FREQUENTLY ASKED QUESTIONS

**Q.** How can the state add more people to Medicaid when the new claims payment system doesn’t work?

**A.** The new Medicaid payment system — the Medicaid Management Information System (MMIS) — is now working correctly. More than 90 percent of the new claims processed are being paid accurately and on time. It’s normal for a medical claims payment system to not pay 100% of the claims, because some require additional review by state staff or have been submitted in error. The payment system is working effectively.

**Q.** How can the state handle lots of new applicants for Medicaid when the department has an application backlog?

**A.** The new computer system for processing applications — ARIES — is up and running, and is programmed to process eligibility determinations and issue benefits for people in the expansion population. New functions are being turned on this month and in early fall that will streamline and automate processes that required manual processing by staff in the past. If we get a large wave of applications, processing wait times may slow, but the new software upgrades continue to improve the workflow. The department will be able to handle new applications to connect eligible Alaskans to health care coverage.

**Q.** Can Alaska afford to expand Medicaid?

**A.** Alaska can’t afford not to expand Medicaid. Expansion will bring in $1 billion in new federal revenue over the next six years, and contribute to 4,000 new jobs. Expansion will bring in $146 million in the first year alone. Also, researchers found that having health insurance is good for families’ financial security. It helps prevent bankruptcies and reduces pressure on insured families to support uninsured relatives. Medicaid expansion is good for the economy.

**Q.** Doesn’t Alaska need to be saving money right now, not spending more?

**A.** Expansion would reduce state spending by $6.6 million in the first year and by more than $100 million over the next six years. Medicaid expansion saves the state millions.

**Q.** What about waiting for a while, then expanding Medicaid?

**A.** Alaska has lost out on more than $220 million in federal money by not expanding at the first opportunity on Jan. 1, 2014. That would’ve provided a much-needed boost to our economy. We lose millions in new funding and state savings every year we delay, plus thousands of Alaskans go without health care.
Q. Who will be helped by Medicaid expansion?
A. Nearly 75 percent of the Alaskans who will be eligible are working or looking for work. They are adults between ages 19 to 64 without dependent children, who make less than 138 percent of the federal poverty level and are otherwise not eligible for Medicaid or Medicare. For single adults, that’s $20,314 a year or $9.76 an hour for a 40 hour work week. For married couples, that’s $27,490 a year. Medicaid reform and expansion will help working Alaskans.

Q. How many Alaskans will be helped by Medicaid expansion?
A. Almost 42,000 Alaskans will be eligible for Medicaid through expansion, though we don’t expect that many to enroll. About 21,000 are expected to enroll in 2016, rising to 26,500 by 2021. Thousands of Alaskans will be covered through expansion.

Q. If I think I am eligible for expansion, where and when can I apply?
A. Alaskans who think they may be eligible for Medicaid under expansion should hold off on applying, but stay informed, http://dhss.alaska.gov/HealthyAlaska/Pages/default.aspx. The Governor has asked Legislature to approve taking the federal funding. If they don’t do that, he will make an announcement about what he will do at the end of August. DHSS will be ready to help when Alaska expands Medicaid.

Q. Shouldn’t we reform Medicaid before we expand it? Is it working?
A. Medicaid provides both routine and life-saving services for covered Alaskans every day. Department employees are constantly looking for ways to cut costs and improve value and have identified $240 million in savings in the next six years from the reforms that are currently underway. DHSS has also contracted with a team of local and national health experts to get ideas on how best to design the program for Alaska. They are looking at expansion innovations and reforms in other states and will seek input from Alaskans. For more information on the progress of this work, please visit http://dhss.alaska.gov/HealthyAlaska/Pages/Medicaid_Redesign.aspx. Medicaid is working. Reforms now and in the future will ensure a sustainable program.

Q. If the federal government drops the amount it pays, will Alaska be left holding the bill?
A. No, the state has no obligation to continue expanded Medicaid if federal funding drops below 90 percent. It would take an act of Congress and approval of the President to reduce federal funding for Medicaid expansion. Governor Walker has stated repeatedly that Alaska’s continued participation is contingent upon the federal government’s maintenance of the 90 percent match. Federal funding is key to expansion’s viability and success. The state will expand Medicaid with federal funding.
Q. Is the state going to tax health care providers to pay for expansion?
A. Alaska has not made a decision to tax health care providers. As the only state in the nation without a provider tax, we are looking into it. As part of the reform process, the department has hired a consultant to work with Alaska health care providers to determine the feasibility of a fair and sustainable tax. Any proposal for a provider tax will go to the Legislature for review, and will have to go through the legislative process. **The state will work with health care providers on any provider tax proposals.**

Q. Will seniors on Medicare have a harder time accessing care when there are more Alaskans with Medicaid?
A. Alaska Primary Care Association has assured the state that its members, which include medical clinics all over the state, will be able to accept new Medicare and Medicaid patients. Currently many Alaskans lose employer insurance when they are no longer able to work full time as they get older or retire, then go without coverage until they’re 65 and can access Medicare. Studies have found that when people have been insured the six years before starting with Medicare, they’re healthier, which is better for them and saves Medicare money. For this and other reasons, senior advocacy groups, including the Alaska Commission on Aging, AARP Alaska and the Alaska Geriatric Exchange Network (AGENet) support Medicaid expansion. **Medicaid expansion is good for Alaska seniors.**