



State Health Exchanges

Louisiana's Perspective



Today's Discussion

- The ACA and Louisiana
 - Medicaid as the vehicle for coverage
 - Impact on Private Insurance Market
- State-based Health Exchanges
 - Why Louisiana said “No, thanks”
 - Threat to private insurance market
 - Continued policy of “reform by exception”
- A Smarter Solution
 - Louisiana examples of state-based innovation


Level Set

- Medicaid Enrollment = 1.2m = 27% of State
- Greater than 70% of births Medicaid financed
- 49th Place – United, Commonwealth, Casey
- Uninsured > 20%
- High level of poverty

STAIRS

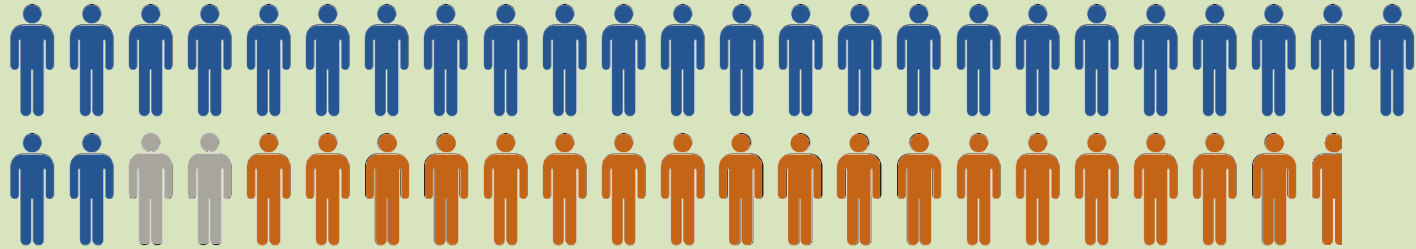
Medicaid as the primary vehicle for coverage

Louisiana Medicaid under ACA

 = 10,000 people

Year 1:

467K new
enrollees



Almost 260,000 will be newly eligible individuals that were previously uninsured

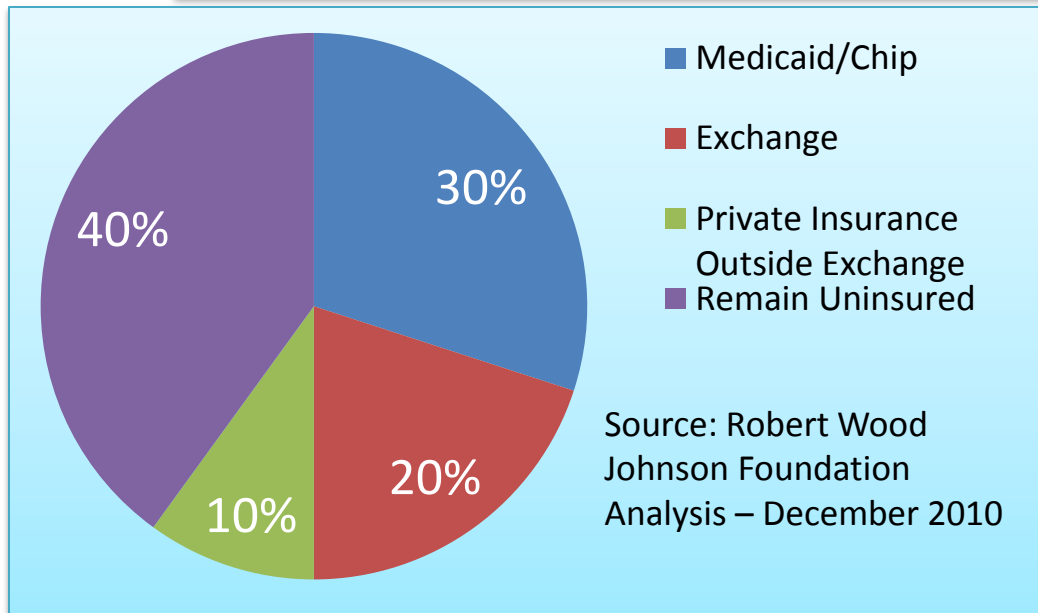


More than 20,000 will be individuals currently eligible but not enrolled

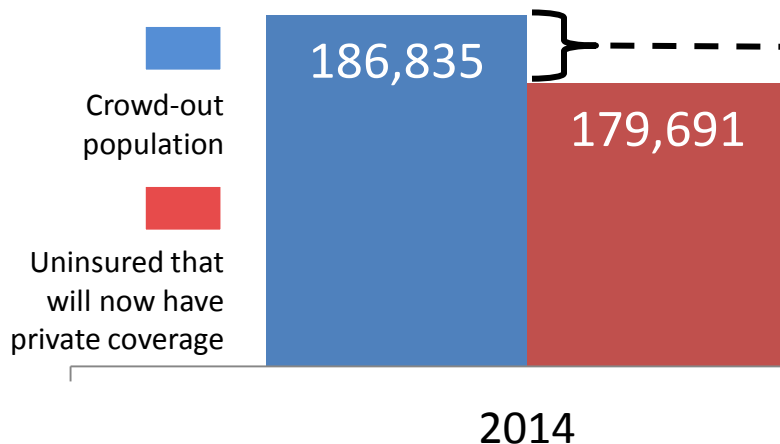


Nearly 187,000 will come from private insurance rolls

Cannibalization of Private Insurance



According to the RWJF, only 30% of the currently uninsured will end up in private insurance under ACA.



For Louisiana, that means that, out of the gate, more people will leave private coverage than enroll.

The Exchange - *Why Louisiana* *Said No*

- The law is unconstitutional.
- We lack guidance on exchanges and the essential benefits package.
- Timeframes are improbable at best, many impossible.



Insurance Market Concerns

- Medicaid moves to market dominance:
 - From 27% to 45-48% of population
- Disruption for BCBS – Start with 1.4 m enrollees to about the same
- Premiums will increase – today lightly regulated

Reform by Exemption

- **CMS waiver process is slow and cumbersome**
- **Feds can hold states hostages and have demonstrated arbitrary behavior**
- **Louisiana, and other states, have demonstrated successful innovation**

Louisiana State University
Community Health Center
"Made possible through a gift from Ruth's Hospitality Group, Inc. in honor of our founder."
Funded in part by the City of New Orleans Disaster Community Development Block Grant Program



Louisiana is Not Waiting

- Comprehensive overhaul of Medicaid program through Coordinated Care Networks
- Louisiana Behavioral Health Partnership— joint venture between four state agencies
- Implemented Pay for Performance
- Safety net and public health infrastructure reform for the 21st century

Budget Pressures – No End in Sight



A Smarter Solution: Three Ingredients for Successful Reform

- **Simplify eligibility** based on one's conditions, and for those who can afford it, reasonable premiums and co-pays.
- Better leverage marketplace through and give Medicaid recipients **choice** of the same kind of health coverage as employees of companies and government.
- Choice to **Block grant** Medicaid to gives states flexibility and opportunity to innovate.



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