



# *Children's Health and the 2011 Legislative Session*

November 16, 2010

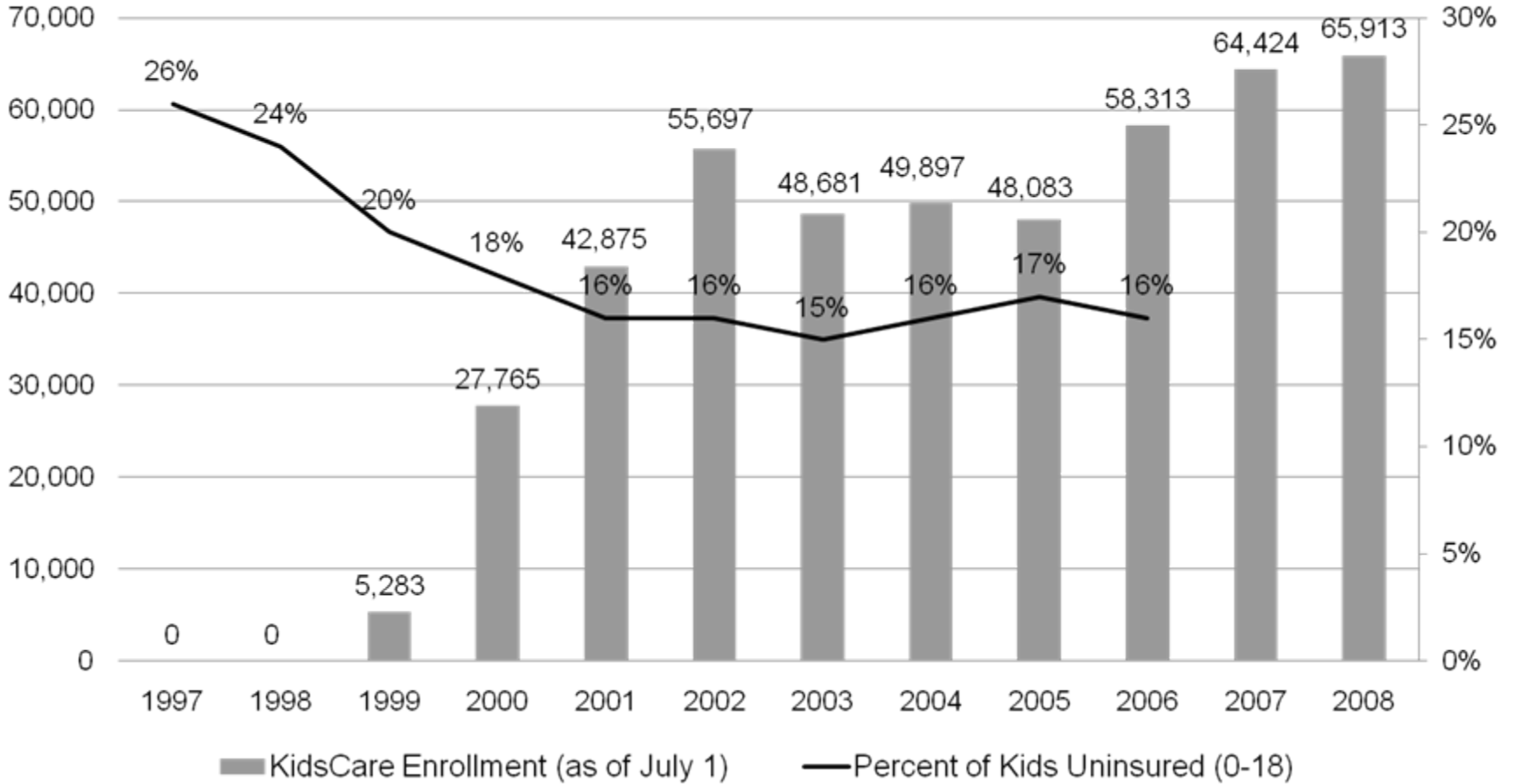
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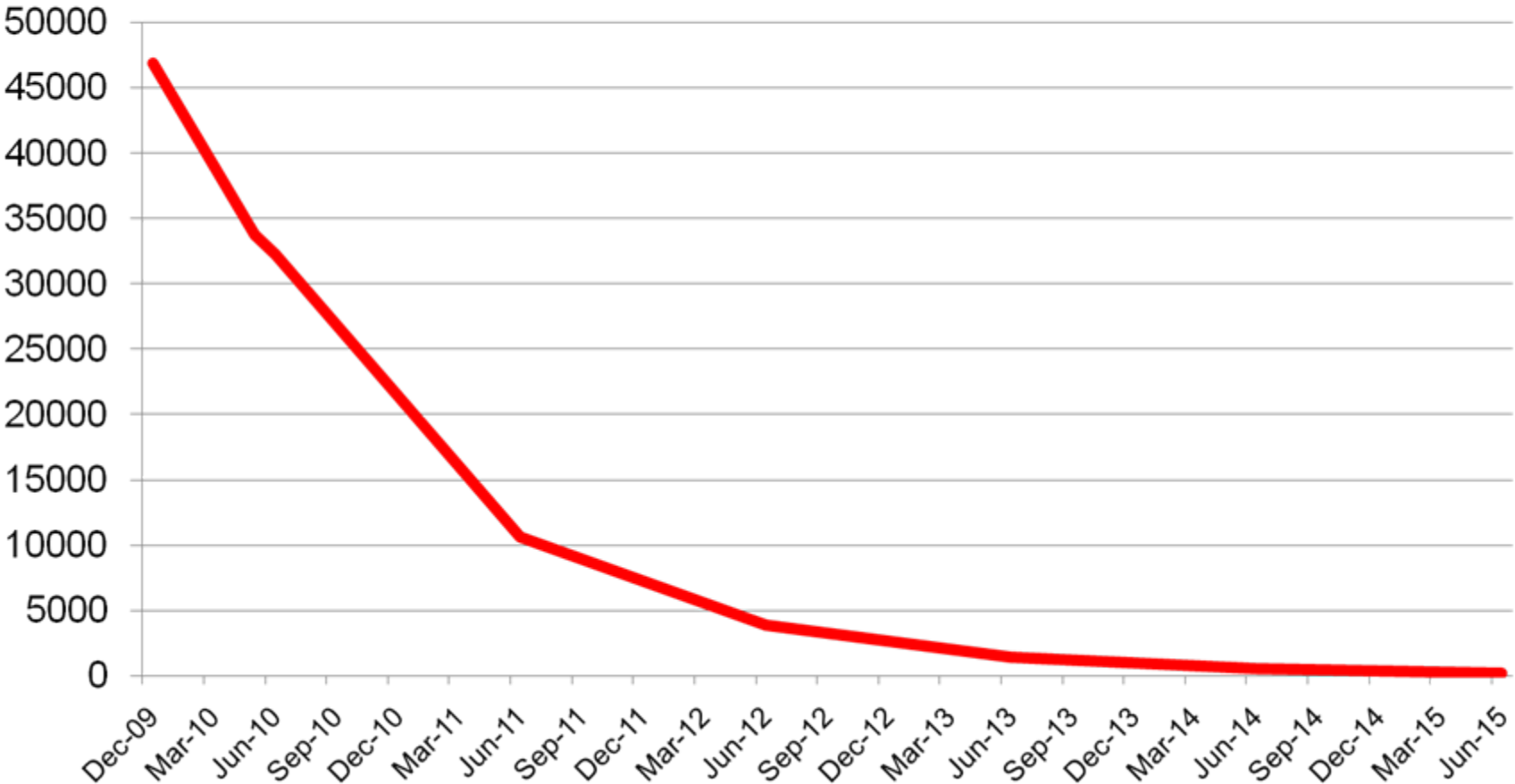


