**COMMITTEE:** **HEALTH AND HUMAN SERVICES**

**POLICY:** ~~**MEDICAID AND CHILDREN'S HEALTH INSURANCE**~~ ***HEALTH, HUMAN SERVICES AND FOOD AND NUTRITION*** **PROGRAM*S*, LEGISLATIVE, REGULATORY, AND ADMINISTRATIVE INITIATIVES (~~2014-~~2015*-2016*)**

**TYPE:**

**LEGISLATIVE INITIATIVES**

- **Children's Health Insurance Program (CHIP)** – NCSL continues to support CHIP and urges the Congress to ensure continued funding and state flexibility in the operation of the program.
- ~~**Continuation of the Incentive Payment Program for Primary Care Services** – NCSL urges the Congress to ensure continue to fully fund the Medicaid Incentive Payment Program for Primary Care Services for an additional calendar year through December 2015.~~
- **Deficit Reduction** – NCSL supports efforts to put the federal government's budget on solid footing and NCSL anticipates reductions in federal support for some state and local government programs as part of that effort. The reduction of the federal deficit should not be achieved by shifting costs to state governments. Elimination or reduction of federal assistance programs and financial assistance must be accompanied by: (1) greater program flexibility; (2) relief from unfunded legislative and regulatory mandates; (3) relief from maintenance of effort requirements; and (4) continued support for safety net programs during economic downturns. The Medicaid program represents a significant portion of states' economies and any changes should avoid further damaging already weakened economies.
- ~~**Blending Medicaid Matching Rates** – NCSL is pleased that the Administration is no longer proposing to blend the matching rates for Medicaid and the Children's~~

~~Health Insurance Program (CHIP).~~

- **Provider Tax Limitations** – Extensive changes to the Medicaid Voluntary. Contributions and Provider-Specific Tax amendments of 1991, as amended, were adopted in recent rulemaking. NCSL opposes further restrictions on states' ability to impose provider-related taxes.
- **Emergency Assistance and Countercyclical Assistance** - NCSL urges the Congress to study options to include a provision establishing emergency and countercyclical assistance to states within the Medicaid statute. The provision would upon some triggering event, such as an economic downturn, natural disaster, act of terrorism, pandemic or other public health emergency, provide additional financial assistance to states through an enhanced federal match or some other mechanism that would revert back to the regular federal-state cost sharing formula when the triggering event has been resolved. This is a complex, but critical component to fiscal security for the Medicaid program. NCSL looks forward to working with Congress and the Administration to identify options and to establish and implement a program.

**REGULATORY INITIATIVES**

- **Medicaid Expansion Options** – NCSL urges the Secretary of the U.S. Department of Health and Human Services to support and explore a broad range of alternative approaches in addition to the provisions in the Patient Protection and Affordable Care Act to provide affordable coverage for low-income people through the Medicaid program.
- ~~**Restrictions on States' Ability to Reduce Medicaid Provider Rates** – NCSL opposes the provisions in the proposed rule, Methods for Assuring Access to Covered Medicaid Services, which would severely limit the ability of state legislators to propose and carryout rate reductions for Medicaid providers. The rule ignores the state budget process and imposes requirements that would favor the federal and state executive branch over the state legislature.~~
- **Program Integrity Initiatives** – NCSL is pleased that the Administration has proposed to coordinate and consolidate some of the existing program integrity

programs enacted over the last several years to address duplication of effort and conflicting elements of the programs. NCSL urges the Congress and the Administration to make the necessary legislative and regulatory changes to improve the cost effectiveness of the federal program integrity initiatives, to lessen the administrative burdens associated with them, and ultimately to improve our collective effort to eliminate fraud, waste and abuse in the Medicaid program.

- **Data Collection Requirements** – Data is important and necessary to assure program integrity and to improve program quality. NCSL urges the Congress and the U.S. Department of Health and Human Services to carefully consider data collection requirements imposed on state and local governments. The costs, both financially and in staff time, must be commensurate with the contribution the collected data will make to overall effort to improve access and quality.

## DUAL-ELIGIBLES

- Federal Coordinated Health Care Office (Medicare-Medicaid Coordination Office) – The establishment of the Federal Coordinated Health Care Office within the Centers for Medicare and Medicaid Services (CMS) is an important first step in improving coordination between Medicaid and Medicare services for people who participate in both programs. NCSL supports the establishment of the office and looks forward to working closely with its staff to improve access, care and services to this important group of Medicaid and Medicare beneficiaries.
- State Demonstrations to Integrate Care for Dual Eligible Individuals - NCSL strong supports the new State Demonstrations to Integrate Care for Dual Eligible Individuals. These projects will help states design and implement new approaches to better coordinate care for dual eligible individuals. The Centers for Medicare and Medicaid Services (CMS) provides funding and technical assistance to states to develop person-centered approaches to coordinate care across primary, acute, behavioral health and long-term supports and services for dual eligible individuals. The goal is to identify and validate delivery system and payment coordination models that can be tested and replicated in other states. CMS is also making technical assistance available to all states interested in improving services for dual

eligible individuals. NCSL urges CMS to continue to support these demonstration projects and to provide maximum flexibility to states to explore options that may improve the quality of life and health outcomes for dual eligible individuals.

## TECHNICAL ASSISTANCE

- Technical Assistance – As states continue to implement the Medicaid-related provisions of the PPACA, technical assistance in the following areas will be extremely important: (1) managed care and other service delivery reforms, particularly for special populations and services and in rural areas; (2) payment reforms; (3) successful initiatives to improve care and reduce costs; (4) workforce recruitment, training and retention initiatives; and (5) strategies for enrolling and serving single, childless adults in Medicaid.

## MANAGING MEDICAID COSTS

- Flexibility to Manage Costs - States should be given flexibility to manage Medicaid costs by modifying certain sections of the Social Security Act, such as:
    - Section 1927 that prevents states from using drug formularies to constrain the cost of prescription drugs. The section should be modified to remove the requirement that states cover every drug for which a manufacturer signs a rebate agreement.