

IHS Indian Health Care Improvement Fund Workgroup

Alternate Resources Sub-Group

April 12, 2018

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

Principles:

Rationale, Reasonable, Manageable, Fair & Equitable

Not a measure of collectability, but a measure of who is paying at what levels (offset)

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



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

Denver, Colorado

April 12, 2018

Presented by

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Components of Presentation / Analysis of Valuing Health Insurance Coverage

- Definition of “available resources”
 - 25 USC 1621(d)(2): Indian Health Care Improvement Fund (IHCIF), definition of available resources
- Current health insurance coverage levels
- Determining “actuarial value” and “adjusted actuarial value” of health insurance coverage
 - Actuarial value: Average health care service costs covered by health plan, expressed as a percentage
 - Adjusted value of coverage: Actuarial value - enrollee premiums
 - **Average costs covered by health plan, minus enrollee premiums, expressed as a percentage**
 - Valuing of coverage would be based on the revised benchmark coverage (as recommended in prior IHCIF workgroup meetings) of National Health Expenditures (NHE).
- Type of Insurance; Category of Health Care Services
- Associated Policy Considerations



Definition of Available Resources

- IHCIF Definition of 25 USC 1621(d)(2): Indian Health Care Improvement Fund (IHCIF): Definition of “available resources”.
 - (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.
- **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 is also the resources of an individual AI/AN.
 - As such, **when valuing health insurance coverage of Active Users, Tribal and Tribal member funds were not included as “available resources” for purposes of the IHCIF calculations.**



Current Health Insurance Coverage Levels: Number Insured and Uninsured

- Insurance Status of Active Users, by IHS Area, 2016 and 2017: Number

Insurance Status of IHS Active Users, Number by Insurance Type and Area; FY 2016-FY 2017									
IHS Area	FY 2016			FY 2017			Change (FY 2016-FY 2017)		
	All Active Users	All Insured	Uninsured	All Active Users	All Insured	Uninsured	All Active Users	All Insured	Uninsured
All	1,622,270	1,201,481	420,789	1,636,559	1,218,347	418,212	14,289	16,866	(2,577)
Alaska	158,674	95,554	63,120	166,146	96,216	69,930	7,472	662	6,810
Albuquerque	84,411	69,991	14,420	83,858	71,699	12,159	(553)	1,708	(2,261)
Bemidji	110,526	80,996	29,530	110,940	80,644	30,296	414	(352)	766
Billings	72,719	47,572	25,147	72,131	51,358	20,773	(588)	3,786	(4,374)
California	88,934	67,475	21,459	88,887	67,232	21,655	(47)	(243)	196
Great Plains	129,991	85,555	44,436	129,015	86,398	42,617	(976)	843	(1,819)
Nashville	56,620	37,064	19,556	56,984	37,289	19,695	364	225	139
Navajo	244,209	208,875	35,334	241,885	210,602	31,283	(2,324)	1,727	(4,051)
Oklahoma City	361,052	251,668	109,384	370,307	257,961	112,346	9,255	6,293	2,962
Phoenix	176,048	141,289	34,759	176,776	142,893	33,883	728	1,604	(876)
Portland	111,122	90,183	20,939	111,941	90,930	21,011	819	747	72
Tuscon	27,964	25,259	2,705	27,689	25,125	2,564	(275)	(134)	(141)

Sources:

FY 2016: IHS, "TSGAC Request for IHS Data on Insurance Status of Active Users, by Service Unit," March 2017.

FY 2017: IHS, "End of FY 2017 (9/30/2017) Health Insurance Status, Selected Single Insurance Categories," 2/6/2018.



