Trivia

How many different Medicaid programs are there?
Session Objectives

- Review the basics of the Medicaid program
- Learn more about proposed policy changes to Medicaid
- Discuss State responses to policy changes

Medicaid “Experts”

“While I can explain the meaning of life, I don’t dare try to explain how the Medicaid system works.”
Session Overview & Introductions

- Welcome and Introductions
- Top Ten Questions about Medicaid
  Lisa Waugh, NCSL
- Medicaid: A Changing Federal/State Partnership
  Kathleen Nolan, Health Management Associates
- Medicaid Innovations: state responses and options
  Kathleen Nolan, Facilitator
  Senator Nellie Pou, D-NJ
  Senator Richard Briggs, R-TN

Top Ten Questions
#1: What is Medicaid?

- Overview of Medicaid, Medicare and CHIP – how they differ:
  - Medicaid is a program for low-income adults, children, pregnant women and elderly adults, and people with disabilities
  - Medicare is a program for US citizens age 65 and over
  - CHIP – the Children’s Health Insurance Program – provides coverage to additional lower-income children whose family income is higher than Medicaid’s threshold
  - Medicaid is now far larger than Medicare:
    - Medicaid covered close to 74.5 million people in 2016 – or close to 20% of the population
    - Medicare covered 57.5 million people in 2016
  - Medicaid is a voluntary program – all states and territories have chosen to participate

#2: Why should legislators care about Medicaid?

- States face difficult choices: Medicaid costs have grown over time as a percent of state budgets:

![Graph showing total state spending by budget category from FY 1995-2016](chart.jpg)
#3: What portion of the state budget goes to Medicaid?

In 2016, Medicaid accounted for an average of 29% of total state expenditures.

#4: Who receives coverage through Medicaid?

- Low-income infants and children
- Low-income pregnant women and certain parents of qualified children
- Low-income individuals of all ages with disabilities
- Low-income seniors, most of whom are also covered by Medicare ("dual eligible" for both programs)
#5: Which states have expanded Medicaid?

This map on the NCSL website also provides overview information on the breakdown of insurance coverage for each state's population.

Percent of the state population covered by:
- Medicaid
- Medicare
- Private Insurance
- Uninsured

#6: What services does Medicaid cover?

**Mandatory Benefits/Services**
- Inpatient hospital services
- Outpatient hospital services
- EPSDT: Early and Periodic Screening, Diagnostic, and Treatment services (for individuals under 21)
- Nursing Facility Services
- Home health services
- Physician services
- Rural health clinic services
- Federally qualified health center services
- Laboratory and X-ray services
- Family planning services
- Nurse Midwife services
- Certified Pediatric and Family Nurse Practitioner services
- Freestanding Birth Center services (when licensed or otherwise recognized by the state)
- Transportation to medical care
- Tobacco cessation counseling for pregnant women

**Optional Benefits/Services**
- Prescription Drugs
- Clinic services
- Physical therapy
- Occupational therapy
- Speech, hearing and language disorder services
- Respiratory care services
- Other diagnostic, screening, preventive and rehabilitative services
- Prosthetics
- Eyeglasses
- Chiropractic services
- Other practitioner services
- Private duty nursing services
- Personal Care
- Hospice
- Care management
- Services for Individuals Age 65 or Older in an Institution for Mental Disease (IMD)
- Services in an Intermediate Care Facility for Individuals with Intellectual Disability
- State Plan Home and Community Based Services – 1915(b)
- Self Directed Personal Assistance Services - 1915(i)
- Community First Choice Option – 1915(b)(4)
- TBI Related Services
- Inpatient psychiatric services for individuals under age 22
- Other services approved by the Secretary
- Health Homes for Enrollees with Chronic Conditions – Section 1115
#7: What is a Medicaid waiver?

States seeking additional flexibility to design their Medicaid programs … may apply for formal waivers of some of the statutory requirements from HHS:

- Section 1115 waivers
- Section 1915(b) waivers
- Section 1915(c) waivers
- Combined or concurrent Section 1915(c) waivers

#8: What about the high cost of Medicaid?

[Graphs showing Medicaid Spending by Enrollment Group and Medicaid Spending by Population]
#9: How can states manage costs and improve quality?

