Update on Health Insurance Activities & AHCCCS Role

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Health Insurance Exchange

• ACA requires that each state have a health insurance exchange where individuals can purchase insurance and small businesses can obtain insurance for their employees by January 1, 2014.
• States can run these exchanges or turn this function over to the federal government.
• Qualified Health Plans (QHP) will offer coverage for individuals and families who do not qualify for Medicaid or CHIP.
• Families and individuals with income between 133% and 400% of FPL, who do not qualify for Medicaid can obtain tax credits to purchase insurance on the exchange.
• Applicants must be screened AHCCCS ineligible in order to qualify for a tax credit.
Medicaid Expansion

- AHCCCS expands to individuals under 65 up to 133% FPL effective January 1, 2014
- The eligibility determination will be based on Modified Adjusted Gross Income (MAGI)
- States must maintain current eligibility levels for Children in AHCCCS & KidsCare through September 2019
- Enhanced federal funding for new AHCCCS eligibles:
  - 100% 2014-2016
  - Phasing down to 90% 2020 and ongoing
AHCCCS/KidsCare Screening

- Individuals must be able to apply for and renew AHCCCS or KidsCare eligibility through the Health Insurance Exchange.
- The exchange must determine eligibility for AHCCCS & KidsCare as close to real time as possible.
- Exchange must use electronic matching instead of paper documents and verification.
- The exchange must simplify verification requirements and submission of documents.
- The exchange must facilitate communication with AHCCCS & KidsCare applicants and members about eligibility & renewal.
- The exchange must store and reuse eligibility information.
Plan to build Exchange

• Award a contract to build the QHP and SHOP components of the exchange
• Leverage Health-e-Arizona and Arizona’s eligibility systems to handle the screening, tax credit, Medicaid and CHIP eligibility components of the exchange.
Funding

- Establishment Grant to pay for the QHP and SHOP components of the exchange
- Enhanced federal funding (90/10) to pay for eligibility components of the exchange
- Both of these funding sources to pay for integrating all of the components
- 90/10 will also pay for SNAP and TANF changes, if they are the same as Medicaid
Next Steps

• Submit APD for 90/10 funding by 8/31/11
• Submit Establishment Grant application by 9/30/11
• Initiate eligibility planning and development by 10/31/11
• Release RFP for QHP and SHOP components by 1/1/12
• Award contract for QHP and SHOP components by 7/1/12
• CMS certifies exchange by 1/1/13
• Open enrollment and system live by 10/1/13
Issues for AHCCCS & DES

• Significant changes to eligibility policy and process
• Significant changes to Health-e-Arizona, AZTECS, ACE and TIPS
• Short timelines to complete planning and development
• Requires careful prioritization and limiting changes to the scope of work
Questions?