Current Health Insurance Coverage Levels: Percentage Insured and Uninsured

- Insurance Status of Active Users, by Area, 2016 and 2017: Percentages

Insurance Status of IHS Active Users, Percentage by Insurance Type and Area; FY 2016-FY 2017									
Area	FY 2016			FY 2017			Percentage Point Change (FY 2016-FY 2017)		
	All Active Users	All Insured	Uninsured	All Active Users	All Insured	Uninsured	All Active Users	All Insured	Uninsured
All	100.0%	74.1%	25.9%	100.0%	74.4%	25.6%	0.0%	0.4%	-0.4%
Alaska	100.0%	60.2%	39.8%	100.0%	57.9%	42.1%	0.0%	-2.3%	2.3%
Albuquerque	100.0%	82.9%	17.1%	100.0%	85.5%	14.5%	0.0%	2.6%	-2.6%
Bemidji	100.0%	73.3%	26.7%	100.0%	72.7%	27.3%	0.0%	-0.6%	0.6%
Billings	100.0%	65.4%	34.6%	100.0%	71.2%	28.8%	0.0%	5.8%	-5.8%
California	100.0%	75.9%	24.1%	100.0%	75.6%	24.4%	0.0%	-0.2%	0.2%
Great Plains	100.0%	65.8%	34.2%	100.0%	67.0%	33.0%	0.0%	1.2%	-1.2%
Nashville	100.0%	65.5%	34.5%	100.0%	65.4%	34.6%	0.0%	-0.0%	0.0%
Navajo	100.0%	85.5%	14.5%	100.0%	87.1%	12.9%	0.0%	1.5%	-1.5%
Oklahoma City	100.0%	69.7%	30.3%	100.0%	69.7%	30.3%	0.0%	-0.0%	0.0%
Phoenix	100.0%	80.3%	19.7%	100.0%	80.8%	19.2%	0.0%	0.6%	-0.6%
Portland	100.0%	81.2%	18.8%	100.0%	81.2%	18.8%	0.0%	0.1%	-0.1%
Tuscon	100.0%	90.3%	9.7%	100.0%	90.7%	9.3%	0.0%	0.4%	-0.4%

Sources:

FY 2016: IHS, "TSGAC Request for IHS Data on Insurance Status of Active Users, by Service Unit," March 2017.

FY 2017: IHS, "End of FY 2017 (9/30/2017) Health Insurance Status, Selected Single Insurance Categories," 2/6/2018.



Current Health Insurance Coverage Levels: Number by Insurance Type

- Insurance Status of Active Users, by Area, 2017: Number

	Insurance Status of IHS Active Users, Number by Insurance Type and Area				
IHS Area	FY 2017				
	All Active Users	Medicare	Medicaid	Private Insurance	Uninsured
All	1,636,559	166,070	675,664	376,613	418,212
Alaska	166,146	11,893	30,245	54,078	69,930
Albuquerque	83,858	9,113	47,907	14,679	12,159
Bemidji	110,940	10,832	36,838	32,974	30,296
Billings	72,131	6,797	33,692	10,869	20,773
California	88,887	7,929	35,593	23,710	21,655
Great Plains	129,015	10,740	54,349	21,309	42,617
Nashville	56,984	5,410	13,025	18,854	19,695
Navajo	241,885	30,120	149,906	30,576	31,283
Oklahoma City	370,307	45,579	108,176	104,206	112,346
Phoenix	176,776	14,113	95,253	33,527	33,883
Portland	111,941	11,072	53,244	26,614	21,011
Tuscon	27,689	2,472	17,436	5,217	2,564

FY 2017: IHS, "End of FY 2017 (9/30/2017) Health Insurance Status, Selected Single Insurance Categories," 2/6/2018.



