



Health Care Reform in Indian Country

Self-Governance Communication & Education

Self-Governance Tribes Striving Towards Excellence in Health Care

IHS-Tribal Indian Health Care Improvement Fund Workgroup Meeting

**Valuing Health Insurance Coverage
("Available Resources") Sub-group**

**Revisions Post 5/17/2018 IHCIF Meeting in Denver
ILLUSTRATION OF RESULTS (partial)**

May 22, 2018

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Alternate Resources Sub-Group

Very important for us to develop considerations for every available resource category

- Easily defensible and justifiable to Congress
- Easily defensible and justifiable to GAO

We have to be able to say Yes we did look at every available resource.



Alternate Resources Sub-Group

- Two components
 - Data Utilized
 - Insurance Status 2017
 - Will continue to work with IHS to get data broken down by state
- Valuing Alternate Resource Categories
 - Resources are not counted that tribes or tribal members pay, i.e., cost sharing, premiums, employee compensation/benefits
 - Only count resources provided by Federal Government



Summary of “Valuation” of Health Insurance Coverage

- Current Indian Health Care Improvement Fund (IHCIF) formula includes a 25% fixed national value for “available resources” as a rough estimate of Medicaid coverage
- IHCIF calls for inclusion of full range of available resources
 - Definition of “available resources” at 25 USC 1621(d)(2):

“(d)(2) **Available resources.** The health resources available to an Indian tribe or tribal organization include health resources provided by the Service as well as health resources used by the Indian tribe or tribal organization, including services and financing systems provided by any Federal programs, private insurance, and programs of State or local governments.”
- Medicare, Medicaid and private health insurance coverage was evaluated to determine (a) number (and percentage) of enrollees and (b) extent to which the coverage provides sufficient resources to fund full-range of health care services (referred to as “benchmark coverage”)
 - For example, enrollee premiums and cost-sharing (such as deductibles, co-insurance and co-payments) were deducted from the value of the health insurance coverage
- Adjustments were made to account for: (1) Actuarial value of coverage; (2) relative value of insurance types (weighting); (3) gaps in insurance coverage; (4) deficiencies in payment amounts versus average costs of providing health services; and (5) extent of enrollment in components of the program (*e.g.*, Medicare Parts A and B)



Components of Valuing Health Insurance Coverage

- Analysis by Insurance Type
 - Medicare
 - Medicaid
 - Private health insurance (PHI)
 - Employer-sponsored and individual market (ESI and other)
 - Affordable Care Act Marketplace
- Analysis by Category of Health Services (from National Health Expenditure data)
 - Essential health benefits (EHBs): Basic insurance plan benefits
 - Long-term care services (LTCs)
 - Dental services



Valuation of Tribal and Tribal Member Secured Health Insurance Coverage

- **Do “available resources” include Tribal and Tribal member funds?**
 - With regard to employer-sponsored insurance, the Congressional Budget Office (CBO) has stated that health benefits, along with wages, are considered part of the total compensation provided to an employee by an employer, and as such, the "employer share" of the premium is a form of the employee/enrollee resources (as is salary compensation)
 - Likewise, health insurance coverage purchased in the individual market by an IHS beneficiary (or a Tribe on behalf of a Tribal member / other IHS beneficiary) is also the resources of an individual AI/AN
 - As such, **when valuing health insurance coverage of Active Users, employer and employee contributions to private health insurance coverage secured through employment or from purchasing on individual market were excluded from the calculation of “available resources” for purposes of the IHCIF formula**



Results of Valuation of Health Insurance Coverage

- Preliminary illustration of results from valuing health insurance coverage for purposes of the IHCIF formula

COMPARISON OF NOMINAL VERSUS ADJUSTED HEALTH INSURANCE COVERAGE PERCENTAGES												
IHS Area [To be converted to "state"]	Insurance Status, IHS Active Users, by Area, Number by Insurance Type					Insurance Status, IHS Active Users, Coverage Percentage by Insurance Type and Area					Preliminary Illustration	
	FY 2017					FY 2017					FY 2017	
	FY 2017 - Nominal Coverage Percentages (pre-adjustments)					FY2017 - Net Coverage Percentages (post-adjustments)					With State-specific SU Coverage Caps	
	Medicare	Medicaid	Private Insurance	Uninsured	Total Insured (Nominal)	All Active Users	Medicare	Medicaid	Private Insurance	Total Net Coverage Percentage	Effective Net Coverage %	% Point Reduction from Nominal
All	10%	41%	23%	26%	74.4%	--	12.3%	22.1%	1.9%	36.3%	33.3%	-41.1%
Alaska	7%	18%	33%	42%	57.9%	--	8.7%	9.7%	10.3%	28.7%	26.8%	-31.1%
Albuquerque	11%	57%	18%	14%	85.5%	--	13.2%	30.5%	1.4%	45.1%	43.5%	-42.0%
Bemidji	10%	33%	30%	27%	72.7%	--	11.8%	17.7%	3.0%	32.5%	29.2%	-43.4%
Billings	9%	47%	15%	29%	71.2%	--	11.4%	25.0%	2.1%	38.5%	36.7%	-34.5%
California	9%	40%	27%	24%	75.6%	--	10.8%	21.4%	4.3%	36.5%	33.3%	-42.4%
Great Plains	8%	42%	17%	33%	67.0%	--	10.1%	22.5%	1.7%	34.3%	32.8%	-34.1%
Nashville	9%	23%	33%	35%	65.4%	--	11.5%	12.2%	14.8%	38.5%	33.2%	-32.2%
Navajo	12%	62%	13%	13%	87.1%	--	15.1%	33.1%	1.3%	49.5%	48.0%	-39.0%
Oklahoma City	12%	29%	28%	30%	69.7%	--	14.9%	15.6%	5.3%	35.8%	33.3%	-36.3%
Phoenix	8%	54%	19%	19%	80.8%	--	9.7%	28.8%	1.4%	39.8%	36.6%	-44.2%
Portland	10%	48%	24%	19%	81.2%	--	12.0%	25.4%	2.1%	39.5%	37.1%	-44.1%
Tuscon	9%	63%	19%	9%	90.7%	--	10.8%	33.6%	4.1%	48.6%	47.3%	-43.5%



