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## PUBLIC NOTICE OF ALTERNATIVE BENEFIT PLAN (ABP) FOR NEWLY ELIGIBLE ACA ADULTS

The Affordable Care Act (ACA) requires states to provide adults who are covered via the Medicaid expansion with an Alternative Benefit Plan (ABP). An ABP is implemented through a state plan amendment and ABP services are a specific set of services available to a targeted group of individuals – in this case, the ACA adult eligibility group.

HFS invited public input on the ABP in the fall of 2012. (At that time, ABPs were referred to as “benchmark Medicaid plans”.) Broadly speaking, most respondents indicated that Illinois’ ABP should include the same services available to Medicaid clients in Illinois’ state plan today, with the possible exception of Long Term Supports and Services (LTSS) which are more oriented to Seniors and Persons with Disabilities (the SPD population).

The federal government did not release the final administrative rules on the ABP until July 2013. It appears the goal was to create as much continuity as possible with the Essential Health Benefits (EHBs) offered by commercial health plans through the Health Insurance Marketplace. Among other issues, emphasis was placed on certain “exempt groups”, including the “medically frail”.

HFS is seeking public input as we finalize an ABP for Illinois, with consideration of issues outlined below.

### Key Objectives for the Illinois Alternative Benefit Plan (ABP)

- Cover the services needed by ACA Adults.
- Comply with requirements to secure federal reimbursement at 100% FMAP.
- Support clients in the community and enhance state efforts to rebalance the long term care service system.

### HFS Recommendations

1. **Illinois’ ABP should be based on its existing Medicaid benefit package to promote equity and coverage of necessary services.** The Illinois Department of Healthcare and Family Services (HFS) recommends that the ABP be comprised of all Illinois Medicaid state plan services, i.e., be in full alignment with Illinois’ current state plan. This approach ensures that ACA Adults receive the same services as current Medicaid clients. Illinois’ state plan services are designed with a low-income population in mind, and therefore are well suited to the needs of ACA Adults.
2. **Illinois should cover habilitative services to meet federal requirements to cover all essential health benefits.** Habilitative services allow individuals to maintain or attain certain functioning levels and are distinct from rehabilitative services, which focus on restoring individuals to functioning levels lost due to injury, illness, etc. The ABP should include habilitative services that mimic the rehabilitative services

currently covered in the state plan, specifically: physical therapy, occupational therapy, and services for individuals with speech, hearing, and language disorders. Habilitative services should be added to the state plan so that all adult Medicaid clients will have access to them and the Medicaid benefit packages continue to be in full alignment.

3. **Long Term Supports and Services (LTSS).** ACA Adults who apply for institutional LTSS should undergo the same assessment as the SPD population. The ACA Adults and the SPD population will continue to have different eligibility requirements consistent with federal requirements. Consistent with Governor Quinn's commitment to community integration, community-based LTSS should also be available to ACA Adults.
4. **Copays.** Copays shall be fully aligned between the ABP and the current state plan.
5. **In summary,** the ABP for ACA adults will include:
  - Essential Health Benefits: ambulatory patient services; emergency services; hospitalization; maternity and newborn care; mental health and substance use disorder services; prescription drugs; rehabilitative and habilitative services; laboratory services; and preventive and wellness services
  - Early and Periodic Screening, Diagnosis, and Treatment services (EPSDT) for 19 and 20 year olds
  - Federally Qualified Health Center (FQHC) and Rural Health Clinic (RHC) services
  - Non-emergency transportation
  - Family planning services and supplies

### Considerations

- Our existing Medicaid package is designed with Illinois' low-income population in mind, and therefore is well-suited to the needs of ACA Adults.
- Most states are pursuing full alignment.
- Full alignment is easier and more efficient for clients, providers and the state to understand and administer. Because the ABP will be fully aligned with current state plan services, all ACA Adults, including those who fall in the ABP exempt groups (e.g. "medically frail"), will have access to the same state plan services and the state will not need to develop a process to identify ABP exempt groups.
- In order to include ACA Adults in the same assessment process as the SPD population for institutional LTSS, the state will have to refine its current assessment process.
- In the future, all managed care entities in Illinois Medicaid will be required to cover the costs of LTSS and will provide a powerful mechanism for ensuring that the Medicaid population is receiving the most appropriate level of care. (This will also require the State to make the specific actuarial adjustments to insure these services are appropriately reflected in capitation rates paid to the managed care entities.)

### Next Steps

- Launch a process by which stakeholders will review and comment on the HFS recommendations, and help inform the development of policies to ensure appropriate access to both community-based and institutional LTSS.
- Proceed with actuarial analysis to demonstrate that the ABP covers all essential health benefits (EHBs) in accordance with federal requirements. Milliman, HFS' actuarial firm, has begun working with HFS on this analysis.