

IMPLEMENTATION OF THE AFFORDABLE CARE ACT

August 29, 2012

EXHIBIT J – HEALTH CARE
Document consists of 47 pages.
Entire exhibit provided.
Meeting Date: 08-29-12

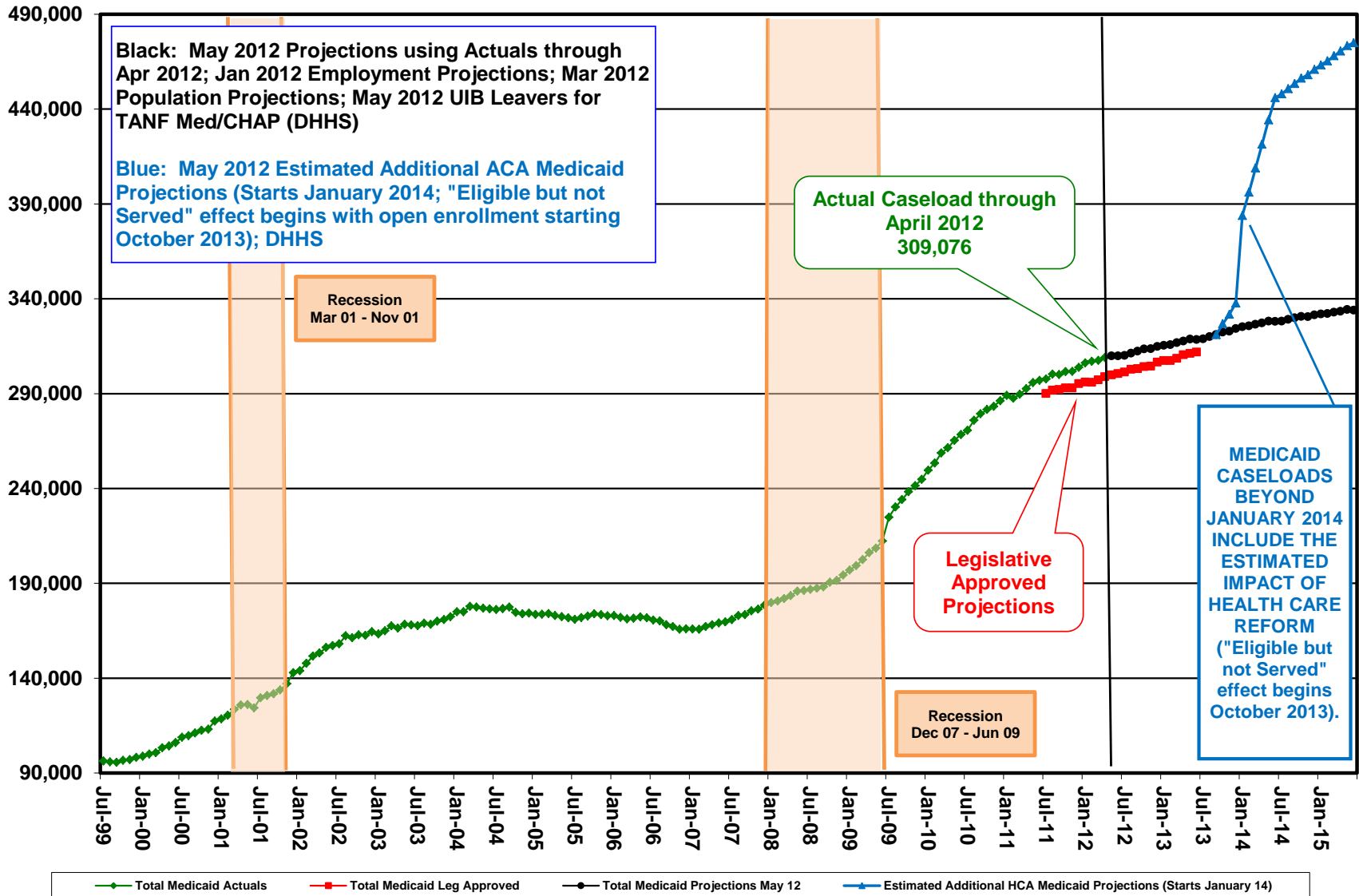
THE MOVING PARTS:

- Caseload growth without the impact of ACA;
- Impact on the state's uninsured population;
- FMAP vs. state share (Regular FMAP, Enhanced FMAP, and 100% Federal);
- Primary care physician rate increases;
- PMPM estimates (Milliman study and benefit package);
- ACA caseload growth and medical costs;
- Medicaid/CHIP admin. costs;
- DWSS admin. costs;
- DSH impact (net state benefit impact);
- UPL/GME impact (net state benefit/voluntary contribution impact);
- Mental Health savings opportunity;
- County savings opportunities;
- Unanswered questions;

MEDICAID CASELOAD GROWTH WITHOUT ACA IMPACT

(Normal caseload growth projected)

Total Medicaid with Retro Projections Using DWSS Home & Community Based Waiver Reported Numbers



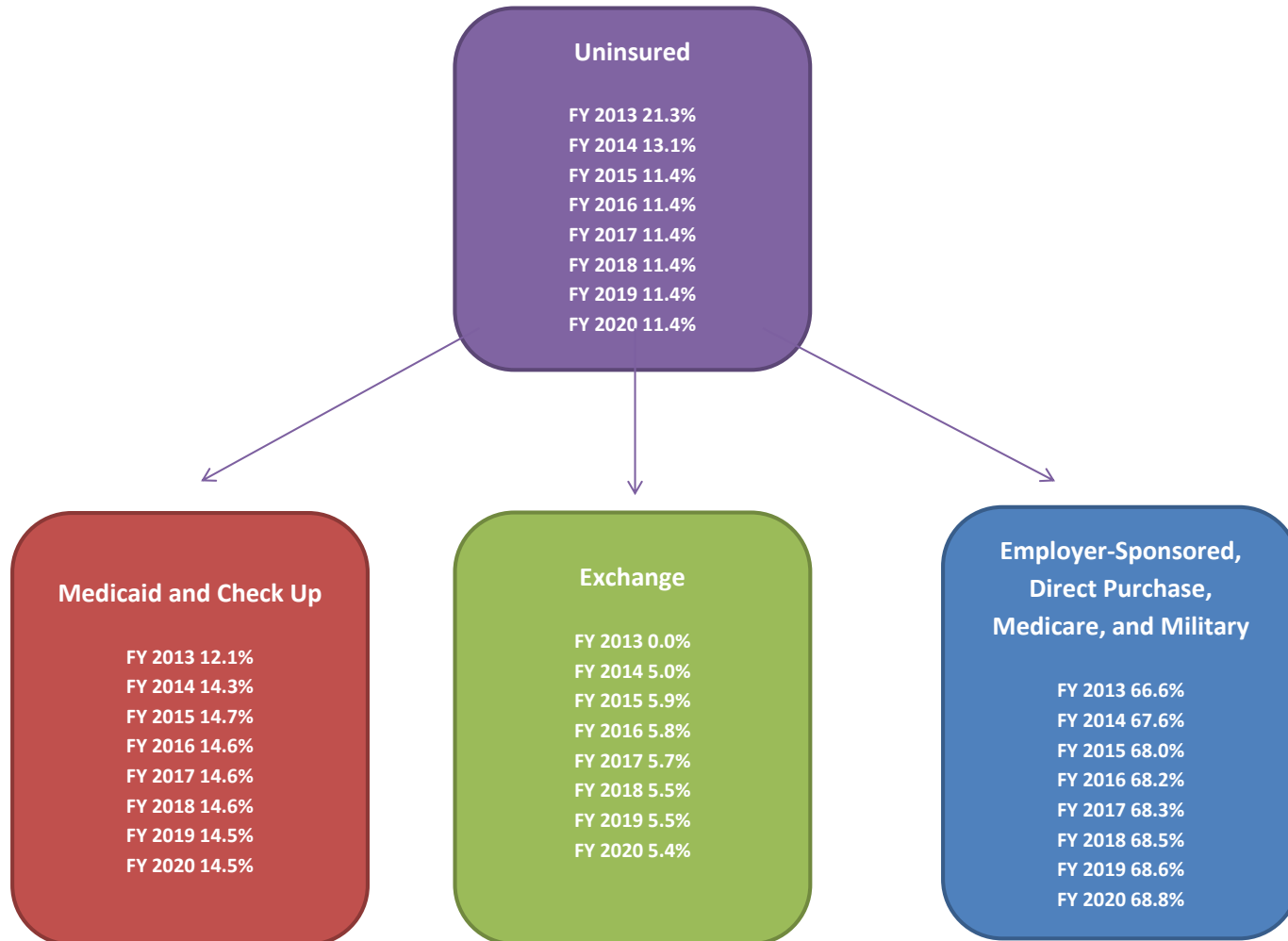
Total Medicaid Caseload and Projections with Expansion