Steps in Valuing Health Insurance Coverage

- Begin with figures on **Nominal Coverage Percentages**, by Service Unit (SU) grouping, by insurance type
 - Used same data set as used with modeling for the 4/12/2018 work group meeting in Denver
 - More detailed data set made available to Cliff Wiggins, with data by SU/sub-SU
- Weight coverage percentages to account for average costs, by insurance type, to generate **Weighted Nominal Coverage Percentages**, by insurance type
- Calculate and apply **Adjusted Actuarial Value (AV) Percentages**, by insurance type, to generate **Adjusted Coverage Percentages**, by insurance type
 - Medicaid AV adjusted to account for differing dental coverage for adults
 - Includes Medicare enrollment percentage adjustment, based on Parts A, B enrollment (Part D data not available), which generates a **Medicare Enrollment Adjusted AV**
- Calculate and apply **IHS AI/AN Payment-to-Cost Ratios**, by insurance type, to generate **Net Coverage Percentages**, by insurance type
- Calculate **Total Net Coverage Percentage, by SU**, by adding Net Coverage Percentages for all insurance types, by SU
- Generate **State-specific Coverage Caps** by calculating the average Total Net Coverage Percentage across all SUs in the state
- Apply State-specific Coverage Caps to the Total Net Coverage Percentages, by SU to generate **Effective Net Coverage Percentage, by SU**



Terms / Abbreviations

- “AV”: actuarial value
 - Average costs of covered services that are paid for by the health plan (versus enrollee out-of-pocket (OOP)—or cost-sharing—costs), expressed as a percentage
- “Adjusted AV”: Adjusts for OOP costs and enrollee premiums
- “PHI”: private health insurance
 - Consists of Marketplace coverage, employer-sponsored insurance, individual-purchased insurance (non-Marketplace)
 - Marketplace coverage is separated into “Tribal member” and “Other IHS beneficiary”
- “Effective Net Coverage Percentage, by SU”, is the result from “valuing” health insurance coverage
 - Figure compares to a 25% fixed national figure in IHCIF formula today for all SUs
 - Effective Net Coverage Percentage, by SU is proposed to be a SU-specific (or Operating Group-specific) figure in IHCIF formula



Nominal Coverage Percentages

- Nominal coverage percentages, by Area

IHS Area [Insert "state" column]	Insurance Status, IHS Active Users, by Area, Number by Insurance Type					Insurance Status, IHS Active Users, Coverage Percentage by Insurance Type and Area				
	FY 2017					FY 2017				
	Nominal Insurance Coverage Numbers (provided by IHS from IHS National Data Warehouse)					FY 2017 - <u>Nominal</u> Coverage Percentages (pre-adjustments)				
	All Active Users	Medicare	Medicaid	Private Insurance	Uninsured	All Active Users	Medicare	Medicaid	Private Insurance	Uninsured
All	1,636,559	166,070	675,664	376,613	418,212	100%	10.1%	41.3%	23.0%	25.6%
Alaska	166,146	11,893	30,245	54,078	69,930	100%	7.2%	18.2%	32.5%	42.1%
Albuquerque	83,858	9,113	47,907	14,679	12,159	100%	10.9%	57.1%	17.5%	14.5%
Bemidji	110,940	10,832	36,838	32,974	30,296	100%	9.8%	33.2%	29.7%	27.3%
Billings	72,131	6,797	33,692	10,869	20,773	100%	9.4%	46.7%	15.1%	28.8%
California	88,887	7,929	35,593	23,710	21,655	100%	8.9%	40.0%	26.7%	24.4%
Great Plains	129,015	10,740	54,349	21,309	42,617	100%	8.3%	42.1%	16.5%	33.0%
Nashville	56,984	5,410	13,025	18,854	19,695	100%	9.5%	22.9%	33.1%	34.6%
Navajo	241,885	30,120	149,906	30,576	31,283	100%	12.5%	62.0%	12.6%	12.9%
Oklahoma City	370,307	45,579	108,176	104,206	112,346	100%	12.3%	29.2%	28.1%	30.3%
Phoenix	176,776	14,113	95,253	33,527	33,883	100%	8.0%	53.9%	19.0%	19.2%
Portland	111,941	11,072	53,244	26,614	21,011	100%	9.9%	47.6%	23.8%	18.8%
Tuscon	27,689	2,472	17,436	5,217	2,564	100%	8.9%	63.0%	18.8%	9.3%

Sources: FY 2017: IHS, "End of FY 2017 (9/30/2017) Health Insurance Status, Selected Single Insurance Categories," (referred to as TSGAC report), 2/6/2018.



Nominal Coverage Percentages, by State

(Page 1 of 2)

- Nominal coverage percentages, by State

Comparison of Active Users, by Insurance Status (2017): Shown by State										
State	FY2017 ¹					FY2017				
	#'s					%s				
	All Active Users	Medicare	Medicaid	Private Insurance	Uninsured	All Active Users	Medicare	Medicaid	Private Insurance	Uninsured
Totals	1,636,550	168,194	673,834	375,783	418,739	100.0%	10.3%	41.2%	23.0%	25.6%
ALASKA	166,146	11,988	30,021	53,811	70,326	100.0%	7.2%	18.1%	32.4%	42.3%
COLORADO	5,601	482	2,334	1,594	1,191	100.0%	8.6%	41.7%	28.5%	21.3%
NEW MEXICO	178,041	21,582	108,385	22,938	25,136	100.0%	12.1%	60.9%	12.9%	14.1%
MICHIGAN	28,102	3,682	6,811	13,120	4,489	100.0%	13.1%	24.2%	46.7%	16.0%
MINNESOTA	41,527	3,622	16,515	7,044	14,346	100.0%	8.7%	39.8%	17.0%	34.5%
INDIANA	318	32	44	201	41	100.0%	10.1%	13.8%	63.2%	12.9%
WISCONSIN	41,240	3,613	12,820	12,734	12,073	100.0%	8.8%	31.1%	30.9%	29.3%
MONTANA	60,374	5,909	29,233	8,615	16,617	100.0%	9.8%	48.4%	14.3%	27.5%
WYOMING	11,757	1,026	4,780	2,268	3,683	100.0%	8.7%	40.7%	19.3%	31.3%
CALIFORNIA	92,269	8,309	37,130	24,311	22,519	100.0%	9.0%	40.2%	26.3%	24.4%
IOWA	3,865	303	999	859	1,704	100.0%	7.8%	25.8%	22.2%	44.1%
NEBRASKA	12,818	1,041	4,390	2,189	5,198	100.0%	8.1%	34.2%	17.1%	40.6%
NORTH DAKOTA	33,537	2,919	12,599	8,752	9,267	100.0%	8.7%	37.6%	26.1%	27.6%
SOUTH DAKOTA	78,848	6,649	35,882	9,826	26,491	100.0%	8.4%	45.5%	12.5%	33.6%



