

Putting Reform into Medicaid and Medicaid into Reform: A Two-Way Street

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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
- States are struggling; but federal resources and support are available now

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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

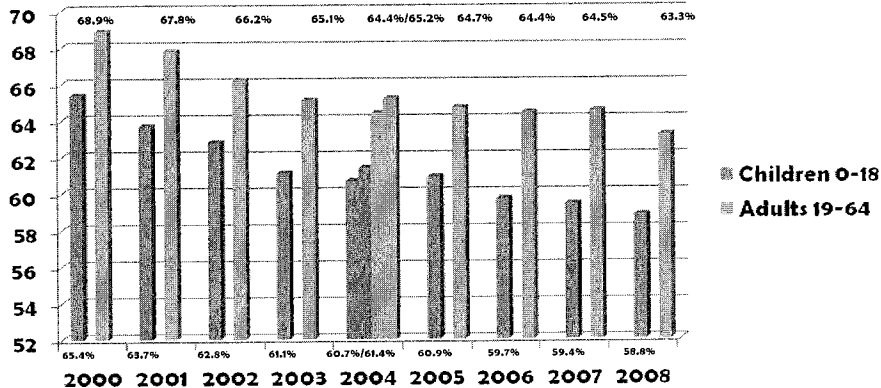
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But... Faces Many Challenges

- 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

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ESI Coverage of the Nonelderly: Rates and Number of People (in Millions) 2000-2008



Source: Holahan and Cook. "Changes in Health Insurance Coverage, 2007-2008: Early Impact of the Recession." Kaiser Commission on Medicaid and the Uninsured. <http://www.kff.org/uninsured/8004.cfm>

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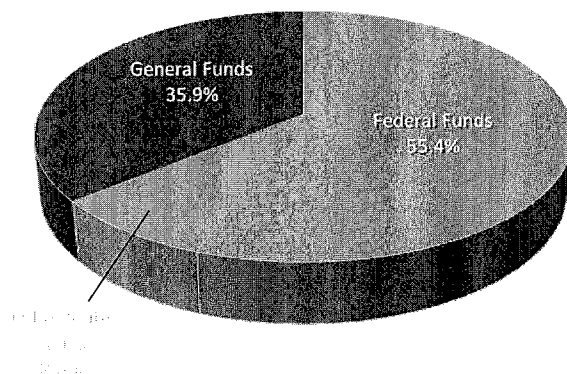
Percentage Change in State Tax Revenue: FY 2007 – FY 2009



Source: The Nelson A. Rockefeller Institute of Government, February 23, 2010

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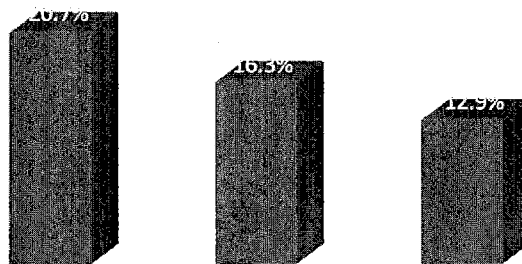
State Expenditures for Medicaid by Funding Source (FY 2008)



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

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Medicaid as a Share of State Expenditures: 2008



Total state expenditures
Federal funds
State funds

Source: FY 2008 State Expenditure Report -
National Association of State Budget Officers
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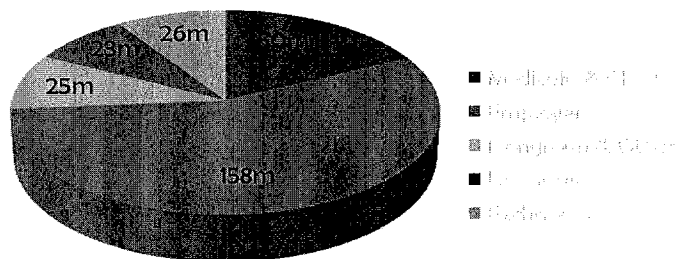
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Applying ARRA to the “Clawback”

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

Health Reform Is Here!!

