

# **Update on Health Insurance Activities & AHCCCS Role**

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# Health Insurance Exchange

- ACA requires that each state have a health insurance exchange where individuals can purchase insurance and small businesses can obtain insurance for their employees by January 1, 2014
- States can run these exchanges or turn this function over to the federal government
- Qualified Health Plans (QHP) will offer coverage for individuals and families who do not qualify for Medicaid or CHIP.
- Families and individuals with income between 133% and 400% of FPL, who do not qualify for Medicaid can obtain tax credits to purchase insurance on the exchange
- Applicants must be screened AHCCCS ineligible in order to qualify for a tax credit

# Medicaid Expansion

- AHCCCS expands to individuals under 65 up to 133% FPL effective January 1, 2014
- The eligibility determination will be based on Modified Adjusted Gross Income (MAGI)
- States must maintain current eligibility levels for Children in AHCCCS & KidsCare through September 2019
- Enhanced federal funding for new AHCCCS eligibles:
  - 100% 2014-2016
  - Phasing down to 90% 2020 and ongoing

# AHCCCS/KidsCare Screening

- Individuals must be able to apply for and renew AHCCCS or KidsCare eligibility through the Health Insurance Exchange
- The exchange must determine eligibility for AHCCCS & KidsCare as close to real time as possible
- Exchange must use electronic matching instead of paper documents and verification
- The exchange must simplify verification requirements and submission of documents
- The exchange must facilitate communication with AHCCCS & KidsCare applicants and members about eligibility & renewal
- The exchange must store and reuse eligibility information

# Plan to build Exchange

- Award a contract to build the QHP and SHOP components of the exchange
- Leverage Health-e-Arizona and Arizona's eligibility systems to handle the screening, tax credit, Medicaid and CHIP eligibility components of the exchange.

# Funding

- Establishment Grant to pay for the QHP and SHOP components of the exchange
- Enhanced federal funding (90/10) to pay for eligibility components of the exchange
- Both of these funding sources to pay for integrating all of the components
- 90/10 will also pay for SNAP and TANF changes, if they are the same as Medicaid

# Next Steps

- Submit APD for 90/10 funding by 8/31/11
- Submit Establishment Grant application by 9/30/11
- Initiate eligibility planning and development by 10/31/11
- Release RFP for QHP and SHOP components by 1/1/12
- Award contract for QHP and SHOP components by 7/1/12
- CMS certifies exchange by 1/1/13
- Open enrollment and system live by 10/1/13

# Issues for AHCCCS & DES

- Significant changes to eligibility policy and process
- Significant changes to Health-e-Arizona, AZTECS, ACE and TIPS
- Short timelines to complete planning and development
- Requires careful prioritization and limiting changes to the scope of work

Questions?