TOTAL MEDICAID w/RETRO		TOTAL MEDICAID w/RETRO		TOTAL MEDICAID w/RETRO			TOTAL MEDICAID w/RETRO							
FY 08-09 Actuals w/updated retro	FY 08-09 Leg Approved Projections	FY 10-11 Actuals w/FY10 updated retro	FY 10-11 Leg Approved Projections	FY 12-13 Actuals	FY 12-13 Leg Approved Projections	Current Month's Projection (May 2012 Projections using April 2012 Actuals)	FY 14-15 Actuals	FY 14-15 Leg Approved Projections	Current Month's Projection (May 2012 Projections using April 2012 Actuals)	Estimated Additional ACA Medicaid Projections (starts January 2014; "Eligible but not Served" starts October 2013)	Total Medicaid Projections with HCA Estimates (starts January 2014; "Eligible but not Served" starts October 2013)			
Jul-07	171,634	167,962	Jul-09	224,861	209,499	Jul-11	297,639	290,009	Jul-13		318,809			
Aug-07	174,488	168,572	Aug-09	230,258	211,579	Aug-11	300,247	291,802	Aug-13		319,980			
Sep-07	174,383	168,802	Sep-09	234,138	213,815	Sep-11	300,009	292,179	Sep-13		321,096			
Oct-07	176,498	169,338	Oct-09	238,338	215,798	Oct-11	301,568	292,929	Oct-13		322,344	4,476	326,820	
Nov-07	177,632	169,693	Nov-09	241,463	218,235	Nov-11	301,667	292,908	Nov-13		322,808	8,953	331,761	
Dec-07	179,926	170,300	Dec-09	244,806	220,072	Dec-11	303,814	295,181	Dec-13		324,313	13,429	337,743	
Jan-08	180,983	170,817	Jan-10	249,668	222,012	Jan-12	306,206	295,986	Jan-14		325,190	58,760	383,950	
Feb-08	182,274	171,132	Feb-10	253,462	224,160	Feb-12	307,033	295,950	Feb-14		325,638	70,575	396,213	
Mar-08	183,526	171,469	Mar-10	258,741	225,855	Mar-12	307,507	297,184	Mar-14		326,481	82,446	408,927	
Apr-08	185,251	171,625	Apr-10	261,381	227,859	Apr-12	309,076	298,904	Apr-14		327,167	94,301	421,468	
May-08	189,010	171,908	May-10	265,371	229,456	May-12		299,834	309,857	May-14		328,211	106,142	434,353
Jun-08	188,832	172,123	Jun-10	268,415	230,408	Jun-12		300,513	309,895	Jun-14		328,047	117,959	446,006
Jul-08	187,170	172,568	Jul-10	270,647	231,210	Jul-12		301,296	310,103	Jul-14		328,197	119,793	447,990
Aug-08	187,844	173,026	Aug-10	275,917	231,702	Aug-12		302,737	311,247	Aug-14		329,076	121,691	450,766
Sep-08	188,082	173,225	Sep-10	279,336	232,221	Sep-12		303,075	312,320	Sep-14		329,871	123,627	453,498
Oct-08	190,696	173,627	Oct-10	281,588	232,479	Oct-12		304,143	313,460	Oct-14		330,644	125,618	456,262
Nov-08	191,141	173,844	Nov-10	283,336	233,240	Nov-12		304,371	313,656	Nov-14		330,544	127,561	458,105
Dec-08	194,876	174,325	Dec-10	286,186	233,710	Dec-12		306,590	314,779	Dec-14		331,477	129,456	460,933
Jan-09	197,042	174,722	Jan-11	289,102	234,282	Jan-13		307,430	315,352	Jan-15		331,957	131,339	463,296
Feb-09	199,264	174,920	Feb-11	287,510	235,068	Feb-13		307,373	315,724	Feb-15		332,154	133,251	465,405
Mar-09	202,321	175,148	Mar-11	289,716	235,533	Mar-13		308,606	316,786	Mar-15		332,833	135,217	468,050
Apr-09	206,523	175,203	Apr-11	292,655	236,314	Apr-13		310,413	317,601	Apr-15		333,373	137,164	470,538
May-09	209,401	175,392	May-11	295,847	236,678	May-13		311,190	318,690	May-15		334,269	139,095	473,365
Jun-09	213,444	175,521	Jun-11	296,942	237,020	Jun-13		311,851	318,507	Jun-15		333,999	141,000	474,999

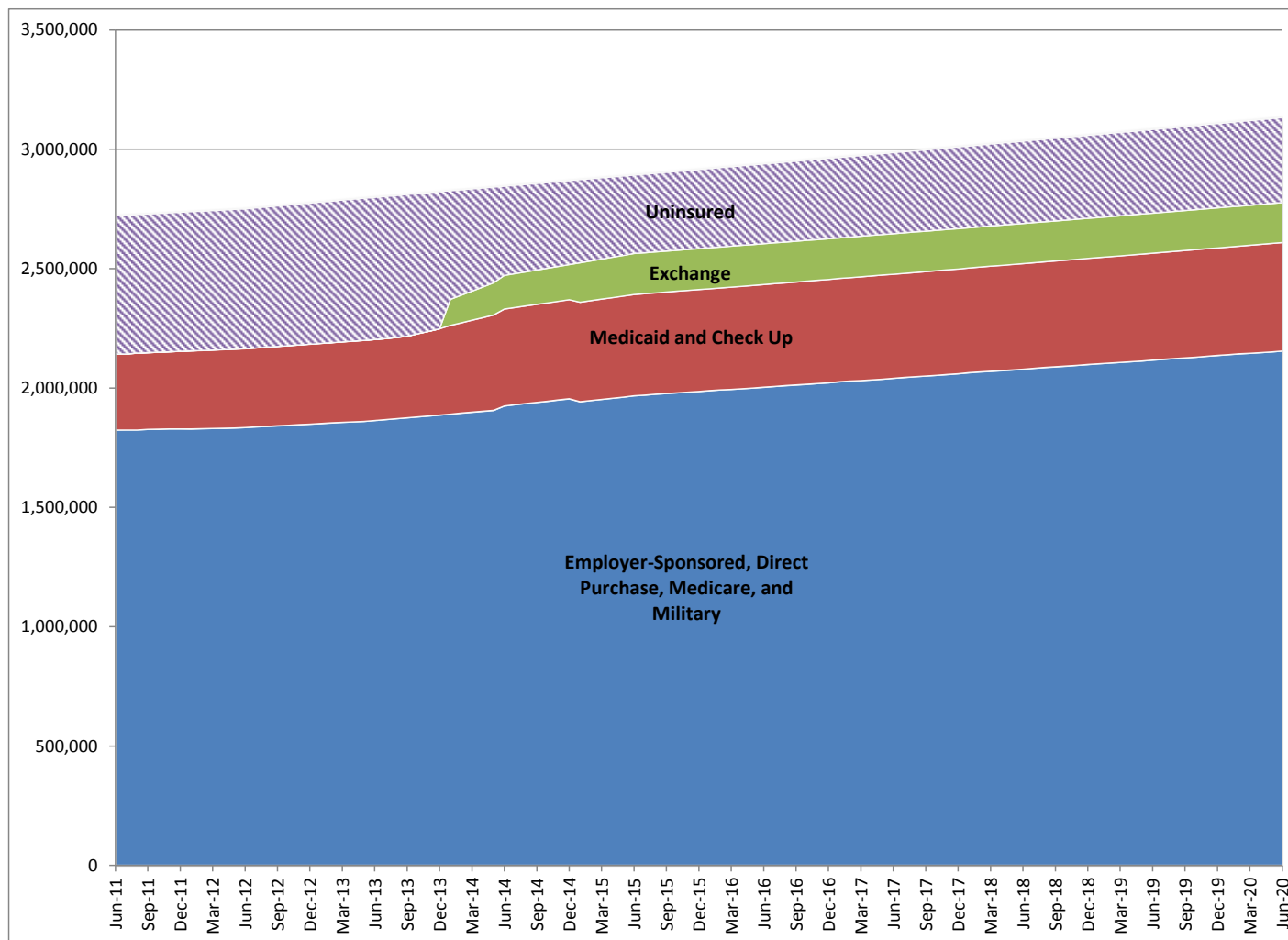
Bolded numbers equal actuals (bolded italic numbers equal updated actuals with retro)

HEALTH INSURANCE COVERAGE WITH AND WITHOUT MEDICAID EXPANSION

Health Insurance Coverage without Medicaid Expansion



Estimated and Projected Insurance Coverage in Nevada without Medicaid Expansion



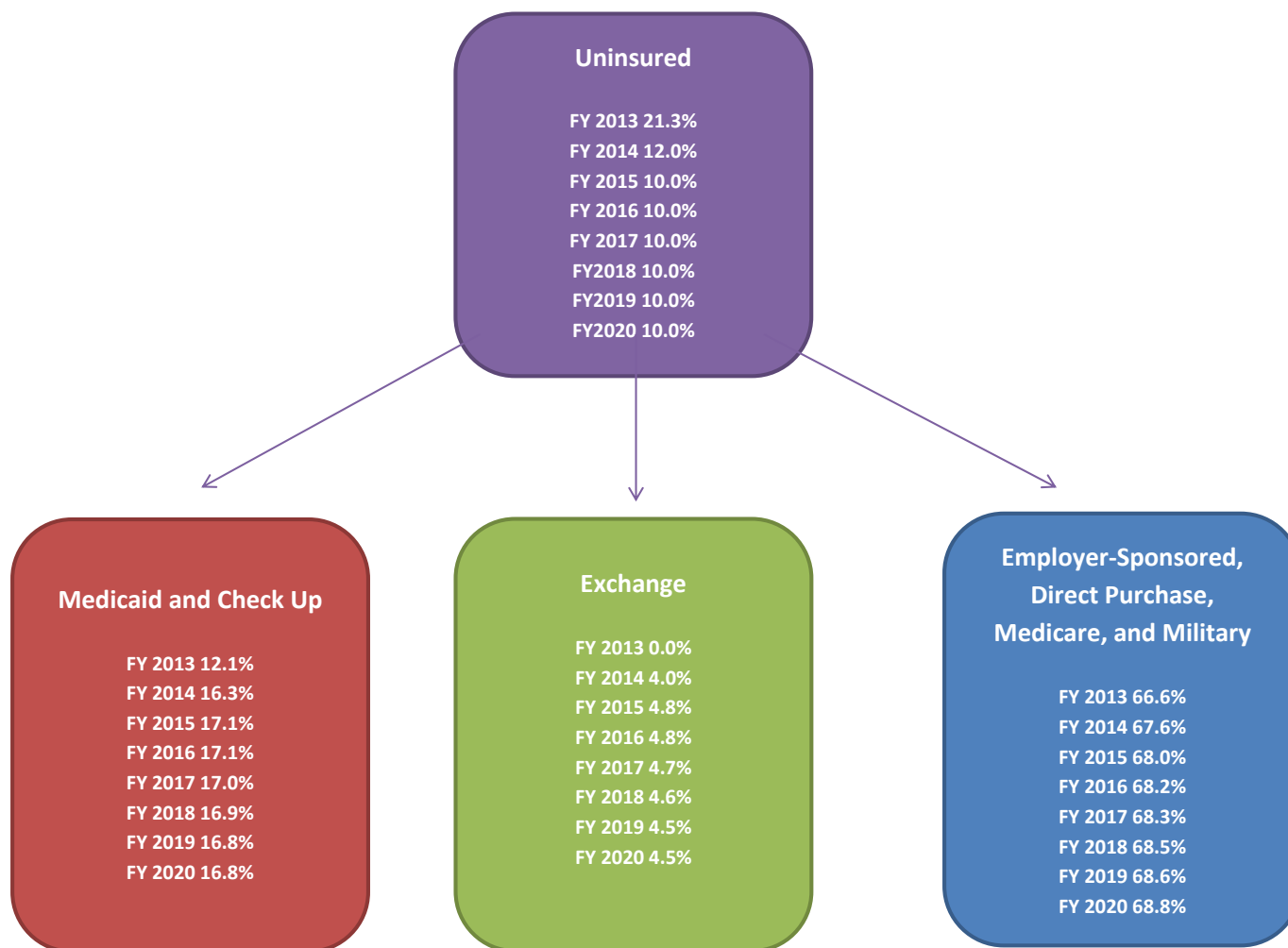
Estimated and Projected Insurance Coverage in Nevada without Medicaid Expansion

