

- **Medicaid Expansion in Virginia: A Path Forward (With Some Speed Bumps)**

Advocate/Stakeholder Webinar

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Sponsored by The Virginia Poverty Law Center, The Commonwealth Institute, Virginia Organizing

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# In Brief

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The budget amendment passed by the General Assembly allows Medicaid expansion to occur after a commission of legislators agrees that the conditions of three phases of reforms have been met.

This represents progress towards expansion, but expansion is not guaranteed. There's still a lot of work ahead!



# Topics

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- HAV Coalition Campaign & Legislative Action
- Proposed Reforms
- Commission Details
- Governor's Review and Veto Session
- Next Steps



# HAV Coalition Campaign

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- **MANY THANKS to all HAV Coalition supporters**
  - 65 diverse organizations
  - Regular communications
  - Excellent networking and grass roots involvement
  - “Medicaid Expansion Day”
  - Two press conferences, several press releases, facts sheets, issue briefs, Medicaid chartbook
  - Daily profiles of uninsured workers
  - Hundreds of visits, calls, letters, emails to legislators



# Support for Expansion Grew Throughout the Short 45-day Session

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- In Virginia
  - Lt. Governor Bolling
  - Virginia Chamber of Commerce & 9 local chambers
  - 18 local governments
  - Editorial Support
  - Bi-partisan support in House & Senate
    - Both budgets endorsed Medicaid reform & expansion
    - Senate language greatly improved after objections to delay
- Throughout U.S.
  - 8 Republican Governors



# Budget Compromise – Last 48 Hours

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- Medicaid language brokered behind the scenes
  - Enumerates required Medicaid Reforms
  - Establishes Medicaid Innovation and Reform Commission to monitor reforms and authorize expansion
- Medicaid became a bargaining chip.
- Senate secured Gov.'s promise not to veto Medicaid amendment.
- Language changed to respond to A.G.'s opinion, but questions and litigation threats remain.



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# Budget Language Specifies Three Phases of Reform

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- Item 307 #20c specifies that there will be three phases to implementing “a comprehensive value-driven, market based reform” of Medicaid and FAMIS.





# Phase One Focuses on Current Reform Efforts

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- These efforts are under way and should not delay expansion.
  - Implementation of the Medicare-Medicaid (“dual eligible”) pilot program
  - Enhanced program integrity and fraud prevention efforts
  - Inclusion of foster care children in managed care
  - Implementation of a new eligibility and enrollment system



# Phase Two Focuses on All Medicaid Populations Except Duals & LTC

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- Three areas of reform which appear to be possible under current federal regulations.
  - Provide services and benefits similar to those provided by commercial insurers with certain exceptions
  - Place reasonable limitations on “non-essential benefits” such as non-emergency transportation
  - Require cost-sharing and wellness activities



# Phase Two Also Requires Federal Agreement on Waivers

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- Administrative simplification (i.e. consolidation) of state's existing waivers is required.
- Agreement on streamlined process for developing new health care delivery reforms.
  - Create regional projects
  - Improve quality of services
  - Link payment to quality outcomes
  - Achieve cost containment



# Phase Three Requires Broad Delivery System Reforms

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- The state is required to “seek” delivery system reforms.
  - Focus on “cost-effective, managed and coordinated delivery systems”
  - Apply to all Medicaid recipients, including people in nursing homes, other LTC, and community based care waivers
- DMAS is required to make recommendations to the 2014 General Assembly to implement reforms.



# Other Components of Reform

## Language

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- **RESERVE FUND:** Virginia Health Reform and Innovation Fund to collect savings attributable to expanded coverage.
- **CIRCUIT BREAKER:** If promised federal match is reduced, DMAS shall disenroll and eliminate coverage for expanded population.
- **FUNDING IN PLACE:** Appropriates “sum sufficient” federal funding to pay for expanded coverage.



