

Strong States, Strong Nation



HEALTH SEMINAR FOR NEWER LEGISLATORS

 NATIONAL CONFERENCE of STATE LEGISLATURES

Medicaid: Overview and Innovations | April 14, 2018

Welcome!



- ❑ Medicaid overview
 - ❑ *Lisa Waugh, NCSL*
- ❑ Medicaid waivers explained: a mechanism for innovation
 - ❑ *Samantha Scotti, NCSL*
- ❑ Medicaid: A changing federal/state partnership
 - ❑ *Jonathan Freedman, Health Management Associates*
- ❑ Table exercise: reviewing your own state's Medicaid data

Video



- <https://www.wsj.com/video/who-and-what-is-covered-by-medicaid/3D3BDF3D-4812-4A2E-A0AE-BD40D06C1BA6.html>

Medicaid/CHIP & Medicare



	Population served	Funding source	Source of control	Pays for long-term care?
Medicaid	Eligibility by income : Children, pregnant women, parents, people with disabilities	Federal match of state funds	State government with federal guidelines	YES
CHIP: Children's Health Insurance Program	Uninsured low-income children up to age 19 in families with incomes too high to qualify for Medicaid, up to 400% of poverty	Federal match of states funds	State government with federal guidelines	NO
Medicare	Eligibility by age : Adults ages 65 and older; also people with certain permanent disabilities	Social Security payroll tax, premiums, general revenue	Federal government	Very little

Trivia



True or False:

- ❑ Medicaid is an optional state program?



Medicaid: Why so important?



- ❑ Medicaid represents \$1 out of every \$6 spent on health care in the US
- ❑ 28.2% of total state spending
 - ❑ (FY 15, both federal and state funds)
- ❑ Total cost was \$565.5 Billion, FY16
- ❑ Pays 3 out of 4 nursing home residents
 - ❑ Primary payer of long-term services and supports (LTSS)
- ❑ Funds about 46% of U.S. births
- ❑ Covers about 39% of children
- ❑ Subsidizes care for the uninsured

Medicaid policy options – “levers”



Federal government sets core requirements, but states have flexibility regarding:

Eligibility—All states have taken up options to expand coverage for children; many have opted to expand coverage for other groups.

Benefits—All states offer optional benefits, including prescription drugs and long-term care in the community.

Delivery system and provider payment—States choose what type of delivery system to use and how they will pay providers; many are testing new payment models to better integrate and coordinate care.

Long-term care—States have expanded eligibility for people who need long-term care, and are increasingly shifting spending away from institutions and toward community-based care.

Eligibility levels:to 138% of Federal Poverty Guidelines



Health Insurance Coverage Nationally						
United States	Public Insurance			Private Insurance		Uninsured
	Medicaid	Medicare	Military & Veteran	Employer	Marketplace Exchange	
	19%	14%	2%	49%	7%	7%

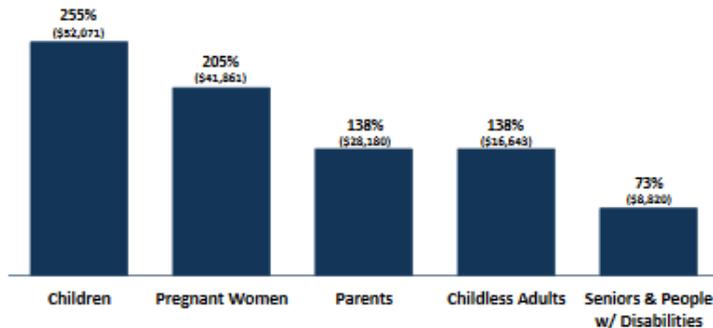
Medicaid Eligibility



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Eligibility levels are highest for children and pregnant women.

Median Eligibility Level in the US as a Percent of FPL, as of January 1, 2017



Eligibility levels are based on the FPL for a family of three for children, pregnant women, and parents, and for an individual for childless adults and seniors & people w/ disabilities. Seniors & people w/ disabilities eligibility may include an asset limit.