	Employer-Sponsored, Direct Purchase, Medicare, and Military	Medicaid and CheckUp	Exchange	Uninsured
FY02	1,618,812	181,302		405,908
FY03	1,700,970	191,400		404,196
FY04	1,769,335	202,673		438,760
FY05	1,902,664	200,592		415,613
FY06	1,935,458	199,705		487,887
FY07	2,059,317	199,621		459,399
FY08	2,030,028	212,994		495,711
FY09	1,917,887	234,810		558,508
FY10	1,854,617	289,670		580,347
FY11	1,823,971	318,081		579,742
FY12	1,833,709	330,932		585,856
FY13	1,863,282	339,509		596,181
FY14	1,924,181	406,077	141,602	373,489
FY15	1,966,781	424,774	171,728	328,506
FY16	2,002,768	430,294	171,427	333,909
FY17	2,040,201	436,259	170,036	339,261
FY18	2,078,568	442,263	168,329	344,719
FY19	2,116,188	448,300	168,039	350,251
FY20	2,154,522	454,397	167,688	355,859

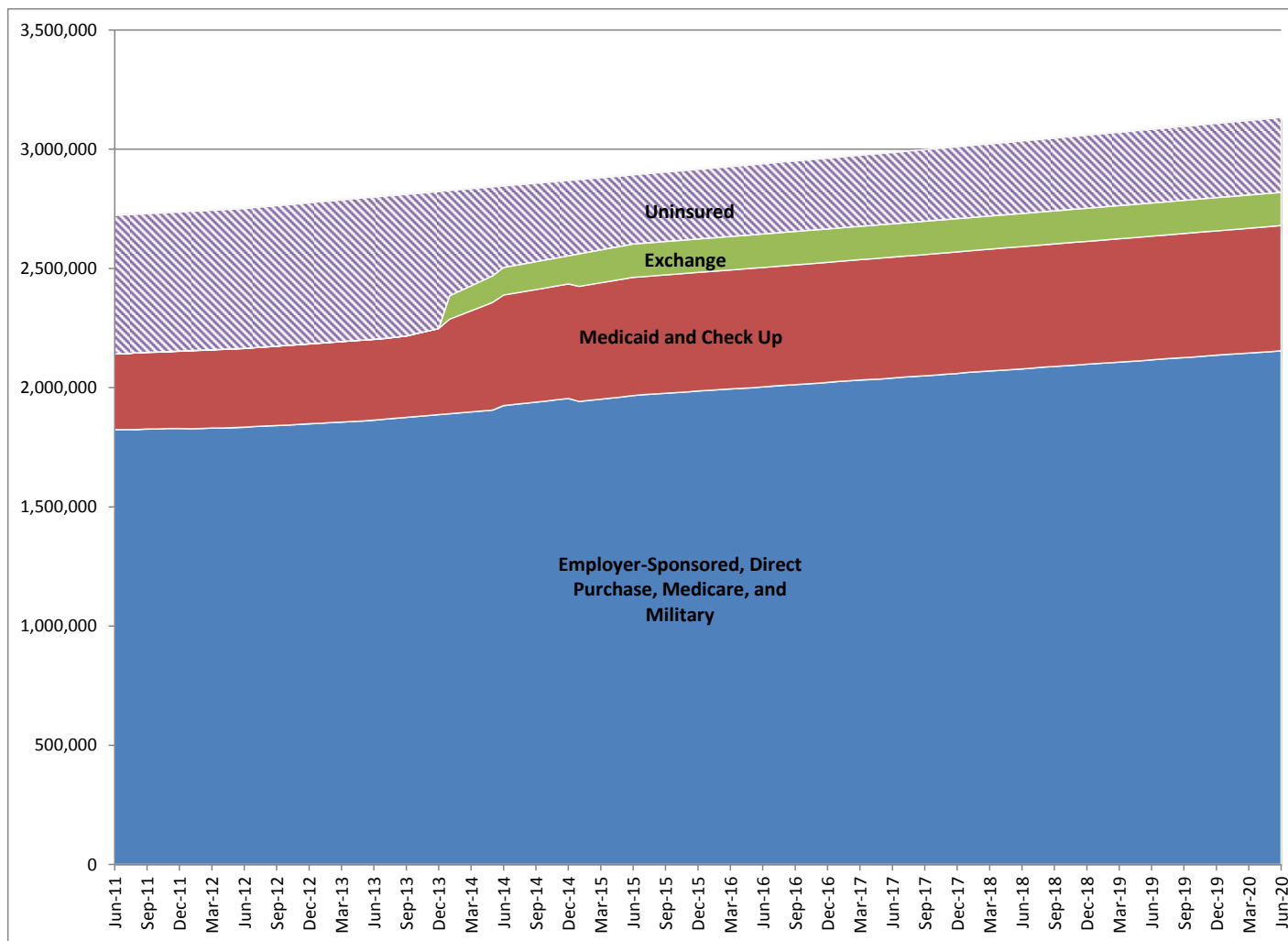
	Employer-Sponsored, Direct Purchase, Medicare, and Military	Medicaid and CheckUp	Exchange	Uninsured
FY02	73.4%	8.2%		18.4%
FY03	74.1%	8.3%		17.6%
FY04	73.4%	8.4%		18.2%
FY05	75.5%	8.0%		16.5%
FY06	73.8%	7.6%		18.6%
FY07	75.8%	7.3%		16.9%
FY08	74.1%	7.8%		18.1%
FY09	70.7%	8.7%		20.6%
FY10	68.1%	10.6%		21.3%
FY11	67.0%	11.7%		21.3%
FY12	66.7%	12.0%		21.3%
FY13	66.6%	12.1%		21.3%
FY14	67.6%	14.3%	5.0%	13.1%
FY15	68.0%	14.7%	5.9%	11.4%
FY16	68.2%	14.6%	5.8%	11.4%
FY17	68.3%	14.6%	5.7%	11.4%
FY18	68.5%	14.6%	5.5%	11.4%
FY19	68.6%	14.5%	5.5%	11.4%
FY20	68.8%	14.5%	5.4%	11.4%

Note: The Current Population Survey (CPS) estimates the number of uninsured individuals and the share of the population that is uninsured. Because the CPS total state population estimates do not perfectly correspond with the official population estimates produced by the Nevada State Demographer, the CPS share of population that is uninsured is applied to the State Demographer's population estimate to derive the number of uninsured Nevadans. For example, the CPS estimates that 563,000 Nevadans (21.3% of the population) were uninsured in 2010. Applying this percentage to the State Demographer's population estimate yields 581,485 uninsured Nevadans.

Health Insurance Coverage with Medicaid Expansion up to 138% FPL



Estimated and Projected Insurance Coverage in Nevada with Medicaid Expansion up to 138% FPL



Estimated and Projected Insurance Coverage in Nevada with Medicaid Expansion up to 138% FPL

	Employer-Sponsored, Direct Purchase, Medicare, and Military	Medicaid and CheckUp	Exchange	Uninsured
FY02	1,618,812	181,302		405,908
FY03	1,700,970	191,400		404,196
FY04	1,769,335	202,673		438,760
FY05	1,902,664	200,592		415,613
FY06	1,935,458	199,705		487,887
FY07	2,059,317	199,621		459,399
FY08	2,030,028	212,994		495,711
FY09	1,917,887	234,810		558,508
FY10	1,854,617	289,670		580,347
FY11	1,823,971	318,081		579,742
FY12	1,833,709	330,932		585,856
FY13	1,863,282	339,509		596,181
FY14	1,924,181	464,564	115,162	341,442
FY15	1,966,781	495,719	140,110	289,179
FY16	2,002,768	501,285	140,504	293,840
FY17	2,040,201	507,215	139,765	298,576
FY18	2,078,568	513,147	138,777	303,388
FY19	2,116,188	519,086	139,226	308,278
FY20	2,154,522	525,062	139,635	313,246

	Employer-Sponsored, Direct Purchase, Medicare, and Military	Medicaid and CheckUp	Exchange	Uninsured
FY02	73.4%	8.2%		18.4%
FY03	74.1%	8.3%		17.6%
FY04	73.4%	8.4%		18.2%
FY05	75.5%	8.0%		16.5%
FY06	73.8%	7.6%		18.6%
FY07	75.8%	7.3%		16.9%
FY08	74.1%	7.8%		18.1%
FY09	70.7%	8.7%		20.6%
FY10	68.1%	10.6%		21.3%
FY11	67.0%	11.7%		21.3%
FY12	66.7%	12.0%		21.3%
FY13	66.6%	12.1%		21.3%
FY14	67.6%	16.3%	4.0%	12.0%
FY15	68.0%	17.1%	4.8%	10.0%
FY16	68.2%	17.1%	4.8%	10.0%
FY17	68.3%	17.0%	4.7%	10.0%
FY18	68.5%	16.9%	4.6%	10.0%
FY19	68.6%	16.8%	4.5%	10.0%
FY20	68.8%	16.8%	4.5%	10.0%

Note: The Current Population Survey (CPS) estimates the number of uninsured individuals and the share of the population that is uninsured. Because the CPS total state population estimates do not perfectly correspond with the official population estimates produced by the Nevada State Demographer, the CPS share of population that is uninsured is applied to the State Demographer's population estimate to derive the number of uninsured Nevadans. For example, the CPS estimates that 563,000 Nevadans (21.3% of the population) were uninsured in 2010. Applying this percentage to the State Demographer's population estimate yields 581,485 uninsured Nevadans.

FMAP

FMAP Projected through FFY20

	Nevada		United States		Ratio	State Share = Ratio * 45%	FMAP	Enhanced (CHIP) FMAP			
	Personal Income Per Capita	Personal Income Per Capita	Average	Average Squared					Average	Average Squared	
2009	36,533	38,846									
2010	36,938	39,937									
2011	38,173	41,663									
2012	38,894	42,664									
2013	40,205	44,256									
2014	42,668	46,686	FFY14	37,215	1,384,931,415	40,149	1,611,915,435	85.92%	38.66%	61.34%	72.94%
2015	45,324	49,226	FFY15	38,002	1,444,127,478	41,421	1,715,726,199	84.17%	37.88%	62.12%	73.49%
2016	47,827	51,494	FFY16	39,091	1,528,088,599	42,861	1,837,050,634	83.18%	37.43%	62.57%	73.80%
2017	49,992	53,361	FFY17	40,589	1,647,478,828	44,535	1,983,394,453	83.06%	37.38%	62.62%	73.83%
2018	51,920	54,923	FFY18	42,732	1,826,065,177	46,723	2,182,993,229	83.65%	37.64%	62.36%	73.65%
2019	53,928	56,572	FFY19	45,273	2,049,634,368	49,135	2,414,266,053	84.90%	38.20%	61.80%	73.26%
2020	56,100	58,365	FFY20	47,714	2,276,642,079	51,360	2,637,841,519	86.31%	38.84%	61.16%	72.81%

Source: 2009-2011 personal income per capita is from the U.S. Bureau of Economic Analysis. Note that the 2011 number is preliminary. For Nevada, the 2012-2020 forecast of personal income per capita uses Moody's Analytics (Economy.com) June 2012 baseline projection of personal income and the Nevada State Demographer's projection of population. For the US, the personal income per capita projection is from Moody's June 2012 baseline forecast.

