Joint Legislative Committee on Access to Healthcare and Medicaid Expansion

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The National Academy for State Health Policy (NASHP) is a nonpartisan organization committed to developing and advancing state health policy innovations and solutions. NASHP provides a unique forum for the productive exchange of strategies across state government, including the executive and legislative branches.

Vision: To Improve the health and well-being of all people across every state.

Mission: To be of, by, and for all states by providing nonpartisan support for the development of policies and affordable health care, and address health equity.
Reviewing North Carolina’s Health Care System

- Affordability
- Coverage
- Access to Care
- Rural Communities
- Health Outcomes
- Behavioral Health
- Employment
The Commonwealth Fund Overall Health System Performance Rankings (2020)

North Carolina is ranked #35

The 12 states that have so far chosen not to expand Medicaid are circled

Note: States are arranged in rank order from left (best) to right (worst), based on their overall 2020 Scorecard rank. The 2020 Scorecard rank reflects data generally from 2018, prior to the COVID-19 pandemic.
Coverage
Uninsured Rate 2013 – 2019

Note: State Medicaid expansion status as of Jan 1, 2017. Data include persons under age 65.

Since 2014, 38 states and DC have adopted Medicaid expansion.

States continue to shape their programs and, to date, no state has decided to stop their expansion.

While Wisconsin has not expanded Medicaid to 138% FPL, they do cover childless adults up to 100% FPL.

Georgia received approval to expand coverage to parents between 35% and 100% FPL and childless adults up to 100% FPL (at the usual match rate). Implementation is pending litigation related to work requirements.
Sources of Funding for Medicaid Expansion

- Sources of funding for the Medicaid expansion are similar to those for the regular Medicaid program.
- Medicaid expansion has generated state savings by offsetting costs related to behavioral health services, the criminal justice system, SSI program costs, and by covering populations previously funded at the regular federal match rate.

### Funding the Non-Federal Share (2018)

<table>
<thead>
<tr>
<th>Source of Funding</th>
<th>States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provider taxes and fees</td>
<td>10 states</td>
</tr>
<tr>
<td>Savings from Medicaid Expansion (corrections, behavioral health, previously state funded populations)</td>
<td>7 states</td>
</tr>
<tr>
<td>State General Fund</td>
<td>28 states</td>
</tr>
<tr>
<td>Other (local government funds, cigarette taxes, drug rebates, other revenue)</td>
<td>4 states</td>
</tr>
</tbody>
</table>

KFF, **Medicaid Enrollment & Spending Growth: FY2018 & 2019** (October 2018).
69% of Medicaid beneficiaries receive their care through comprehensive risk-based MCOs

41 states used capitated managed care models to deliver Medicaid services

31 out of the 39 states that expanded Medicaid cover the newly eligible adults through managed care
How does coverage in NC compare to US, Expansion states?

NC: 6th highest uninsured rate in 2019 (1.2 Million North Carolinians)

Note these rates are based on pre-pandemic unemployment levels. The uninsured rate may be higher currently.

Source: 2019 Census American Community Survey
Opportunities to Increase Coverage

- Encourage increased participation in subsidized Marketplace plans (338,200 uninsured were eligible for plans in NC with no cost sharing in 2020)
- Simplify Medicaid enrollment and renewal processes; provide outreach and enrollment assistance
- Full Medicaid expansion (up to 138% FPL)
- Partial Medicaid expansion (up to 100% FPL or for specific populations)

KFF (2020) Why are people uninsured?
Studies Show that Medicaid Expansion Results in Significant Coverage Gains

- Medicaid expansion states experienced large reductions in uninsured rates that far exceed non-expansion states
  - This is true for broad populations and for certain specific vulnerable populations and across racial/ethnic categories

- States expanding Medicaid see large increases in Medicaid enrollment, largely driven by newly eligible populations

- There is some evidence of reduced churn in expansion states

- Most studies show that expansion coverage does not substitute for private coverage, however some states have seen small declines in private coverage

