

February 13, 2020

ABOUT

## Health Care Proposals To Look For On Budget Sunday

The 2020 legislative session is now at the halfway mark and some crucial health care related bills, detailed in an earlier post, aimed at increasing affordability and access to comprehensive health care coverage for those on the individual marketplace continue to move forward. In addition, several exciting proposals to strengthen Virginia's Medicaid program and reduce premiums on the individual marketplace have been included in Gov. Northam's introduced budget or in budget amendment requests from legislators.

As we approach "Budget Sunday" on February 16, when Senate and House money committees each release their proposed budgets, here are some key health care related budget items to keep an eye on:

### Removing Work Reporting Requirement Language From Budget

The governor's introduced budget strikes language requiring Virginia to apply to the federal government for permission to implement a work reporting requirement program for some people who access health coverage through Medicaid. The removal of this language would effectively end the threat of mass coverage loss due to this expensive and misguided policy. Work requirement proposals have stalled across the nation, and the policy is being challenged in federal court in five states. There is also significant research documenting the negative impact a work reporting requirement program has had on Medicaid enrollees in Arkansas.

Nearly two-thirds of people enrolled in Virginia's Medicaid program due to expansion are already working, in school, or retired. And more than one-third of enrollees report they currently have a health condition that is preventing them from working part or full time. Having access to health care and the potential ability to manage one's health is in itself a work support. Health care should not be contingent on employment. Virginia should choose to reject this misguided policy by supporting the choice to cut work reporting requirement language in the final state budget.

### Ending the "40 Quarter Rule" - Item 313 XXX in the Governor's Introduced Budget

The governor's introduced budget adds language and funding to end what is known as the "40 quarter rule." An immigrant who has lawfully resided in the United States for more than five years can become eligible for Medicaid in 44 states if they meet all other eligibility requirements. But Virginia, along with only five other states, has an additional obstacle to qualifying for Medicaid coverage — lawfully present immigrants must establish a 40-quarter (10 year) work history, concurrent with the



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federal five year requirement, before qualifying for Medicaid. This rule results in a delay – or even a permanent denial – of Medicaid coverage for many Virginia residents.

It is time to end this rule and align with federal eligibility rules that allow those who choose to live, work, and build their lives in Virginia to access health coverage. Lawmakers should ensure the governor’s proposal remains in the final state budget.

### **Adopt Medicaid Maternal Mortality Solutions - Items 313 AAAA & 313 BBBB in the Governor’s Introduced Budget**

There are several items included in the governor’s introduced budget that would help address maternal mortality disparities — Black women in Virginia are 2 to 3 times more likely to die in childbirth than white women.

The first budget item that would support maternal health would extend postpartum Medicaid/CHIP coverage from 60 days to 12 months for women whose income is 138% to 205% of the federal poverty line. Federal law requires that Medicaid/CHIP health coverage last for *at least* 60 days following pregnancy. Two months is not enough time. The Centers for Disease Control and Prevention (CDC) considers pregnancy-related deaths to be those that occur within a year after pregnancy. This extended coverage would allow more women to access crucial health services during the essential first year of maternal and child bonding.

The second proposal would provide funding for a voluntary home visiting program for pregnant and postpartum women who are at risk of poor health outcomes and access health coverage through Medicaid. Home visiting programs promote healthy birth outcomes, enhance school readiness, prevent child abuse, and improve family self-sufficiency.

These proposals together can help more families and children have a healthier start and should remain in the 2020-2022 state budget.

### **Add Comprehensive Dental Benefits for Medicaid Adults - Budget Amendments Item 313 #18s (Barker) & Item 313 #7h (Sickles)**

Oral health affects a person’s overall wellness. Yet there is a lack of oral health treatment options for families who are enrolled in Medicaid. In turn, lack of options for care leads to costly and ineffective emergency room visits. In fact, over half of the 19,000 ER dental visits in 2018 from those enrolled in Medicaid were for “non-traumatic dental conditions” like toothaches and loose teeth. These visits regularly result in the prescribing of opioids for pain management and antibiotics for infections. It is time to give people the opportunity to have regular and consistent dental care by adding dental care as a benefit for adults enrolled in Medicaid. The General Assembly should adopt and include these amendments in their introduced budgets.



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## Reinsurance Program - Item 291 D in the Governor's Introduced Budget

A reinsurance program would lower premiums on the Affordable Care Act (ACA) individual marketplace by allowing insurers to offset high-cost medical claims through a combination of federal and state funds. The state, using a federal match, would repay insurers for high-cost claims or for enrollees who may require more expensive treatments and are therefore considered high risk. Insurers would then be able to base their premium prices on a healthier population or those who have less expensive claims. This creates a powerful tool to lower costs for people who purchase coverage on the marketplace and is expected to result in a 20% reduction of marketplace premiums in Virginia. Lawmakers should retain this important item in the House and Senate introduced budgets.

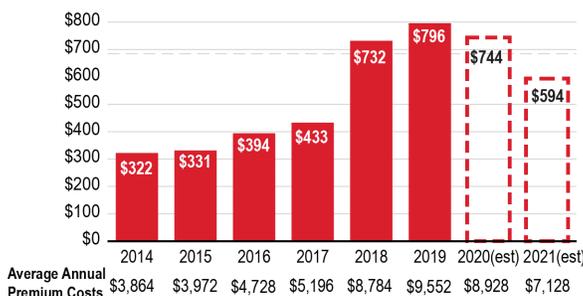


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## The State Has Options to Address Premiums on the Marketplace

Average Monthly Premiums on ACA Marketplace



The average individual marketplace premium has risen sharply since 2017. There is expected to be a drop in premium costs in 2020, however rates can be expected to drop by 20% in 2021 if a reinsurance program is implemented.

Source: SCC Bureau of Insurance 2019 & TCI Analysis



There is still time to let legislators know how important these proposals are to strengthen the state's Medicaid program and provide lower cost options for people who rely on the ACA individual marketplace for comprehensive coverage. This Sunday, February 16, marks a critical step toward finalizing the state's budget for the next two years. Health advocates should follow the budget process and advocate for lawmakers to maximize opportunities to invest in the health of families across Virginia.

**Stay tuned:** When the House and Senate money committee budgets are released on February 16, The Commonwealth Institute will soon after publish a side-by-side comparison and highlight differences in the budgets in several priority areas, including health care.

– Freddy Mejia, Policy Analyst

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