FMAP Calculation

1. For each state, calculate the square of the three year average per capita personal income. (For the FFY2014 FMAP, we would take the average of 2009, 2010, and 2011.)
2. Do the same thing for the US.
3. Find the ratio of (1) and (2) from above.
4. Multiply the number from (3) by 45%.
5. The FMAP is 1 – (4), but it cannot be below 50% or above 83%.

Enhanced FMAP

The Children's Health Insurance Program (CHIP) uses an enhanced FMAP. The match is calculated by reducing each state's Medicaid share by 30%. The minimum rate is 65.00

Blended FMAP for State Fiscal Years 2003-2020

State Fiscal Year	FMAP	Enhanced (CHIP) FMAP	New Eligibles FMAP
FY03	51.79%	66.25%	
	52.53%	66.77%	
FY04	54.30%	68.01%	
	55.34%	68.74%	
FY05	55.66%	68.96%	
FY06	55.05%	68.53%	
FY07	54.14%	67.90%	
FY08	52.96%	67.07%	
FY09	50.66%	65.46%	
	61.11%	72.78%	
FY10	50.12%	65.08%	
	63.93%	74.75%	
FY11	51.25%	65.87%	
	57.77%	70.44%	
FY12	55.05%	68.54%	
FY13	58.86%	71.20%	
FY14	60.94%	72.66%	100.00%
FY15	61.93%	73.35%	100.00%
FY16	62.46%	73.72%	100.00%
FY17	62.61%	73.83%	97.50%
FY18	62.42%	73.70%	94.50%
FY19	61.94%	73.36%	93.50%
FY20	61.32%	72.92%	91.50%

NOTE: The green cells reflect a 2.95% increase for the period April 2003 through June 2004. The blue cells reflect the ARRA stimulus adjusted FMAP for October 2008 through December 2010. The FMAP values for FY14 through FY20 are projections.

Increased FMAP for Newly Eligible Mandatory Individuals (ACA Section 2001)

“(y) INCREASED FMAP FOR MEDICAL ASSISTANCE FOR NEWLY ELIGIBLE MANDATORY INDIVIDUALS.—

“(1) AMOUNT OF INCREASE.—*[Replaced by section 1201(1)(B) of HCERA]* Notwithstanding subsection (b), the Federal medical assistance percentage for a State that is one of the 50 States or the District of Columbia, with respect to amounts expended by such State for medical assistance for newly eligible individuals described in subclause (VIII) of section 1902(a)(10)(A)(i), shall be equal to—

“(A) 100 percent for calendar quarters in 2014, 2015, and 2016;

“(B) 95 percent for calendar quarters in 2017;

“(C) 94 percent for calendar quarters in 2018;

“(D) 93 percent for calendar quarters in 2019; and

“(E) 90 percent for calendar quarters in 2020 and each year thereafter.

PRIMARY CARE PHYSICIAN RATE INCREASES

Primary Care Physician Rate Increase Costs

MEDICAID EXPANSION TO 138% FPL

Total Computable	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total
Primary Physician's Rate Increase								

State General Fund	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total
Primary Physician's Rate Increase	-							

WITHOUT MEDICAID EXPANSION (CURRENTLY ELIGIBLE BUT NOT SERVED ONLY)

Total Computable	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total
Primary Physician's Rate Increase								

State General Fund	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total
Primary Physician's Rate Increase	-							

Difference Between Medicaid Expansion to 138% FPL and Without Medicaid Expansion (Currently Eligible but Not Served Only)

	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total
Difference in Total Computable								
Difference in SGF	-							

PER MEMBER PER MONTH (PMPM)

Cost Estimates Utilized

Per Member Per Month Costs (PMPM)

Costs

Per Member Per Month Costs	FY14	FY15	FY16	FY17	FY18	FY19	FY20
New Eligibles Childless Adults PMPM	\$343	\$352	\$361	\$370	\$379	\$389	\$398
New Eligibles Age 19-64 w/child under 18 (76%-138%)	\$287	\$294	\$302	\$309	\$317	\$325	\$333
TANF/CHAP PMPM	\$214	\$219	\$225	\$230	\$236	\$242	\$248
Maternity Kick One-Time Payment	\$5,268	\$5,320	\$5,373	\$5,427	\$5,481	\$5,536	\$5,592
CHIP PMPM	\$133	\$136	\$139	\$143	\$147	\$150	\$154

PMPM TANF/CHAP is the June 2012 projected CPE for SFY 2013 blended FFS/MCO

PMPM for Newly Eligible is the June 22, 2012 Milliman report age adjusted but not SMI adjusted

PMPM for New Eligibles 19-64 with child under 18 (76%-138%) PMPM based on the June 22, 2012 Milliman report age adjusted but not SMI adjusted

PMPM for CHIP is the blended CPE for the 12/13 biennium projected June 2012

PMPM increases at 2.5% per year; maternity kick increases at 1% per year.

Blended PMPM for the Medicaid Eligible but Not Served and Expanded Pregnant Women from 133%-138%

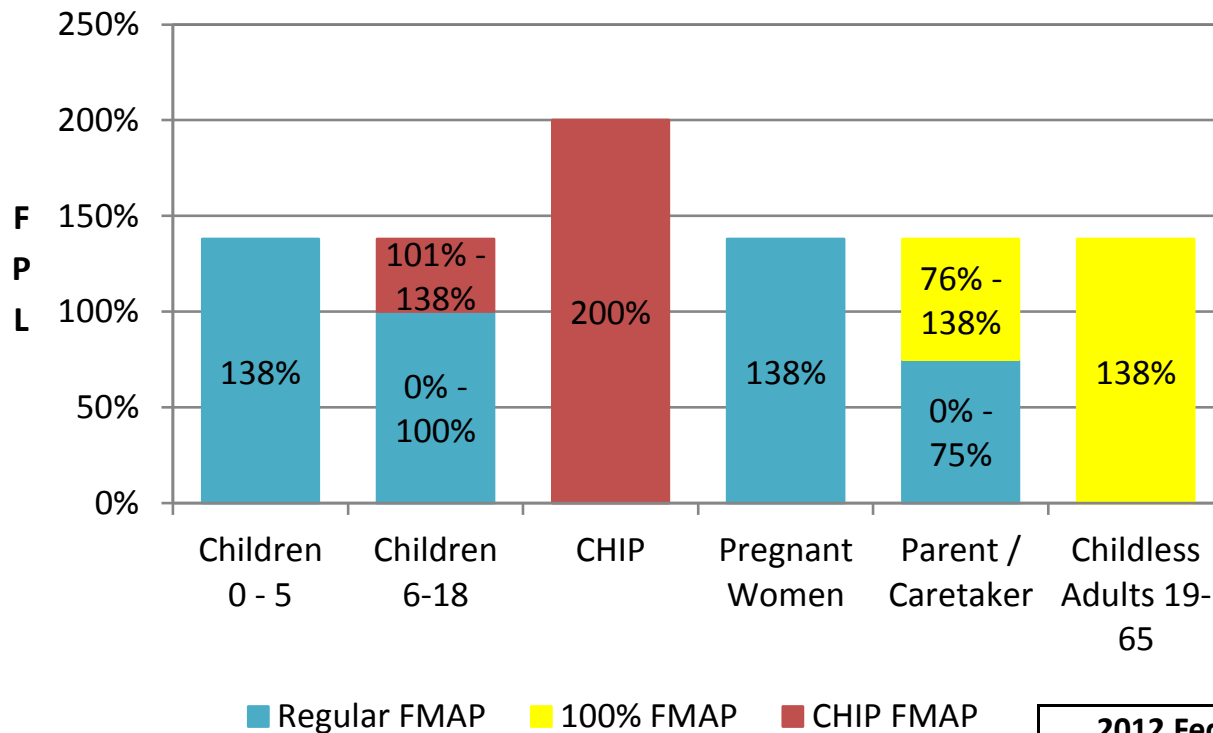
\$265

This amount is very close to the Milliman projected amount of \$287 for the Newly Eligible Age 19-64 with children under 18 years at 76%-138%.

This analysis does not take into consideration the impact to the MCO rates due to the Primary Care Physician Rate Increase.

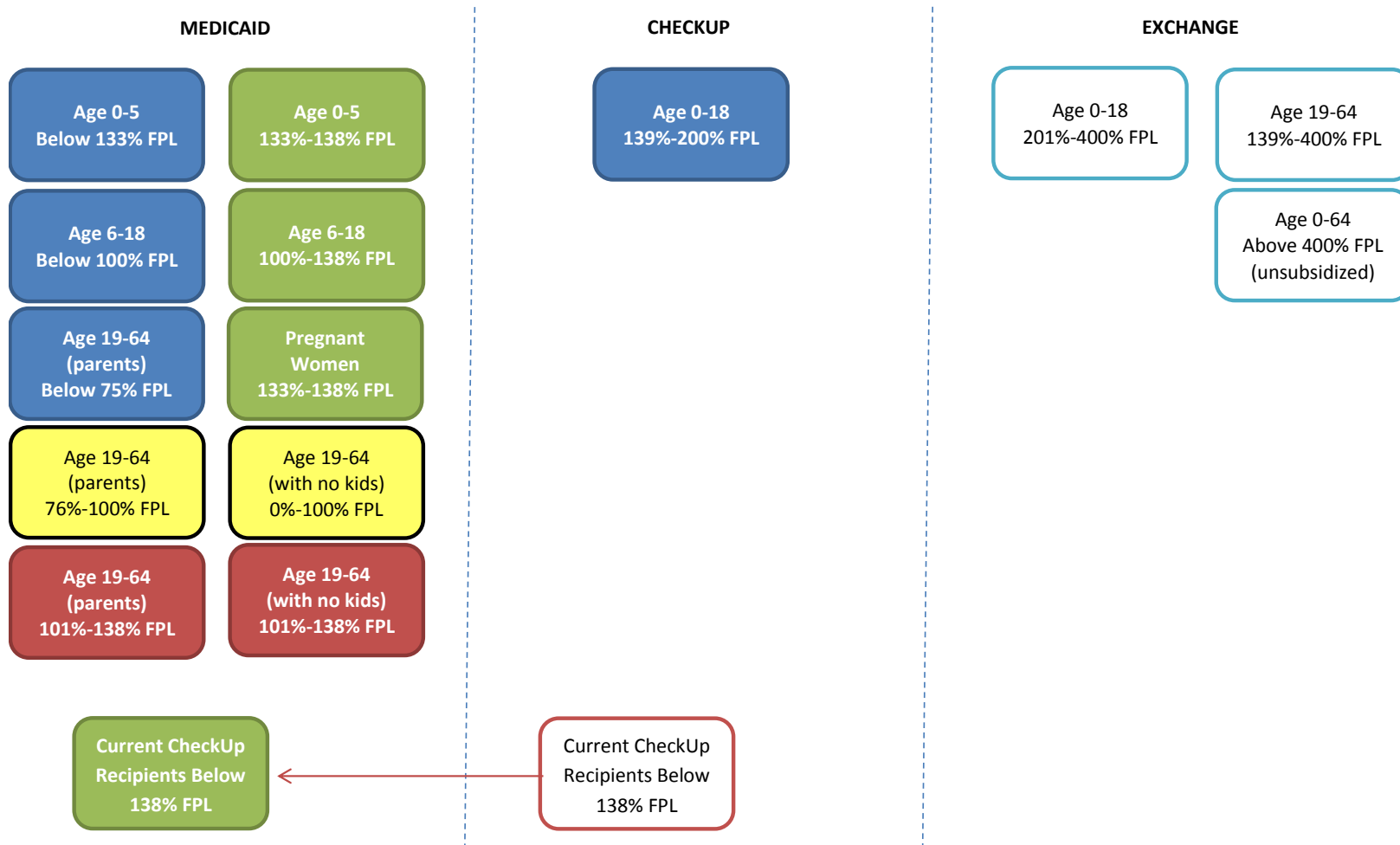
MEDICAID/CHIP CASELOAD AND MEDICAL COSTS

Medicaid Expansion Eligibility and FMAP



2012 Federal Poverty Guidelines		
FPL	Household Size 1	Household Size 4
50%	\$5,585	\$11,525
100%	\$11,170	\$23,050
138%	\$15,415	\$31,809
150%	\$16,755	\$34,575
200%	\$22,340	\$46,100
250%	\$27,925	\$57,625