Nominal Coverage Percentages, by State

(page 2 of 2)

Comparison of Active Users, by Insurance Status (2017): Shown by State										
State	FY2017 ¹					FY2017				
	#'s					% 's				
	All Active Users	Medicare	Medicaid	Private Insurance	Uninsured	All Active Users	Medicare	Medicaid	Private Insurance	Uninsured
ALABAMA	1,966	409	254	1,080	223	100.0%	20.8%	12.9%	54.9%	11.3%
CONNECTICUT	1,547	117	77	1,217	136	100.0%	7.6%	5.0%	78.7%	8.8%
FLORIDA	6,740	347	55	4,400	1,938	100.0%	5.1%	0.8%	65.3%	28.8%
LOUISIANA	1,532	84	131	912	405	100.0%	5.5%	8.6%	59.5%	26.4%
MAINE	4,214	573	1,792	1,025	824	100.0%	13.6%	42.5%	24.3%	19.6%
MASSACHUSETTS	1,688	301	699	536	152	100.0%	17.8%	41.4%	31.8%	9.0%
MISSISSIPPI	10,063	732	3,281	3,150	2,900	100.0%	7.3%	32.6%	31.3%	28.8%
NEW YORK	14,901	1,053	2,303	2,432	9,113	100.0%	7.1%	15.5%	16.3%	61.2%
NORTH CAROLINA	12,003	1,582	3,925	3,200	3,296	100.0%	13.2%	32.7%	26.7%	27.5%
SOUTH CAROLINA	1,641	186	370	504	581	100.0%	11.3%	22.5%	30.7%	35.4%
KANSAS	6,181	545	1,271	2,244	2,121	100.0%	8.8%	20.6%	36.3%	34.3%
OKLAHOMA	363,056	45,564	106,437	101,141	109,914	100.0%	12.6%	29.3%	27.9%	30.3%
TEXAS	3,199	300	588	1,389	922	100.0%	9.4%	18.4%	43.4%	28.8%
ARIZONA	306,846	30,243	184,954	49,937	41,712	100.0%	9.9%	60.3%	16.3%	13.6%
NEVADA	19,358	2,349	7,892	5,019	4,098	100.0%	12.1%	40.8%	25.9%	21.2%
UTAH	15,247	1,479	4,735	2,809	6,224	100.0%	9.7%	31.1%	18.4%	40.8%
IDAHO	13,066	1,324	3,599	3,722	4,421	100.0%	10.1%	27.5%	28.5%	33.8%
OREGON	28,807	3,253	13,832	7,670	4,052	100.0%	11.3%	48.0%	26.6%	14.1%
WASHINGTON	70,052	6,596	35,696	15,134	12,626	100.0%	9.4%	51.0%	21.6%	18.0%

Sources:

¹ FY 2017 State data: IHS, "4A by State Insurance Version Medicare-Medicaid-PHI, dated 05_02_18" (for data as of 9/30/3017).



Weighted Nominal Coverage Percentages, by Insurance Type, by Area

- Calculation of Weighted Nominal Coverage Percentage by applying weighting factors to Nominal Coverage Percentages, by insurance type, by IHS Area
- For IHCIF formula, data will be evaluated by Service Unit, by State (rather than by Area)

	(2)					(3)(a)					(3)(b)		(3)(c)		
	Insurance Status, IHS Active Users, Coverage Percentage by Insurance Type and Area [State]; FY 2017					Insurance Status, IHS Active Users, Coverage Percentage by Insurance Type and Area [State]; FY 2017					Impact from Applying Weighting Factors				
IHS Area [Add States]	FY 2017 - <u>Nominal</u> Coverage Percentages (pre-adjustments)					FY2017 - <u>Weighted</u> Nominal Coverage Percentages (with application of weighting)					FY2017		Weighting Factors, by Insurance Type		
	All Active Users	Medicare	Medicaid	Private Insurance	Uninsured	Medicare	Medicaid	Private Insurance	Uninsured	Total Weighted Coverage %	Change from Weighting (% point)	Relative/National Effective Net Coverage Percentage	Medicare	Medicaid	Private Insurance
All	100.0%	10.1%	41.3%	23.0%	25.6%	27.3%	23.3%	23.8%	0.0%	74.4%	0.0%	74.4%	2.69	0.56	1.04
Alaska	100.0%	7.2%	18.2%	32.5%	42.1%	19.2%	10.3%	33.7%	0.0%	63.3%	5.3%	6.4%	2.69	0.56	1.04
Albuquerque	100.0%	10.9%	57.1%	17.5%	14.5%	29.2%	32.3%	18.1%	0.0%	79.6%	-5.9%	4.1%	2.69	0.56	1.04
Bemidji	100.0%	9.8%	33.2%	29.7%	27.3%	26.2%	18.8%	30.8%	0.0%	75.8%	3.1%	5.1%	2.69	0.56	1.04
Billings	100.0%	9.4%	46.7%	15.1%	28.8%	25.3%	26.4%	15.6%	0.0%	67.3%	-3.9%	3.0%	2.69	0.56	1.04
California	100.0%	8.9%	40.0%	26.7%	24.4%	24.0%	22.6%	27.6%	0.0%	74.2%	-1.4%	4.0%	2.69	0.56	1.04
Great Plains	100.0%	8.3%	42.1%	16.5%	33.0%	22.4%	23.8%	17.1%	0.0%	63.3%	-3.7%	5.0%	2.69	0.56	1.04
Nashville	100.0%	9.5%	22.9%	33.1%	34.6%	25.5%	12.9%	34.3%	0.0%	72.7%	7.3%	2.5%	2.69	0.56	1.04
Navajo	100.0%	12.5%	62.0%	12.6%	12.9%	33.5%	35.0%	13.1%	0.0%	81.6%	-5.5%	12.1%	2.69	0.56	1.04
Oklahoma City	100.0%	12.3%	29.2%	28.1%	30.3%	33.1%	16.5%	29.2%	0.0%	78.7%	9.1%	17.8%	2.69	0.56	1.04
Phoenix	100.0%	8.0%	53.9%	19.0%	19.2%	21.5%	30.4%	19.7%	0.0%	71.6%	-9.3%	7.7%	2.69	0.56	1.04
Portland	100.0%	9.9%	47.6%	23.8%	18.8%	26.6%	26.9%	24.6%	0.0%	78.1%	-3.1%	5.3%	2.69	0.56	1.04
Tuscon	100.0%	8.9%	63.0%	18.8%	9.3%	24.0%	35.6%	19.5%	0.0%	79.1%	-11.6%	1.3%	2.69	0.56	1.04

Sources: FY 2017: IHS, "End of FY 2017 (9/30/2017) Health Insurance Status, Selected Single Insurance Categories," (referred to as TSGAC report), 2/6/2018.



