HB 3001 - Helping West Virginians Work and Move Up the Economic Ladder

- Removes a Significant Barrier to Work
- Lowers Health Care Costs
- Paid for with All Federal Dollars

The Problem: Working West Virginians Face Two Health Cost Cliffs

The Medicaid Eligibility Cliff:

When a worker's income rises (due to additional hours or a promotion), they often pay more for health insurance. If a person's income rises above Medicaid eligibility (138% of the federal poverty level), they face higher out-of-pocket costs on the state Marketplace.

Ohio County Example: Mary's income rises from $1,650 to $1,650 a month. That $50 bump will mean Mary's health insurance deductible goes from $0 to $450.

The 200% FPL Marketplace Cliff:

When a worker's income rises from below to above 200% of the federal poverty level (FPL), they face higher out-of-pocket costs on the state Marketplace.

Ohio County Example: Joe's income rises from $2,100 to $2,160 a month. That $60 bump will mean Joe's deductible will jump from $1,250 to $5,700. His maximum out-of-pocket cap will jump from $2,800 to $6,600 a year. Copayments for drugs double and nearly double for doctors' visits.

The Solution: Smart Use of Federal Dollars

HB 3001 would direct DHHR to take maximum advantage of all opportunities to use federal dollars to create new more affordable health insurance options for West Virginians.

One approach would be to create a two-component Work Support Health Plan program. The details of this program are outlined in a memo (prepared by Stan Dorn, Director, National Center for State Innovation).

The state would use a Medicaid Basic Health Plan Option to address the first cliff. Then the state would use an Affordable Care Act 1332 waiver to address the second cliff. The resulting Work Support Health Plan would create new health insurance options without deductibles, with modest copayments, and no or lower premiums than offered today.

Existing federal funds flowing into West Virginia would more than cover the cost of providing these new options. The program could even raise MCO capitated rates that could be passed on to providers as increased reimbursement rates – without tapping new state funds.

By intelligently tapping into available federal dollars, our state could help West Virginians move up the economic ladder, and not see pay increases eaten up by increased health care costs – all at zero new direct costs to the state.