Affordable Care Act – Has it Made An Impact

Shannon Stansbury
VP Managed Care
April 22nd, 2016
TO CUT COSTS WE HAVE MOVED THE CLINIC TO CHINA.
PLEASE TAKE A TICKET FOR YOUR FLIGHT COUPON.

NO NEED TO FIX ANYTHING, HE'S PERFECTLY FINE!... JUST GIVE HIM A PILL OR TWO.
CHRISTUS Health is an international Catholic, faith-based, not-for-profit health system comprised of 60 licensed hospitals/long-term care facilities, 175 clinics and outpatient centers, and dozens of other health ministries and ventures.

In the United States, CHRISTUS Health can be found in over 60 cities in Texas, Arkansas, Iowa, Louisiana, Missouri, Georgia, and New Mexico.

Outside of the United States, CHRISTUS Health has a delivery network in Mexico, Chile, and Columbia.

To support our health care ministry, CHRISTUS Health employs approximately 30,000 Associates and has more than 9,000 physicians on medical staffs throughout our system. Its dimension, strength, and depth of service place CHRISTUS among the top ten Catholic health systems in the United States.
International Map of Countries
CHRISTUS Health System – Domestic (Managed Care Contracting)

### New Mexico
- Acute Care Hospital: 1
- Surgery Center: 1
- Imaging Center (JV): 1
- Providers: 194

### Texas
- Acute Care Hospital: 15
- Children’s Hospital: 1
- Surgery Centers: 5
- Urgent Care Centers: 10
- Physicians: 139

### Louisiana
- Acute Care Hospital: 4
- Surgery Center: 1
- Urgent Care Centers: 3
- Imaging Centers: 4
- Physicians: 91
Out-of-pocket costs overwhelm Obamacare insured on tight budgets

The Scoop Blog - Dallas News
Study - Dallas News
children have health care
Obamacare

By Aimee Picchi AP
AM

Priced out of Obamacare term plans

Wednesday, April 13, 2016
Metro
The Dallas Morning News

2016, 6:00 AM
short-
Every year, the 600,000+ patients at CHRISTUS Spohn Hospital Corpus Christi Memorial receive care provided in part by CHRISTUS Health.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Provider</th>
<th>Charity as % Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1</td>
<td>CHRISTUS Health</td>
<td>4.85%</td>
</tr>
<tr>
<td>Range</td>
<td></td>
<td>4.85% - 1%</td>
</tr>
</tbody>
</table>
## Uninsured Population 2012-2014

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Louisiana</td>
<td>22.1%</td>
<td>21.7%</td>
<td>14.77%</td>
<td>44th</td>
</tr>
<tr>
<td>New Mexico</td>
<td>21.5%</td>
<td>20.2%</td>
<td>14.52%</td>
<td>43rd</td>
</tr>
<tr>
<td>Texas</td>
<td>25.5%</td>
<td>27%</td>
<td>19.06%</td>
<td>50th</td>
</tr>
</tbody>
</table>

Source: Gallup-Healthways Well-Being Index & Wallethub
Access to Coverage

1. Medicaid expansion
2. Marketplace
What is the Affordable Care Act?

The Patient Protection and Affordable Care Act (PPACA),

*That is more commonly called:*

the Affordable Care Act (ACA) or “Obamacare”, is a national health reform law and a federal statue passed by Congress and President Obama in March 2010.
Goals of the Affordable Care Act?

Increase the rate of healthcare coverage for Americans while addressing overall healthcare costs

| Establishing consumer rights and protections | Increasing insurance options | Providing assistance for healthcare costs |
Affordable Care Act – Cost Containment

Medicare

- Restructure payments to MA plans
- 2% reduction in Medicare payments to hospitals
- Readmissions reduction
- Hospital acquired conditions reduction
- Reduce Medicare DSH by 75%
- Reduce annual market basket updates for “providers”
- Waste, fraud and abuse opportunities
Affordable Care Act – Cost Containment

Medicaid

- Medicaid DSH reductions
  - $0.5 Billion 2014
  - $0.6 Billion 2015
  - $0.6 Billion 2016
  - $1.8 Billion 2017
  - $5.0 Billion 2018
  - $5.6 Billion 2019
  - $4.0 Billion 2020
Medicaid Expansion States

[Map showing Medicaid expansion states with various colors and symbols]

As of January 13, 2016

Legend:
- Currently not expanded
- Currently implementing expansion alternatives
- Currently expanded

Christus Health®
Medicaid Expansion

- New Mexico
  - Centennial Care
- Arkansas
  - Private Option
- Louisiana
  - expands 07/01/2016
- Texas
## New Mexico

<table>
<thead>
<tr>
<th>Date</th>
<th>Medicaid Eligible</th>
<th>Santa Fe County</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 2012</td>
<td>513,868</td>
<td>23,563</td>
</tr>
<tr>
<td>January 2013</td>
<td>526,957</td>
<td>24,827</td>
</tr>
<tr>
<td>January 2014</td>
<td>617,812</td>
<td>28,419</td>
</tr>
<tr>
<td>January 2015</td>
<td>766,510</td>
<td>35,259</td>
</tr>
<tr>
<td>January 2016</td>
<td>842,710</td>
<td>39,607</td>
</tr>
</tbody>
</table>
## St. Vincent Santa Fe, NM

