

Expansion of MassHealth: Impact to Sponsored SHIPs



AICUM SYMPOSIUM

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Gallagher | STUDENT HEALTH & SPECIAL RISK

Agenda

- History of MassHealth & Sponsored Student Health Insurance Programs (SHIPs)
- Expansion of Medicaid
- Impact of Medicaid Expansion
- Impact of ACA on SHIPs
- Importance of Maintaining SHIP enrollment
- Potential for Expanding Subsidy
- Q & A
- Contact Information



History of MassHealth & Student Health Insurance Programs (SHIPs)

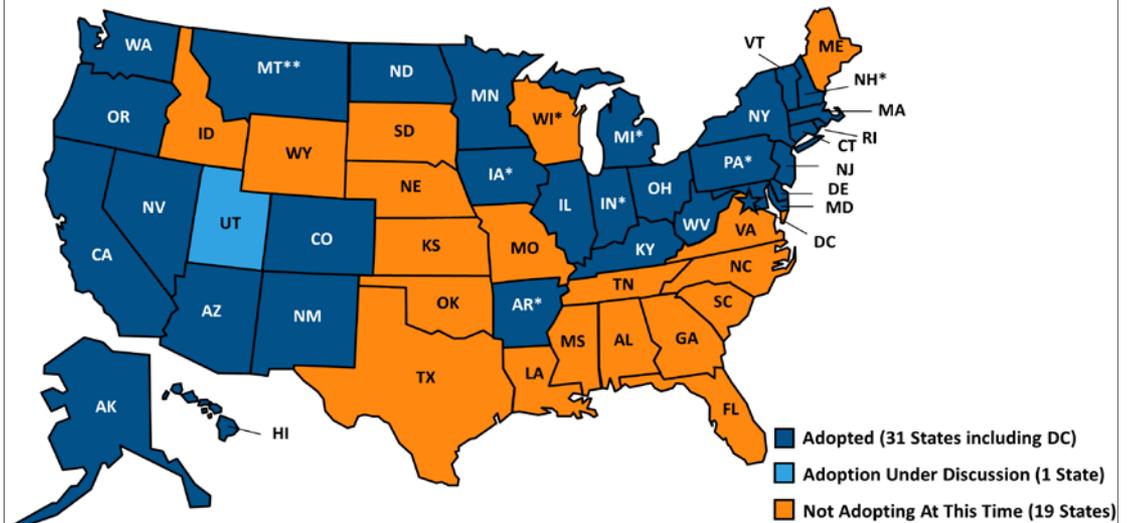
- Since inception of SHIP regulations (1989), MassHealth (MA Medicaid) accepted plan to waive student insurance.
- Prior to 2014, coverage under MassHealth expired when a dependent turned 19 (with some exceptions).
- Because of the age limitations, it was uncommon to have many college students insured through MassHealth.
- SHIP became the most cost-effective option for students terminated from MassHealth.
 - » *Premium rates were low*
 - » *Financial Aid could be used to pay premium*



Expansion of Medicaid

- In 2014, the Affordable Care Act provided States with additional federal funding to expand Medicaid programs.
 - » Allowed States to cover adults under age 65 with income up to 133% of the federal poverty level regardless of disability, family status or other factors.
- As of September 1, 2015, 31 States and Washington DC have expanded Medicaid, including Massachusetts.
 - » As a result, many more MA students qualified individually for Medicaid after turning 19 if they met household income standards.

Current Status of State Medicaid Expansion Decisions



NOTES: Current status for each state is based on KCMU tracking and analysis of state executive activity. **MT has passed legislation adopting the expansion; it requires federal waiver approval. *AR, IA, IN, MI, PA and NH have approved Section 1115 waivers. Coverage under the PA waiver went into effect 1/1/15, but it is transitioning coverage to a state plan amendment. WI covers adults up to 100% FPL in Medicaid, but did not adopt the ACA expansion.

SOURCE: "Status of State Action on the Medicaid Expansion Decision," KFF State Health Facts, updated September 1, 2015. <http://kff.org/health-reform/state-indicator/state-activity-around-expanding-medicaid-under-the-affordable-care-act/>



Impact of Medicaid Expansion for Students

- Positives for insured students:

- » *Income-eligible students and their dependents gain access to subsidized health insurance.*
- » *Students no longer lose coverage upon reaching age 19.*
- » *Students are consistently insured throughout school year.*

- Negatives for insured students:

- » *Though eligibility for Medicaid was expanded, provider acceptance of Medicaid was not, presenting possible barriers to accessing care.*
 - ♦ Care needs to be managed by a Primary Care Provider (PCP) who may not be local to where student is attending college or accepting new patients.
 - ♦ Students and Campus Health Centers have difficulty locating community providers who accept Medicaid for services.
- » *Medicaid programs offer no portability between states beyond emergency care, so coverage outside of MA is extremely limited (as compared to SHIP PPO Programs).*



