Medicaid and CHIP: On the Road to Reform

Cindy Mann, JD
CMS Deputy Administrator
Director
Center for Medicaid, CHIP & Survey & Certification
Centers for Medicare & Medicaid Services

CMCS: Our Mission

- To help States make Medicaid and CHIP the best programs they can be
- Partnerships are critical to success
2014 Begins Now!

A System of Coverage

Employer Coverage

Medicaid/CHIP

Exchange
Projected Changes in Coverage by 2019

Total new coverage = 32 million

Sources of Coverage by 2019

(For All Individuals under 65)

Source: Congressional Budget Office, March 2010
Eligibility Changes

- Medicaid coverage for adults under 133% of the poverty line
- CHIP and Medicaid coverage for children at higher incomes (State March 23, 2010 levels)
- Simpler rules
- Increased federal funding across the board

Who Pays?

(in billions)

Federal - $443.5
State - $21.1
Total $464.7 billion

Source: Medicaid Coverage and Spending in Health Reform
John Holahan and Irene Headen/ Kaiser Commission, May 26, 2010
State Financial Impacts

- Significant increase in federal support for Medicaid/CHIP
  - 100% match for “newly eligible” group for 3 years and 95-90% match thereafter
  - Increased match for “childless adults” in “expansion” states (reaches 93%/90% in 2019/2020)
  - Increased match for CHIP in 2016 (enhanced plus 23 percentage points)
  - Regular federal match for remaining currently eligible groups

Other State Financial Impacts

- Certain state-funded, Medicaid-funded coverage/services may no longer be needed
- Reductions in uncompensated care/cost shifting
- Greater efficiencies
- DSH funding declines (as will state contributions)
New Paradigm

- Not a “safety net” but a full partner in assuring coverage for all
- Eligible = enrolled
- Essential to make a system out of different components to achieve coverage, quality and cost containment objectives

Top 5% of Enrollees Accounted for More than Half of Medicaid Spending in FY 2008

- Top 5%
  - Elderly: 1.82%
  - Disabled: 2.61%
  - Adult: 0.21%
  - Children: 0.36%

- Bottom 95%
  - Elderly: 16.80%
  - Disabled: 31.79%
  - Adults: 1.75%
  - Children: 3.72%

- Total Enrollees: 60.6 million
- Total Expenditures: $292.9 billion

Source: FY MSIS 2008, FY MSIS 2007 for AZ, NC, ND, HI, UT, VT, WI
Payment & Delivery System Reforms

- No payment for HACs
- Medical and health homes
- Global payment demonstrations
- Pediatric ACOs
- Primary care provider increase (2013)
- Preventive care incentives
  - FMAP increase for preventive services & immunizations for adults (2013)

Collaboration with States is Essential

Federal Actions

State Actions

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CMS/Centers for Medicare & Medicaid Services
Building on Success

- Uninsurance rates for *children* have steadily dropped due to Medicaid/CHIP
- Disparities are narrowing
- In general, access is strong

**Children’s Coverage Does Not Need to Wait**

**Connecting Kids to Coverage Challenge:** Enroll the 5 million uninsured children who are currently eligible for Medicaid or CHIP over the next five years
Key to Reaching Our Goals: Assuring that all Partners are at the Table