Current Health Insurance Coverage Levels: Percentage by Insurance Type

- Insurance Status of Active Users, by Area, 2017: Percentages

	Insurance Status of IHS Active Users, <u>Percentage</u> by Insurance Type and Area; FY 2017				
Area	FY 2017				
	All Active Users	Medicare	Medicaid	Private Insurance	Uninsured
All	100.0%	10.1%	41.3%	23.0%	25.6%
Alaska	100.0%	7.2%	18.2%	32.5%	42.1%
Albuquerque	100.0%	10.9%	57.1%	17.5%	14.5%
Bemidji	100.0%	9.8%	33.2%	29.7%	27.3%
Billings	100.0%	9.4%	46.7%	15.1%	28.8%
California	100.0%	8.9%	40.0%	26.7%	24.4%
Great Plains	100.0%	8.3%	42.1%	16.5%	33.0%
Nashville	100.0%	9.5%	22.9%	33.1%	34.6%
Navajo	100.0%	12.5%	62.0%	12.6%	12.9%
Oklahoma City	100.0%	12.3%	29.2%	28.1%	30.3%
Phoenix	100.0%	8.0%	53.9%	19.0%	19.2%
Portland	100.0%	9.9%	47.6%	23.8%	18.8%
Tuscon	100.0%	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," 2/6/2018.



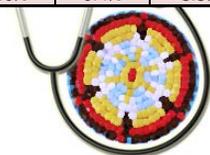
Current Health Insurance Coverage Levels: Number and Percentage by Insurance Type, by IHS Area, by Service Unit Grouping, 2016 and 2017

- Insurance Status of Active Users, by Area, by Program, 2016 and 2017: Number

Insurance Status of IHS Active Users, Number by Insurance Type and Service Unit; Albuquerque Area, FY 2016-FY 2017															
Service Unit	FY 2016					FY 2017					Change (FY 2016-FY 2017)				
	All Active Users	Medicare	Medicaid	Private Insurance	Uninsured	All Active Users	Medicare	Medicaid	Private Insurance	Uninsured	All Active Users	Medicare	Medicaid	Private Insurance	Uninsured
All	84,411	8,872	46,390	14,729	14,420	83,858	9,113	47,907	14,679	12,159	(553)	241	1,517	(50)	(2,261)
Acoma-Canoncito-Laguna Mescalero Zuni-Ramah Ysleta Del Sur	28,336	3,343	16,547	3,275	5,171	28,165	3,399	17,023	3,172	4,571	(171)	56	476	(103)	(600)
Santa Fe Southern Colorado Jicarilla Taos-Picuris	26,181	2,742	14,524	4,943	3,972	26,025	2,803	14,902	4,932	3,388	(156)	61	378	(11)	(584)
Albuquerque	29,894	2,787	15,319	6,511	5,277	29,668	2,911	15,982	6,575	4,200	(226)	124	663	64	(1,077)

- Insurance Status of Active Users, by Area, by Program, 2016 and 2017: Percentage

Insurance Status of IHS Active Users, Percentage by Insurance Type and Service Unit; Albuquerque Area, FY 2016-FY 2017															
Service Unit	FY 2016					FY 2017					Percentage Point Change (FY 2016-FY 2017)				
	All Active Users	Medicare	Medicaid	Private Insurance	Uninsured	All Active Users	Medicare	Medicaid	Private Insurance	Uninsured	All Active Users	Medicare	Medicaid	Private Insurance	Uninsured
All	100.0%	10.5%	55.0%	17.4%	17.1%	100.0%	10.9%	57.1%	17.5%	14.5%	0.0%	0.4%	2.2%	0.1%	-2.6%
Acoma-Canoncito-Laguna Mescalero Zuni-Ramah Ysleta Del Sur	100.0%	11.8%	58.4%	11.6%	18.2%	100.0%	12.1%	60.4%	11.3%	16.2%	0.0%	0.3%	2.0%	-0.3%	-2.0%
Santa Fe Southern Colorado Jicarilla Taos-Picuris	100.0%	10.5%	55.5%	18.9%	15.2%	100.0%	10.8%	57.3%	19.0%	13.0%	0.0%	0.3%	1.8%	0.1%	-2.2%
Albuquerque	100.0%	9.3%	51.2%	21.8%	17.7%	100.0%	9.8%	53.9%	22.2%	14.2%	0.0%	0.5%	2.6%	0.4%	-3.5%