Caseloads with Medicaid Expansion to 138% FPL



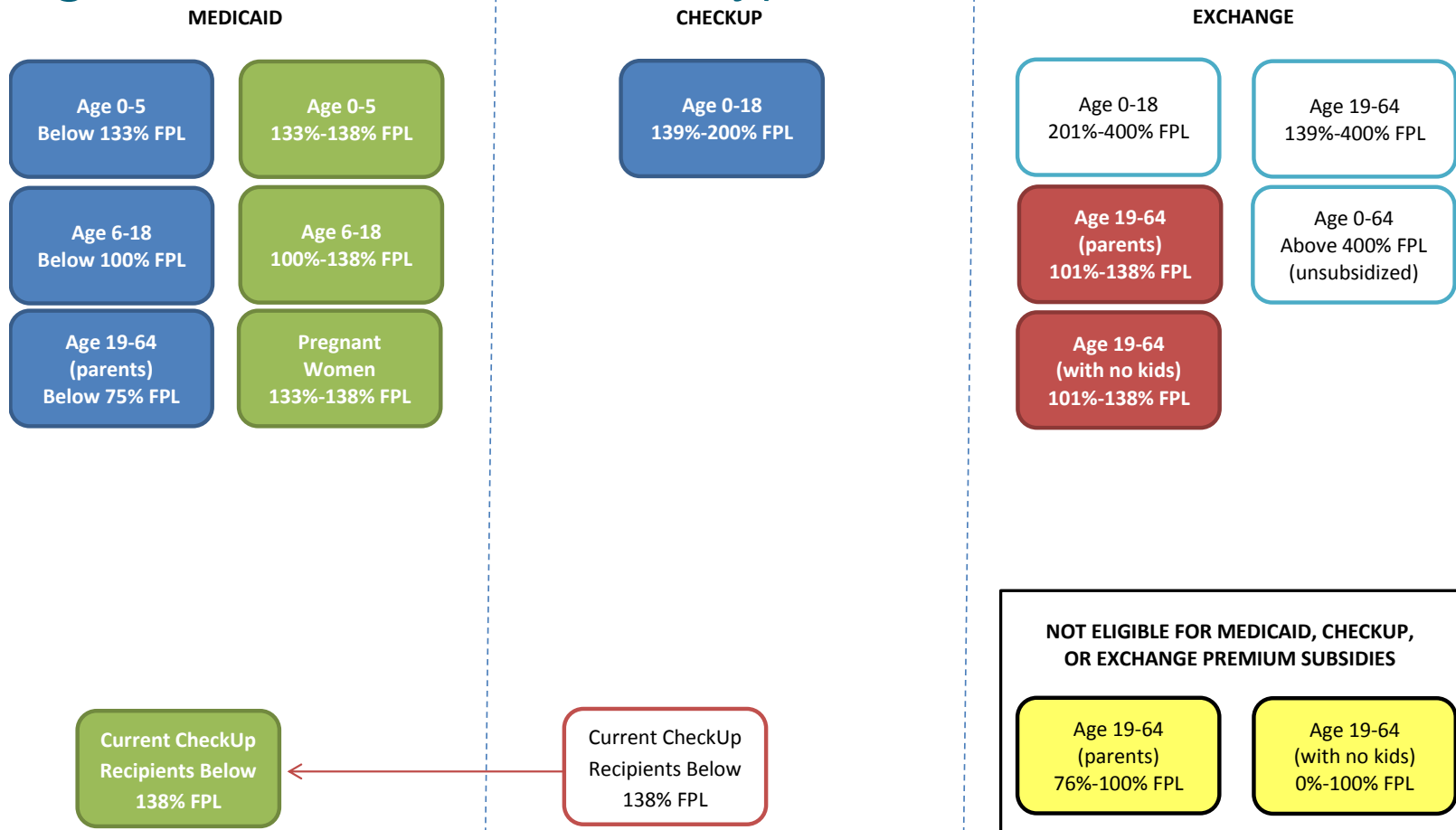
Note: The blue groups are currently eligible but not served by either Medicaid or CheckUp. The green groups will be eligible for Medicaid due to the ACA's conversion to modified adjusted gross income (MAGI). Under this scenario, the yellow and red groups are "new eligibles" under the ACA.

Medicaid and CHIP Caseloads with Medicaid Expansion to 138% FPL

	100% FMAP					CHIP FMAP			Regular FMAP						TOTAL
	Age 19-64 (with no children under age 18) between 0%-100% FPL	Age 19-64 (with no children under age 18) between 101%-138% FPL	Parents age 19-64 (with children under age 18) between 76%-100% FPL	Parents age 19-64 (with children under age 18) between 101%-138% FPL	Subtotal for 100% FMAP	Age 6-18 between 100%-138% FPL	Current CheckUp recipients below 138% FPL (100% uptake)	Subtotal for CHIP FMAP	Age 0-5 below 133% FPL	Age 0-5 between 133%-138% FPL	Age 6-18 below 100% FPL	Parents age 19-64 (with children under age 18) below 75% FPL	Pregnant women between 133%-138% FPL (100% uptake)	Subtotal for Regular FMAP	
Jul-13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Aug-13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sep-13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Oct-13	0	0	0	0	0	0	0	0	1,043	0	1,584	1,849	0	4,476	4,476
Nov-13	0	0	0	0	0	0	0	0	2,087	0	3,168	3,698	0	8,953	8,953
Dec-13	0	0	0	0	0	0	0	0	3,130	0	4,752	5,547	0	13,429	13,429
Jan-14	10,999	6,038	3,245	5,713	25,994	3,136	11,442	14,578	4,173	151	6,336	7,396	131	18,188	58,760
Feb-14	13,748	7,548	4,056	7,141	32,493	3,920	11,428	15,348	5,217	189	7,921	9,245	163	22,734	70,575
Mar-14	16,498	9,057	4,867	8,569	38,991	4,703	11,470	16,174	6,260	226	9,505	11,094	196	27,281	82,446
Apr-14	19,248	10,567	5,678	9,998	45,490	5,487	11,496	16,983	7,303	264	11,089	12,943	229	31,828	94,301
May-14	21,997	12,076	6,489	11,426	51,988	6,271	11,507	17,779	8,347	302	12,673	14,792	261	36,375	106,142
Jun-14	24,747	13,586	7,300	12,854	58,487	7,055	11,494	18,550	9,390	339	14,257	16,641	294	40,922	117,959
Jul-14	25,168	13,843	7,486	13,028	59,525	7,190	11,410	18,599	9,571	345	14,530	16,927	294	41,668	119,793
Aug-14	25,589	14,100	7,672	13,202	60,563	7,324	11,389	18,713	9,752	351	14,804	17,213	295	42,414	121,691
Sep-14	26,010	14,357	7,858	13,377	61,602	7,459	11,407	18,865	9,933	356	15,077	17,499	295	43,160	123,627
Oct-14	26,431	14,615	8,043	13,551	62,640	7,593	11,479	19,072	10,114	362	15,351	17,785	295	43,907	125,618
Nov-14	26,852	14,872	8,229	13,725	63,678	7,728	11,503	19,231	10,295	367	15,624	18,071	295	44,653	127,561
Dec-14	27,273	15,129	8,415	13,900	64,716	7,862	11,479	19,341	10,476	373	15,898	18,357	296	45,399	129,456
Jan-15	27,693	15,387	8,600	14,074	65,754	7,996	11,444	19,440	10,657	379	16,171	18,642	296	46,145	131,339
Feb-15	28,114	15,644	8,786	14,248	66,792	8,131	11,436	19,567	10,838	384	16,445	18,928	296	46,891	133,251
Mar-15	28,535	15,901	8,972	14,422	67,831	8,265	11,484	19,749	11,019	390	16,718	19,214	296	47,637	135,217
Apr-15	28,956	16,158	9,158	14,597	68,869	8,400	11,512	19,912	11,200	396	16,992	19,500	297	48,384	137,164
May-15	29,377	16,416	9,343	14,771	69,907	8,534	11,524	20,059	11,381	401	17,265	19,786	297	49,130	139,095
Jun-15	29,798	16,673	9,529	14,945	70,945	8,669	11,510	20,178	11,562	407	17,539	20,072	297	49,876	141,000

	CHIP FMAP			
	Age 0-18 between 139%-200% FPL	Current CheckUp recipients below 138% FPL	TOTAL	
Jul-13	0	0	0	0
Aug-13	0	0	0	0
Sep-13	0	0	0	0
Oct-13	1,017	0	1,017	1,017
Nov-13	2,034	0	2,034	2,034
Dec-13	3,051	0	3,051	3,051
Jan-14	4,068	-11,442	-7,374	-7,374
Feb-14	5,085	-11,428	-6,343	-6,343
Mar-14	6,102	-11,470	-5,368	-5,368
Apr-14	7,119	-11,496	-4,377	-4,377
May-14	8,136	-11,507	-3,371	-3,371
Jun-14	9,153	-11,494	-2,341	-2,341
Jul-14	9,332	-11,410	-2,077	-2,077
Aug-14	9,511	-11,389	-1,877	-1,877
Sep-14	9,691	-11,407	-1,716	-1,716
Oct-14	9,870	-11,479	-1,609	-1,609
Nov-14	10,049	-11,503	-1,454	-1,454
Dec-14	10,228	-11,479	-1,251	-1,251
Jan-15	10,407	-11,444	-1,036	-1,036
Feb-15	10,586	-11,436	-850	-850
Mar-15	10,765	-11,484	-718	-718
Apr-15	10,945	-11,512	-568	-568
May-15	11,124	-11,524	-401	-401
Jun-15	11,303	-11,510	-207	-207

Caseloads without Medicaid Expansion (Currently Eligible but Not Served Only)



Note: The blue groups are currently eligible but not served by either Medicaid or CheckUp. The green groups will be eligible for Medicaid due to the ACA's conversion to modified adjusted gross income (MAGI). The red groups would be "new eligibles" under the ACA if Nevada opted for the full Medicaid expansion up to 138% FPL, but instead they move to the Exchange. Parents age 19-64 between 76%-100% FPL and adults age 19-64 (with no children) between 0%-100% FPL (without children) are not eligible for Medicaid, CheckUp, or Exchange subsidies under this scenario.