Medicaid Services



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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
- Podiatry services
- Optomety services
- Dental Services
- Dentures
- Prosthetics
- Eyeglasses
- Chiropractic services
- Other practitioner services
- Private duty nursing services
- Personal Care
- Hospice
- Case 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(i)
- Self-Directed Personal Assistance Services- 1915(j)
- Community First Choice Option- 1915(k)
- TB Related Services
- Inpatient psychiatric services for individuals under age 21
- Other services approved by the Secretary
- Health Homes for Enrollees with Chronic Conditions- Section 1945

Provider payments:

Medicaid payments informed by Medicare rates



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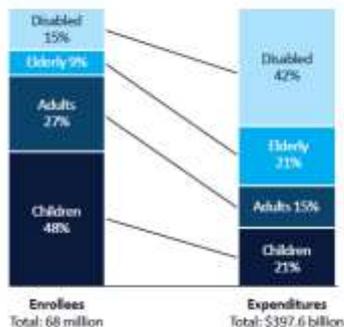
- ❑ The Medicaid-to-Medicare fee index measures each state's physician fees relative to Medicare fees in each state.
- ❑ State Examples:
 - ❑ Alaska 1.26
 - ❑ Montana 1.09
 - ❑ Florida .56
 - ❑ Rhode Island .38

Medicaid Spending



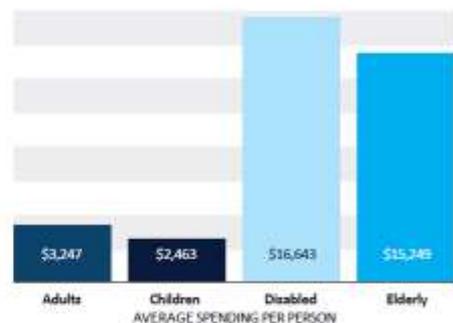
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Medicaid Spending by Enrollment Group



Source: Kaiser Family Foundation

Medicaid Spending by Population



Source: Kaiser Family Foundation, 2011

Trivia



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How many different Medicaid programs are there?



What is a Medicaid waiver?



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States seeking additional flexibility to design their Medicaid programs (influence “policy levers”) may apply for formal waivers of some statutory requirement from the Department of Health and Human Services:

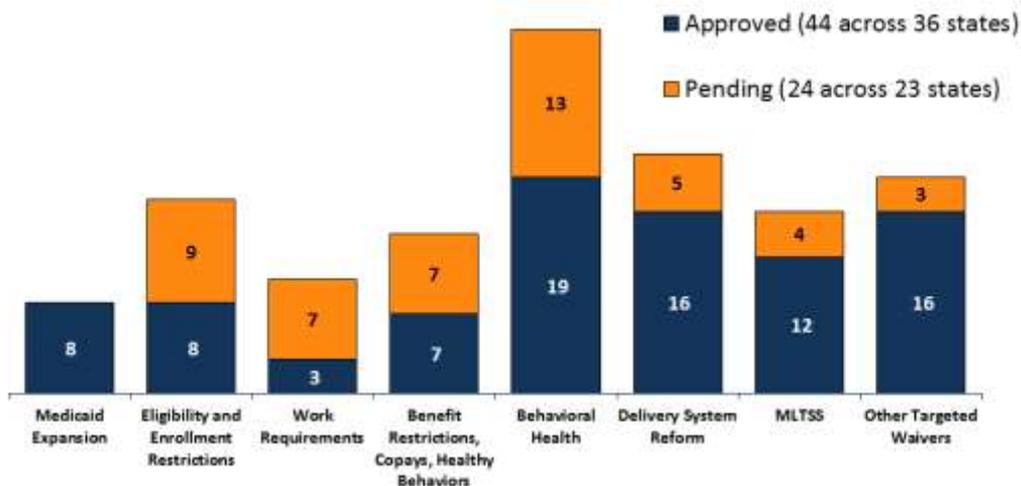
- 1115 Demonstration Waivers
- 1915 (b) Managed Care Waivers
- 1915 (c) Home- and Community-based Services (HCBS) Waiver
- Combined or concurrent Section 1915(c) waivers

“Today, we commit to ushering in a new era for the federal and state Medicaid partnership where states have more freedom to design programs that meet the spectrum of diverse needs of their Medicaid population.”
- HHS letter to governors, March, 2017

Landscape of Section 1115 Medicaid Demonstration Waivers, March 5 2018



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Source: Kaiser Family Foundation

