



Delta Council's Health and Education  
Committee Meeting  
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Commissioner of Insurance  
Mississippi Insurance Department



# Medicaid Expansion Circumvention



Under the ACA, people eligible under the Medicaid expansion have coverage that includes the same ten categories of essential health benefits (EHB)'s that marketplace plans cover.

On top of these benefits, Medicaid coverage includes additional benefits and other differences, which would apply in the second phase.

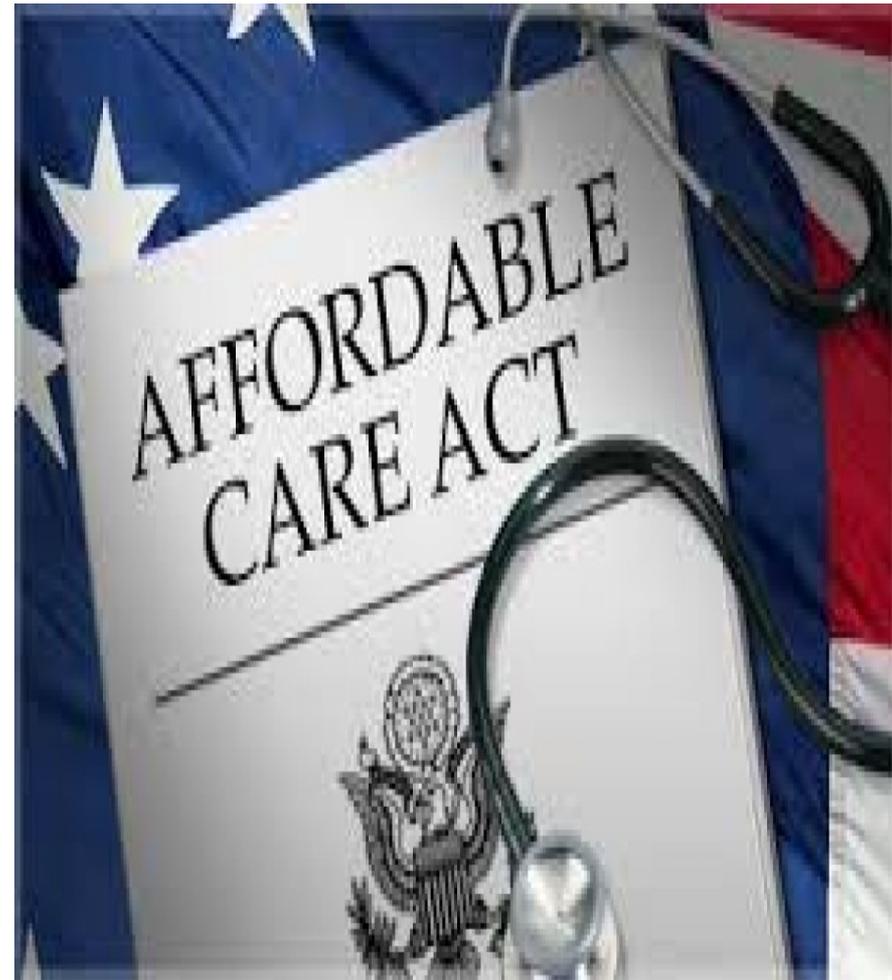
# Medicaid Expansion Circumvention

Democrats plan to extend health insurance coverage to 2 million low-income, uninsured people who live in the 12 states that haven't expanded Medicaid, circumventing mostly Republican governors and state legislatures that have opposed adopting the expansion, which is 90% financed by the federal government under the Affordable Care Act (ACA).

# Medicaid Expansion Circumvention

When Congress passed the ACA in 2010, the law called for a nationwide Medicaid for adults earning 138% of poverty or less, but the Supreme Court ruled in 2012 that states could opt not to participate.”

Nine years later, leaders in a dozen states are still not budging on their opposition to Medicaid expansion



# Medicaid Expansion Circumvention

## 48 Contiguous States

# of Persons in Household	2022 Federal Poverty Level for the 48 Contiguous States (Annual Income)						
	100%	133%	138%	150%	200%	300%	400%
1	\$13,590	\$18,075	\$18,754	\$20,385	\$27,180	\$40,770	\$54,360
2	\$18,310	\$24,352	\$25,268	\$27,465	\$36,620	\$54,930	\$73,240
3	\$23,030	\$30,630	\$31,781	\$34,545	\$46,060	\$69,090	\$92,120
4	\$27,750	\$36,908	\$38,295	\$41,625	\$55,500	\$83,250	\$111,000
5	\$32,470	\$43,185	\$44,809	\$48,705	\$64,940	\$97,410	\$129,880
6	\$37,190	\$49,463	\$51,322	\$55,785	\$74,380	\$111,570	\$148,760
7	\$41,910	\$55,740	\$57,836	\$62,865	\$83,820	\$125,730	\$167,640
8	\$46,630	\$62,018	\$64,349	\$69,945	\$93,260	\$139,890	\$186,520

