

Medicaid: New Opportunities in a Changing Landscape

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The Federal Government is here to help

- Our Mission: Help states make Medicaid and CHIP the best programs they can be
- Partnership with states
- Focus on beneficiaries

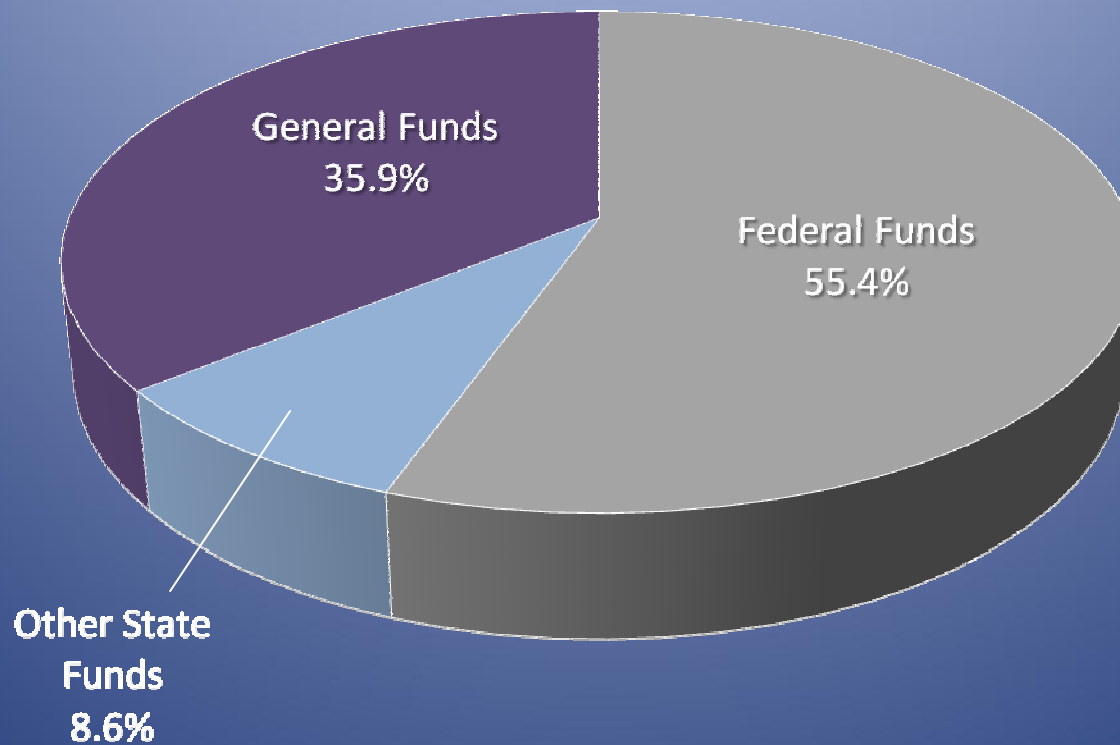
Medicaid is Performing Well

- Medicaid covered an additional 3.3 million people from June 2008 – June 2009, as the economy worsened
- Medicaid, along with CHIP, has been particularly effective for children
 - Lowest uninsured rate since 1987
- Studies show that enrollment is directly correlated with improved access to care

But Challenges Persist

- Rising health care costs
- Growing coverage needs; pressure from declines in ESI
- Double digit state revenue declines
- System not sufficiently focused on assuring quality and value for dollars spent
- Generally high beneficiary satisfaction, but access gaps exists
- Data useful to help guide program decisions are lacking

State Expenditures for Medicaid by Funding Source (FY 2008)