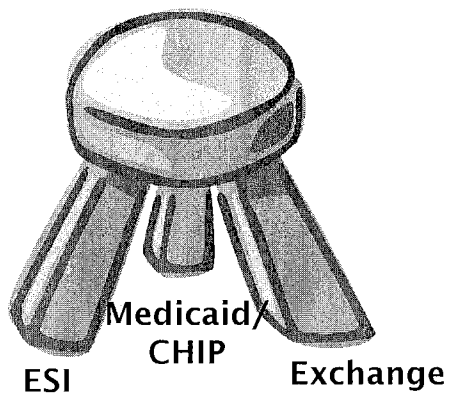
Sources of Coverage for Non-Elderly (2019)



Source: Congressional Budget Office

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Coverage Guarantees Rely on ESI, Exchange, Medicaid/CHIP



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Putting Medicaid into Reform: Eligibility Expansion

- By January 2014, nonelderly individuals with incomes up to 133% of the FPL (\$24,400 for a family of 3) will be eligible for Medicaid.
 - ✓ Simplified rules
- Significant increase in federal support for Medicaid/CHIP
 - ✓ 100% match for “newly eligible” group for 3 years and 95-90% match thereafter
 - ✓ Increased match for “childless adults” in “expansion” states (reaches 93%/90% in 2019/2020)
 - ✓ Increased match for CHIP in 2016 (enhanced plus 23 percentage points)
 - ✓ Regular federal match for remaining currently eligible groups

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Transition to a New Medicaid Program

- Early option to receive FFP for covering low-income adults beginning April 1, 2010.
- To avoid cost shifting and not lose coverage:
 - ✓ Medicaid eligibility MOE until 2014
 - ✓ Medicaid and CHIP eligibility for children is maintained through 2019

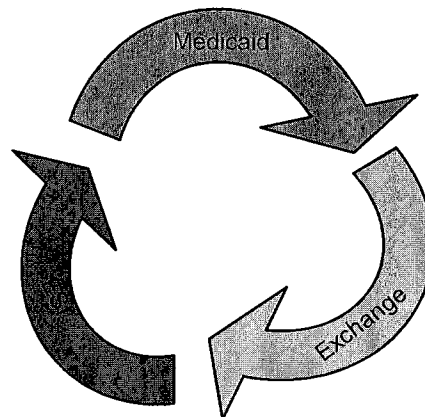
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New Paradigm

- Reform is predicated on the principle that everyone who is eligible is enrolled; and that coverage is stable
 - ✓ Necessary for coverage, cost containment and quality
- Need to rethink Medicaid enrollment/renewal; simplified Medicaid rules and other features of reform will make this easier
- Essential to make a system out of different components

Putting Medicaid into Reform

- Creating a *system* of coverage across Medicaid/Exchange/ESI
- Make “No Wrong Door” a reality