Medicaid/CHIP Medical Costs

MEDICAID EXPANSION TO 138% FPL

Total Computable

Newly Eligible

Eligible but not Served Pregnant Women

Eligible but not Served

CHIP Eligible but not Served

Total Computable

	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total
Newly Eligible								
Eligible but not Served Pregnant Women								
Eligible but not Served								
CHIP Eligible but not Served								
Total Computable								

State General Fund

Newly Eligible

Eligible but not Served Pregnant Women

Eligible but not Served

CHIP Eligible but not Served

SGF Total

	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total
Newly Eligible								
Eligible but not Served Pregnant Women								
Eligible but not Served								
CHIP Eligible but not Served								
SGF Total								

WITHOUT MEDICAID EXPANSION (CURRENTLY ELIGIBLE BUT NOT SERVED ONLY)

Total Computable

Eligible but not Served

CHIP Eligible but not Served

Total Computable

	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total
Eligible but not Served								
CHIP Eligible but not Served								
Total Computable								

State General Fund

Eligible but not Served

CHIP Eligible but not Served

SGF Total

	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total
Eligible but not Served								
CHIP Eligible but not Served								
SGF Total								

Difference Between Medicaid Expansion to 138% FPL and Without Medicaid Expansion (Currently Eligible but Not Served Only)

	FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total
Difference in Total Computable								
Difference in SGF								

NOTE: Does not include the costs for the Aged, Blind, and Disabled (MAABD) or the primary care physician rate increase.

MEDICAID/CHIP ADMIN COSTS

DWSS ADMIN AND IT COSTS

DWSS Administrative Costs

MEDICAID EXPANSION TO 138% FPL

Total Computable

Currently Eligible But Not Served - Program Staffing
 Medicaid
 Supplemental Nutrition Assistance Program (SNAP)
 New Eligibles
 Administrative Support for Staffing

Total Computable

FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total

State General Fund

Currently Eligible But Not Served - Program Staffing
 Medicaid
 Supplemental Nutrition Assistance Program (SNAP)
 New Eligibles
 Administrative Support for Staffing

SGF Total

FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total

WITHOUT MEDICAID EXPANSION (CURRENTLY ELIGIBLE BUT NOT SERVED ONLY)

Total Computable

Currently Eligible But Not Served - Program Staffing
 Medicaid
 Supplemental Nutrition Assistance Program (SNAP)
 Administrative Support for Staffing

Total Computable

FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total

State General Fund

Currently Eligible But Not Served - Program Staffing
 Medicaid
 Supplemental Nutrition Assistance Program (SNAP)
 Administrative Support for Staffing

SGF Total

FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total

Difference Between Medicaid Expansion to 138% FPL and Without Medicaid Expansion (Currently Eligible but Not Served Only)

Difference in Total Computable
 Difference in SGF

FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total

NOTE: Projections exclude all CHIP activity; CHIP projections should be included in DHCFP information. Projections also exclude hits against the Federal Hub used for the reasonableness test.

DWSS IT Costs

MEDICAID EXPANSION TO 138% FPL

Total Computable

Eligibility Engine Design, Development, and Implementation
 Eligibility Engine Maintenance and Operations - EITS only
 Eligibility Engine Maintenance & Operating Support non EITS

Total Computable

FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total

(1)

State General Fund

Eligibility Engine Design, Development, and Implementation
 Eligibility Engine Maintenance and Operations - EITS only
 Eligibility Engine Maintenance & Operating Support non EITS

SGF Total

FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total

(1)

WITHOUT MEDICAID EXPANSION (CURRENTLY ELIGIBLE BUT NOT SERVED ONLY)

Total Computable

Eligibility Engine Design, Development, and Implementation
 Eligibility Engine Maintenance and Operations - EITS only
 Eligibility Engine Maintenance & Operating Support non EITS

Total Computable

FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total

(1)

State General Fund

Eligibility Engine Design, Development, and Implementation
 Eligibility Engine Maintenance and Operations - EITS only
 Eligibility Engine Maintenance & Operating Support non EITS

SGF Total

(1)

Difference Between Medicaid Expansion to 138% FPL and Without Medicaid Expansion (Currently Eligible but Not Served Only)

Difference in Total Computable
 Difference in SGF

FY14	FY15	FY16	FY17	FY18	FY19	FY20	Total

NOTE: (1) These positions were approved beginning July 2011; they are not new costs but will continue with health care reform.

DISPROPORTIONATE SHARE HOSPITALS (DSH)

Estimated DSH with Reduction

State	Preliminary FFY 2012 DSH Allotment	Estimated FFY 2013 (Based on FFY 2012)	Estimated FFY 2014 With Reduction	Estimated FFY 2015 With Reduction	Estimated FFY 2016 With Reduction	Estimated FFY 2017 With Reduction	Estimated FFY 2018 With Reduction	Estimated FFY 2019 With Reduction	Estimated FFY 2020 With Reduction
US TOTAL	\$11,341,637,957	\$11,341,637,957	\$10,841,637,954	\$10,741,637,956	\$10,741,637,956	\$9,541,637,959	\$6,341,637,959	\$5,741,637,956	\$7,341,637,960
Alabama	\$314,905,719	\$314,905,719	\$301,022,992	\$298,246,447	\$298,246,447	\$264,927,903	\$176,078,453	\$159,419,181	\$203,843,906
Alaska	\$20,860,270	\$20,860,270	\$19,940,638	\$19,756,711	\$19,756,711	\$17,549,594	\$11,663,948	\$10,560,390	\$13,503,213
Arizona	\$103,688,468	\$103,688,468	\$99,117,326	\$98,203,098	\$98,203,098	\$87,232,358	\$57,977,051	\$52,491,681	\$67,119,335
Arkansas	\$44,176,697	\$44,176,697	\$42,229,152	\$41,839,643	\$41,839,643	\$37,165,536	\$24,701,249	\$22,364,195	\$28,596,338
California	\$1,122,651,686	\$1,122,651,686	\$1,073,159,201	\$1,063,260,704	\$1,063,260,704	\$944,478,741	\$627,726,839	\$568,335,857	\$726,711,808
Colorado	\$94,727,736	\$94,727,736	\$90,551,631	\$89,716,410	\$89,716,410	\$79,693,759	\$52,966,689	\$47,955,363	\$61,318,898
Connecticut	\$204,816,727	\$204,816,727	\$195,787,311	\$193,981,428	\$193,981,428	\$172,310,831	\$114,522,570	\$103,687,271	\$132,581,402
Delaware	\$9,271,230	\$9,271,230	\$8,862,505	\$8,780,760	\$8,780,760	\$7,799,819	\$5,183,976	\$4,693,506	\$6,001,427
Delaware Of Columbia	\$62,725,122	\$62,725,122	\$59,959,863	\$59,406,812	\$59,406,812	\$52,770,191	\$35,072,537	\$31,754,227	\$40,603,054
Florida	\$204,816,727	\$204,816,727	\$195,787,311	\$193,981,428	\$193,981,428	\$172,310,831	\$114,522,570	\$103,687,271	\$132,581,402
Georgia	\$275,222,477	\$275,222,477	\$263,089,200	\$260,662,544	\$260,662,544	\$231,542,679	\$153,889,704	\$139,329,771	\$178,156,259
Hawaii	\$10,000,000	\$10,000,000	\$9,559,147	\$9,470,976	\$9,470,976	\$8,412,928	\$5,591,466	\$5,062,442	\$6,473,173
Idaho	\$16,833,376	\$16,833,376	\$16,091,271	\$15,942,850	\$15,942,850	\$14,161,797	\$9,412,324	\$8,521,798	\$10,896,535
Illinois	\$220,177,981	\$220,177,981	\$210,471,359	\$208,530,035	\$208,530,035	\$185,234,142	\$123,111,763	\$111,463,817	\$142,525,006
Indiana	\$218,897,878	\$218,897,878	\$209,247,690	\$207,317,652	\$207,317,652	\$184,157,201	\$122,395,998	\$110,815,772	\$141,696,374
Iowa	\$40,329,581	\$40,329,581	\$38,551,638	\$38,196,049	\$38,196,049	\$33,928,985	\$22,550,147	\$20,416,615	\$26,106,034
Kansas	\$42,243,450	\$42,243,450	\$40,381,133	\$40,008,670	\$40,008,670	\$35,539,109	\$23,620,280	\$21,385,500	\$27,344,914
Kentucky	\$148,492,127	\$148,492,127	\$141,945,801	\$140,636,535	\$140,636,535	\$124,925,352	\$83,028,863	\$75,173,272	\$96,121,516
Louisiana	\$731,960,000	\$731,960,000	\$699,691,292	\$693,237,551	\$693,237,551	\$615,792,652	\$409,272,923	\$370,550,474	\$473,810,338
Maine	\$107,528,782	\$107,528,782	\$102,788,339	\$101,840,250	\$101,840,250	\$90,463,186	\$60,124,350	\$54,435,818	\$69,605,236
Maryland	\$78,086,377	\$78,086,377	\$74,643,912	\$73,955,419	\$73,955,419	\$65,693,504	\$43,661,730	\$39,530,772	\$50,546,659
Massachusetts	\$312,345,509	\$312,345,509	\$298,575,650	\$295,821,678	\$295,821,678	\$262,774,017	\$174,646,920	\$158,123,089	\$202,186,638
Michigan	\$271,382,163	\$271,382,163	\$259,418,187	\$257,025,392	\$257,025,392	\$228,311,850	\$151,742,405	\$137,385,635	\$175,670,357
Minnesota	\$76,487,655	\$76,487,655	\$73,115,670	\$72,441,274	\$72,441,274	\$64,348,511	\$42,767,810	\$38,721,428	\$49,511,779
Mississippi	\$156,172,754	\$156,172,754	\$149,287,825	\$147,910,839	\$147,910,839	\$131,387,008	\$87,323,460	\$79,061,544	\$101,093,319
Missouri	\$485,159,623	\$485,159,623	\$463,771,195	\$459,493,509	\$459,493,509	\$408,161,281	\$271,275,339	\$245,609,225	\$314,052,196
Montana	\$11,624,144	\$11,624,144	\$11,111,690	\$11,009,199	\$11,009,199	\$9,779,308	\$6,499,600	\$5,884,655	\$7,524,509
Nebraska	\$28,979,746	\$28,979,746	\$27,702,164	\$27,446,648	\$27,446,648	\$24,380,451	\$16,203,926	\$14,670,827	\$18,759,090
Nevada	\$47,363,868	\$47,363,868	\$45,275,816	\$44,858,205	\$44,858,205	\$39,846,879	\$26,483,344	\$23,977,681	\$30,659,449
New Hampshire	\$163,954,276	\$163,954,276	\$156,726,295	\$155,280,699	\$155,280,699	\$137,933,546	\$91,674,471	\$83,000,894	\$106,130,432
New Jersey	\$659,253,841	\$659,253,841	\$630,190,409	\$624,377,723	\$624,377,723	\$554,625,487	\$368,619,524	\$333,743,406	\$426,746,387
New Mexico	\$20,860,270	\$20,860,270	\$19,940,638	\$19,756,711	\$19,756,711	\$17,549,594	\$11,663,948	\$10,560,390	\$13,503,213
New York	\$1,644,934,341	\$1,644,934,341	\$1,572,416,846	\$1,557,913,347	\$1,557,913,347	\$1,383,871,360	\$919,759,394	\$832,738,400	\$1,064,794,383
North Carolina	\$302,104,673	\$302,104,673	\$288,786,285	\$286,122,607	\$286,122,607	\$254,158,476	\$168,920,792	\$152,938,726	\$195,557,568
North Dakota	\$9,782,027	\$9,782,027	\$9,350,783	\$9,264,534	\$9,264,534	\$8,229,549	\$5,469,587	\$4,952,094	\$6,332,075
Ohio	\$416,033,977	\$416,033,977	\$397,692,976	\$394,024,776	\$394,024,776	\$350,006,375	\$232,623,971	\$210,614,770	\$269,305,972
Oklahoma	\$37,084,922	\$37,084,922	\$35,450,020	\$35,123,040	\$35,123,040	\$31,199,277	\$20,735,907	\$18,774,025	\$24,005,710
Oregon	\$46,356,153	\$46,356,153	\$44,312,526	\$43,903,801	\$43,903,801	\$38,999,096	\$25,919,884	\$23,467,532	\$30,007,138
Pennsylvania	\$574,766,940	\$574,766,940	\$549,428,142	\$544,360,383	\$544,360,383	\$483,547,268	\$321,378,963	\$290,972,406	\$372,056,558
Rhode Island	\$66,565,436	\$66,565,436	\$63,630,876	\$63,043,964	\$63,043,964	\$56,001,020	\$37,219,835	\$33,698,363	\$43,088,955
South Carolina	\$335,387,391	\$335,387,391	\$320,601,723	\$317,644,589	\$317,644,589	\$282,158,986	\$187,530,709	\$169,787,907	\$217,102,046
South Dakota	\$11,310,642	\$11,310,642	\$10,812,008	\$10,712,282	\$10,712,282	\$9,515,561	\$6,324,307	\$5,725,946	\$7,321,574
Tennessee	\$123,562,982	\$123,562,982	\$118,115,666	\$117,026,202	\$117,026,202	\$103,952,643	\$69,089,818	\$62,553,038	\$79,984,450
Texas	\$979,279,977	\$979,279,977	\$936,108,083	\$927,473,705	\$927,473,705	\$823,861,160	\$547,561,040	\$495,754,767	\$633,904,827
Utah	\$20,090,456	\$20,090,456	\$19,204,761	\$19,027,622	\$19,027,622	\$16,901,955	\$11,233,510	\$10,170,676	\$13,004,899
Vermont	\$23,041,882	\$23,041,882	\$22,026,073	\$21,822,911	\$21,822,911	\$19,384,969	\$12,883,789	\$11,664,818	\$14,915,408
Virginia	\$89,717,484	\$89,717,484	\$85,762,258	\$84,971,213	\$84,971,213	\$75,478,670	\$50,165,223	\$45,418,952	\$58,075,676
Washington	\$189,455,473	\$189,455,473	\$181,103,263	\$179,432,822	\$179,432,822	\$159,387,519	\$105,933,378	\$95,910,726	\$122,637,797
West Virginia	\$69,125,645	\$69,125,645	\$66,078,217	\$65,468,732	\$65,468,732	\$58,154,905	\$38,651,367	\$34,994,454	\$44,746,223
Wisconsin	\$96,809,516	\$96,809,516	\$92,541,635	\$91,688,059	\$91,688,059	\$81,445,145	\$54,130,709	\$49,009,252	\$62,666,470
Wyoming	\$231,780	\$231,780	\$221,562	\$219,518	\$219,518	\$194,995	\$129,599	\$117,337	\$150,035