**Louisiana** saw a decline in the rate of uninsured from 22.7% in 2015 to 11.4% in 2017 (the state expanded in 2016)

**Ohio** saw non-Medicaid coverage remain stable throughout expansion. In addition, only 37% of new enrollees have remained on Medicaid long term – most have transitioned to private insurance

**Kentucky** saw a decline in the rate of uninsured from 14.3% in 2013 to 5.1% in 2015 (the state expanded in 2014)

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KFF (2020) *The Effects of Medicaid Expansion under the ACA: Updated Findings from a Literature review*

KFF (2021) *Building on the Evidence Base: Studies on the Effects of Medicaid Expansion*
Access to Care
Figure 8
Barriers to Health Care among Nonelderly Adults by Insurance Status, 2019

<table>
<thead>
<tr>
<th>Barriers</th>
<th>Uninsured</th>
<th>Medicaid/Other Public</th>
<th>Employer/Other Private</th>
</tr>
</thead>
<tbody>
<tr>
<td>Did Not See Doctor/Health Care Professional</td>
<td>41.5%</td>
<td>11.9%</td>
<td>14.6%</td>
</tr>
<tr>
<td>No Usual Source of Care</td>
<td>40.8%</td>
<td>11.5%</td>
<td>9.6%</td>
</tr>
<tr>
<td>Postponed Seeking Care Due to Cost</td>
<td>32.1%</td>
<td>10.0%</td>
<td>6.1%</td>
</tr>
<tr>
<td>Went Without Needed Care Due to Cost</td>
<td>30.2%</td>
<td>9.5%</td>
<td>5.3%</td>
</tr>
<tr>
<td>Delayed Filling or Did Not Get Needed</td>
<td>19.8%</td>
<td>12.4%</td>
<td>6.0%</td>
</tr>
<tr>
<td>Prescription Drug Due to Cost</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

NOTE: Includes nonelderly individuals ages 18 to 64. Includes barriers experienced in the past 12 months. Respondents who said usual source of care was the emergency room were including among those not having a usual source of care. All Medicaid/Other Public and Employer/Other Private are statistically different from Uninsured at the p<0.05 level.


Kaiser Family Foundation, Key Facts about the Uninsured Population (2020).
Access to Care — 2021 Rankings

North Carolina ranked #39

Expansion states
Non-expansion states

North Carolina ranked #39

America’s Health Rankings - National Access to Care Rankings 2021
Opportunities to Increase Access to Care

• Increase coverage, including through Medicaid expansion

• Address provider shortages
  • Graduate medical education residency programs
  • Medical loan forgiveness programs and other training/ placement incentives
  • Review and reform scope of practice laws
  • Offer competitive reimbursement rates

• Telehealth and remote patient monitoring

• Mobile clinics

• Increase affordability of care
Studies Show Improvements in Access to Care and Utilization Rates for States that Expanded Medicaid

- Improvements in access to care and utilization of services broadly
- Increased diagnosis and access to consistent treatment
  - Cancer
  - Transplants
  - Smoking Cessation
  - Behavioral health (and medications for the treatment of opioid use disorders)
- Increased equity in utilization and access to care by race/ethnicity, income, education level, insurance type, and employment status
- Some state-specific studies show increased provider capacity but national studies are mixed
  - Primary care
  - Opioid use disorder treatment
  - Chronic care

In Montana, the share of low-income individuals completing a check up increased by 17 percentage points (2021)

Ohio saw a 20% increase in Medicaid primary care practitioners (2018). In addition, they saw a 17% decrease in high-cost emergency department use

Michigan saw increases in doctor’s offices and clinics as a usual source of care and decreases in reliance on emergency rooms (2018)

In Louisiana, 33,000 and 90,000 people have been newly diagnosed with diabetes and hypertension respectively, and are now receiving treatment (2022)
Affordability
Avoided Care Due to Cost — 2021 Rankings