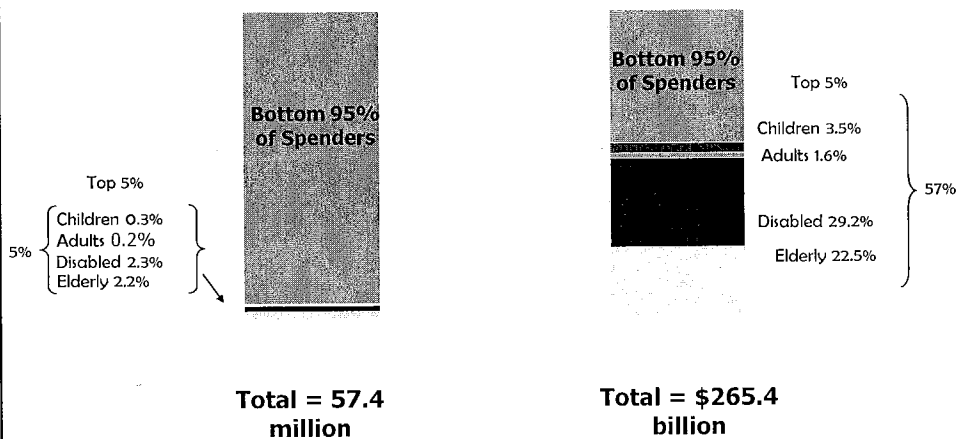


Putting Reform into Medicaid

- Creating a high performing Medicaid Program
 - ✓ Eligible means enrolled
 - ✓ Access issues
 - ✓ Systems upgrades and Data/Performance measures
 - ✓ Payment and delivery systems reform
 - ✓ Continuing to make progress “(re)balancing” long term-care service and supports
 - ✓ Assuring program integrity

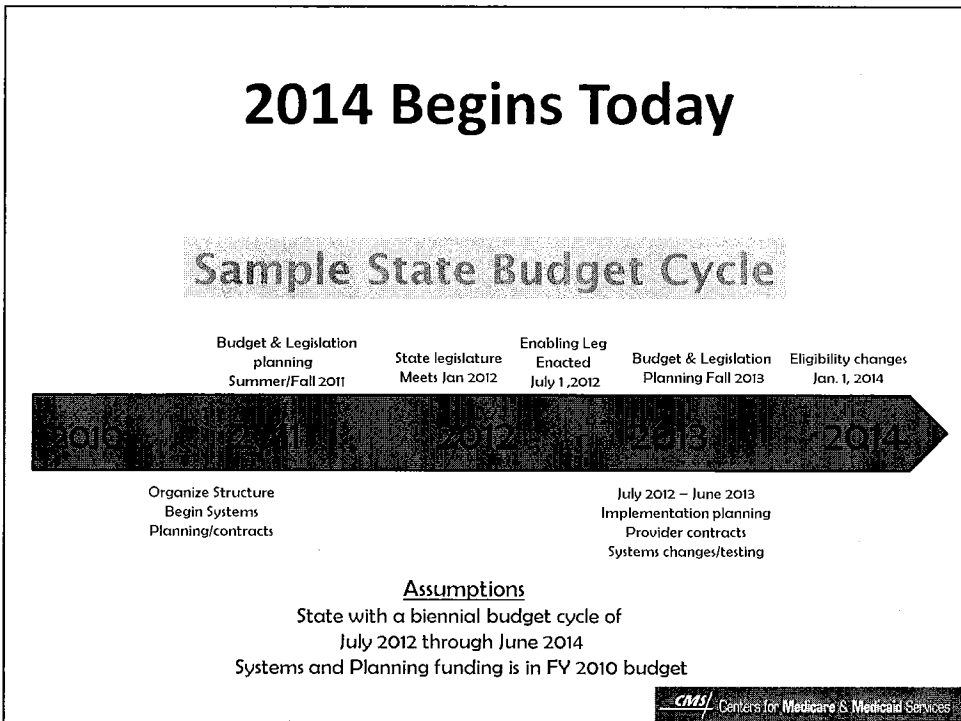
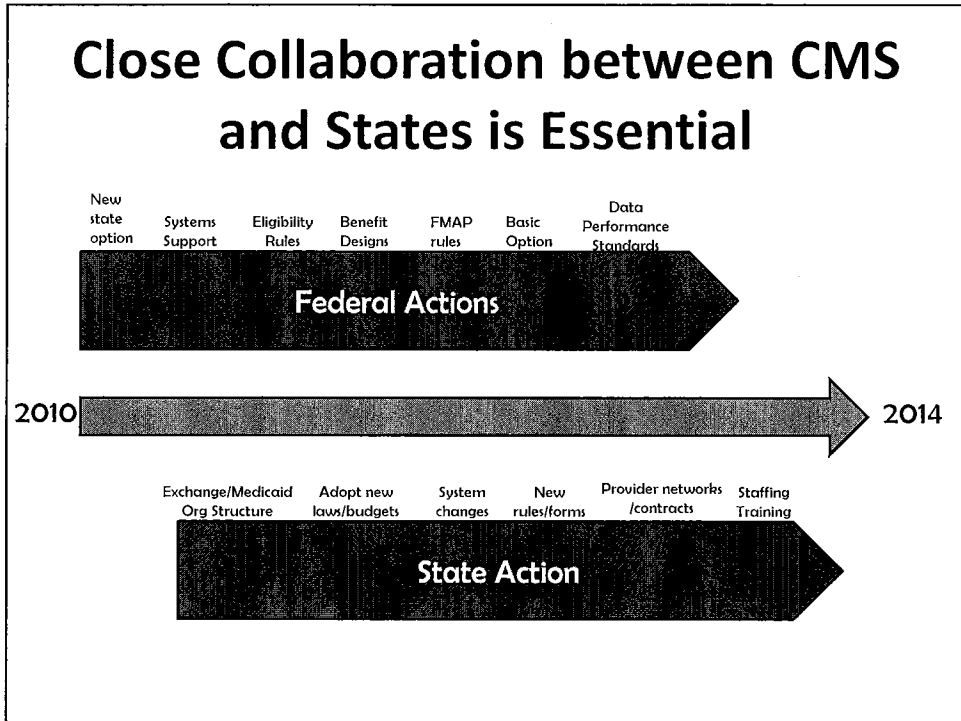
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5% of Enrollees Accounted for More than Half of Medicaid Spending (2004)