# Recent CMS Letter Indicates Feds Are Already Working With Virginia

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- CMS indicated that many of the proposed reforms could be enacted, allowing expansion to move forward.
- In the letter, CMS agreed to several major reforms
  - Administrative simplification
  - Delivery system and payment reforms
  - Commercial-like benefit package for expansion population



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# Expansion Depends on Vote of Medicaid Reform Commission

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- Item 4-14.00 #4c creates and details the responsibilities of the bi-cameral “Medicaid Innovation and Reform Commission.”
- The Commission is responsible for overseeing the reform progress.
- Expansion cannot occur without the Commission’s agreement that the reform conditions have been met.





# Expansion Requires Majority Vote From House AND Senate Members

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- The Commission will be comprised of
  - ▣ Five members of the House Appropriations Committee
  - ▣ Five members of the Senate Finance Committee
  - ▣ Secretary of Finance (non-voting)
  - ▣ Secretary of Health and Human Resources (non-voting)
- Expansion requires affirmative votes by three members from the House and three members from the Senate.



# Commission Members

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- The House members have been appointed. (Several of them have expressed opposition to expansion.)
  - ▣ Delegate Landes (R – Augusta)
  - ▣ Delegate Jimmie Massie (R – Henrico)
  - ▣ Delegate O'Bannon (R – Chesterfield)
  - ▣ Delegate Sherwood (R – Frederick)
  - ▣ Delegate Joannou (D – Portsmouth)
- The Senate members have not been announced yet.



# Commission Set to Meet Every Other Month

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- The Commission is slated to meet every other month, beginning June 2013.
  - June
  - August
  - October
  - December
- MRIC “shall review”
  - Development of reform proposals
  - Status of required federal approvals
  - Reform Implementation



# DMAS Must Report Progress to The Commission

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- DMAS is required to develop a report for the Commission detailing progress on the reforms and estimated cost savings.
- The timing of this report is not specified.
- DMAS must seek MRIC approval to expand coverage.
- We assume the MRIC will vote at that time.



# Expansion Could Occur Early in 2014

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- Once DMAS has the Commission's approval to expand, it is supposed to implement expansion "by July 1, 2014 or as soon as feasible thereafter."
- Depending on action by the Commission, expansion could occur before July 1, 2014.
- Secretary Hazel has suggested that DMAS would not be operationally ready to implement until at least July 1, 2014.



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# Budget Amendments Are Now With The Governor

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- The budget amendments were approved by the General Assembly.
- They are now being reviewed by the Governor.
  - ▣ 30 day review period



# The Governor Has Strong Veto Authority

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- The Governor of Virginia has strong, line-item veto authority.
  - ▣ He can strike or modify any specific language, without vetoing the entire conference report.
- It appears that the Governor agreed not to veto the expansion language outright, but reserved the right to “tweak” it.





# General Assembly Will Reconvene for Veto Session

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- All proposed changes need to be made available to the General Assembly by March 25<sup>th</sup>.
  - Health care advocates should have strategy in place to address any unfavorable modifications.
- On April 3<sup>rd</sup>, the General Assembly will reconvene for a one day veto session to consider the changes.
- To override a budget amendment veto, the General Assembly needs a simple majority vote in each house.



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# Urge The Governor Not to Add More Requirements

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- While the stringent requirements and the MRIC process present challenges, the existing language provides the only pathway to Medicaid expansion at this time.
- Organizations and their networks should contact the Governor to support the existing budget language to implement Medicaid reforms and expansion.



# Beyond April . . .

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- DMAS reform efforts
- Commission members & meetings
- Elections in November (Governor, Lt. Governor, Attorney General, House of Delegates)

**We're in this for the long haul!**

**Thank you for your involvement, work & support!**



# Q&A/Resources

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- Questions?
- Resources
  - [Item 307 #20c Detailing Reforms Required for Expansion](#)
  - [Item 4-14.00 #4c Establishing the Medicaid Innovation and Reform Commission](#)
  - [The Commonwealth Institute Medicaid Issue Briefs](#)
  - [HAV Coalition](#)



# Thank you for attending!

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