



Medicaid Buy-In: The Next Round of State Innovation

Connect for Health Colorado
Policy Committee

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STATE
Health & Value
STRATEGIES

*Driving Innovation
Across States*

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About State Health and Value Strategies

State Health and Value Strategies (SHVS) assists states in their efforts to transform health and health care by providing targeted technical assistance to state officials and agencies. The program is a grantee of the Robert Wood Johnson Foundation, led by staff at Princeton University's Woodrow Wilson School of Public and International Affairs. The program connects states with experts and peers to undertake health care transformation initiatives. By engaging state officials, the program provides lessons learned, highlights successful strategies, and brings together states with experts in the field. Learn more at www.shvs.org.

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What is “Medicaid Buy-in”?

Medicaid Buy-In

A state-sponsored insurance product that leverage Medicaid in some way to offer coverage for individuals with incomes above Medicaid eligibility level.

Also called **public option** – which may or may not leverage Medicaid

Evolving Buy-In Models

Off-Market Buy-in

The State makes Medicaid-like coverage available to consumers who are not eligible for Medicaid; coverage offered as an off-Marketplace, state-administered buy-in plan.

On Marketplace Buy-in

The State offers a state-sponsored qualified health plan (QHP) on the Marketplace (as a Marketplace plan); plan leverages Medicaid infrastructure; potentially in partnership with an existing managed care plan (if applicable).

Basic Health Program Buy-In

The State offers a Basic Health Program (BHP) to individuals with incomes below 200% of the federal poverty line (FPL) who are not Medicaid-eligible, and could redesign and expand plans to individuals with higher income eligibility, allowing them a choice to buy-in to the program.

Key Questions

What are Colorado's goals, how do they inform model selection, and how are you weighing competing priorities?







State Goals	Off-Market Buy-in	On Marketplace Buy-in	Basic Health Program Buy-In
Increased affordability (<i>premiums and/or deductibles</i>)	✓ Prem./Deduct.	✓ Premiums	✓ Prem./Deduct.
Reduce the uninsured rate	✓	✓	✓
More choice in the Marketplace		✓	
Improve participation and health risk profile in the Marketplace and individual market		✓	
Strengthen state purchasing power	✓	✓ When linked to other programs	✓
Promote healthcare initiatives that improved health outcome and result in long-term savings (<i>e.g., social determinants, population health, delivery system reform, etc.</i>)	✓	✓ Via contracting	✓



Any other goals your state is considering?

Is Colorado targeting a particular population, or is the buy-in meant to be broad? How does that inform design?

Target groups have different needs, buy-ins designed to meet those needs will have varying market impacts

-  Individuals with income from 400%-600% of the FPL
-  Individuals ineligible for Marketplace coverage and tax credits due to immigration status
-  Family glitch spouses
-  Individuals from 250-400% FPL who are eligible for tax credits, but need premium and/or deductible relief
-  Residents in high cost regions
-  Small business/employers


Which of the following design features may be most instrumental in driving buy-in savings in Colorado?


- Provider reimbursement rates
- Administrative and operational savings
- Government purchasing power
- Offering an off-market product (*e.g., no taxes or user fee obligation and possible medical savings from risk selection*)
- Long-term savings through investments in population health and delivery systems in the buy-in product
- Other?

What are the risk pool considerations for Colorado?

Segmenting Risk Pools

Offering a buy-in in a new pool and/or outside the individual market

 Could result in a lower cost buy-in product because of tax and user fee avoidance, and risk selection, thereby expanding coverage

 Moves enrollees out of the individual market, altering that risk pool and potentially raising premiums for enrollees that remain

Expanding the Existing Risk Pool

Offering a buy-in inside the individual market

Could improve coverage and affordability for all individual market enrollees by attracting healthy risk and lowering cost

Limits state control over design and may not result in a significantly more affordable option



**Which is closer to meeting your state's goals?
Which is more feasible?**

What communication challenges could Colorado expect to face?

- Complexity of the message
- Knowing best time to message and to whom
- Diverse interests and understanding of the buy-in
- Aligning on goals and setting priorities