Weighting Coverage, by Insurance Type

- Weight nominal coverage percentages to account for average costs, by insurance type

Service Type	National Health Expenditures	Insurance Type			Weighted Average
		Medicare	Medicaid	PHI	
EHB	\$7,749	\$17,142	\$4,346	\$8,060	
LTC	\$1,329	\$4,038	\$44	\$50	
Dental	\$393	\$776	\$225	\$355	
Public Health	\$255	-	-	-	
Total	\$9,726	\$21,956	\$4,615	\$8,465	\$8,169

Service Type	Insurance Type			
	NHE	Medicare	Medicaid	PHI
EHB	79.7%	78.1%	94.2%	95.2%
LTC	13.7%	18.4%	1.0%	0.6%
Dental	4.0%	3.5%	4.9%	4.2%
Public Health	2.6%			
Total	100.0%	100.0%	100.0%	100.0%

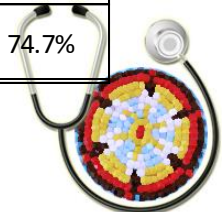
	Medicare	Medicaid	PHI	Total
<i>Nominal Coverage Percentage</i>	10.3%	41.2%	23.0%	74.4%
Weighting Factor	2.68	0.57	1.03	
Weighted Nominal Coverage Percentage	27.6%	23.4%	23.7%	74.7%

Enrollment Adjusted AV:

49.5%

99.2%

8.1%



CMS Actuary Data on Per Enrollee Medicaid Spending Used in Weighting Factors

Table D. Total Medicaid Spending Per Enrollee, by Enrollee Category; 2015¹

Enrollee category	Number of enrollees (in enrollee-year equivalents)	Total Medicaid spending ²	Total Medicaid spending per enrollee	Total Medicaid spending per enrollee (plus administrative costs)
Elderly	5,600,000	\$80,208,800,000	\$14,323	\$14,996
Disabled (non-elderly)	10,500,000	\$204,519,000,000	\$19,478	\$20,393
Non-newly eligible adults (non-elderly, non-disabled)	15,250,000	\$76,036,500,000	\$4,986	\$5,220
Newly eligible adults (non-elderly, non-disabled)	9,150,000	\$58,239,750,000	\$6,365	\$6,664
Children (non-disabled)	28,100,000	\$95,230,900,000	\$3,389	\$3,548
All Medicaid enrollees	68,600,000	\$513,951,200,000	\$7,492	\$7,844
All non-elderly, non-disabled	52,500,000	\$229,507,150,000	\$4,372	\$4,615
All adults (non-elderly, non-disabled)	24,400,000	\$134,276,250,000	\$5,503.13	\$5,762

Notes (Medicaid non-dual):

¹ Data for Table A are taken or derived from the 2016 Actuarial Report on the Financial Outlook for Medicaid, compiled by the CMS Office of the Actuary. See <https://www.cms.gov/Research-Statistics-Data-and-Systems/Research/ActuarialStudies/Downloads/MedicaidReport2016.pdf>.

² The figures in this column are calculated by dividing total Medicaid spending per enrollee by the number of enrollees.

These figures do not include out-of-pocket spending of enrollees.



Adjusted Coverage Percentages, by Insurance Type, by IHS Area

- Calculation of Adjusted Coverage Percentages by applying Adjusted Actuarial Value to the Weighted Nominal Coverage Percentages
- Total Adjusted Coverage Percentages, by SU, calculated by summing Adjusted Coverage Percentages by insurance type, by SU

	(3)(a)					(4)(a)					(4)(b)		(4)(c)			
	Insurance Status, IHS Active Users, Coverage Percentage by Insurance Type and Area [State]; FY 2017					Insurance Status, IHS Active Users, Coverage Percentage by Insurance Type and Area[State]; FY 2017					Impact from Applying Adjusted AV Factors					
IHS Area [Add States]	FY2017 - <u>Weighted</u> Nominal Coverage Percentages (with application of weighting)					FY2017 - Adjusted Coverage Percentages (with application of adjusted AV and weighting)					FY2017		Adjusted Actuarial Value (with Medicare Enrollment Adjustment)			
	Medicare	Medicaid	Private Insurance	Uninsured	Total Weighted Coverage %	Medicare	Medicaid	Private Insurance	Uninsured	Total Net Coverage %	Change from Applying Adjusted AV (% pt)	Relative/ National Effective Net Coverage Percentage	Medicare	Medicaid	Private Insurance	Uninsured
All	27.2%	23.5%	23.8%	0.0%	74.4%	13.5%	23.3%	1.9%	0.0%	38.6%	-35.8%	39.5%	49.5%	99.2%	8.1%	0.0%
Alaska	19.2%	10.3%	33.6%	0.0%	63.2%	9.5%	10.3%	7.2%	0.0%	26.9%	-36.3%	2.7%	49.5%	99.2%	21.3%	0.0%
Albuquerque	29.1%	32.5%	18.1%	0.0%	79.7%	14.4%	32.2%	1.0%	0.0%	47.6%	-32.1%	2.4%	49.5%	99.2%	5.4%	0.0%
Bemidji	26.2%	18.9%	30.7%	0.0%	75.8%	12.9%	18.7%	2.1%	0.0%	33.7%	-42.0%	2.3%	49.5%	99.2%	6.7%	0.0%
Billings	25.3%	26.5%	15.6%	0.0%	67.4%	12.5%	26.3%	1.5%	0.0%	40.3%	-27.1%	1.8%	49.5%	99.2%	9.3%	0.0%
California	23.9%	22.7%	27.6%	0.0%	74.2%	11.8%	22.6%	3.0%	0.0%	37.4%	-36.9%	2.0%	49.5%	99.2%	10.7%	0.0%
Great Plains	22.3%	23.9%	17.1%	0.0%	63.3%	11.0%	23.7%	1.2%	0.0%	36.0%	-27.4%	2.8%	49.5%	99.2%	7.0%	0.0%
Nashville	25.5%	13.0%	34.2%	0.0%	72.6%	12.6%	12.9%	10.3%	0.0%	35.7%	-36.9%	1.2%	49.5%	99.2%	30.0%	0.0%
Navajo	33.4%	35.2%	13.1%	0.0%	81.7%	16.5%	34.9%	0.9%	0.0%	52.4%	-29.3%	7.7%	49.5%	99.2%	7.2%	0.0%
Oklahoma City	33.0%	16.6%	29.1%	0.0%	78.7%	16.3%	16.5%	3.7%	0.0%	36.5%	-42.2%	8.2%	49.5%	99.2%	12.6%	0.0%
Phoenix	21.4%	30.6%	19.6%	0.0%	71.6%	10.6%	30.4%	1.0%	0.0%	41.9%	-29.7%	4.5%	49.5%	99.2%	4.9%	0.0%
Portland	26.5%	27.0%	24.6%	0.0%	78.1%	13.1%	26.8%	1.5%	0.0%	41.4%	-36.7%	2.8%	49.5%	99.2%	6.0%	0.0%
Tuscon	23.9%	35.8%	19.5%	0.0%	79.2%	11.8%	35.5%	2.9%	0.0%	50.2%	-29.0%	0.8%	49.5%	99.2%	14.8%	0.0%