Preliminary Estimate from Valuing Health Insurance Coverage

- Analysis by Insurance Type
 - Medicare
 - Medicaid
 - Private health insurance (PHI)
 - Employer-sponsored and individual market (ESI and other)
 - ACA 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
- RESULTS: Value of insurance coverage, by insurance type, by service type
 - Medicare: 63.4% (EHBs/A,B and D); 53.7% (LTC); 5.3% (dental) – Total 55%
 - Medicaid: 100% (EHBs); 100% (LTC); 100% (dental) – Total 100%
 - PHI:
 - ESI and other: 0% (EHB); 0% (LTC); 0% (dental) – Total 0%
 - ACA Marketplace:
 - Enrolled Tribal member: 72.4% (EHB); 0% (LTC); (0%) dental – Total 66.9%
 - IHS beneficiary: 33.6% (EHB); 0% (LTC); dental (0%) – Total 31.2%



Preliminary Estimates of Value of Health Insurance Coverage: Medicare; Essential Health Benefits (Parts A, B and D)

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)
Part A									
Average Premium ¹	Average Health Care Expenditures					AV ⁸	Total Enrollee Costs		Adjusted AV ⁹
	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%
Part B									
Average Premium ²	Average Health Care Expenditures					AV ⁸	Total Enrollee Costs		Adjusted AV ⁹
	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%
Part D									
Average Premium ³	Average Health Care Expenditures					AV ⁸	Total Enrollee Costs		Adjusted AV ⁹
	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%
Parts A & B									
Average Premium	Average Health Care Expenditures					AV ⁸	Total Enrollee Costs		Adjusted AV ⁹
	OOP Share			Program Share	Total (d + e)		Amount (a + d)	Percentage (h / f)	
	Deductible	Coinsurance	Total						
\$1,608	\$1,499	\$1,466	\$2,965	\$10,942	\$13,907	78.7%	\$4,573	32.9%	67.1%
Parts A, B, & D									
Average Premium	Average Health Care Expenditures					AV ⁸	Total Enrollee Costs		Adjusted AV ⁹
	OOP Share			Program Share	Total (d + e)		Amount (a + d)	Percentage (h / f)	
	Deductible	Coinsurance	Total						
\$2,195	\$1,899	\$2,175	\$4,074	\$13,068	\$17,142	76.2%	\$6,269	36.6%	63.4%



Preliminary Estimates of Value of Health Insurance Coverage: Medicare; LTC, Dental and Total

Long-term care services (institutional)									
Average Premium	Average Health Care Expenditures					AV ⁸	Total Enrollee Costs		Adjusted AV ⁹
	OOP Share ¹⁰			Program Share	Total (d + e)		Amount (a + d)	Percentage (h / f)	
	Deductible	Coinsurance	Total						
NA	NA	NA	\$1,870	\$2,168	\$4,038	53.7%	\$1,870	46.3%	53.7%
Dental services									
Average Premium	Average Health Care Expenditures					AV ⁸	Total Enrollee Costs		Adjusted AV ⁹
	OOP Share ¹⁰			Program Share	Total (d + e)		Amount (a + d)	Percentage (h / f)	
	Deductible	Coinsurance	Total						
NA	NA	NA	\$735	\$41	\$776	5.3%	\$735	94.7%	5.3%
Parts A, B, & D and long-term care services (institutional) & dental services									
Average Premium	Average Health Care Expenditures					AV ⁸	Total Enrollee Costs		Adjusted AV ⁹
	OOP Share ¹⁰			Program Share	Total (d + e)		Amount (a + d)	Percentage (h / f)	
	Deductible	Coinsurance	Total						
\$2,195	\$1,899	\$2,175	\$6,679	\$13,068	\$19,747	66.2%	\$8,874	44.9%	55.1%



