



Medicaid Expansion—New Opportunities for Public Health

American Lung Association Webinar, December 10, 2014 Frequently Asked Questions

What is Medicaid?

Medicaid is the state run health insurance program for low-income individuals. Prior to the Affordable Care Act (ACA), individuals in most states had to meet additional requirements, such as age or illness, to be eligible for Medicaid.

How is Medicaid funded?

Medicaid is a partnership program between the federal government and the states, funded by both state and federal governments. Each state program is very different, but there are strict federal rules each program must follow regarding what must be covered and what out of pocket costs are allowed. Currently, more than half of the people on Medicaid are enrolled in a managed care program.

What is Medicaid Expansion?

Medicaid expansion was created by the ACA. It was designed to expand state Medicaid programs to anyone making 138 percent of the federal poverty level or less, regardless of additional qualifications. The federal government pays 100 percent of the cost of the new enrollees for all states, which will eventually be phased down to 90 percent of the cost in 2020.

The ACA intended the expansion to be mandatory, but the 2012 *National Federation of Independent Business (NFIB) v. Sebelius* Supreme Court decision made expansion optional for states. As of January 2015, there are 29 states, including the District of Columbia that have expanded Medicaid. There is no deadline to expand Medicaid; states can choose to do so at any time in the future.

The individuals that were eligible for Medicaid prior to the ACA expansion are commonly referred to as the traditional Medicaid population. The individuals that became eligible for Medicaid because of the ACA expansion are commonly referred to as the expansion population.

What is the expansion population?

The Medicaid expansion population refers to the group of individuals who became eligible for Medicaid as a result of the ACA expansion. This population makes up to 138 percent of the federal poverty level and is eligible regardless of age or other circumstance.

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There are approximately fourteen and a half million Americans who would be eligible for Medicaid expansion, but just over half that number live in states that have expanded. The expansion population has a higher percentage of childless adults. The population has a higher prevalence of behavioral health issues, however they tend to be healthier than the traditional Medicaid population, but not as healthy as the general population. There are also about half a million veterans that are eligible for Medicaid expansion.

Do both the traditional Medicaid population and the expansion population receive the same benefits?

Medicaid expansion and traditional Medicaid have different requirements as to what benefits they are required to cover. Some states are combining the populations, meeting the benefit requirements for both the traditional Medicaid population and the expansion population. Other states are creating a separate program for the Medicaid expansion population, which means Medicaid expansion enrollees potentially have different benefits covered than traditional Medicaid enrollees.

What is required for tobacco cessation in each of the Medicaid populations?

Requirements for coverage of tobacco cessation are different in traditional Medicaid and Medicaid expansion. Plans covering traditional Medicaid enrollees must cover all tobacco cessation medications and all recommended forms of counseling with no cost-sharing for pregnant women. Additionally, as of January 1, 2014, they must not exclude any tobacco cessation medications from coverage for any enrollees. Note that non-pregnant enrollees can be charged copays, though some states or individual plans do not charge them. For more information about this requirement, see the factsheet [Coverage of Tobacco Cessation Medications in Medicaid: Section 2502 of the Affordable Care Act](#).

Coverage requirements for plans offered to Medicaid expansion enrollees fall under a different part of the law, and are governed by the Essential Health Benefit provisions in the ACA. These provisions require expansion enrollees to be given access to all preventive services given an 'A' or 'B' by the US Preventive Services Task Force, including tobacco cessation. In May 2014, guidance was issued on how this requirement should be interpreted for tobacco cessation, see the factsheet [Tobacco Cessation as a Preventive Service: New Guidance Clarifies Affordable Care Act Provision](#). The guidance states that plans following this requirement should cover a

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90-day course of all tobacco cessation medications, and at least four sessions of individual, group and phone cessation counseling; with no cost-sharing and no prior authorization requirements. This benefit should be offered at least twice per year. Plans covering Medicaid expansion enrollees should be following this guidance.

There is a lot of talk about waivers. What is an 1115 waiver?

An 1115 waiver is a demonstration waiver that allows the Secretary of Health and Human Services to waive certain sections of the Social Security Act, which governs Medicaid. 1115 waivers have certain requirements. They must “promote the objectives of the Medicaid program.” They must be budget neutral. Waivers are time limited, but can be renewed. The waiver program is not new; it has been used for years for special populations and programs. It is now being used for Medicaid expansion. You might have heard about the waiver program in the news.

How are states using 1115 waivers?

Some states are using 1115 waivers to expand Medicaid. There are various reasons a state might choose to do this. In states that have expanded Medicaid with the 1115 waivers, the Medicaid expansion looks more like private insurance. These programs have premiums, cost-sharing, health savings accounts and wellness features. Some of the programs offer employment assistance, however states cannot require that a person find work to qualify for Medicaid. Generally the waiver programs have a smaller benefits package and some of the waiver programs have premium support, where individuals and families are given subsidies to buy health insurance on the exchanges.

Are there states that have expanded NOT using a waiver?

Yes, the majority of states that have expanded Medicaid are NOT using a waiver. If a state expands Medicaid in the way set forth in the Affordable Care Act, they do not need a waiver. If a state is expanding Medicaid in a way other than outlined in the Affordable Care Act, they must obtain a 1115 waiver in order to receive the enhanced federal matching funds for the newly eligible population. Currently only five of the 29 states, including DC, have expanded Medicaid using an 1115 waiver.

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How do people enroll in Medicaid Expansion?

Individuals living in states that have expanded Medicaid can enroll at Healthcare.gov, at an enrollment center, through their state's Medicaid office or possibly through their state's marketplace. Individuals living in states that have not expanded Medicaid are unable to enroll until that state chooses to expand.

How do enrollment assistors reach people eligible for Medicaid expansion?

There are many ways that healthcare enrollment assistors can help individuals enroll in Medicaid and health insurance in general. Our expert, Lindsay Nelson, of the Kentucky Primary Care Association, found ways to reach people that are eligible for Medicaid expansion in specific ways. She suggested partnering with social services that already exist, such as libraries, the unemployment office or local food banks. Her organization also found success in partnering with less conventional organizations, such as check cashing/speedy cash locations, race tracks and grocery stores. No event was too small.

One of the most important parts of their program was getting the navigators out in the community to events that already existed.