Sources: FY 2017: IHS, "End of FY 2017 (9/30/2017) Health Insurance Status, Selected Single Insurance Categories," (referred to as TSGAC report), 2/6/2018.



Adjusted Net Actuarial Value, by Insurance Type

- Adjusted net actuarial value, by insurance type, is calculated by identifying:
 - Actuarial value (AV) of insurance type
 - AV is average costs covered by health plan, expressed as a percentage
 - Adjusting (reducing) AV by enrollee premium contributions made, if any
 - Reducing by enrollment percentages (in Medicare “parts”)
- Example of calculation of Medicare coverage AV (partial below)

STEP 1: Determination of AV, by health plan/program											
Total Annual Enrollee Costs for Medicare Coverage, by Program Part; U.S. Average, 2017											
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
Part A											
Average Premium ¹	Average Health Care Expenditures					AV ⁸	Total Enrollee Costs		Adjusted AV ⁹	Active User Enrollment Percentage ¹¹	Enrollment Adjusted AV (k * l)
	OOP Share			Program Share ⁷	Total (d + e)		Amount (a + d)	Percentage (h / f)			
	Deductible	Coinsurance ⁴	Total								
\$0	\$1,316	\$0	\$1,316	\$5,077	\$6,393	79.4%	\$1,316	20.6%	79.4%	96.4%	76.6%
Part B											
Average Premium ²	Average Health Care Expenditures					AV ⁸	Total Enrollee Costs		Adjusted AV ⁹	Active User Enrollment Percentage ¹¹	Enrollment Adjusted AV (k * l)
	OOP Share			Program Share ⁷	Total (d + e)		Amount (a + d)	Percentage (h / f)			
	Deductible	Coinsurance ⁵	Total								
\$1,608	\$183	\$1,466	\$1,649	\$5,865	\$7,514	78.1%	\$3,257	43.3%	56.7%	88.2%	50.0%
Part D											
Average Premium ³	Average Health Care Expenditures					AV ⁸	Total Enrollee Costs		Adjusted AV ⁹	Active User Enrollment Percentage ¹²	Enrollment Adjusted AV (k * l)
	OOP Share			Program Share ⁷	Total (d + e)		Amount (a + d)	Percentage (h / f)			
	Deductible	Coinsurance ⁶	Total								
\$587	\$400	\$709	\$1,109	\$2,126	\$3,235	65.7%	\$1,696	52.4%	47.6%	0.0%	0.0%



Adjusted Net Actuarial Value for Medicaid Coverage

- The actuarial value (AV) assigned to Medicaid in model is 99.2%
 - Additional analysis might identify basis for further adjustments to AV
- Research was conducted comparing coverage and access across health insurance coverage types, with dental coverage showing coverage deficiencies
 - **Kaiser Family Foundation**, “Data Note: Three Findings about Access to Care and Health Outcomes in Medicaid”: <https://www.kff.org/medicaid/issue-brief/data-note-three-findings-about-access-to-care-and-health-outcomes-in-medicaid/>
 - **Commonwealth Fund**, “Does Medicaid Make a Difference?”: <http://www.commonwealthfund.org/publications/issue-briefs/2015/jun/does-medicaid-make-a-difference>
- Adjustment for lack of adult dental coverage in some states

Calculation of Estimated U.S. Average AV for Medicaid Dental Coverage						
Enrollment Count, by Estimated AV						
Adults				All Adults	Children	All
0%	25%	50%	100%		100%	
Estimated U.S. Average AV: (Weighted by Enrollment Count)				69.4%	100.0%	83.2%

- In addition to this adjustment for AV, with weighting (by average costs), Medicaid coverage was discounted by factor of .56 (discounted by 44%), and then the adjusted actuarial value of 99.2% was applied to this smaller figure



Total / Net Coverage Percentages, by Insurance Type, by IHS Area

- Calculation of Net Coverage Percentages by applying IHS AI/AN Payment-to-Cost Ratios to Adjusted Coverage Percentages
- Total Net Coverage Percentages, by SU, calculated by summing Net Coverage Percentages by insurance type, by SU