Medicaid Disproportionate Share Hospital (DSH) Reductions

DSH payments were created to provide an additional payment to hospitals that provide a disproportionate share of services to low income individuals. Each hospital cannot receive a payment that exceeds the uncompensated care cost of providing services to Medicaid eligible individuals and individuals with no third party insurance. In addition to the limit on a specific hospital, each State has a maximum amount of Federal monies, referred to as the DSH allotment.

Patient Protection & Affordable Care Act (PPACA) and the amendments to it made by the Health Care and Education Affordability Reconciliation Act of 2010 (the Reconciliation Act) provides that there will be reductions in DSH allotments beginning in 2014. The new Section 1923(f)(7)(A)(iii) describes the manner of the payment reduction.

Aggregate DSH allotments would decrease as follows: \$500,000,000 for fiscal year 2014; \$600,000,000 for fiscal year 2015; \$600,000,000 for fiscal year 2016; \$1,800,000,000 for fiscal year 2017; \$5,000,000,000 for fiscal year 2018; \$5,600,000,000 for fiscal year 2019; and \$4,000,000,000 for fiscal year 2020. The Department of Health and Human Services will decide how DSH reductions are distributed considering:

- Methodology imposes the largest percentage reductions on the States that have the lowest percentages of uninsured; or do not target their DSH payments on hospitals with high volumes of Medicaid inpatients and hospitals that have high levels of uncompensated care (excluding bad debt).
- The methodology imposes a smaller percentage reduction on low DSH States.
- The methodology takes into account the extent to which the DSH allotment for a State was included in the budget neutrality calculation for a coverage expansion approved under section 1115 as of July 31, 2009.

The unknown that States are facing is the methodology that the Secretary will use to reduce each State's allotment. Nevada should have their DSH allotment reduced at a lower percentage as we are not a low DSH state and our DSH expenditure has historically been at the DSH allotment versus other States that have not fully used their DSH allotment.

The SFY 2013 DSH calculation is based on the CMS FFY 2012 preliminary allotment.

Since, with the allotment reductions, the current distribution calculation methodology will no longer be valid, for projection/analysis purposes, Pool Allotments were calculated based only on the Enhanced Limit percentage for each pool. Pool A receives 90%; Pools B through E receives 2.5% each. The charts below represent the projected total allotment by fiscal year and UMC's projected allotment using this methodology.

Medicaid Disproportionate Share Hospital (DSH) Reductions (cont.)

	SFY Total DSH Allotment	State Share	Clark County IGT	Washoe County IGT	Total IGT	State Net Benefit
SFY 2013	\$80,831,881	\$33,299,391	\$55,402,171	\$1,500,000	\$56,902,171	\$23,602,780
SFY 2014	\$75,179,267	\$29,381,438	\$51,527,870	\$1,465,996	\$52,993,865	\$23,612,427
SFY 2015	\$72,611,944	\$27,649,336	\$49,768,226	\$1,415,933	\$51,184,159	\$23,534,823
SFY 2016	\$71,822,669	\$26,964,464	\$49,225,868	\$1,400,542	\$50,626,410	\$23,661,946
SFY 2017	\$65,647,832	\$24,548,121	\$44,903,482	\$1,280,133	\$46,183,615	\$21,635,494
SFY 2018	\$47,759,568	\$17,935,340	\$32,381,697	\$931,312	\$33,313,009	\$15,377,669
SFY 2019	\$39,716,247	\$15,112,151	\$26,751,373	\$774,467	\$27,525,840	\$12,413,689
SFY 2020	\$47,297,137	\$18,308,130	\$32,057,996	\$922,294	\$32,980,290	\$14,672,160

	UMC Annual DSH Allotment	UMC/Clark Co Net Benefit
SFY 2013	\$70,998,693	\$15,596,522
SFY 2014	\$67,661,340	\$16,133,471
SFY 2015	\$65,350,750	\$15,582,523
SFY 2016	\$64,640,402	\$15,414,534
SFY 2017	\$59,083,048	\$14,179,566
SFY 2018	\$42,983,611	\$10,601,914
SFY 2019	\$35,744,623	\$8,993,249
SFY 2020	\$42,567,423	\$10,509,427

These changes to Nevada's allotment would require a change to the DSH calculation methodology in the Nevada Regulations (NAC) and State Plan.

While it is certain that the DSH reductions will occur, there is no indication as to how CMS will handle allotments to states that do not opt into the Medicaid expansion. By not expanding eligibility, we are presumably not reducing the indigent care burden of public hospitals. The allotment needed to fund the Disproportionate Share Hospital payments may not be adequate. The funding for the allotment in the aggregate goes down each fiscal year through 2019.

UPPER PAYMENT LIMIT (UPL)

Medicaid Upper Payment Limit (UPL) and Graduate Medical Education (GME) Programs

Medicaid regulations allow for State Medicaid Agencies to pay hospitals under a Fee-For-Service environment an amount that would equal what Medicare would have paid for the same services. This concept is referred to as the Upper Payment Limit (UPL). Nevada currently has Inpatient (IP) and Outpatient (OP) public UPL programs and a GME Program. Currently UMC is the only hospital that has met the GME qualifications under the Nevada State Plan.

Typically these three supplemental program distributions are affected by the following variables:

- The Medicaid caseload and utilization (all)
- The gap between Medicare and Medicaid reimbursement (IP & OP UPL only)
- The Medicaid case mix and Medicare case mix (IP UPL only)
- Inflation, using Market basket indicator (all)
- Hospital market share (all)

It is anticipated that both the Medicaid caseload and utilization will have a significant increase. It is not possible, at this time, to anticipate what any change in hospital market share might be; therefore to analyze the impact of ACA on UPL we are using the following assumptions:

- The projection includes only services reimbursed under Fee for Service (FFS)
- There is a direct correlation in the estimated increases in Medicaid caseload and utilization
- All other variables remain unchanged
- There is no change in the hospitals market share

The tables below summarize the projected impact of ACA on the two public UPL programs and the GME program using caseload growth as the percentage of increase. The first table is what is anticipated if Nevada chooses the option to expand Medicaid (Opt-In) and factors in the current caseload projections plus the populations of FFS Eligible But Not Served, FFS Newly Eligible, and FFS CHIP (0-18). The second table is what is anticipated if Nevada chooses not to expand Medicaid (Opt-Out) and only factors in the current caseload projections plus the FFS Eligible But Not Served population. The totals are projected to be:

Medicaid Upper Payment Limit (UPL) and Graduate Medical Education (GME) Programs (cont.)