### Fewer Uninsured Children in Arizona Since Beginning of KidsCare





# KidsCare Enrollment With Continued Freeze (JLBC)





# KidsCare Statistics

- Enrollment has fallen from 47,000 to 25,000 so far this year.
- Nearly 70,000 applications have not been processed.
- Cost to restore KidsCare was \$9 million.
- Cost to re-open KidsCare to new enrollment about \$11 million – about 0.1% of state budget.

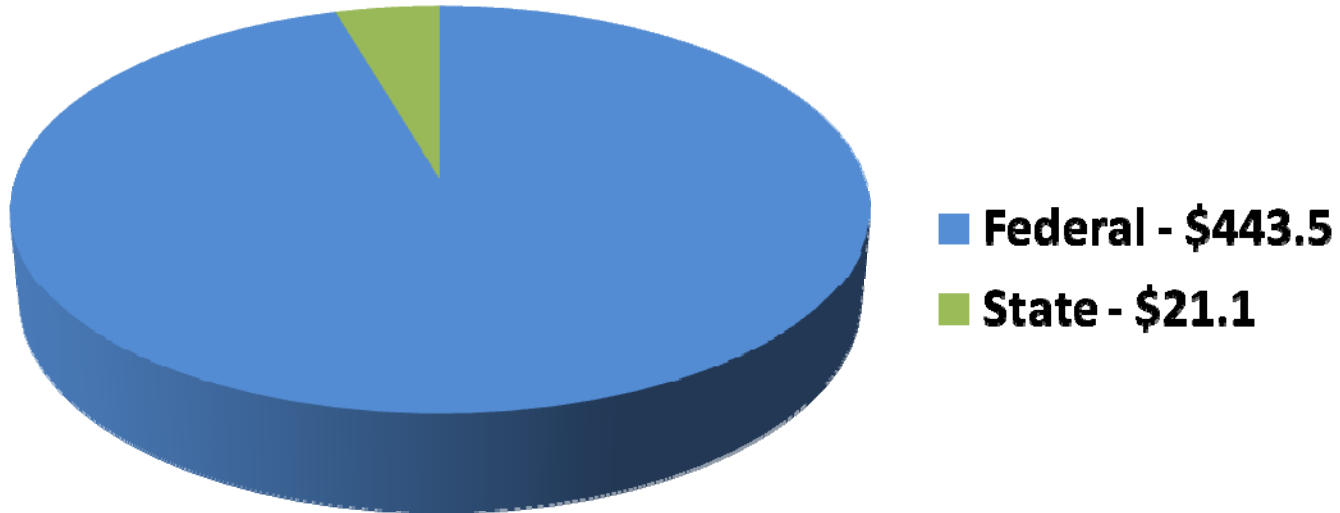


# Cost of health reform

- Most costs identified for Arizona are Maintenance of Effort
- Cost to provide public health insurance to the same population actually goes down over next decade due to health reform (\$2.3 billion) (JLBC)
- “Welcome mat” or “woodwork” effect
- Expansion of Medicaid – almost entirely federal funds