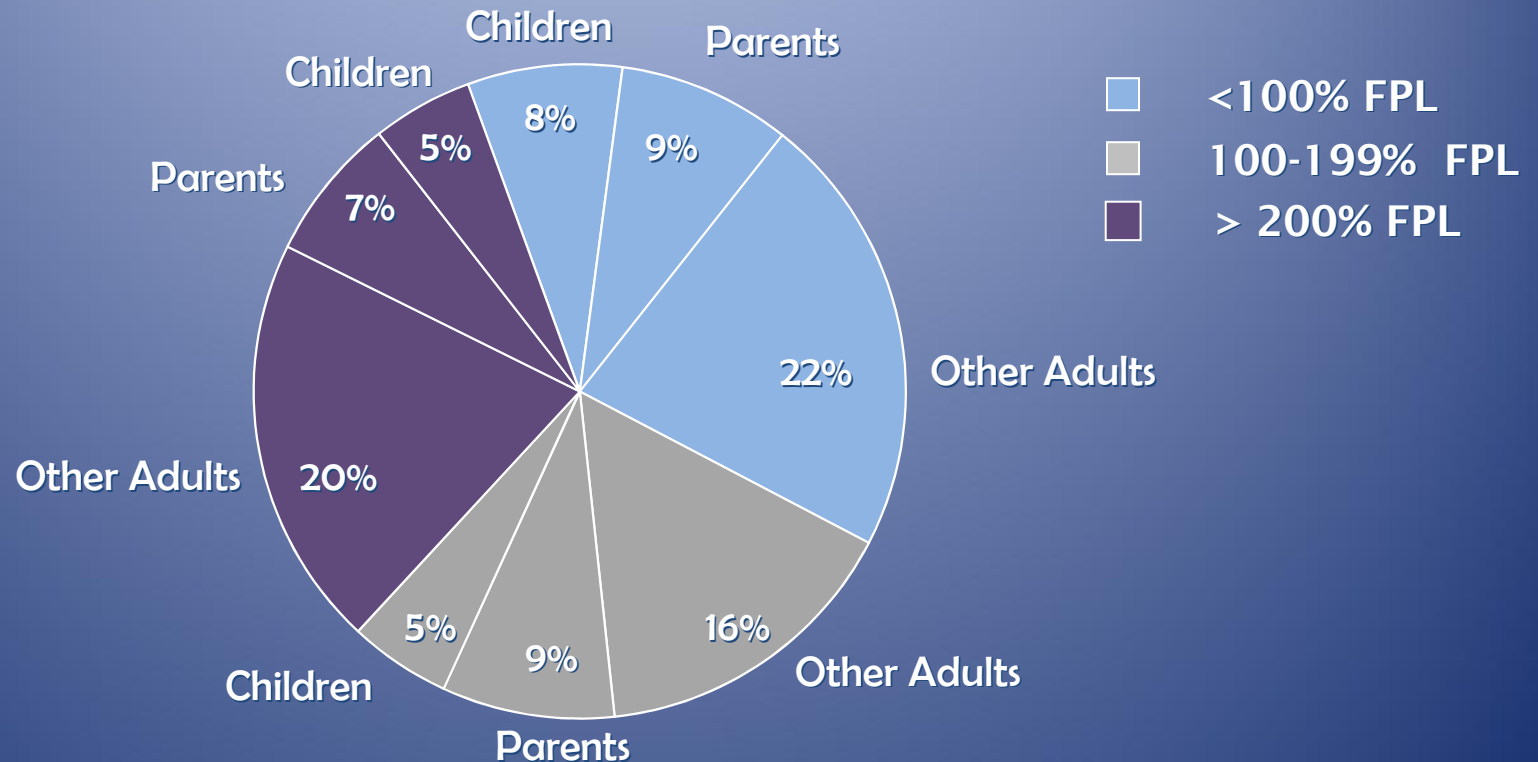
Source: FY 2008 State Expenditure Report -
National Association of State Budget Officers
Published Fall 2009

Applying ARRA to the “Clawback”

- Total estimated December 2010 savings to States = \$4.3 billion (October 2008 – December 2009)
- If President’s FY 2011 Budget Proposal to extend the FMAP increase by 6 months to June 2011 is enacted, the Clawback change results in an additional \$1 billion in State savings