	(4)(a)					(5)(a)					(5)(b)		(5)(c)			
	Insurance Status, IHS Active Users, Coverage Percentage by Insurance Type and Area [State]; FY 2017					Insurance Status, IHS Active Users, Coverage Percentage by Insurance Type and Area[State]; FY 2017					Impact from Applying IHS AI/AN Payment-to-Cost Ratios					
IHS Area [Add States]	FY2017 - Adjusted Coverage Percentages (with application of adjusted AV and weighting)					FY2017 - Net Coverage Percentages (with application of IHS AI/AN Payment-to-Cost Ratios)					FY2017		IHS AI/AN Payment-to-Cost Ratios			
	Medicare	Medicaid	Private Insurance	Uninsured	Total Weighted Coverage %	Medicare	Medicaid	Private Insurance	Uninsured	Total Net Coverage %	Change from Applying Payment-to-Cost Ratios (% pt)	Relative/National Total Net Coverage Percentage	Medicare	Medicaid	Private Insurance	Uninsured
All	13.5%	23.3%	1.9%	0.0%	38.6%	12.3%	22.1%	1.9%	0.0%	36.3%	-2.4%	35.4%	91.3%	94.8%	143.7%	0.0%
Alaska	9.5%	10.3%	7.2%	0.0%	26.9%	8.7%	9.7%	10.3%	0.0%	28.7%	1.8%	2.9%	91.3%	94.8%	143.7%	0.0%
Albuquerque	14.4%	32.2%	1.0%	0.0%	47.6%	13.2%	30.5%	1.4%	0.0%	45.1%	-2.5%	2.3%	91.3%	94.8%	143.7%	0.0%
Bemidji	12.9%	18.7%	2.1%	0.0%	33.7%	11.8%	17.7%	3.0%	0.0%	32.5%	-1.2%	2.2%	91.3%	94.8%	143.7%	0.0%
Billings	12.5%	26.3%	1.5%	0.0%	40.3%	11.4%	25.0%	2.1%	0.0%	38.5%	-1.8%	1.7%	91.3%	94.8%	143.7%	0.0%
California	11.8%	22.6%	3.0%	0.0%	37.4%	10.8%	21.4%	4.3%	0.0%	36.5%	-0.9%	2.0%	91.3%	94.8%	143.7%	0.0%
Great Plains	11.0%	23.7%	1.2%	0.0%	36.0%	10.1%	22.5%	1.7%	0.0%	34.3%	-1.7%	2.7%	91.3%	94.8%	143.7%	0.0%
Nashville	12.6%	12.9%	10.3%	0.0%	35.7%	11.5%	12.2%	14.8%	0.0%	38.5%	2.7%	1.3%	91.3%	94.8%	143.7%	0.0%
Navajo	16.5%	34.9%	0.9%	0.0%	52.4%	15.1%	33.1%	1.3%	0.0%	49.5%	-2.8%	7.3%	91.3%	94.8%	143.7%	0.0%
Oklahoma City	16.3%	16.5%	3.7%	0.0%	36.5%	14.9%	15.6%	5.3%	0.0%	35.8%	-0.7%	8.1%	91.3%	94.8%	143.7%	0.0%
Phoenix	10.6%	30.4%	1.0%	0.0%	41.9%	9.7%	28.8%	1.4%	0.0%	39.8%	-2.1%	4.3%	91.3%	94.8%	143.7%	0.0%
Portland	13.1%	26.8%	1.5%	0.0%	41.4%	12.0%	25.4%	2.1%	0.0%	39.5%	-1.9%	2.7%	91.3%	94.8%	143.7%	0.0%
Tuscon	11.8%	35.5%	2.9%	0.0%	50.2%	10.8%	33.6%	4.1%	0.0%	48.6%	-1.6%	0.8%	91.3%	94.8%	143.7%	0.0%

Sources: Refer to feeder worksheets for detailed notes on sources for data.



Calculation of IHS AI/AN Payment-to-Cost Ratios

- Apply IHS AI/AN Payment-to-Cost Ratio factor, by program type
 - Application of the IHS AI/AN Payment-to-Cost Ratio accounts for the difference between average costs of services and average payments received
 - Based on published reports from American Hospital Association, MACPAC (Medicaid and CHIP Payment and Access Commission), and Kaiser Commission
- Payment-to-Cost Ratios are measured by:
 - Spending distribution between inpatient and other (non-inpatient)
 - Spending distribution by provider type (I/T providers vs non-I/T providers)
 - Payment rates, by provider type (I/T vs. non-I/T providers)
 - Payment rates, by type of service (inpatient vs. other)
- Assumes OMB Rates—which are paid to I/T facilities for Medicaid services and Medicare outpatient services—equate to full average costs of services
 - https://www.ihs.gov/businessoffice/includes/themes/responsive2017/display_objects/documents/ROM_Part4.pdf
- IHS AI/AN Payment-to-Cost Ratio for Medicaid of 94.8% (5.2% reduction)
 - This is a blended rate of 91.5% for Medicaid fee-for-service rates and 100% for OMB rates
- IHS AI/AN Payment-to-Cost Ratio for Medicare of 91.3% (8.7% reduction)
 - This is a blended rate of 88.5% for Medicare fee-for-service rates and 100% for OMB rates
- IHS AI/AN Payment-to-Cost Ratio for (non-Marketplace) PHI (of 143.7%) not applied
 - Data not available for Marketplace plans



Application of IHS AI/AN Payment-to-Cost Ratios

Analysis of Payment-to-Cost Ratios for Services to IHS AI/ANs ¹												
	Rates		Spending Distribution			Payment-to-Cost ⁴ Ratios			Weighted Payment-to-Cost Adjustment Ratios ⁵			
			By Service Type ³		By Provider Type ²							
MEDICAID	Inpatient	Other	Inpatient	Other	Total	Inpatient	Other		Inpatient	Other	Total	Weighted Total
I/T Providers	OMB Rates	OMB Rates	37.3%	62.7%	39.1%	100.0%	100.0%		37.3%	62.7%	39.1%	94.8%
Non-I/T Providers	Medicaid Rates	Medicaid Rates	37.3%	62.7%	60.9%	91.5%	91.5%		34.1%	57.4%	55.7%	
MEDICARE	Inpatient	Other	Inpatient	Other	Total	Inpatient	Other		Inpatient	Other	Total	Weighted Total
I/T Providers	Medicare Rates	OMB Rates	37.3%	62.7%	39.1%	88.5%	100.0%		33.0%	62.7%	37.4%	91.3%
Non-I/T Providers	Medicare Rates	Medicare Rates	37.3%	62.7%	60.9%	88.5%	88.5%		33.0%	55.5%	53.9%	



Notes for IHS AI/AN Payment-to-Cost Ratios

- IHS AI/AN Payment-to-Cost Ratios are national averages based, in part, on published reports from the American Hospital Association, MACPAC, and the Kaiser Commission
- Suggestion is to update the IHS AI/AN Payment-to-Cost Ratios, by program type, annually, as data become available

¹ IHS AI/ANs are AI/ANs who utilized IHS/Tribal services and for whom Medicaid provided reimbursement for at least some services using the OMB rate.

² Distribution of spending across IT and non-I/T providers is based on Medicaid spending for "IHS AI/ANs" reported in the draft report, "Overview of Medicaid and American Indians and Alaska Natives: 2013, by CRIHB, Joan O'Connell et al, November 2, 2017.

³ Distribution of payments between Inpatient and Other is based on Medicare spending patterns for the general population for an "essential health benefits" package (which roughly corresponds to Category 1: Health Care Services in Traditional Settings, based on NHE and CMS data.

