



Medicaid Expansion

Issue Brief

One of the main goals of the Patient Protection and Affordable Care Act (ACA) is to significantly reduce the number of uninsured through expanding the population eligible for Medicaid benefits and creating new Health Insurance Marketplaces. This Issue Brief will provide current information on the status of New Jersey's expansion of Medicaid benefits.

Background

The federal government sought to increase insurance enrollment in part by expanding Medicaid coverage to individuals making less than 138 percent of the federal poverty level and providing 100 percent reimbursement to the state for the cost of providing services to that expansion population. While the ACA provide states with the option of expanding, the law penalized states that failed to expand by eliminating all federal funding for the entire Medicaid population.

As part of the U.S. Supreme Court's review of the ACA in June 2012, the Court found that specific penalty provision unconstitutional and therefore struck that provision from the law. Thus, following the Supreme Court decision, states faced a decision of whether to adopt the Medicaid expansion. In his February budget address, Gov. Chris Christie announced that New Jersey would expand its Medicaid population.

New Jersey already has an expansive population of residents who are eligible for Medicaid; this expansion under the ACA will ultimately allow childless adults making less than 138 percent of the federal poverty level - \$15,856 in 2013 for a single-person household - to enroll in Medicaid.

Medicaid Benefits

Existing New Jersey Medicaid beneficiaries receive a benefit package called the Plan A Standard Medicaid package. Newly eligible enrollees will have access to the benefits of that plan plus additional benefits required by ACA including all 10 essential health benefits, mental health parity, Early and Periodic Screening, Diagnostic, and Treatment services for individuals younger than 21 years, non-emergency transportation and prescription drug coverage. The state is tentatively calling this the Plan A Standard Medicaid Plus Plan and still needs to submit it to The Centers for Medicare and Medicaid Services for approval.

Additionally, because one of the key tenets of the ACA is to promote access to preventive care, the law requires insurers, including Medicaid, to cover certain preventive services at no cost to newly eligible beneficiaries. Therefore, existing Medicaid beneficiaries may not have access to all the same services as the new enrollees.

This may impact providers given that it is unclear whether the insurance identification cards for Medicaid beneficiaries will include details on the beneficiary's specific benefit design.

Medicaid Enrollment

The Rutgers Center for State Health Policy estimates that 337,598 childless adults will be eligible for Medicaid, effective Jan. 1, 2014. The Christie Administration anticipates 100,000 of these individuals will enroll in 2014 and result in a \$227 million savings to the state, in the first year, through federal matching funds, grants and other cost-saving mechanisms.

The Federally Facilitated Marketplace (FFM) will be able to identify and enroll individuals who are Medicaid-eligible, and New Jersey has agreed to accept the FFM's eligibility determination which will ensure a streamlined system. This means that FFM enrollees will have access to coverage as quickly as possible.

Outreach and Education

There are many efforts underway to educate consumers on the new FFM where they will be able to apply for insurance. Additionally, the federal government is providing grants to support state-level outreach efforts.

The Rutgers Center for State Health Policy also has compiled data that provides insight into the Medicaid populations, subsidy populations and anticipated behaviors of these new market enrollees. For example, data from a 2011 American Community Survey shows that 60 percent of uninsured childless adults reside in six counties: Bergen, Essex, Hudson, Middlesex, Passaic and Union. This information is beneficial to providers because it can help them identify the impact they may experience as a result of the potential increase of insured individuals. For example, it is anticipated these individuals are more likely to be sicker and have a higher rate of undiagnosed chronic conditions. Stakeholders can also make use of the data to address areas of concern, such as network adequacy with a targeted approach.

Conclusion

Since 2007 the number of uninsured has grown by more than 4.5 million nationally. Medicaid Expansion will help ensure that the most vulnerable are not left without health insurance.