MEDICAID EXPANSION TO 138% FPL

Annual Increase by Program								
	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
IP UPL	65,752,413							
OP UPL	10,044,452							
GME	12,186,944							

UPL and GME Total								
	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Payment	87,983,809							
IGT	52,562,679							
State Match	36,205,337							
Hosp. Net Benefit	35,421,130							
State Net Benefit	16,357,341							

WITHOUT MEDICAID EXPANSION (CURRENTLY ELIGIBLE BUT NOT SERVED ONLY)

Annual Increase by Program								
	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
IP UPL	65,752,413							
OP UPL	10,044,452							
GME	12,186,944							

UPL and GME Total								
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State Match	36,205,337							
Hosp. Net Benefit	35,421,130							
State Net Benefit	16,357,341							

Medicaid Upper Payment Limit (UPL) and Graduate Medical Education (GME) Programs (cont.)

In theory, new Medicaid enrollees would become Medicaid eligible under an expansion or due to their decision to enroll in order to not pay any penalties under ACA. As such, the services provided to these individuals in a hospital setting would be paid under Fee-for-Service or Medicaid Managed Care as opposed to the Disproportionate Share Hospital program. The steep reductions in the Disproportionate Share Hospital program payments were made by Congress because of this shift of individuals from uninsured to insured through a third party insurance company or Medicaid. However, it is important to remember that the payment under the DSH program is for uncompensated care cost of Medicaid eligible individuals and individuals with no source of third party insurance.

In the fee-for-service program, the hospital would receive an interim payment directly from Medicaid for the actual services and potentially some form of a supplemental payment to bring the hospitals closer to the Upper Payment Limit. Some important items to consider in the impact of this shift are as follows:

- What portion of the current population claimed as uninsured under the DSH program are undocumented immigrants which would not be eligible for non-emergency services under Medicaid?
- What is the impact in reducing the Upper Payment Limit due to the 75% decrease in the existing standard Medicare DSH payment made to hospitals under Social Security Act §1886(r)(1)?
- What is the increase of the Upper Payment Limit due to the potential increase in Medicare DSH payments made under Social Security Act §1886(r)(2)?
- What shift might occur in patient utilization of provider type with individuals moving from uninsured to Medicaid eligible? Will there be a decrease in utilization in hospitals and an increased utilization in free standing physician settings?
- What shift will occur in utilization between privately owned hospitals and government owned and operated hospitals (both State and Non-State)?

To compare the impact of the decrease in DSH payments to the increase in UPL and GME payments, the tables below reflect the change in State Net Benefit for either Opt-In or Opt-Out. The assumption is that the IGT contributions continue in the same manner from the same sources.

Medicaid Upper Payment Limit (UPL) and Graduate Medical Education (GME) Programs (cont.)

MEDICAID EXPANSION TO 138% FPL

DSH - UPL and GME State Net Benefit Comparison

	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
State Net Benefit DSH	23,602,780							
State Net Benefit UPL & GME	16,357,341							
Total State Net Benefit	39,960,121							

WITHOUT MEDICAID EXPANSION (CURRENTLY ELIGIBLE BUT NOT SERVED ONLY)

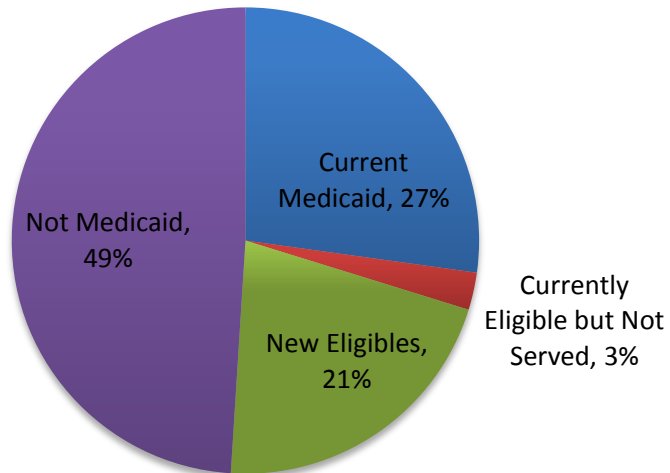
DSH - UPL and GME State Net Benefit Comparison

	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
State Net Benefit DSH	23,602,780							
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Total State Net Benefit	39,960,121							

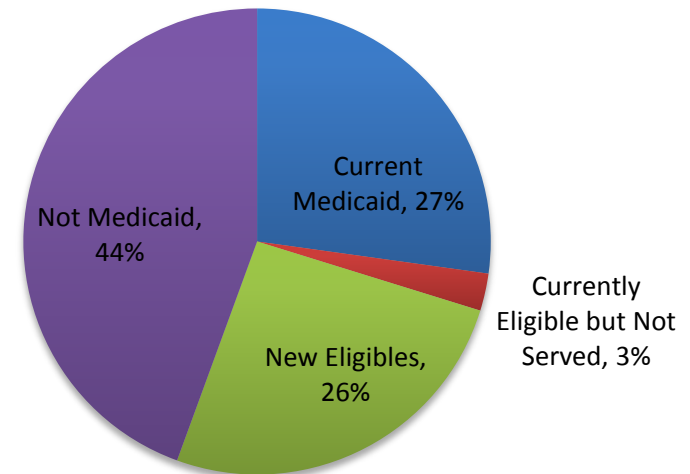
MENTAL HEALTH SAVINGS OPPORTUNITY

Medicaid Eligible MHDS Clients

FY14



FY15



% of Total MHDS Caseload on Medicaid	FY14	FY15
With Medicaid Expansion	51%	56%
Without Medicaid Expansion	30%	30%

FY12 Cost Allocation

	Southern MH 3161	Northern MH 3162	Rural MH 3648	Total
Inpatient	\$ 39,588,330	\$ 10,309,035	\$ -	\$ 49,897,364
Residential	\$ 9,121,054	\$ 2,780,318	\$ 187,469	\$ 12,088,841
Pharmacy	\$ 15,456,183	\$ 3,321,725	\$ 461,375	\$ 19,239,283
	<u>\$ 64,165,567</u>	<u>\$ 16,411,077</u>	<u>\$ 648,844</u>	<u>\$ 81,225,488</u>
Med Clinic	\$ 12,024,931	\$ 6,081,775	\$ 2,677,641	\$ 20,784,347
Outpatient Counseling	\$ 2,836,341	\$ 1,221,883	\$ 6,560,211	\$ 10,618,435
Service Coordination	\$ 2,515,564	\$ 2,517,323	\$ 1,817,542	\$ 6,850,429
PACT	\$ 1,650,907	\$ 1,235,891	\$ -	\$ 2,886,798
Mental Health Court	\$ 1,584,896	\$ 1,545,046	\$ 193,042	\$ 3,322,983
Other	\$ 1,283,184	\$ 791,231	\$ 537,430	\$ 2,611,845
Intensive SC	\$ 422,293	\$ -	\$ -	\$ 422,293
PAS/POU	\$ 210,636	\$ 1,131,896	\$ -	\$ 1,342,532
PSR	\$ 68,999	\$ 122,908	\$ 210,018	\$ 401,924
Outpatient/Other	<u>\$ 22,597,750</u>	<u>\$ 14,647,954</u>	<u>\$ 11,995,884</u>	<u>\$ 49,241,588</u>
Total	<u>\$ 86,763,317</u>	<u>\$ 31,059,031</u>	<u>\$ 12,644,728</u>	<u>\$ 130,467,076</u>

NOTE: Costs are FY12 work program not actuals.

FY12 Medicaid Revenue

	Southern MH 3161	Northern MH 3162	Rural MH 3648	Total
INPATIENT HOSPITAL	\$ 96,181	\$ 20,739		\$ 116,920
MED CLINIC	\$ 130,425	\$ 60,091	\$ 68,485	\$ 259,001
OUTPATIENT COUNSELING	\$ 51,679	\$ 13,113	\$ 223,312	\$ 288,104
SERVICE COORDINATION	\$ 334,550	\$ 260,325	\$ 52,190	\$ 647,065
PACT	\$ 199,656	\$ 68,600		\$ 268,256
MENTAL HEALTH COURT	\$ 36,133	\$ 60,537	\$ 4,877	\$ 101,548
ALL OTHERS	\$ 17,237	\$ 69	\$ 2,146	\$ 19,452
INTENSIVE SERVICE COORDIN/	\$ 83,634			\$ 83,634
PAS/POU	\$ 45,612	\$ 11,195		\$ 56,807
PSR	\$ 3,804		\$ 2,436	\$ 6,240
OUTPATIENT/OTHER	\$ 902,731	\$ 473,930	\$ 353,447	\$ 1,730,107
Total Revenue	\$ 998,911	\$ 494,669	\$ 353,447	\$ 1,847,027

NOTE: Medicaid revenues are actuals posted in the AVATAR database between 7/1/2011 and 6/30/2012.

Impact on County Medical Assistance

- NACO has hired a consultant to estimate the impact of the Medicaid Expansion on their medical assistance programs.

Unanswered Questions

- Can states expand Medicaid eligibility for the optional adult group to a level lower than 138% FPL and still get the 100% FMAP for “newly covered” population?
- If a state can expand to a level below 138%, will the 5% income disregard still apply?
- Can states phase-in their expansion to the new eligibles? If so, how will this affect the FMAP?
- Is the expansion of Medicaid to children between 100%-138% FPL optional? **No.** Is the expansion to pregnant women between 133%-138% FPL optional? **No.**
- What options and federal assistance are available to states that decide not to pursue Medicaid expansion as written in the ACA?
- If a state opts out of the Medicaid expansion, what other Medicaid provisions of the ACA would apply to its Medicaid program? For example, will states need to convert to MAGI even if they opt out of the Medicaid expansion? **Yes.**
- Will CMS continue to move to collapse eligibility categories? **Yes.**
- If a state has already expended funds to upgrade their eligibility systems at a 90/10 match rate and then subsequently chooses not to expand coverage to the optional adult group, is the state liable for returning those funds? **The state is not liable to return these funds.**
- If a state does not expand, do the DSH program reductions still hold? **Yes.** In developing the DSH reduction methodology, will CMS consider whether a state takes up – in its entirety or partially – the eligibility expansion to the optional adult group?
- What is CMS’s timeline for issuing guidance on the alternative benefit packages for the optional adult group? **Guidance to be issued in the near future.**
- What is CMS’s timeline for releasing the final rule regarding the temporary enhanced federal funding for primary care reimbursement rates? **Guidance to be issued in the near future.**
- Will CMS issue guidance related to how states notify individuals about the application of the penalty for not purchasing or enrolling in health coverage?