## 2014 Ohio Medicaid Affordable Care Act Enrollment Estimates

The federal Affordable Care Act (ACA) is expected to result in a significant increase to Ohio Medicaid enrollment. While it is difficult to predict the exact impact, it is important to develop informed estimates to support budget planning and program administration. Ohio Medicaid prepared this fact sheet to help explain the different factors involved in estimating the impact of the ACA and differences in enrollment estimates over time.

# Factors that impact enrollment

The base population for estimating the ACA's impact on Medicaid enrollment includes Ohioans who are "newly eligible" for Medicaid as a result of the ACA and Ohioans who are "currently eligible and not enrolled." There are many reasons why a person might be eligible for Medicaid but not enrolled. For example, some healthy individuals may not seek coverage until they need care. Beginning in January 2014, the ACA mandates that individuals have coverage, so many people who are currently eligible but not enrolled are expected to seek Medicaid coverage. This is sometimes called the "woodwork" or "welcome mat" effect. Not everyone who is eligible to enroll will; the extent to which they do enroll is called the "participation rate." Estimated total enrollment is calculated by applying estimated participation rates to the base population.

### Factors that account for differences in enrollment estimates

In 2010, Ohio officials estimated the ACA would result in 554,000 more Ohioans enrolling in Medicaid, but in 2012 estimated a 916,000 increase in enrollment. The difference in estimates, described in detail in the attached spreadsheet, is almost entirely accounted for by:

- Calendar year vs. fiscal year. Enrollment estimates released in 2012 were developed as part of a federal waiver application on eligibility simplification and, as required in the waiver, based on calendar year 2014. Earlier enrollment estimates were based on federal fiscal year 2014, which begins October 1, 2013, three months prior to most ACA provisions taking effect. In other words, the most recent calendar year estimate includes 12 months of ACA implementation while earlier fiscal year estimates only included 9 months, so the calendar year estimates of enrollment are higher.
- Total Medicaid enrollment vs. a subset. Earlier enrollment estimates were limited to populations below 138% of poverty and did not include elderly and Medicare populations. More recent estimates take into account the woodwork effect for Medicaid populations above 138% of poverty (for example, children who are eligible up to 200% but not enrolled) and elderly and Medicare-eligible populations.
- **2008 vs. 2010 Data.** Previous eligible population estimates were based on the 2008 Ohio Family Health Survey. More recent estimates were based on the 2010 Ohio Family Health Survey, which was conducted at the height of the economic recession and, as a result, reports more Ohioans with low income and eligible for Medicaid.

Enrollment estimates released in 2012 were prepared prior to the Supreme Court ruling that made the ACA-enacted Medicaid expansion optional for states. Similarly, cost estimates based on a 2011 report were calculated prior to the Supreme Court decision. The Administration will update Medicaid enrollment and cost estimates in its 2014-2015 Operating Budget.

## **ACA Estimate Differences**

release date	2012	2011	2010
prepared by	Mercer review of detailed Milliman work	IODIES undated 2010 work	ODJFS with help from OBM, ODMH, and ODADAS
	For 1115 waiver for eligibility simplification submission	Anticipate impact of ACA	Anticipate impact of ACA
time period	CY2014	FFY2014	FFY2014
2014 cost (all funds)	\$4,374,500,000	\$4,073,262,402	\$2,329,195,349
2014 cost (state share)	\$369,219,390	\$247,740,269	\$190,173,687
2014 ACA newly eligibles	597,500	644,576	373,569
2014 woodwork	319,000	291,401	180,737
total 2014 take-up	916,500	935,977	554,306

#### **Major Assumptions in Calculating Estimates**

base year for PMPM estimates	CY11 Base from Milliman Rate Setting	CY11 Base from Milliman Rate Setting	SFY10 Base from Milliman Rate Setting
Cost trend	4.00%	5.75%	6.00%
FMAP FMAP for CHIP and BCCP	63.08 (based on FFIS projection) 74.16 (based on FFIS projection)	64.18 74.39	63.69 74.39
morbidity	5% adverse selection	no change due to adverse selection	no change due to adverse selection
sister agencies	not included	ODMH and ODADAS impact	ODMH and ODADAS impact
admin costs	not included	not included	not included
assumed FPL level of ACA	138% FPL (133%FPL and 5% disregard)	138% FPL (133%FPL and 5% disregard)	133% FPL
woodwork population	all current Medicaid eligibles	current Medicaid eligibles excluding duals and the elderly under 138% FPL	current Medicaid eligibles excluding duals and the elderly under 133% FPL
start of woodwork effect	October 2013	January 2014	January 2014

#### **Eligibility Information**

Base populations from Ohio Family Health Survey Basis of population estimates	2010 Ohio Family Health Survey	2010 Ohio Family Health Survey	2008 Ohio Family Health Survey
Newly Eligible	2010 Offio Failing Health Survey	2010 Offio Fairling Health Survey	2008 Offio Fairlity Health Survey
Subtotal - Previously Insured	566,851	583,722	328,320
Subtotal - Previously Uninsured	607,819	612,883	423,190
Total Newly Eligible	1,174,670	1,196,605	751,509
Currently Eligible and Not Enrolled - Nonelderly Non Medicare	1,174,070	1,130,003	751,503
Subtotal - Other Insurance	686,043	455,582	225,556
Subtotal - Uninsured	271,810	249,041	173,954
Currently Eligible and Not Enrolled - Nonelderly Non Medicare	957,853	704,623	399,510
Currently Eligible and Not Enrolled - Elderly and Medicare	461,973*	0*	0*
Total Currently Eligible and Not Enrolled	1,419,826	704,623	399,510
Total Potentially Enrolling Population	2,594,496	1,901,228	1,151,019
Estimated Participation Rates for 2014			
Newly Eligible			
Subtotal - Previously Insured	38%	39%	30%
Subtotal - Previously Uninsured	63%	68%	65%
Currently Eligible and Not Enrolled - Nonelderly Non Medicare			
Subtotal - Other Insurance	21%	34%	30%
Subtotal - Uninsured	42%	54%	65%
Currently Eligible and Not Enrolled - Elderly and Medicare	12%*	0%*	0%*
Enrollment Estimates for 2014			
Newly Eligible			
Subtotal - Previously Insured	215,500	230,000	98,000
Subtotal - Previously Uninsured	382,000	414,000	275,000
Total Newly Eligible	597,500	644,000	373,000
Currently Eligible and Not Enrolled - Nonelderly Non Medicare			
Subtotal - Other Insurance	147,000	156,000	68,000
Subtotal - Uninsured	115,500	135,000	113,000
Currently Eligible and Not Enrolled - Nonelderly Non Medicare	262,500	291,000	181,000
Currently Eligible and Not Enrolled - Elderly and Medicare	56,500*	0*	0*
Total Currently Eligible and Not Enrolled	319,000	291,000	181,000
Total Estimated Participation in 2014	916,500	935,000	554,000

<sup>\*</sup> The actuary included a woodwork effect for populations beyond those eligible for the ACA (e.g., children above 138% FPL, the elderly, and those on Medicare). ODJFS agrees that this is a reasonable assumption which was previously overlooked.