1915(C) Home- and Community-based Services (HCBS) Waivers

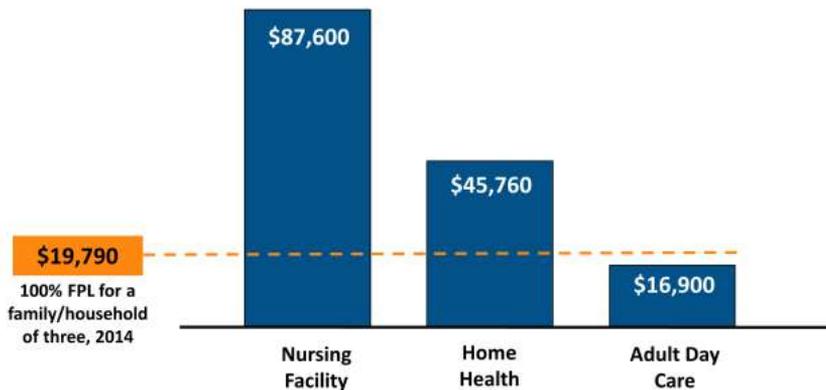


- ❑ This waiver allows states to meet the needs of people who prefer to get long-term care services and supports in their home or community, rather than in an institutional setting.
- ❑ 1915 (c) HCBS programs provide a combination of medical and non-medical services, including: home health aide, personal care, adult day health services, habilitation (both day and residential), and respite care.
- ❑ 47 states offer services through this waiver, with the other three (Arizona, Rhode Island and Vermont) offering HCBS through an 1115 demonstration waiver.

Home- and Community-based Services



Median Annual Care Costs, by Type of Service, 2014

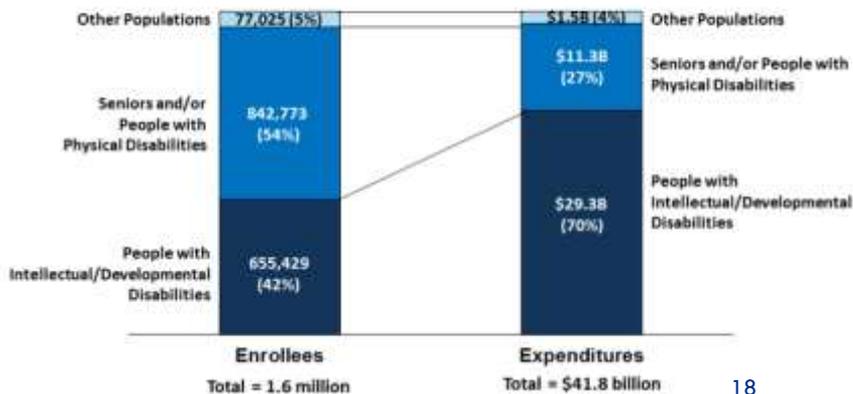


Source: Kaiser Family Foundation

1915(C) Home- and Community-based Services Waivers



Medicaid § 1915 (c) HCBS waiver enrollment and spending by target population, 2014.





Thank you!

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Medicaid: A Changing Federal/ State Partnership

NCSL Invitational Health
Seminar for Newer Legislators

Jonathan Freedman
April 14, 2018

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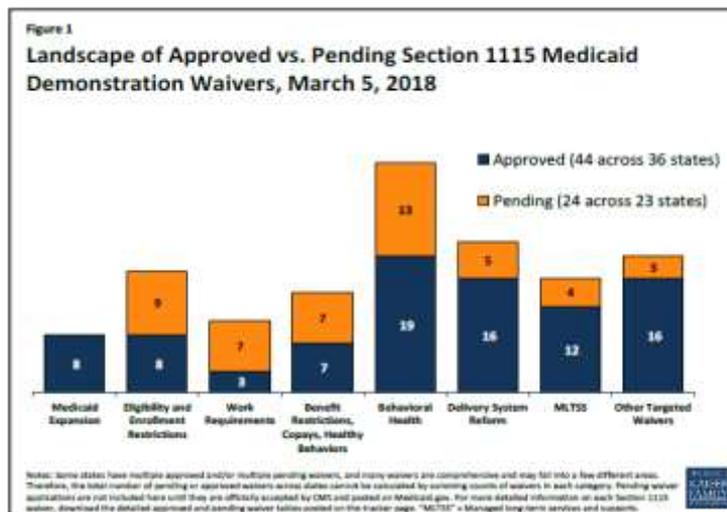


Topics Covered

- **Role of Waivers in Medicaid**
- **Recent Trends in Medicaid Waivers**
 - Behavioral Health
 - Managed LTSS (MLTSS)
 - Work requirements, community engagement
- **Role of legislators in changes to their Medicaid programs**
- **Other Key Trends/Issues to Watch**

