

New Opportunities to Expand Health Insurance Access to Low Income North Carolinians

Issue Brief

North Carolina Institute of Medicine

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Background

- NCIOM: An independent, quasi-state agency that was chartered by the NC General Assembly in 1983 to provide balanced, nonpartisan information on issues relevant to the health of North Carolina's population
- As of April 6, 2017 the state has three proposed plans for expanding access to health insurance for poor and near poor residents of NC

Key Facts - Low Income North Carolinians

- Federal Poverty Level (FPL) in 2017:
 - \$12,060 for an individual
 - \$24,600 for a family of 4
- ACA and all three plans extend coverage to adults:
 - Between ages of 19-64
 - With incomes below 133% of FPL
 - \$16,040 for an individual
 - \$32,718 for a family of 4
- Currently 60% of uninsured North Carolinians below 138% FPL are employed

Key Facts - Current Medicaid in NC

- ADULT eligibility is limited to
 - Disabled
 - Working parents with incomes < 49% FPL
 - (\$10,210 for a family of 3)
 - Nonworking parents with incomes <35% FPL
 - (\$7,147 for a family of 3)
 - Pregnant women with incomes up to 185% FPL
 - (\$37,777 for a family of 3)
- Childless, non-disabled adults DO NOT qualify

Key Facts – Funding Medicaid in NC

- Federal Gov pays 67% with NC covering 33%
- ACA (2010) provided for states that expand Medicaid to households up to 133% FPL with:
 - Federal Gov paying 100% of the expanded recipients from 2014-2016 with percentage decreasing to 90% by 2020
 - So far, 31 states and DC have expanded Medicaid

Alternative Benefit Plan State Plan Amendments

- Sponsor Roy Cooper
- Benefit package “Blue Options”
- Administration : NC DHHS
- Income eligibility only
- No cost to enrollee
- Federal Funds: 94% of costs to 90% 2020+
- State Funds:
 - to include an assessment on hospitals
 - Estimate \$100-150 million in first year

Senate Bill 290: Medicaid Expansion/Health Care Jobs Initiative

- Sponsors: Senator Ben Clark, D 21st District; Senator Angela Bryant D 4th District
- Benefit Package Blue Cross and Blue Shield “Blue Options”
- Administered by NC DHHS
- Income eligibility only
- Would extend eligibility to 468,000 North Carolinians
- No cost to enrollee
- Federal Funds: 94% of costs to 90% 2020+
- State Funds:
 - to include an assessment on hospitals
 - Estimate \$150 million in first year

House Bill 662: Carolina Cares

- Sponsors: Representatives Lambeth R-75th District; Murphy R-9th District; Dobson R- 85th District; While R – 26th District
- Creates a new program “Carolina Cares” managed by the NC State Medicaid agency
- Administered by North Carolina’s Pre-Paid Health Plans
- Requires work or work promoting activities (exceptions apply)
- Would extend eligibility to 375,000 North Carolinians
- Cost to enrollee 2% of annual household income (exceptions apply)
- Federal Funds: Expected to be 94% of costs to 90% 2020+
- State Funds:
 - to include an assessment on hospitals
 - Estimate similar costs to other proposals
 - Requires that funding is solely from participant contributions and the health care assessments

Comparisons

- Senate Bill 290 and Governor Cooper's plan are similar. Bill 290 gives more detail in funding. Would extend eligibility to approximately 468,000 North Carolinians. Both plans with start date January 2018
- House Bill 662 "Carolina Cares". Pairs Medicaid expansion with Medicaid reform. No planned start date. Lays out work requirements and payment by enrollee. Would extend eligibility to approximately 375,000 uninsured North Carolinians. Would not be implemented if

Issues with HB 662

- Many low income residents do not have fixed working hours or income- *how is the 2% calculated and collected- what happens when they lose their job?*
- Bill requires co-payments, establishment of wellness and preventive care activities, and defined evaluation of health outcomes and quality of provided care. *How is this measured and by whom?*
- All 3 proposals lay out similar state funding HB 662 requires no new state funds be used. *How will the health care be paid when enrollment increases or there is an economic downturn in North Carolina?*