Add \$4,720 for each person in household over 8 persons

# Medicaid Expansion Circumvention

# of Persons in Household	2022 Federal Poverty Level for the 48 Contiguous States (Monthly Income)						
	100%	133%	138%	150%	200%	300%	400%
1	\$1,133	\$1,506	\$1,563	\$1,699	\$2,265	\$3,398	\$4,530
2	\$1,526	\$2,029	\$2,106	\$2,289	\$3,052	\$4,578	\$6,103
3	\$1,919	\$2,552	\$2,648	\$2,879	\$3,838	\$5,758	\$7,677
4	\$2,313	\$3,076	\$3,191	\$3,469	\$4,625	\$6,938	\$9,250
5	\$2,706	\$3,599	\$3,734	\$4,059	\$5,412	\$8,118	\$10,823
6	\$3,099	\$4,122	\$4,277	\$4,649	\$6,198	\$9,298	\$12,397
7	\$3,493	\$4,645	\$4,820	\$5,239	\$6,985	\$10,478	\$13,970
8				\$3,886	\$5,168	\$5,362	\$5,829

Add \$393.33 for each person in household over 8 persons

# Medicaid Expansion Circumvention

- Budget reconciliation legislation would permanently close the Medicaid coverage gap. This is still being debated in Congress.
- The bill sets up a two-phase process that would close the coverage gap starting in January 2022.
- For the first three years (**Phase 1**), people would be eligible for premium tax credits that would pay for coverage in plans offered in the ACA marketplaces, which would be enhanced to better suit the needs of people with low incomes. Providing coverage in the marketplace would give the Secretary of HHS time to establish a federal Medicaid program that would align with Medicaid rules that apply to state expansions and would be available to people in states that haven't expanded beginning in 2025.

# Medicaid Expansion Circumvention

## Phase Two: Coverage in Federal Medicaid Plans

- In 2025, people covered by marketplace plans would transition to a federally operated Medicaid program that would more fully align with Medicaid. The bill directs the HHS Secretary to solicit bids from managed care plans and third-party administrators to administer the federal Medicaid program in the non-expansion states and to enter into contracts with at least two such entities.
- People would apply, and the federal marketplace would determine their eligibility using Medicaid rules, including rules governing fair hearings for people who want to appeal eligibility determinations.

# Medicaid Expansion

- A central goal of the Affordable Care Act (ACA) is to significantly reduce the number of uninsured by providing a continuum of affordable coverage options through Medicaid and the Health Insurance Marketplaces.
- The ACA expands Medicaid coverage for most low-income adults to 138% of the federal poverty level (FPL).
- Millions of people in the states that have not expanded Medicaid remain without an affordable coverage option.

# Medicaid Expansion

Currently, the federal government covers 90% of the cost of Medicaid coverage for adults covered through the ACA expansion, but the American Rescue Plan (ARP) Act of 2021 encourages non-expansion states to take up the expansion by providing an additional temporary fiscal incentive for states to newly implement the ACA Medicaid expansion.

# Medicaid Expansion

- One good reason to expand Medicaid is that we are already paying for it.
  - When a state opts out of Medicaid Expansion, it does not receive the extra funding from the federal government. This means residents' federal tax dollars will still be going toward the implementation of Medicaid expansion in other states but not in their own.

# Medicaid Expansion

States will also have to continue to pay for the treatment of the uninsured in hospitals, public clinics, and other care facilities with state tax dollars, which is much more expensive than the minimal share they would pay under the Medicaid expansion.

# Medicaid Expansion

Governor Tate Reeves, who assumed office in 2020, campaigned on opposition to Medicaid expansion. His viewpoint is consistent with former Governor Phil Bryant. Bryant said the state wouldn't be able to bear the cost if the federal government were ever unable to uphold its promise to pay at least 90% of the cost.

Opponents of expansion, like Governor Reeves, have said they do not want to put more people on a government program.

# Medicaid Expansion

Healthcare advocates say Mississippi, one of the poorest states in the U.S., has lost billions of dollars by not extending Medicaid eligibility to about 300,000 people.

- 701,409 – Number of Mississippians covered by Medicaid/CHIP as of May 2021
- 217,000 – Number of additional Mississippi residents who would be covered if the state accepted expansion
- 99,000 – Number of Mississippians who have NO realistic access to health insurance without Medicaid expansion
- Over \$2 billion – Federal money Mississippi is leaving on the table in 2022 by not expanding Medicaid.

# Medicaid Expansion

## How Much Would It Cost to Expand Medicaid?

To determine the net cost to the state of expanding Medicaid, we began by estimating the number of people who would gain coverage from expansion, finding that approximately 230,000 Mississippi adults would enroll by the third year of the program. Given the 90% federal matching rate, the cost to the state of providing services to these new enrollees would be approximately \$878 million over five years. Mississippi also would likely see increased administrative costs, which we estimate to be \$78 million over this time period.