<table>
<thead>
<tr>
<th>FY 14</th>
<th>Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicaid</td>
<td>6,774</td>
</tr>
<tr>
<td>Managed Medicaid</td>
<td>65,478</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FY 15</th>
<th>Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicaid</td>
<td>5,189</td>
</tr>
<tr>
<td>Managed Medicaid</td>
<td>91,659</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FY 16 (4 months)</th>
<th>Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicaid</td>
<td>2,524</td>
</tr>
<tr>
<td>Managed Medicaid</td>
<td>33,090</td>
</tr>
</tbody>
</table>
Arkansas Medicaid

- Private Option
  - 223,000 Medicaid expansion members in the Marketplace exchange

- Market Membership
  - Our surrounding Counties – 6,155 expanded in Medicaid
## St. Michael Texarkana, TX

<table>
<thead>
<tr>
<th>Year</th>
<th>Inpatient</th>
<th>Outpatient</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 14</td>
<td>107</td>
<td>1,224</td>
</tr>
<tr>
<td>FY 15</td>
<td>407</td>
<td>3,735</td>
</tr>
</tbody>
</table>
Medicaid Expansion

- Cases have increased significantly at St. Vincent and St. Michael
- A large amount of the cases would have occurred regardless of the ability to pay
- We already had the cost
- Little to no revenue before, some revenue now, contributes to our margin
- Don’t forget we gave up a portion of DSH payments
Marketplace Expansion

- New Mexico
- Tex/Ark
- Louisiana

1. Participation in most plans
2. Rates are different by market/state
3. We do not participate in several plans in San Antonio
# It’s the Law - Penalties

## Penalties for Non-compliance

<table>
<thead>
<tr>
<th>Year</th>
<th>Penalty¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$95 or 1% of income</td>
</tr>
<tr>
<td>2015</td>
<td>$325 or 2% of income</td>
</tr>
<tr>
<td>2016</td>
<td>$695 or 2.5% of income</td>
</tr>
</tbody>
</table>

**Sample Penalties:**

<table>
<thead>
<tr>
<th>Office Worker</th>
<th>Year</th>
<th>Penalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income: $30,000</td>
<td>2014</td>
<td>$300</td>
</tr>
<tr>
<td></td>
<td>2015</td>
<td>$600</td>
</tr>
<tr>
<td></td>
<td>2016</td>
<td>$750</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Real Estate Agent</th>
<th>Year</th>
<th>Penalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income: $190,000</td>
<td>2014</td>
<td>$1,900</td>
</tr>
<tr>
<td></td>
<td>2015</td>
<td>$3,800</td>
</tr>
<tr>
<td></td>
<td>2016</td>
<td>$4,750</td>
</tr>
</tbody>
</table>

Enhanced Actuarial Value Cost-Sharing Subsidy

The enhanced actuarial value cost-sharing subsidy is designed to help those at lower incomes with costs at the point of service by enrolling them in health plans with higher actuarial values. It is:
• A federal payment to the insurer that reduces the eligible member’s costs (deductible, coinsurance or copayment).
• For those enrolled in an exchange/marketplace plan with household incomes of 100-250% of FPL.
• Applied when members select a Silver plan.

<table>
<thead>
<tr>
<th>Household Income</th>
<th>Plan Original Cost-Share</th>
<th>Member Original Cost-Share</th>
<th>Plan NEW Cost-Share</th>
<th>Member NEW Cost-Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>250-400% of FPL</td>
<td>70%</td>
<td>30%</td>
<td>70% (same)</td>
<td>30% (same)</td>
</tr>
<tr>
<td>200-250% of FPL</td>
<td>70%</td>
<td>30%</td>
<td>73%</td>
<td>27%</td>
</tr>
<tr>
<td>150-200% of FPL</td>
<td>70%</td>
<td>30%</td>
<td>87%</td>
<td>13%</td>
</tr>
<tr>
<td>100-150% of FPL</td>
<td>70%</td>
<td>30%</td>
<td>94%</td>
<td>6%</td>
</tr>
</tbody>
</table>
Texas Hospitals

<table>
<thead>
<tr>
<th>Location</th>
<th>Percent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>ER</td>
<td>36.0%</td>
</tr>
<tr>
<td>Inpatient</td>
<td>8.5%</td>
</tr>
<tr>
<td>Other Outpatient</td>
<td>55.5%</td>
</tr>
</tbody>
</table>
Texas HIX patients have generated a positive impact

- Analysis compares current and prior reimbursement levels (CY11 to CY13 with CY14 experience)
- Payer performance in the contract category was a net loss
- “New” population was highest source of all HIX patients
Setting Goals

Goal Methodology:

- 30% of all eligible uninsured qualifying for tax credits
- 90% re-enrollment
Measuring Progress

Tracking Progress by Region

Metrics

- Number of people during open enrollment who:
  - select an exchange plan, including those enrolled by a coalition or chose a plan on their own
  - met or spoke with a member of an exchange coalition about insurance (excludes direct mail and email)
- Number of phone calls from potential enrollees:
  - transferred from a CHRISTUS call center to a local assistor
  - placed to an exchange phone number
- Number of small businesses offered enrollment information and employee assistance by a regional executive or coalition member
- Number of exchange forms completed on the CHRISTUS website

Enrollment Assistors

- Provided at each hospital for at least 10 hours

Marketing

- Minimum of one enrollment-related article per month
  - Traditional or Social Media
    - Open enrollment process
    - Local coalition
    - Enrollment event
Funds to be used to reimburse the State for smoking-related Medicaid costs and to fund the anti-smoking campaign.

Only pennies on the dollars won went toward smoking cessation.

The bulk of the cash proceeds were directed to the general budget.

Teen smoking plummeted, but cigarettes remain addictive, and tobacco companies are even more profitable.
Questions and Comments