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
• 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
Medicaid as the primary vehicle for coverage

*Louisiana Medicaid under ACA*

![Image](https://via.placeholder.com/150)

1. **Year 1:**
   - 467K new enrollees

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

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

4. **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 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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