**The Patient Protection
and Affordable Care Act
of 2010 (PPACA)
P.L. 111-148**

46 Million Uninsured People

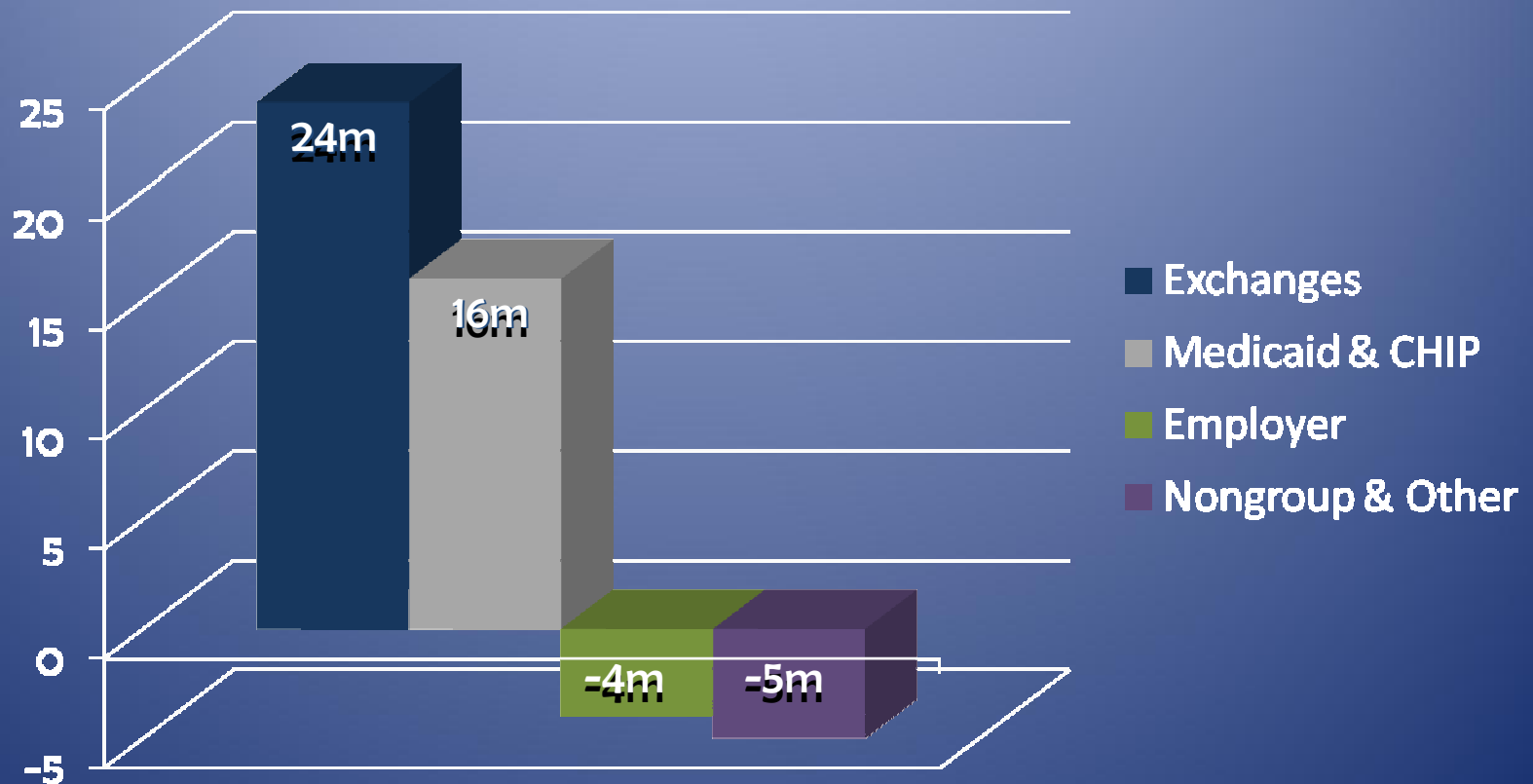


Total = 45.7 million non-elderly uninsured

*200% of the Federal Poverty Level (FPL) for a family of three in 2009 was \$36,620 per year.

SOURCE: KCMU/Urban Institute analysis of March 2009 CPS.