⁴ Payment-to-cost ratios reported for most recently available data (2014). For Medicaid, payment-to-cost ratio generated by averaging the figures from 2014 for two data sources: (1) American Hospital Association annual survey (90%) and (2) Kaiser Commission report (93%). Each figure is contained in a report prepared by The Kaiser Commission on Medicaid and the Uninsured, "Understanding Medicaid Hospital Payments and the Impact of Recent Policy Changes", June 2016. Kaiser Commission report summarized: ""The American Hospital Association (AHA) estimated that Medicaid payment to hospitals amounted to 90 percent of the costs of patient care in 2013, while Medicare paid 88 percent of costs...Our own analysis of the Medicare Cost Reports finds that Medicaid payments covered 93% of costs in 2014." (Kaiser Commission, page 3)

⁵ In considering whether there are changes in the payment-to-cost ratio since 2014, the following was reported: "In fiscal years 2015 and 2016, there were more states restricting (freezing or cutting) rates for Medicaid hospital inpatient care than there were states increasing rates." (Kaiser Commission, page 5)



State-specific Coverage Caps

	Insurance Status, IHS Active Users, Coverage Percentage by Insurance Type and Area[State]; FY 2017				
IHS Area [Add States]	FY2017 - Net Coverage Percentages (with application of IHS AI/AN Payment-to-Cost Ratios)				
	Medicare	Medicaid	Private Insurance	Uninsured	Area-specific (to-be-state-specific) Total Net Coverage %
All	12.3%	22.1%	1.9%	0.0%	36.3%
Alaska	8.7%	9.7%	10.3%	0.0%	28.7%
Albuquerque	13.2%	30.5%	1.4%	0.0%	45.1%
Bemidji	11.8%	17.7%	3.0%	0.0%	32.5%
Billings	11.4%	25.0%	2.1%	0.0%	38.5%
California	10.8%	21.4%	4.3%	0.0%	36.5%
Great Plains	10.1%	22.5%	1.7%	0.0%	34.3%
Nashville	11.5%	12.2%	14.8%	0.0%	38.5%
Navajo	15.1%	33.1%	1.3%	0.0%	49.5%
Oklahoma City	14.9%	15.6%	5.3%	0.0%	35.8%
Phoenix	9.7%	28.8%	1.4%	0.0%	39.8%
Portland	12.0%	25.4%	2.1%	0.0%	39.5%
Tuscon	10.8%	33.6%	4.1%	0.0%	48.6%

- State-specific Coverage Caps were generated by calculating the average Total Net Coverage Percentage across all SUs / Operating Groups in the state.
- Application of State-specific Coverage Caps results in no SU/SU-grouping being credited with more than their state-specific average Total Net Coverage Percentage.
- The “Area-specific” caps (shown in table to left) will be available by state when data are converted from IHS Area-based to state-based groupings.



ILLUSTRATION OF: Effective Net Coverage Percentages, by Insurance Type, by IHS Area

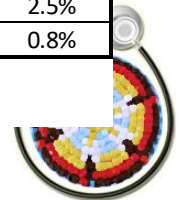
- Calculation of **Effective Net Coverage Percentages** by applying [to-be-State]-specific Coverage Caps to each SU's Total Net Coverage Percentage

(5)(a)

(6)(a) - ILLUSTRATION

	Insurance Status, IHS Active Users, Coverage Percentage by Insurance Type and Area[State]; FY 2017					Insurance Status, IHS Active Users, by Area [State], All Insurance Types, with Coverage Caps; FY 2017					
IHS Area [Add States]	FY2017 - Net Coverage Percentages (with application of IHS AI/AN Payment-to-Cost Ratios)					FY2017 - Effective Net Coverage Percentages (with application of weighting, adjusted AV, P-t-C Ratios & coverage caps)					
	Medicare	Medicaid	Private Insurance	Uninsured	Area-specific (to-be-state-specific) Total Net Coverage %	Nominal Health Insurance Coverage Percentage	With Weighting, Adjusted AV & P-t-C Factors Applied		With [State]-specific Caps Applied to Each SU Grouping		Relative/National Effective Net Coverage Percentage
							State-specific [Area] Net Coverage %	: from "Valuing-bySU-byState"	Effective Net Coverage Percentage	Change from [National and/or State Cap (vs. SU %)	
All	12.3%	22.1%	1.9%	0.0%	36.3%	74.4%	37.4%		33.3%	-4.0%	33.3%
Alaska	8.7%	9.7%	10.3%	0.0%	28.7%	57.9%	28.2%		26.8%	-1.4%	0.0%
Albuquerque	13.2%	30.5%	1.4%	0.0%	45.1%	85.5%	44.6%		43.5%	-1.1%	2.2%
Bemidji	11.8%	17.7%	3.0%	0.0%	32.5%	72.7%	31.6%		29.2%	-2.3%	2.0%
Billings	11.4%	25.0%	2.1%	0.0%	38.5%	71.2%	37.8%		36.7%	-1.1%	1.6%
California	10.8%	21.4%	4.3%	0.0%	36.5%	75.6%	35.1%		33.3%	-1.8%	1.8%
Great Plains	10.1%	22.5%	1.7%	0.0%	34.3%	67.0%	33.7%		32.8%	-0.9%	2.6%
Nashville	11.5%	12.2%	14.8%	0.0%	38.5%	65.4%	33.7%		33.2%	-0.4%	1.2%
Navajo	15.1%	33.1%	1.3%	0.0%	49.5%	87.1%	49.1%		48.0%	-1.1%	7.1%
Oklahoma City	14.9%	15.6%	5.3%	0.0%	35.8%	69.7%	34.1%		33.3%	-0.7%	7.5%
Phoenix	9.7%	28.8%	1.4%	0.0%	39.8%	80.8%	39.4%		36.6%	-2.7%	4.0%
Portland	12.0%	25.4%	2.1%	0.0%	39.5%	81.2%	38.8%		37.1%	-1.7%	2.5%
Tuscon	10.8%	33.6%	4.1%	0.0%	48.6%	90.7%	47.3%		47.3%	0.0%	0.8%

Sources: FY 2017: IHS, "End of FY 2017 (9/30/2017) Health Insurance Status, Selected Single Insurance Categories," (referred to as TSGAC report), 2/6/2018.



