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October Marked Opening of ACA Exchanges

Enrollment in statewide health care exchanges began on Oct. 1, 2013. These exchanges, established pursuant to the Federal Patient Protection and Affordable Care Act (ACA), provide individuals without employer-sponsored health insurance the opportunity to purchase private health insurance at a range of coverage levels. The ACA also provides income-based premium subsidies for those who may otherwise been unable to afford private insurance. Individuals who enroll will be eligible for coverage beginning January 1, 2014. The exchanges will benefit workers with disabilities who do not receive health insurance through their employers and who would have previously been unable to obtain affordable coverage as a result of their disability. Health plans listed on the exchanges must include coverage for many services used by individuals with disabilities, such as habilitative services, that were not covered previously by many private
insurance plans.
The opening of the exchanges has been marked by technical difficulties associated with the central web site associated with the exchanges, www.healthcare.gov. Technology industry experts, including employees of Google and Oracle, have joined efforts to improve the site’s performance. For more information, see http://www.healthcare.gov.

Kaiser Family Foundation Issues Report on Upcoming Changes to Medicaid Programs

The Kaiser Family Foundation issued a report on Oct. 7, 2013, detailing planned and projected changes to state Medicaid spending and enrollment in 2014.

- Arkansas plans to eliminate income and resource limits for its Workers with Disabilities program, which permits individuals with disabilities to “buy in” to Medicaid coverage while employed.

- Another three states – Florida, Louisiana, and New Jersey – plan to increase income and/or asset limits for individuals in the medically needy and long-term care eligibility categories. These categories include individuals with high medical expenses and individuals who require long-term support with daily living.

- In contrast, Kentucky plans to eliminate Medicaid coverage for workers with disabilities with incomes above 138 percent of the federal poverty line (FPL); however, this population will be eligible for premium subsidies in the new statewide health insurance marketplace.

Under the ACA, states have the option of extending Medicaid coverage to all adults under 65 who earn less than 133 percent of the FPL. This population may include many workers with disabilities who were not previously enrolled in Medicaid because they did not qualify for coverage under other programs, such as those whose income and assets were too high to qualify for Medicaid through the Supplemental Security Income (SSI) program. States may choose to provide individuals in the Medicaid expansion population with coverage either through the traditional Medicaid program or through an alternative, often more limited, “Benchmark” plan. Nevertheless, individuals with significant mental or physical disabilities will be classified as “medically frail” and thus entitled to coverage through the traditional Medicaid program.

The Kaiser Family Foundation reports that roughly half of all states opting into the Medicaid expansion will offer long-term supports and services (LTSS) to some members of the expansion population. Workers and jobseekers with disabilities in these states will benefit from the option of receiving LTSS while earning incomes up to 133 percent of the FPL. Notable examples include:
• New York, which reported to the Kaiser Family Foundation that the Benchmark plan it offers the expansion population will cover community-based LTSS but not nursing home care. This focus on community-based services will be a particular advantage to workers with disabilities in the expansion population.

• California, which plans to seek waiver authority to limit coverage for LTSS for members of the Medicaid expansion population to those who have assets below a certain limit. The inability to build up savings while receiving LTSS may disadvantage low-income workers with disabilities.

The Kaiser Family Foundation also predicts that changes to eligibility criteria, in concert with streamlined enrollment procedures, will cause Medicaid enrollment to rise significantly in 2014, even in states that have opted out of the Medicaid eligibility expansion under the Affordable Care Act. Kaiser Family Foundation predicted a 5.3 percent increase in Medicaid enrollment among such “optout” states and an 11.8 percent increase in enrollment among states that accept the Medicaid eligibility expansion. State spending growth on Medicaid will be higher among states that opt out of the Medicaid expansion than among states that opt in, due in part to the ACA’s provision of full federal financing for the expansion population in “opt in” states until 2016.


Commission on Long-Term Care Issues Final Report to Congress

The Senate Commission on Long-Term Care, established pursuant to the American Taxpayer Relief Act of 2012, released its final report to Congress on Sept. 18, 2013. The report highlights problems facing individuals with disabilities who require LTSS in order to maintain employment. To address these problems, the Commission recommends that the Senate: (1) create a demonstration project under Section 1115 of the Social Security Act to provide supplemental LTSS to workers with the disabilities who do not receive these benefits through employer-provided health insurance; and (2) create a nationwide Medicaid buy-in program which would allow low-income workers with disabilities who require LTSS to purchase coverage through Medicaid. The full text of the Commission’s report is available through the Senate web site, www.ltccommission.senate.gov.