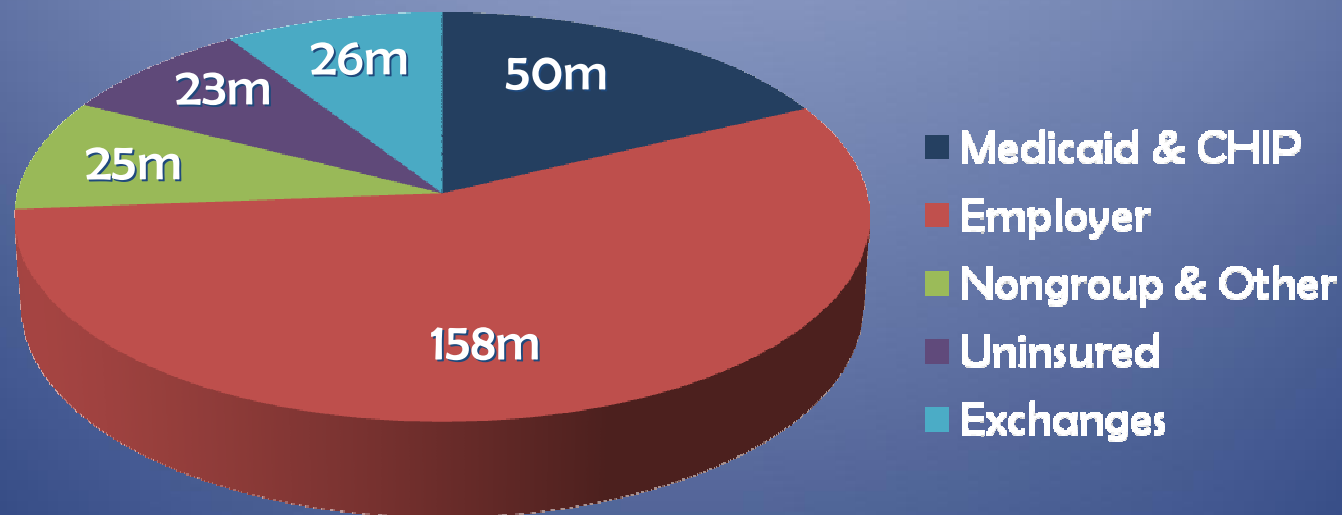
Projected Changes in Insurance Coverage (2019)



Total new coverage = 31 million

Source: Congressional Budget Office, 3/11/2010

Sources of Coverage for Non-Elderly (2019)



Source: Congressional Budget Office

Coverage Guarantees Rely on ESI, Exchange, Medicaid/CHIP



Eligibility Expansion and Simplification: Basics

- January 2014, nonelderly individuals – adults and children- with incomes up to 133% of the FPL (\$24,400 for a family of 3) will be eligible for Medicaid-
 - Gross income
- Children above 133% FPL eligible for CHIP
- Interim:
 - Medicaid eligibility MOE for adults until 2014
 - For children, Medicaid/CHIP eligibility is maintained through 2019
 - New coverage option for childless adults

Toward Universal Coverage

- Reform is predicated on the principle that everyone who is eligible is enrolled; and that coverage is stable
- Simplified Medicaid rules and other features of reform will make this easier
- Need to rethink enrollment/renewal
- Essential to make a **system** out of different components

Supporting States Through Health Reform

- Federal support for the cost of expanding Medicaid
 - 100% federal funding of Medicaid expansion from 2014-2016; then 95-90% FFP
 - Federal match available for state-funded coverage and for new expansions starting in April 2010
- Federal support for “early expanders”
- More federal support for CHIP
- Other support for primary care payments, home and community based care, prevention, workforce...

State-Federal Partnership: More Critical Than Ever

New state option Systems Support Eligibility Rules Benefit Designs FMAP rules Basic Option Data Performance Standards

Federal Actions

2010

2014

Exchange/Medicaid Org Structure Adopt new laws/budgets System changes New rules/forms Provider networks /contracts Staffing Training

State Action

Strategies for Successful Implementation

- Develop policies in collaboration with States
- Prompt guidance/regulations
- Technical assistance/readiness assessments with States
- Avoid the crush

Work Ahead

- Helping States become more effective payers
- Delivery system improvements, including high-cost beneficiaries and dual eligibles
- Assuring access to quality care

Work Ahead

- More progress assuring home and community-based care and support
- Improving data and systems
- Enrolling all eligible people

Connecting Kids to Coverage Challenge

Enroll the 5 million uninsured children
who are currently eligible for Medicaid
or CHIP over the next five years

*“We all have a stake in America’s children, and
together, we will assure that millions more get the
care they need.”*

--HHS Secretary Kathleen Sebelius

February 4, 2010



Overarching Focus on Program Integrity

- Impacts all the ways we do business
- Many dimensions

Medicaid Has Always Been a Cornerstone for Reform

States have continually relied on Medicaid to meet new demands and initiate reforms

- Improving infant mortality rates
- Providing coverage for those living with HIV/AIDS
- Covering people with disabilities in the labor market, families of children with special needs, and providing community based long-term care
- Developing new care coordination models
- Initiating Electronic Health Records (EHRs)
- Significantly reducing the uninsured rate among children