Summary of Medicaid Program Related Adjustments

- Nominal Medicaid Coverage Percentage: 41.3%
- Apply Weighted Nominal Coverage Percentage factor: .57
 - Results in 44% reduction in Medicaid coverage percentage (to 23.3%)
- Apply Adjusted Actuarial Value factor: 99.2%
 - Results in .8% reduction in Medicaid coverage percentage (to 23.1%)
- Apply IHS AI/AN Payment-to-Cost Ratio factor for Medicaid: 94.0%
 - Results in additional 6% reduction in Medicaid coverage percentage
- **Generate Net Coverage Percentage for Medicaid of 22.1%, versus initial Nominal Coverage Percentage for Medicaid of 41.3%** (19.2 percentage point, or 46%, reduction)
- Apply State-specific Total Coverage Caps, by SU (or operating group)
 - Calculation needs to occur at the SU-level to determine (1) SU-level impact and (2) aggregate impact across SUs



Summary of Medicare Program Related Adjustments

- Nominal Medicaid Coverage Percentage: 10.1%
- Apply Weighted Nominal Coverage Percentage factor: 2.68
 - Results in a more-than-doubling of the Medicare coverage percentage (to 27.2%)
- Calculate Adjusted Actuarial Value (AV) factor: 59.6%
 - Adjusted actuarial value accounts for enrollee OOP costs and premiums
- Calculate Medicare enrollment percentage adjustment, based on enrollment in Parts A and B (Part D data not available), which generates Enrollment Adjusted AV of 49.5%
- Calculate IHS AI/AN Payment-to-Cost Ratio factor for Medicare: 91.3%
- Combine Enrollment Adjusted AV (49.5%) with IHS AI/AN Payment-to-Cost Ratio factor (91.3%) to generate Net Adjusted AV of 45.2%
- **Apply Net Adjusted AV (45.2%) to Weighted Coverage Percentage (27.2%) to generate Net Coverage Percentage for Medicare of 12.3%, versus initial Nominal Coverage Percentage for Medicare of 10.1%** (2.2 percentage point, or 22%, increase)
- Apply State-specific Total Coverage Caps, by SU (or Operating Group)
 - Calculation needs to occur at the SU-level to determine (1) SU-level impact and (2) aggregate impact across SUs
- When comparing combined impact of Medicare and Medicaid adjustments to initial (Medicare and Medicaid) Nominal Coverage Percentages (NCPs), NCPs reduced from 51.46% (10.1% + 41.3%) to 34.3% (12.3% + 22.1%), a 17.16 percentage point (or **33%**) reduction.



Additional Considerations for Valuing Health Insurance Coverage

- The actuarial value assigned to Medicaid in model is 99.2%
 - Further analysis might identify basis for discounting figure
- The IHS data set does not contain Medicare Part D enrollment figures
 - When available, data to be added to “Enrollment Adjusted Actuarial Value” for Medicare
- Need to determine value of NHE Cat 4: Public health
 - Data not currently available to calculate current government contribution
 - Alternative is to exclude Public Health from NHE benchmark
- Need to confirm validity of IHS data set by Service Unit / Operating Group
 - For SUs with non-validated data, statewide average Effective Net Coverage Percentage to be applied.
- Assumption of model is Active User Insurance Status reports will be run quarterly, with figures averaged over 4 quarters.



Maintaining Formula for Valuing Health Insurance Coverage

- Generate quarterly reports of Active Users, by Health Insurance Status, by Service Unit, by State, and average four quarters of data prior to entering into “Valuing Available Resources” model

(1)

Produce IHS Active User Insurance Status Report, by State, by Service Units (SUs)*
- Coverage counts for Active Users for Medicare; Medicaid; and PHI (Marketplace: Tribal Member; Marketplace: Other IHS Beneficiary; and ESI and other)
- Break-out of Medicare Part A and B, and potentially Part D
- Quarterly reports; averaged over 4 most-recent reports

* Base reporting level might be Service Unit (SU), groups of SUs, or service delivery area. Coverage counts are unduplicated, in order of listing.

(2)

Calculate Nominal Coverage Percentages, by Insurance Type
- Calculate third-party enrollment percentage, by insurance type (enrollment #, by insurance type / total User Population)
- Calculate total third-party coverage percentage by summing coverage percentage for each insurance type

(3)(a)

Calculate Weighted Nominal Coverage Percentages, by Insurance Type
- Calculate weighted third-party coverage percentage, by insurance type, based on average costs of insurance type
- Calculate total weighted third-party coverage percentage by summing coverage percentage for each insurance type, by SU

(4)(c)

Calculate Enrollment Adjusted Actuarial Value Percentages, by Insurance Type**
- Determine Enrollment Adjusted Actuarial Value for: Medicare (combined for Parts A, B and D); Medicaid; and PHI (separately for (1) Marketplace/Tribal member; (2) Marketplace/other IHS beneficiary; and (3) ESI and other PHI)
- Adjusted actuarial value, per insurance type, held constant from year to year; updated if change in reg./law

** Separate Excel worksheet for each program type. Each program-type calculation contains sub-calculations by service type: EHB (essential health benefits); long-term care; and dental. Public health service type to be added (or continue to be excluded) from the calculation.

(4)(a)

Generate Adjusted Coverage Percentage, by Insurance Type and Combined (Total)
- Multiply Enrollment Adjusted Actuarial Value Percentage, by insurance type, by Weighted Nominal Coverage Percentage, by insurance type

(5)(c)

Calculate IHS AI/AN Payment-to-Cost Ratio, by Insurance Type
- IHS AI/AN Payment-to-Cost Ratios are national averages based, in part, on published reports from the American Hospital Association, MACPAC, and the Kaiser Commission.
- Update IHS AI/AN Payment-to-Cost Ratio annually, as more current data become available

(5)(a)

Generate Net Coverage Percentage, by Insurance Type and Combined (Total)
- Multiply IHS AI/AN Payment-to-Cost Ratio by Adjusted Coverage Percentage, by insurance type
- Generate total Net Coverage Percentage, by SU, by adding program-specific net coverage percentages (Medicare; Medicaid; and PHI)

(6)(b)

Generate Total Net Coverage Percentage, by SU
- Add Net Coverage Percentages, by insurance type, by SU, to determine Total Net Coverage Percentage, by SU
- Total Net Coverage Percentages, by SU, serve as State-specific Coverage Caps

(6)(c)

Determine and Apply State-specific Coverage Caps, by SU
State-specific Coverage Caps are generated by determining (weighted) average of Total Net Coverage Percentage, by SU
- Apply State-specific Coverage Caps to each SU

(6)(a)

Calculate Effective Net Coverage Percentage, by SU
- Identify lesser-of (a) state-specific Net Coverage Percentage and (b) SU-specific Net Coverage Percentage
- Enter Effective Net Coverage Percentage, by SU, into the IHCIF / LNF formula for "available resources"