# Medicaid Expansion

## How Significant Are the Offsetting Savings?

- It is projected that expansion would result in \$333 million in reduced state spending on existing Medicaid populations over five years, as some of these individuals instead enroll through the expansion.
- In addition, Mississippi would qualify for the American Rescue Plan Act (“ARPA”) enhanced federal funding, which would provide an estimated additional \$747 million in federal dollars.
- While the ARPA funding lasts for two years, Mississippi could “bank” the additional federal dollars to offset future expansion costs.

# Marketplace Enrollment

- Nationally, CMS reports that 14.5 million Americans are enrolled in 2022 individual market health insurance coverage through the Marketplaces for 2022.
- In Mississippi, during the open enrollment period from November 1, 2021 to January 15, 2022, 143,014 people enrolled for 2022. This is the second straight year of increasing enrollment in Mississippi.
- Almost all of Mississippi's exchange enrollees - 98% - received premium subsidies in 2021 (that's the highest rate in the nation; the nationwide average was 86%).

# Special Enrollment Period

The Biden-Harris Administration is announcing a new Special Enrollment Period (SEP) opportunity for low-income consumers at or below 150% of the Federal Poverty Level (FPL), which is approximately \$19,000 for an individual and \$40,000 for a family of four.

- This SEP will be available to consumers who have applied for Marketplace coverage since Open Enrollment ended and who didn't have access to another SEP from a recent life event, such as a loss of coverage, and will enable eligible consumers to enroll in a Marketplace plan.

# Special Enrollment Period

Consumers who think they may qualify for this SEP should visit [HealthCare.gov](https://www.healthcare.gov) to view 2022 plans and prices and enroll in a plan that best meets their needs.

Consumers residing in states that operate their own platforms should check with their Marketplaces regarding whether they are offering this SEP.



# Special Enrollment Period

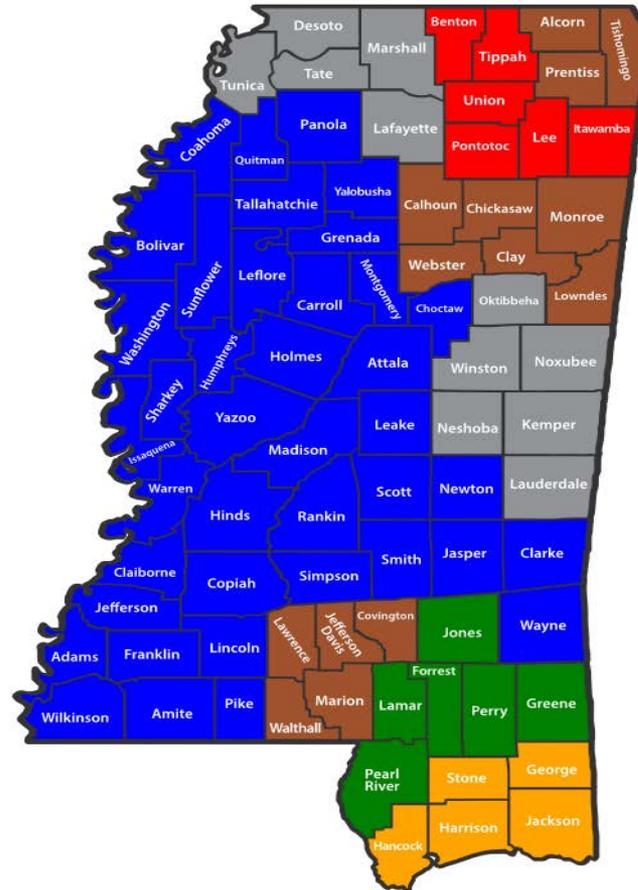
- Additionally, as part of the most recent Marketplace application update, CMS is introducing the newly redesigned Eligibility Determination Notice.
- The redesign simplifies the notice to better convey information about eligibility and next steps to certain consumers, easing barriers to getting covered, and helping consumers access and use their health coverage.

# New Carriers in Mississippi FFM

- We had two new carriers enter the Mississippi Federal Exchange on January 1, 2022.
  - Vantage Health Plans
    - Vantage was formed in 1994 by physicians who wanted to provide quality healthcare coverage. Based in Monroe, LA., the company has been in the Medicare Advantage market. Vantage will provide coverage to 58 counties in Mississippi.
  - Cigna
    - Cigna is an American multinational managed healthcare and insurance company based in Bloomfield, CT. Cigna will provide coverage in 31 counties in Mississippi.

# New Carriers in Mississippi FFM

In 2022, Ambetter and Molina are providing coverage to all 82 counties in Mississippi.



Vantage and Cigna (Rating Area 6) will both provide coverage (in addition to Ambetter and Molina), in the following counties:

- Calhoun
- Covington
- Jefferson Davis
- Lawrence
- Marion
- Walthall
- Webster

# QUESTIONS?





# Mississippi Insurance Department

Commissioner Mike Chaney

[www.mid.ms.gov](http://www.mid.ms.gov)

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