# Who Pays for Medicaid Expansion, 2014-19?

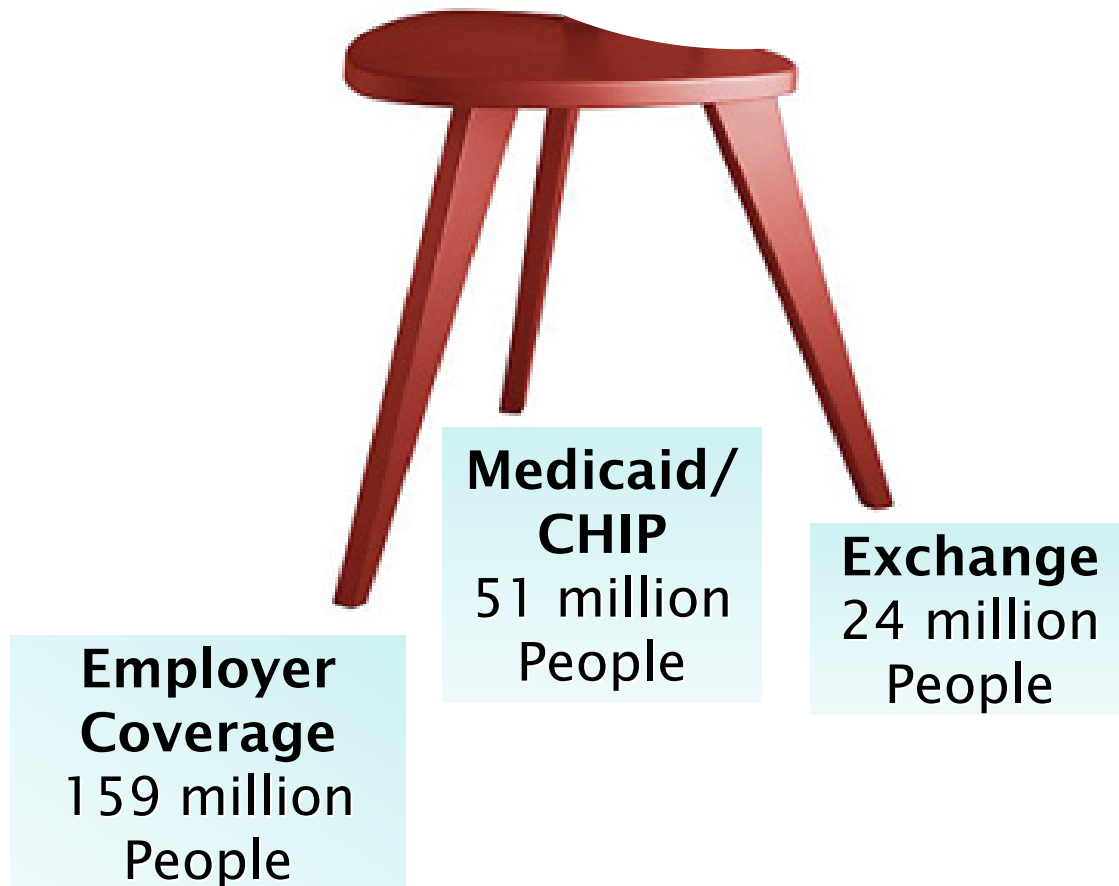


**Total \$464.7 billion**

Source: CMS



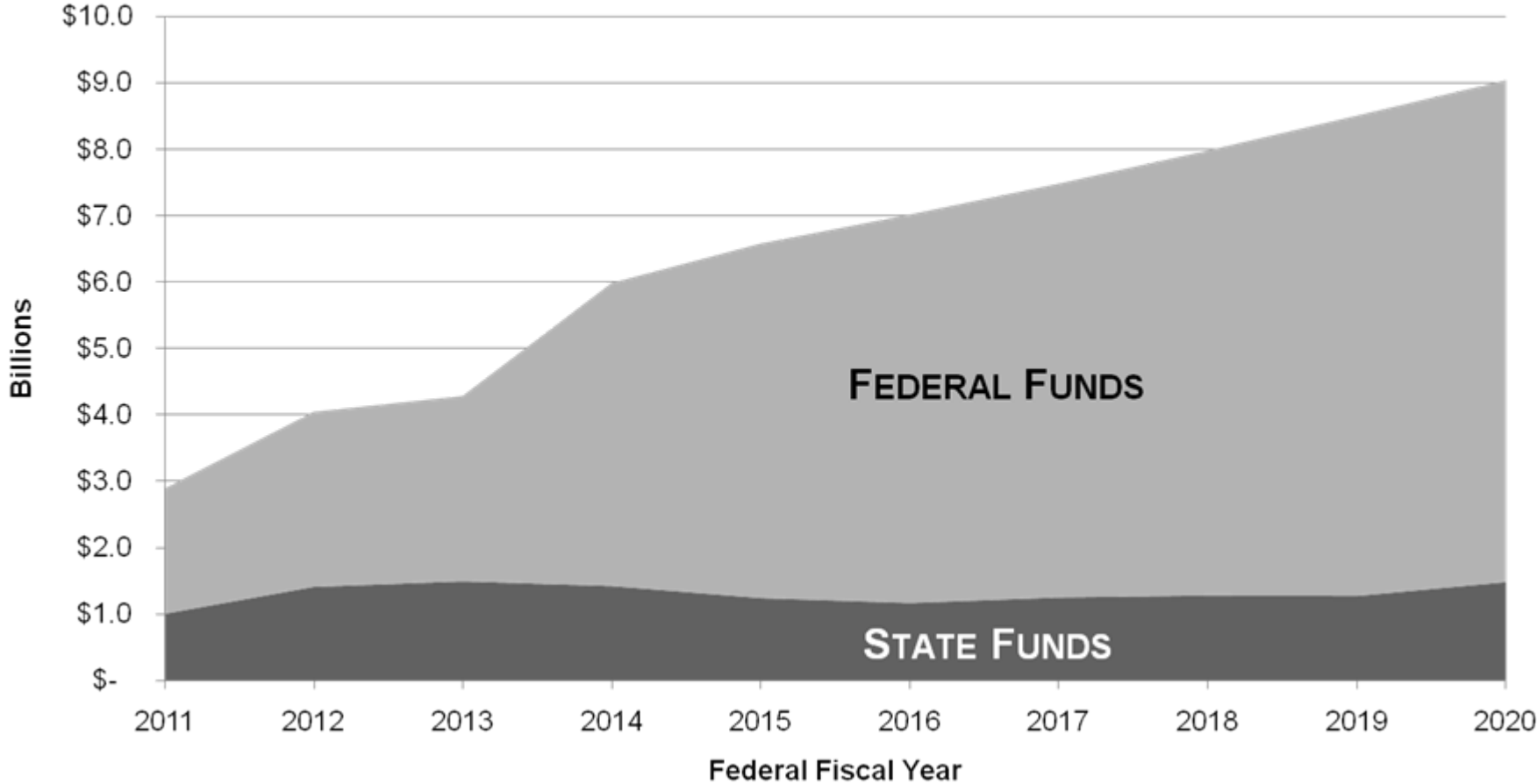
# Three Legged Stool of U.S. Health Insurance - 2019





# HEALTH CARE REFORM COST TO ARIZONA

## Keeping Prop 204, Expansion to 133% FPL, and Kids Care with Enrollment Freeze



Source: Letter from AHCCCS to Governor Brewer dated 3/25/10



# Implementation Issues

- Budgetary/resources:
  - AZ must find resources to maintain AHCCCS, KidsCare
  - AHCCCS, Department of Insurance, most state agencies have cut staff
- Consumer protection/patient bill of rights
- Exchange
  - Separate for individuals & small businesses?



# Exchange – Issues & Principles

- Easy to use
- Side-by-side comparison of health plans
- Low administrative costs – likely added to cost of health plans
- Easily screen for AHCCCS/KidsCare and other benefits like Health-e-Arizona
- Help families know about subsidies
- Outreach!



# Exchange – Issues & Principles

- State health plan for 133-200% FPL?
- Active purchasing? Or does any plan participate?
- Preventing adverse selection:
  - Make rules similar inside & outside exchange
  - CA will require plans offering high deductible plans to also sell plans in exchange
  - Geography
  - Charge exchange fee on all policies, not just in exchange



Questions?