Hypothetical Illustration of Net Impact of Valuing Health Insurance Coverage

- IHS Active Users, by Insurance Type, FY 2017

Insurance Status of IHS Active Users, by Insurance Type; FY 2017 ¹							
	Medicaid	Medicare	Private			Uninsured	Total
			ESI	Marketplace ²			
				Tribal Member	IHS Eligible		
#	675,664	166,070	310,887	37,441	28,285	418,212	1,636,559
%	41.3%	10.1%	19.0%	2.3%	1.7%	25.6%	100.0%

Notes:

¹ Data for this table, with the exception of the Marketplace enrollment figures, are taken from the IHS report titled "End of FY 2017 (9/30/2017) Health Insurance Status, Selected Single Insurance Categories," 2/6/2018.

² The Marketplace enrollment figures are provided by CMS.

- Hypothetical Net Value of Health Insurance Coverage, by Insurance Type

Hypothetical Value of Health Insurance Coverage for IHS Active Users, by Insurance Type ¹							
	Medicaid	Medicare	Private			Uninsured	Total Insured
			ESI	Marketplace ²			
				Tribal Member	IHS Eligible		
% enrolled	41.3%	10.1%	19.0%	2.3%	1.7%	25.6%	74.4%
Adj. Value	100.0%	55.1%	0.0%	66.9%	31.2%	0.0%	--
Net Value	41.3%	5.6%	0.0%	1.5%	0.5%	0.0%	48.9%

Notes:

¹ Figures are preliminary estimates presented for the purpose of illustrating potential impact of "valuing" health insurance coverage.



Related Policies

- As a component of establishing a policy pertaining to calculating “available resources”, one consideration is to minimize unintended consequences.
- The formula for valuing health insurance coverage might be adjusted in order to:
 - Not penalize Service Units/Tribes/Tribal organizations (SU/T/TOs) that have higher-than-average enrollment percentages of the User Population in third-party insurance.
 - Not lock-in SU/T/TOs that have lower-than-average enrollment percentages of the User Population in third-party insurance.
- As such, modify the formula as it applies to individual SU/T/TOs by:
 - A. Limit (i.e., cap) the value of health insurance coverage credited to an individual SU/T/TO at no more than the adjusted net statewide average.
 - B. Credit the value of health insurance coverage for an individual SU/T/TO at the SU/T/TO’s actual adjusted net coverage percentage if the SU/T/TO’s actual enrollment level is below the statewide average.
- The aim of implementing the above A & B policies would be to—
 - Not diminish the incentive for SU/T/TOs to maximize enrollment in 3rd-party insurance.
 - Not represent that a particular SU/T/TO has access to higher levels of resources than they actually do (such as if the statewide average were assigned to each SU/T/TO)



Variance in In-State Health Insurance Coverage

- Example of Portland Area
 - In the data below, Service Units have been rolled up into groupings of no fewer than 20,000 Active Users
- Enrollment percentages shown below have not been adjusted for net value.

Service Unit	Portland Area	
	FY 2016 All Insured	FY 2017 All Insured
All	81.2%	81.2%
Coeur d'Alene Fort Hall Northern Idaho Umatilla	72.6%	73.6%
Colville Neah Bay Northwest Washington Wellpinit	85.7%	87.3%
Klamath Southern Oregon Warm Springs Western Oregon	85.6%	84.9%
Puget Sound Puyallup Taholah Yakama	80.2%	79.6%



Summary

- Data
 - Currently we will utilize the 2017 Insurance Status that was passed out at the last workgroup meeting
 - Continue to work with IHS to ensure data at state level is consistent and accurate

Summary

- Value of Alternate Resource Categories
 - Adopt proposal methodology with state average limits and continue refining:
 - Medicaid valuation
 - Average when service unit covers more than 1 state
 - Modelling of the state average limits
 - Category 4: Public Health review
- Will present final recommendations at the next workgroup meeting in May