



The Affordable Care Act and Counties – Impacts and Opportunities

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President Obama signed The Patient Protection and Affordable Care Act (“PPACA,” “ACA,” or “ObamaCare”) into law March 23, 2010. While the controversial law has many detailed provisions and exceptions, this article will touch on major provisions and significant impacts to counties. For a broad overview of the law, one of the best executive summaries is the Kaiser Video: “Health Reform Hits Main Street,” <http://healthreform.kff.org/the-animation.aspx>.

One of the ACA’s primary goals is to improve access and affordability of health care by nationalizing certain insurance reforms and piloting different ways to pay for health care services that measurably improve people’s health. A significant component of the strategy to expand access to health care includes expansion of the federal and state funded Medicaid program to poor individuals previously ineligible, and unable to purchase private coverage. In Minnesota, the expectation is that by 2016 the number of uninsured people in Minnesota will decrease by almost 60%. Many provisions of the law, such as coverage for children on their parents’ insurance policies until age 26, have already gone into effect, but many provisions with the largest impacts go into effect January 1, 2014.

Significant provisions going into effect this January include:

- The mandate that every individual purchase health insurance, often called the “individual mandate,”
- Additional federal funds for expanded state Medicaid programs offering coverage to non-disabled childless adults under age 65,
- The creation of health insurance exchanges for individuals and small employers that offer tax credits for lower income individuals and families purchasing coverage on the exchange, and
- Health plans no longer will be able to deny coverage on the basis of pre-existing conditions.

The law also seeks to simplify the eligibility rules and process for non-disabled individuals and families and providing access to federal tax databases (the federal “hub”) to verify applicants’ income. Amid backlash from many states on the expanded role of the federal government, the Supreme Court ruled on the ACA last June and upheld the constitutionality of the individual mandate, but ruled the Medicaid expansion for non-disabled childless adults under 65 optional for states.

In response, the Minnesota State legislature passed a number of bills this session, with Governor Dayton signing them, to authorize in state law a number of ACA provisions. First of all, they passed the bill to expand Medical Assistance eligibility in Minnesota for non-disabled childless adults under 65 to the federal maximum to 133% of the federal poverty guidelines. This provides eligibility for individuals earning less than \$14,859 per year. These new eligibility rules will go into effect January 1. The legislature also authorized the creation of a Minnesota specific health insurance exchange, MNsure, that will sell qualified health plans to individuals and small employers with fewer than 50 employees starting October 1 of this year. The governor signed this bill into law late March. Finally, the current Health and Human Services (HHS) omnibus bills also contain additional language seeking to create a new MinnesotaCare program, simplify Medical Assistance eligibility rules and processes, and appropriate funds to modernize the technology infrastructure for health care and other human services programs.

Lots of change, but what does this mean for counties?

It means additional work, especially in the next two years. The upcoming biennium represents an unprecedented health care program expansion with a corresponding unprecedented pace of new policy and technology implementation. First, the expansion of the Minnesota Medical Assistance program, with many people currently on MinnesotaCare moving to Medical Assistance, means an additional 151,872 individuals will qualify for Medical Assistance. While many individuals will be able to use online tools to apply and not require much assistance, the number of new enrollees over the next two years, combined with implementing new programs and technology as explained below, means a surge in work over the next two years.

Second, counties will need to adapt Medical Assistance eligibility processes and procedures to work with the new Minnesota health insurance exchange, now called MNsure. Policy makers hope MNsure will be a primary health insurance marketplace for individuals and small businesses, enrolling as many as 1.2 million persons in the next two years. At least 690,000 of those enrollees are expected to be public health plan enrollees (non-disabled individuals under age 65) whose eligibility will be determined on the MNsure computer systems. This means county financial workers will need to learn new Medicaid rules and procedures for non-disabled, under 65 individuals, convert cases from the “old” MAXIS system to the new MNsure computer system, and learn the new system. Over the next two years, county workers will be doing this work while still processing eligibility for more complex disability cases using “old” eligibility rules on the “old” MAXIS system.