Millions Below 133 Percent of Federal Poverty Line Will Be Ineligible for Health
Insurance Through the Exchanges in States Opting Out of Medicaid Expansion

Despite the opening of the health insurance marketplaces on Oct. 1, 2013, individuals with incomes below 133 percent of the FPL will not be eligible for subsidized insurance premiums through the statewide insurance marketplaces. Although this population was to benefit from the Affordable Care Act’s expansion of Medicaid eligibility to adults below 133 percent of the FPL, more than 20 states have opted out of the expansion. The Congressional Budget Office estimates that approximately three million additional people will remain uninsured as a result of their states’ decision not to expand Medicaid eligibility criteria. Lack of access to health care either through Medicaid or statewide exchanges will disproportionately affect workers with disabilities who have incomes below 133 percent of the federal poverty line and are not otherwise eligible for Medicaid, but require regular medical intervention and/or LTSS. This problem may be compounded by employers who previously provided health care to part-time employees but will now instead provide premium reimbursements for health insurance purchased through statewide exchanges. Workers with disabilities with incomes below 133 percent of the FPL may be forced to apply for Supplemental Security Income (SSI) in order to obtain Medicaid coverage, which may require exiting the workforce.

The Congressional Budget Office Report is available at http://www.cbo.gov/publication/43472

Gov. Tom Corbett Demands Alterations to Pennsylvania’s State Plan Under Medicaid as a Condition of Expanding Coverage

On Sept. 16, 2013, Pennsylvania Governor Tom Corbett announced his intention to extend Medicaid coverage to all Pennsylvanians with incomes below 133 percent of the FPL, contingent on the Federal Centers for Medicare and Medicaid Services’ (CMS) approval of numerous alterations to Pennsylvania’s State Plan governing its Medicaid program. Gov. Corbett’s proposal, “Healthy Pennsylvania: Reforming Medicaid,” would require working-age, unemployed Medicaid beneficiaries to register with the state’s JobGateway program and engage in job search as a condition of receiving benefits, with “limited exceptions.” It remains unclear whether this requirement would apply to individuals with disabilities. In addition, under Corbett’s proposal, the expansion population would receive health care through the statewide health insurance exchanges and would not receive full Medicaid benefits. However, as required by the ACA, members of the expansion population who are classified as “medically frail,” including individuals with significant mental or physical disabilities, would remain eligible for full Medicaid benefits, including Medicaid-provided LTSS. Individuals who are eligible for Medicaid through other eligibility criteria, including children in low-income families and people who receive SSI, would also continue to receive full Medicaid benefits.

Full text of the proposal is available at http://www.dpw.state.pa.us/healthypa/index.htm
**Michigan Medicaid Expansion Could Extend Coverage to up to 470,000 Newly Eligible Individuals**

On Sept. 16, 2013, Michigan Governor Rick Snyder signed into law the “Healthy Michigan” Act (2013 Public Act No. 107), which will take advantage of the Affordable Care Act’s expansion of coverage to individuals with incomes below 133 percent of the FPL. The governor’s office anticipates that this expansion, which will take effect in April 2014, will ultimately add up to 470,000 new Medicaid beneficiaries. Newly eligible individuals will be enrolled in private health plans and will be required to make cost-sharing contributions of up to 7 percent of their income unless they can demonstrate “healthy behaviors” such as low body mass index (BMI) and non-smoker status. As a result, workers with disabilities in the expansion population who are not otherwise eligible for Medicaid may remain unable to access the types of LTSS available through full Medicaid benefits and may face high cost-sharing payments. Individuals in need of frequent health care services, and those whose disabilities preclude the required “healthy behaviors,” may face particularly high cost-sharing expenditures. The ACA requires, however, that Michigan give members of the expansion population the option to enroll in the regular Medicaid program if they qualify as “medically frail,” a category that includes people with significant mental or physical disabilities.


**Most Uninsured Californians are Unaware of Their Eligibility for Health Insurance Under the ACA**

On Sept. 26, 2013, the Kaiser Family Foundation published its findings following a survey of uninsured Californians just before the opening of statewide health insurance exchanges established pursuant to the Affordable Care Act. Kaiser Family Foundation found that three-quarters of California’s uninsured individuals, including 77 percent of those who would be eligible for California’s Medicaid expansion, had heard “only a little” or “nothing” about California’s Medicaid expansion. In addition, 84 percent of those who would be eligible for an insurance premium subsidy through the Affordable Care Act had not heard about the upcoming opening of California’s health insurance marketplace. In light of the report’s findings, it is likely that additional outreach is needed to educate workers and prospective workers with disabilities about the availability of insurance coverage through Medicaid expansions and statewide health insurance exchanges. The report is available through the Kaiser Family Foundation web site.

The full report is available at http://kaiserfamilyfoundation.files.wordpress.com/2013/09/8485-f.pdf
New York Releases Draft Plan to Increase Competitive Integrated Employment for Workers with Developmental Disabilities

On Oct. 1, 2013, New York State’s Office for People with Developmental Disabilities (OPWDD) issued a draft plan to the U.S. Centers for Medicare and Medicaid Services detailing its strategy to shift individuals with developmental disabilities toward competitive employment. The state plans to end new placements of individuals with disabilities in sheltered workshops and to transition all existing sheltered workshop workers under the age of 50 to competitive supported employment. The transition will take place gradually over the course of nine to 11 years. The state also plans to redesign its compensation structure for supported employment services to reflect actual costs and will increase connections between individuals with disabilities and the state’s vocational rehabilitation program, ACCES-VR.

Full text of the draft plan is available at http://www.opwdd.ny.gov/sites/default/files/documents/Appendix2.pdf

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