North Carolina ranked #38 with 11.5% of adults avoiding care due to cost.
Opportunities to Increase Affordability of Health Care

• Increase coverage, including through Medicaid expansion

• Employer premium assistance through the Medicaid program

• Enhanced subsidies to reduce premiums and deductibles for marketplace insurance

• State reinsurance programs (lowers premiums for unsubsidized individual market enrollees)

• Control costs (address and mitigate consolidation, ensure financial transparency, use reference-based pricing, implement a health care cost growth benchmark, limit hospital rates, prescription drug costs)
Studies Show that Affordability is Improved for Low-Income Individuals in States with Medicaid Expansion

• Reduced unmet medical need because of cost
• Reductions in out-of-pocket medical spending
• Larger declines in trouble paying as well as worry about paying future medical bills
• Reduced the number of people with medical debt and the size of medical debt
• Improvements in broad financial stability (food security, poverty rates, non-medical debt)

One study found that expansion is more impactful than subsidized Marketplace coverage for out-of-pocket spending, premium spending, and cost-sharing (2018)

In Montana, the number of people skipping care due to cost was reduced by 13,000 – a decrease of 10 percentage points (2021)

In Ohio, 49% of enrollees said expansion made it easier to pay for necessities like food and rent and the % with medical debt fell by half (2018)

In Michigan, 85% had fewer problems paying for medical bills (2018)
Health Outcomes
Physical Health Outcomes — 2021 Rankings

North Carolina ranked #39

North Carolina

Expansion states
Non-expansion states
Maternal and Infant Morbidity and Mortality Crisis

NC ranks 30th in the country in terms of maternal mortality rates.

12% of women in NC experience postpartum depression.

NC ranks 39th nationwide in infant mortality.

North Carolina earned a D+ on the March of Dimes’ 2019 report card.
Opportunities to Improve Health Outcomes

• Increase coverage, including through Medicaid expansion

• Improve access to and quality of care

• Invest in evidence based approaches

• Coordinate care, especially for individuals with chronic conditions

• Address the social determinants of health (housing, transportation, education, employment opportunity, food insecurity, health literacy, community supports)

• Address health disparities

• Support healthy behaviors (nutrition and exercise; reduced alcohol, drug, and tobacco use; and others)

County Health Rankings: [What Works for Health](https); Healthy People 2030: [Social Determinants of Health](https)

Health Affairs (2016) [State Options to Control Health Care Costs and Improve Quality](https)
Studies Show that Certain Health Outcomes Improved in Medicaid Expansion States

- Reduced overall mortality and for particular populations (overdose, infant and maternal mortality, cardiovascular)
- Improvement in certain health outcomes (cardiac surgery outcomes, perforated appendix admission rates, tobacco cessation)
- Improvements in self-reported health
- Improvements in self-reported health behaviors, including disease management
- Providers report patients receiving life-saving or life-changing treatments they couldn’t obtain prior to expansion

In **Michigan**, 48% report improved physical health; 67% increased or maintained physical activity; 73% increased or maintained fruit and vegetable consumption

In **Pennsylvania**, over 5,000 people had colon polyps identified and removed, averting cancer.

**Indiana** saw a reduction in the share of adults who considered themselves ‘smokers’

**Massachusetts** saw improved weight-related outcomes for those with severe obesity

In **Ohio**, self-reported health status improved for 30% of new enrollees, 37% quit smoking, and 27% received new diagnoses for previously unknown chronic conditions

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Behavioral Health
North Carolina is ranked #26 for Mental Health Providers, with 280.9 mental health providers per 100,000.
Medicaid is the largest funding source for the treatment of Opioid Use Disorders.

