

# Medicaid and CHIP: Today and Moving Forward



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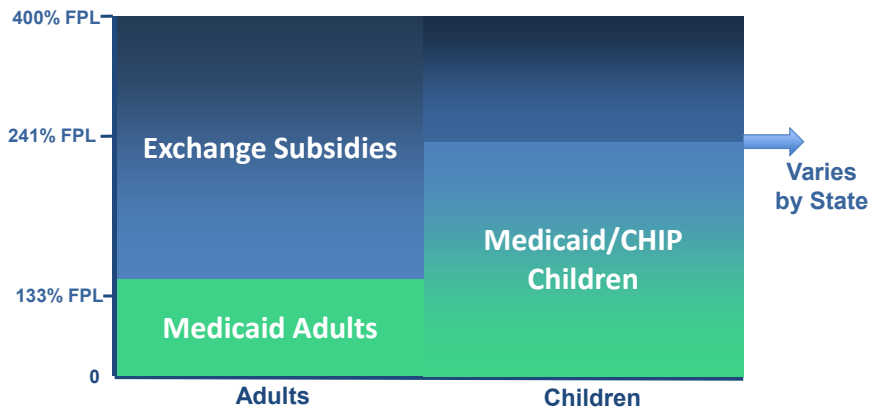
CMS Deputy Administrator

Director

Center for Medicaid and CHIP Services  
Centers for Medicare & Medicaid Services

National Conference of State Legislatures  
August 6, 2012

## Affordable Insurance Programs (2014)



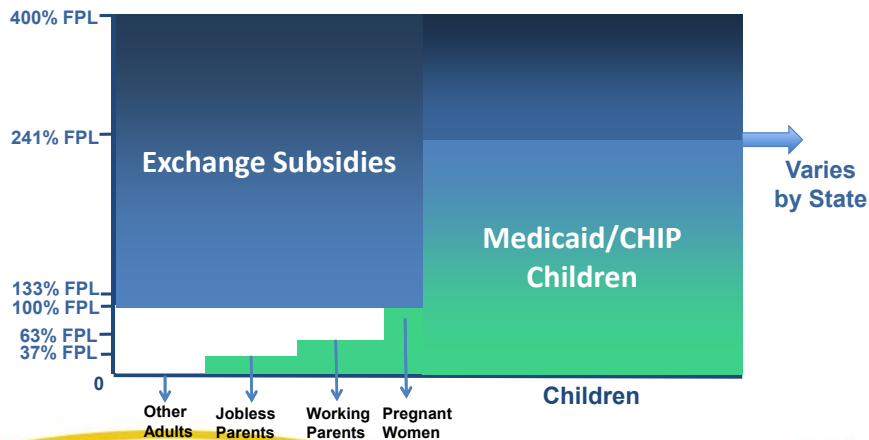
## Supreme Court's Decision

- Medicaid coverage expansion for low-income adults is voluntary with states
- States can decide whether and when to expand, and, if a state covers the expansion group, it may later drop the coverage
- All other aspects of the Affordable Care Act remain in place, including enhanced federal match
- No deadline for state decision



## Affordable Insurance Programs (2014): Without Expansion

For non-elderly, non-disabled individuals, based on current median state eligibility



# Who are the Low-Income Adults?

- 53% men and 47% women\*
- Most work or are in households with a worker
- Some are unable to work due to poor health
- Many are
  - parents of kids states now cover
  - parents of kids who have grown and left home
  - women who states cover when they are pregnant
  - older people but still too young for Medicare
  - younger people just starting out on their own
- Many use the emergency room because they have no regular source of care
- Many have no access to the care they need

\* Urban Institute Tabulations of the 2010 American Community Survey



# Federal/State Share of Costs

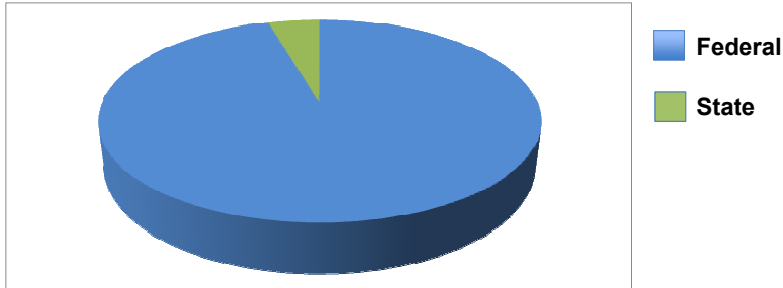
Group	Federal Share of Cost
Adults states now cover*	50%- 75% (57% state average)
Newly eligible adults	100% (2014, 2015, 2016) 95% (2017) 94% (2018) 93% (2019) 90% (2020 →)
Systems Improvement	90% for development (2011-2015) 75% for maintenance (2011 →)

\* Some “early expansion” states will receive more federal support beginning in 2014 for some of the adults they now cover.



# Who Pays?

## Estimated Distribution of Costs for Medicaid Coverage Changes: 2014-2019



Source: Congressional Budget Office and Medicaid Coverage and Spending in Health Reform, John Holahan and Irene Headen/Kaiser Commission, May 26, 2010

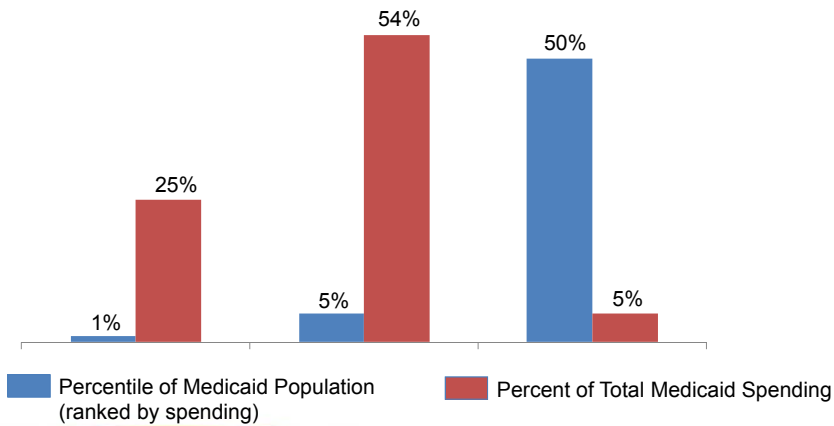


## Potential Savings for States and Local Communities

- Uncompensated care
- State or locally-funded coverage that is no longer needed
- State or locally-funded direct service programs that may no longer be needed
- Much variation across states, but overall states would save \$92-129 billion between 2014-2019 (Urban Institute estimate, July 2011)



## Concentration of Medicaid Spending



Source: Medicaid Statistical Information System Claims Data for FY 2008



## New Opportunities to Improve Care and Lower Costs

For example:

- Dual eligible data and demonstrations
- Health homes (enhanced federal match)
- Community First Choice, Balancing Incentives Program (enhanced federal match)
- New Integrated Care Models (no waiver needed)
- Pharmacy survey data to inform state pricing
- Data and analytics to identify cost drivers
- Partnership for Patients



## Partnering with States to Achieve a High Performing Medicaid Program

• Moving from a safety net program

• To a full partner in the health care system

• Ensuring better care, better health, lower costs