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Medicaid Waiver Activity



<https://www.kff.org/medicaid/issue-brief/section-1115-medicaid-demonstration-waivers-the-current-landscape-of-approved-and-pending-waivers/>

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Behavioral Health in Medicaid

- Behavioral health in Medicaid is a very broad topic
- Medicaid has a reach into many areas such as:
 - Severe mental illness
 - Substance abuse
 - Autism
 - Developmentally disabled
 - Foster children

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Behavioral Health in Medicaid

Behavioral Health Waivers

Executive Summary Table: Key Themes in Section 1115 Behavioral Health Waivers as of Nov. 2017		
Waiver Provision	# of States with Approved Waiver	# of States with Pending Waiver
IMD Payment Exclusion	7 approved for substance use treatment, 1 approved for mental health services	7 pending for substance use treatment, 2 pending for mental health services
Community-Based Benefit Expansions	9 approved	5 pending
Eligibility Expansions	6 approved	2 pending
Delivery System Reforms	5 approved	3 pending

IMD = Institutions for Mental Diseases

<http://files.kff.org/attachment/Issue-Brief-Key-Themes-in-Medicaid-Section-1115-Behavioral-Health-Waivers>

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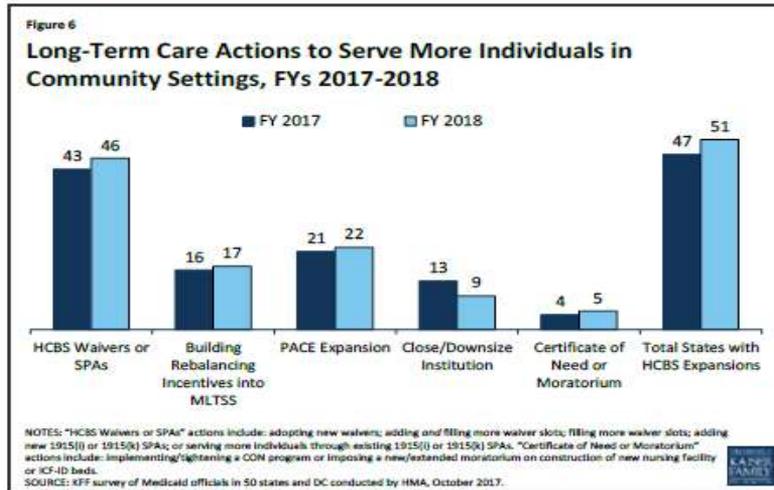
Features of Behavioral Health Waivers

- Eligibility
- Benefits
- New models
 - Supportive housing
 - Supportive employment
 - Primary care integration

LTSS is a broad portfolio of services that includes:

- Nursing facility care
- Adult daycare programs
- Home health aide services
- Personal care services
- Transportation
- Supported employment
- Family caregiver services

State LTSS Initiatives



Shifts of LTSS to MLTSS

Exhibit 10: MLTSS Enrollment by Populations, July 1, 2017
 (# of States)

	Seniors	Persons with ID/DD	Nonelderly Adults with Physical Disabilities	Full Benefit Dual Eligibles
Always mandatory	13	7	11	11
Always voluntary	5	5	4	6
Varies	4	8	5	6
Always excluded	1	3	2	0

ID/DD = Intellectual Disabilities/ Developmental Disabilities

January 2018 CMS letter to States:

“... support state demonstrations that require eligible adult beneficiaries to engage in work or community engagement activities (e.g., skills training, education, job search, caregiving, volunteer service) in order to determine whether those requirements assist beneficiaries in obtaining sustainable employment or other productive community engagement and whether sustained employment or other productive community engagement leads to improved health outcomes.”

<https://www.medicaid.gov/federal-policy-guidance/downloads/smd18002.pdf>

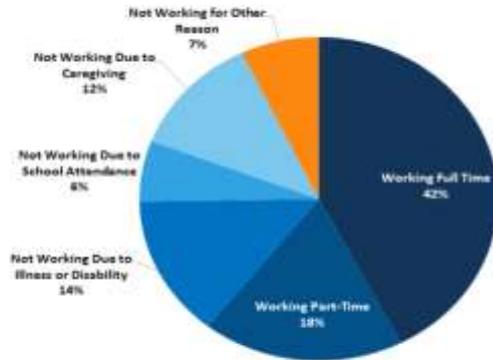
January 2018 CMS letter to States:

“... testing innovative approaches to promote work and other community engagement, including approaches that make participation a condition of eligibility or coverage, among working-age, non-pregnant adult Medicaid beneficiaries who qualify for Medicaid on a basis other than a disability”

<https://www.medicaid.gov/federal-policy-guidance/downloads/smd18002.pdf>

Work Requirements, Community Engagement in Medicaid

Figure 1
Work Status and Reason for Not Working Among Non-SSI, Nonelderly Medicaid Adults, 2016



Total = 24.6 million

Notes: "Not Working for Other Reason" includes retired, could not find work, or other reason. Working Full-Time is based on total number of hours worked per week (at least 35 hours). Full-time workers may be simultaneously working more than one job. Source: Kaiser Family Foundation analysis of March 2017 Current Population Survey.



<https://www.kff.org/medicaid/issue-brief/medicaid-and-work-requirements-new-guidance-state-waiver-details-and-key-issues/>

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Work Requirements, Community Engagement in Medicaid

Table 1: Summary of States' Section 1115 Work Requirement Waivers Submitted to CMS as of January 31, 2018

	AK	AZ	IN	IL	GA - approved	NC	MD	RI	UT	WI
Covered Populations										
Exception adults	X	X	X		X			X		
Traditional adult ¹			X	X (parents 0-185 FFL)	X	X (parents 0-100% FFL)	X (parents 0-27% FFL)		X (parents 66-100% FFL; childless adult 0-100% FFL)	X (childless adult 0-100% FFL)
Common Exemptions										
Age	55+	55+	60+	65+	65+	65+	65+	65+	60+	50+
Disability/medically frail	X	X	X		X	X	X	X	X	X
Drug treatment	X		X			X	X	X	X	X
Students	X	X	X		X		X		X	X
Catastrophic event	X	X								
Caregiving	X	X	X	X	X ²	X	X	X	X	X
Unemployment compensation	X					X			X	X
Common Work Activities										
Employment	X	X	X	X	X	X	X	X		X
Job Search	X	X	X	X	X	X	X	X	X	
Job Training	X	X	X	X	X		X	X		X
Volunteer/community service	X	X	X	X	X	X	X			
Education	X	X	X	X	X	X		X		
Hours Required										
	80/month	20/week	0p to 20/week	20-30/week	0/week	20/week	20/week	20-30/week	3 consecutive months of job search/training unless working 30/week	80/month

<https://www.kff.org/medicaid/issue-brief/medicaid-and-work-requirements-new-guidance-state-waiver-details-and-key-issues/>

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State Policy Considerations

- Which eligibility groups?
- Degree of alignment with similar concepts in TANF (Temporary Assistance to Needy Families) – cash aid - and SNAP (Supplemental Nutrition Assistance Program) - food stamps?
- Linkage to other reforms such as cost sharing in health care (i.e., premiums, co-pays)
- Exemptions from requirements
- Incentives/Consequences (i.e., enhanced benefits, loss of coverage)

State Financial Considerations

- Budget neutrality
- Non-federal share
- Financial impact
 - State general fund
 - Beneficiaries
 - Providers
 - Plans

State Process Considerations

- Single State Agency Requirement
- Legislative input, design, review, approval?
- Agency regulatory authority (i.e., standard or expedited)
- Public input into waiver development

State Implementation Considerations

- Administrative control (i.e., which state agency?)
- Administrative responsibility (i.e., state or managed care plan?)
- Performance reporting
- Oversight mechanism

■ Other Key Trends/Issues to Watch

Medicaid Financing

Current Model

- Federal financing formula for Medicaid range from 50-75%
- States with higher per capita income (a measure of state fiscal capacity) have lower Federal Medical Assistance Percentage (FMAP)
- Federal funding un-capped; as health costs increase, Feds pay a share

Block Grants

- Set Federal allotment provided to states
- Likely not sensitive to cost, enrollment and economic downturn

Per Capita Cap

- Per beneficiary amounts provided to states
- Would provide some sensitivity to enrollment and economic downturn

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■ Other Key Trends/Issues to Watch

- Washington DC health care debate – partisan overreach or bipartisan compromise?
- Washington DC – is federal financial participation in Medicaid going to be reduced, capped?
- Value-based payment models – will states drive further reform?
- Drug and device cost pressure continues
- Persistent challenges in access (geographic and other) and maldistribution of health resources

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Questions?

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