Increase Value

Improve Quality and Reduce Costs

Value-Based Bundling
Reduce Reimbursements
Bundled Payments
Prevent Medical Errors
Accountable Care Organizations

Health Care Internet Technologies

#10: Why are Medicaid data so important?

All-Payer Claims Databases

Established APCD by legislation
Established APCD as voluntary effort
Established APCD with voluntary submission
No APCD

Source: www.apcdjournal.org
Tools and Resources

- NCSL Health Webpages:  
- Kaiser State Health Facts: http://kff.org/statedata/
- Your state public health agency
- State health resources—foundations, universities, think tanks
The Changing Federal Landscape
Possible Shifts to State Medicaid Policy, Funding and Programs

Kathleen Nolan
Managing Principal, Washington, DC

AGENDA FOR THIS SESSION

✚ Part 1: Some basics on Medicaid
✚ Part 2: The AHCA debate
✚ Part 3: Executive branch reforms and direction
✚ Conclusions
Part One:

The Medicaid Landscape

Sorting through the many twists and turns

MEDICAID IS A MANY SPLENDORED THING

- Parents and kids
- Disabled adults and elderly
- ACA expansion coverage
- State Plan Amendments
- 1115 Waivers (or 1915 or 1332)
- Contract reviews, rate setting approvals, etc.
- Acute care
- Nursing homes and long-term care
- Mental health, medical education, addiction...
Current Status of State Medicaid Expansion Decisions

NOTES: Current status for each state is based on KCMU tracking and analysis of state legislative activity. *AR, AZ, IA, IN, MI, MT, and NH have approved Section 1115 waivers. WI covers adults up to 100% FPL in Medicaid, but did not adopt the ACA expansion. **States with legislative or administrative activity to pursue expansion in 2017 includes states in which the government is actively pursuing expansion, a bill to expand Medicaid has been approved in at least one house of the legislature, or the decision to expand will be up to voters in a state referendum. See table below for additional details on state expansion and expansion waiver activity.

Figure 11
Federal and state governments share Medicaid costs.

Part Two:

Lessons from the AHCA

**AHCA THEMES**

+ ACA reforms/repeal
+ Entitlement reform
+ Money
**AHCA REFORM TO OBAMACARE**

- Lower premiums
- More benefit flexibility
- Reduce enhanced federal funding for Medicaid
- Gradual elimination of Medicaid expansion
- Restore all ACA cuts
- Focus on access to care over insurance

**ENTITLEMENT REFORM**

- Reduce and control federal financial obligation
- Reallocate among states (high per-capita states lose out)
- Allow states to
  - Eliminate automatic eligibility (waitlist, time limits, requirements)
  - Change and tailor the benefit package
  - Benefit from cost savings
Produced $337B in Federal Deficit Savings

Other priorities

- Tax reform
- Leave Medicare and Social Security alone
- Infrastructure Funding

$880 billion in reduced Medicaid

$637 billion in reduced subsidies

Part Two:

The New Administration

What will the Department of Health and Human Services do?
MEANWHILE, BACK AT THE RANCH...

Where is the Administration headed?

- ACA related
- State reforms
- Regulations at CMS

EXECUTIVE ORDER #1

Several critical sections
- Relief to states and individuals
- Flexibility to states
- Interstate opportunities
- Change rules

- Only a few changes so far, but more may come soon.
- Critical next step is the 2018 plan year
TWO LETTERS TO GOVERNORS

- 1332 state innovation waivers
  - Support for individual market reforms
  - Mentions high-risk pools and reinsurance
  - Could be used for co-pay supports
  - Coupled with 1115 Medicaid waivers?

- Medicaid reforms
  - State flexibility focused on adults
  - Waiver streamlining
  - Focused on outcomes and program performance.
  - Specifics including opioids

OTHER HHS ACTIVITIES

- Managed care regulations
- Waiver reforms
- Drug pricing
- Innovation and payment reform
Conclusions

What’s next for states

RELATIONSHIP STATUS

- More state flexibility and willingness to smooth the path for particular directions.
- New approaches to adult coverage
- The federal government sets the rules of the road, but state’s are at the wheel.
- But large-scale change looms and direction uncertain.