- Based on the obvious opposition towards the current presidential administration when it comes to healthcare in the U.S., it seems that the refusal to expand Medicaid is, at least in part, due to political antagonism between the parties
- In these political battles, a line **MUST** be drawn

Thank you!!!

- APHA
- Family and Friends
- The great city of Chicago
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Images provided by: image.google.com

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