MedicalXpress

Report outlines state strategies to assist with health insurance transitions

January 28 2014

A new culture of health care has been ushered in by the Patient Protection and Affordable Care Act (ACA) but, for some, it may be even more complicated than some reports suggest. Americans with income fluctuations, such as those with multiple part-time jobs, may experience shifts in coverage, requiring them to "churn" between Medicaid and private insurance, potentially affecting affordability and continuous access to care.

To address these issues, states have been working to implement programs that could reduce the impacts of such transitions. In the most recent issue of the *Journal of Health Politics, Policy and Law*, Princeton University researchers outline some potential programs and the states that have implemented them.

"This is a complicated issue as all states are dealing with different health care landscapes and political realities," said lead author Heather Howard, a lecturer in public affairs at the Woodrow Wilson School. "The best system will be one that works to ensure continuous access to care and care for those whose income fluctuations cause them to transition between different coverage programs."

With Chad Shearer, a lecturer in public affairs at the Wilson School, Howard explains in the report how these emerging approaches take into account the desire for state flexibility and the political and operational challenges states face in developing coverage expansions that work for consumers, stakeholders and state budgets.

The state options, as outlined in the report, are as follows.

- State funding to "wrap around" qualified health plans. This plan reduces out-of-pocket expenses for consumers by using state dollars to cover premiums and co-pays for lower-income individuals purchasing qualified health plans. Given state resource constraints, the researchers write, this plan is unlikely in all but a few states that might be willing and able to spend additional dollars to provide these services. The plan addresses affordability but not continuous access to care. Massachusetts and Vermont are considering this option.
- New programs for specific populations. One option under the ACA, the Basic Health Program, allows states to provide more generous financial and benefit protections for individuals making less than 200 percent of the federal poverty level. (This figure is adjusted based on family size, but, for a single-household consumer that income would be $22,980 and $39,060 for a family of three.) This option might be less attractive, the researchers write, in smaller states because it could reduce the number of people in the individual insurance market and might drive up prices for those remaining. Also, this plan won't be available until 2015. Minnesota is the only state currently pursuing a Basic Health Program for 2015.
- Purchasing qualified health plans for Medicaid expansion populations. This is the reverse of the Basic Health Program and allows all newly eligible customers under the ACA – regardless of population – to choose from the same line of health care "products." This plan may require states to supplement qualified health plan benefits with additional benefits that would otherwise be available under Medicaid. While offering continuous access to care, the plan could be cost prohibitive to consumers and local and federal governments. Arkansas is implementing this plan, and a number of other states are considering this option.

- Unifying plans and standards. This plan uses contract language with Medicaid and qualified health-plan providers to provide more seamless health care transitions, reducing the impact of coverage changes. Because states hold a greater influence over purchasers, continuous access to care is covered with this plan. However, this option does not address affordability as individual incomes change. Nevada and Maryland are exploring various approaches to this option.

Both Howard and Shearer agree that there is no "one-size-fits-all" approach when it comes to the ACA. Likewise, they said it may take years to understand the outcomes of which plans are implemented and where.

"The ACA is a prime example of federalism, and we'll be studying state variation for years to come," said Howard. "The issue of churn and ensuring continuity of coverage and care for vulnerable populations is a fascinating lens through which to look at state innovation."

More information: The paper, "State Efforts to Promote Continuity of Coverage and Care under the Affordable Care Act," was published by Duke University Press' *Journal of Health Politics, Policy and Law*.

Provided by Princeton University