Impact of Medicaid Expansion on SHIPs

- Beginning with 2014-2015 policy year, more students were eligible for MassHealth and subsequently used it to waive their school-sponsored SHIP.
 - » *Medicaid Programs from outside of MA continue to be considered non-comparable due to the lack of portability between states.*
 - » *The Children's Medical Security Plan, The Health Safety Net and MassHealth Limited were identified as not being acceptable programs to waive the sponsored SHIP.*
- Gallagher Student Health business within Massachusetts for the 14-15 policy year saw an approximate 35% increase in MassHealth being used to waive the school-sponsored SHIP.



Impact of ACA on SHIPs

ACA compliance from 2012-13 to 2014-15 Policy Years:

- » *Students able to be covered as dependents up to the age of 26.*
- » *Essential Benefits identified, internal limits removed.*
- » *Plan Maximum levels increased, then removed completely for 2014-2015.*
- » *Introduction of PPACA Fees & Taxes.*
- » *SHIP programs tested to meet Metallic Actuarial Value.*
- » *Availability to purchase subsidized plans through State or Federal Marketplace.*

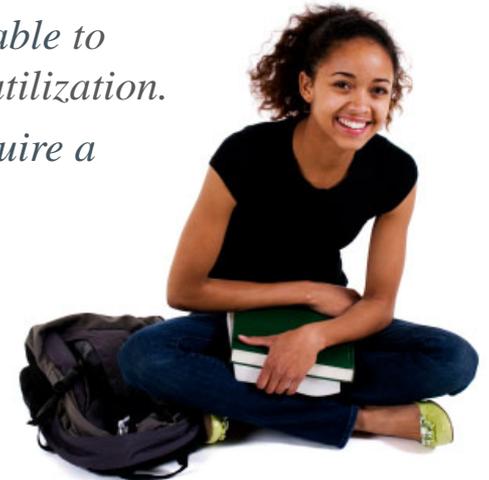
ACA-related Impact on SHIP, Decreased Enrollment

- » *More students remain on parent insurance to age 26.*
- » *Increase in coverage due to PPACA & State-mandated benefits resulted in premium increase.*
- » *More students enrolled in subsidized plans available through their home State insurance marketplace.*
- » *More students enrolled in their home-state Medicaid program.*



Importance of Maintaining SHIP Enrollment

- Schools need to continue to promote sponsored SHIP for many reasons:
 - » *Many students still waive coverage without properly researching their options, not realizing that SHIP offers a better overall “deal” of pricing and coverage.*
 - » *Student Health Insurance Plans support and complement services provided on-campus.*
 - » *SHIP plans are fully ACA-compliant – no plan maximums, greater benefits, immediate coverage of pre-existing conditions.*
 - » *Decrease in enrollment results in fewer premium dollars available to support unlimited coverage and “cushion” the impact of high utilization.*
 - » *Insurance companies tightening underwriting guidelines to require a greater number of insured lives to quote SHIP program.*



Potential for Expanding Subsidy to Sponsored SHIPs

- Premium Assistance in Massachusetts is a program that collaborates with MassHealth to help low-income residents purchase employer-sponsored health insurance as an alternative to being enrolled in a MassHealth product.
- Currently, Student Health Insurance Plans do not fall under the Premium Assistance Program as an option to receive subsidy.
 - » *As a result, the only subsidized options for students remain through the Connector or MassHealth.*
- Exploring the possibility of expanding Premium Assistance to include SHIPs, allowing qualified Massachusetts students to receive subsidy to pay the cost of their SHIP.



Potential for Expanding MassHealth funding to sponsored SHIPs

- **Benefits for Students & the SHIP:**
 - » *Makes SHIP more attractive for students as an insurance option.*
 - » *Students gain access to a larger network of preferred providers – close to campus, home and across the country.*
 - » *Better coordination with on-campus services and off-campus referrals.*
 - » *Increased enrollment in Plan to which contributes to maintaining viability of program and ‘attractiveness’ to insurance carriers.*
- **Logistics to be determined:**
 - » *Logistics of Payments (to student, school or direct to insurance carrier/broker).*
 - » *Timing of Enrollment (calendar year vs. academic year).*
 - » *Marketing to eligible students the option to accept premium assistance for SHIP.*



Next Steps

- Continue conversations with The Connector to discuss feasibility & work out details.
- Our goal is to introduce this concept for the 2016-2017 academic year.
- Until then, continue to understand the SHIP you have on campus, its benefits, accessibility and overall out-of-pocket cost compared to other insurance options your students may have.
- The SHIP remains a strong risk management tool for your campus, as well as an important component of seeing students through to graduation.



Q&A





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