In addition to the above MNsure infrastructure development, the state, in partnership with counties, is also pressing forward to modernize the many disparate human services technology systems. While this effort represents much needed investment to improve efficiencies and quality service delivery, the plan to phase in new technology over several years will require human services workers to work on multiple systems and experience multiple worker trainings and disruption of county processes. This effort will be labor intensive, especially over the next two years. However, the goal is to have all major human services programs on one integrated system that will streamline workflow in county human services agencies.

Are there any opportunities?

The federal government has made significant financial commitments in the form of implementation grants and enhanced federal financial participation (FFP) for certain ACA implementation activities and investments. State implementation of MNsure has been funded almost exclusively by federal implementation grants. In addition, much needed technology investments to replace Minnesota’s Medicaid eligibility systems and coordinate with MNsure will receive 90% federal match on costs through the end of 2015. The standard match rate for eligibility system design and development is 50% of costs.

More importantly for counties, the enhanced federal match rate of 75% of costs for operations and maintenance of the new health care eligibility systems will go into effect October 1, 2013. This date coincides with the start of open enrollment for health care plans, including Medical Assistance, offered through MNsure. County activities eligible for the enhanced match rate include all work associated with the Medical Assistance application, on-going case maintenance, and renewal processes. Policy work, outreach, and other customer services activities will remain eligible for the standard 50% federal match. The fact sheets available at http://www.medicaid.gov/State-Resource-Center/FAQ-Medicaid-and-CHIP-Affordable-Care-Act-ACA-Implementation/Downloads/Affordable_Care_Act_FAQ_04-25-2013.pdf shed more light on the specifics of the enhanced federal match for counties. This enhanced match rate will significantly defray additional county costs associated with the increased case loads, training, and working on multiple systems. It may also defray costs for those counties choosing to assist residents ineligible for Medical Assistance select a private qualified health plan through MNsure.

Another potential opportunity for counties are the Consumer Assistance grants and resources offered through MNsure. MNsure will provide enhanced tools and infrastructure for local community resources to assist residents in accessing health insurance, whether a public health care program, i.e. Medical Assistance, or a private qualified health plan through MNsure. Given that many families accessing county services will have family members on both public and private health plans, the availability of multiple channels to apply for health care will be important.

Finally, counties may also stand to gain with the expansion of Medical Assistance to non-disabled childless adults under the age of 65. Many of these individuals already intersect with county correctional and social services systems, resulting in significant costs to counties. The availability of Medical Assistance to provide behavioral, substance abuse treatment, and other health care may be a significant factor in improving outcomes for these low income individuals and lowering costs for counties. However, one risk counties and newly eligible individuals face will be the availability of enough Medical Assistance providers to meet the demand; e.g., psychiatrists, licensed chemical dependency counselors, etc....

In Conclusion

There are pros and cons to either side of the ACA analysis ledger for counties, but what is certain is that Minnesota counties are on this journey and that we will learn by doing. There are many details we will not know until we launch, and the rate and success of technology development will be the single most significant impact on the journey ahead. ■

Hennepin County Wins Two 'Plain Language' Awards

People don’t often think of the words “clear” and “concise” when reading communications from the government, but Hennepin County is doing its best to change that.

The county recently received two ClearMark Awards from the Center for Plain Language. The awards, which celebrate clear and effective communication, went to information on visiting the Hennepin County Home School and to the county’s absentee voting web pages.

“Residents have a right to information that they can understand. Our goal is to make it as easy as possible for people to find the information and services they need, and these awards show that we are on the right track,” said Hennepin County Board Chair Mike Opat.

A total of 33 awards were presented at the April 16 ClearMark ceremony in Washington D.C., with only 10 going to public sector organizations.

Nominations for the awards came from throughout the United States and other English-speaking countries, and winners were selected by a panel of international communications experts.

To learn more about Hennepin County’s commitment to communicating clearly, go to Hennepin.us/plainlanguage. ■