THE PRIVATE OPTION
The Arkansas Health Care Independence Act of 2013

The Honorable Davy Carter
Speaker of the House
Arkansas House of Representatives
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The Arkansas Legislature’s Policy
Alternative to the Patient Protection & Affordable Care Act’s One-Size-Fits-All, State-Based Method of Expanding the Medicaid Program
MEDICAID EXPANSION

Arkansans Currently on Medicaid*
18-138% FPL Expansion Population
MEDICAID EXPANSION

Would Place 950,000 Arkansans on the Medicaid Rolls
MEDICAID EXPANSION

950,000
Arkansans Enrolled in Medicaid

- Few Structural Reforms
- Limited Access
- Declining Provider Mix
- Increase Cost Shifting to Private Insurance
- Increase Waste, Fraud and Abuse
- Increase Administrative Overhead
MEDICAID EXPANSION

950,000 Arkansans Enrolled in Medicaid

• Perpetuates a Broken Model
• Further Fragmentation of Care
• Limits Arkansans Care Options
• Fully Embraces ObamaCare
• Path to Single-Payer, Government-Run System
• Bad for Arkansas and the Country
950,000 Arkansans Enrolled in Medicaid

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MEDICAID EXPANSION

• Bad for Arkansas and the Country
OBAMACARE: COSTS AND CONSEQUENCES

Medicare Cuts

Burden on Business

Taxes and Penalties

Onerous Regulation

Driving Up Cost of Care
OBAMACARE: COSTS AND CONSEQUENCES

Medicaid Growth

Fragmented Coverage

Uninsured and Underinsured

Weaken States

Strengthens Washington
Different Direction
THE PRIVATE OPTION

MEDICAID EXPANSION

• Implemented Through 1115b Waiver, not the PPACA
  - Will Meet Budget Neutrality Requirement

• Exchange-Based, Private Insurance Coverage Through Premium Support

• Transition of Existing Medicaid/SCHIP Populations from Medicaid to the Private Option -- 0-138 % FPL (2015)

• Health Savings Accounts - 50-138% FPL (Bronze-Level)

• Creative Cost-Sharing Development by Plans - 50-138% FPL
THE PRIVATE OPTION:  
The Arkansas Health Care Independence Act of 2013

• Reduce GR Expenditures for Uncompensated Care

• Churn onto and off-of State Medicaid Program Avoided

• Provider Rates Determined by Market

• Underpayment and Uncompensated Payments Resulting in Cost-Shift to Private Insurance Premiums will be Mitigated.

• Administrative Overhead and Gov’t Agency Expansion Will be Avoided.
The Stool’s Other Legs
REFORMING THE BROKEN SYSTEM
Medicaid Reforms Passed By the Arkansas Legislature

• Medicaid Inspector General -- Integrity Function
• Advanced Analytics for Waste, Fraud, and Abuse Prevention*
• Robust Eligibility Verification System
• Background Checks and Drug Tests for Self-Directed Care Providers
• Out-Patient Ambulatory Surgical Centers Participation
TRUE HEALTH CARE SYSTEM CHANGE
Arkansas Legislature/DHS Health Care Transformation Project

• Two Year Plan Development -- Starting Fall 2013
• Self-Insured, Private Pay-Style Reforms that Bend the Cost Curve Downward, While Increasing Quality of Care:
  ✓ Focus on Outlier Populations: Avoiding Misdiagnosis and Incorrect Treatments with High Utilizers
  ✓ Setting up High Performance Provider Networks Based on the Centers for Excellence Model
Thank You