Overall, 34% are covered by Medicaid, 44% by private insurance, 24% by uninsured, and 32% by substance use treatment.
Opportunities for Strengthening the Behavioral Health System

• Increase coverage, including through Medicaid expansion
• Reduce stigma related to mental illness, substance use disorders, and seeking treatment
• Full implementation and enforcement of the federal parity law
• Address historically low reimbursement rates for behavioral health services
• Continue to integrate mental health and substance use disorder services with physical health
• Strengthen community-based crisis continuums of care
• Expand and support tele-behavioral health
• Strengthen and expand the behavioral health workforce
• Prevent and mitigate trauma and adverse childhood experiences and build resilience

NGA (2020) Improving Outcomes and Reducing Cost of Care for Complex Care Populations with Behavioral Health and Social Support Needs
KFF (2021) State Policies Expanding Access to Behavioral Health Care in Medicaid
Studies Show Increased Access and Improved Outcomes for Behavioral Health in Expansion States

- Expansion states have seen increases in access to medications and services for mental health and substance use disorders
- Improvements in self-reported mental health
- Increases in access to treatment for opioid use disorders and no increase in opioid prescribing rates
- Expansion offsets state costs in other areas, including behavioral health
- Increased likelihood of providers to offer comprehensive behavioral health services

One study found an 18% increase in opioid admissions to specialty treatment, driven by a 113% increase in admissions for Medicaid beneficiaries.

A 2020 study found that expansion was associated with a 6% lower rate of opioid overdose deaths.

Medicaid expansion increased Ohio's behavioral health system capacity 60 percent over five years.

Kentucky saw 300 new behavioral health providers enroll with Medicaid in 2014 (the year they implemented expansion) and provided substance use disorder services to 13,000 members.

KFF (2020) The Effects of Medicaid Expansion under the ACA: Updated Findings from a Literature review
The Majority of Medicaid Adults are Working, Caregiving, or in School

Total: 21.8 Million

Share Working: 63% (13.8 Million)

NOTES: Total may not sum to 100% due to rounding. Includes nonelderly adults (age 19-64) who do not receive Supplemental Security Income (SSI) and are not dual eligible. Working Full-Time is based on total number of hours worked per week (at least 35 hours). Full-time workers may be simultaneously working more than one job.


Studies Show that Employment Improved in States that Expanded Medicaid

• National studies show a link between expansion and increased employment – noting that expansion supports the ability to work, seek work, and volunteer

• Some studies have shown increases in income and decreases in income inequality for low-income individuals

• State-specific studies show significant job growth resulting from expansion

• Expansion has been associated with decreases in poverty rates, food insecurity, and home evictions

**Ohio** Medicaid reported that Medicaid enrollment made it easier to seek employment and continue working.

Medicaid expansion created 31,074 additional jobs in Colorado and 39,000 additional jobs in Michigan.

78% of participants in Montana’s voluntary HELP-Link job program were employed a year after participation (2016)

**Michigan** found that personal income increased by more than $2 billion per year, yielding over $145 million in new state tax revenue.

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Rural Communities
Rural Health Challenges in North Carolina

- Rural residents are 40% more likely to be uninsured and eligible for Medicaid expansion.
- **11 rural hospitals have closed** in North Carolina since 2005. Many others have cut key services.
- There are 6 rural hospitals that the Sheps Center classifies as having high financial risk – these hospitals serve communities of about 180,000 people.
- Losing the only hospital in a county implies a **decrease of about $1,300 dollars in per capita income**.
Opportunities for Improving Rural Health

• Increase coverage, including through Medicaid expansion

• Direct financial support of rural hospitals

• Bolster other rural health providers such as community health centers, rural health clinics, school-based clinics, and free-standing emergency departments

• Review and reform scope of practice laws for nurse practitioners and physician assistants

• Leverage telehealth

• Partner with community health workers

• Incentivize rural training in medical education
Studies Show Particularly Positive Impacts of Expansion on Rural Communities

- Increases in coverage
- Improved operating margins for rural hospitals
- Improved hospital financial performance and reductions in rural hospital closure
- Reduced uncompensated care

*KFF, The Effects of Medicaid Expansion under the ACA: Updated Findings from a Literature review, March 2018; GAO Rural Hospital Closures Report to Congressional Requesters August 2018*
Thank you!

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