SOURCE: Kaiser Commission on Medicaid and the Uninsured and Urban Institute estimates based on MSIS 2004.

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For Children, the Opportunity is NOW

Connecting Kids to Coverage Challenge

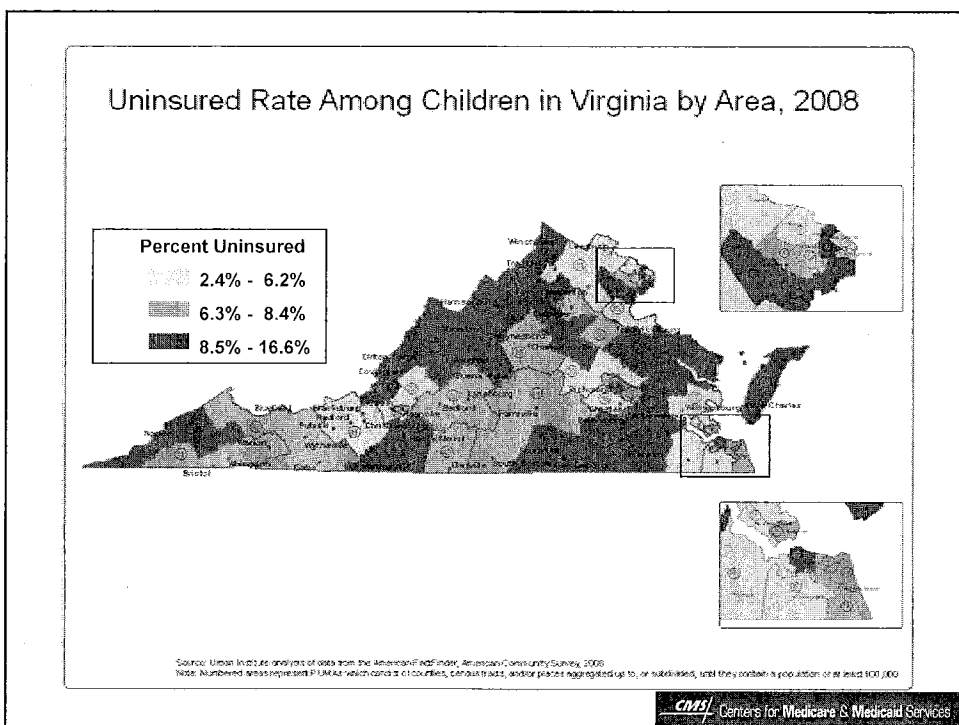
Enroll the 5 million uninsured children
who are currently eligible for Medicaid
or CHIP over the next five years

*"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





States Moving Forward

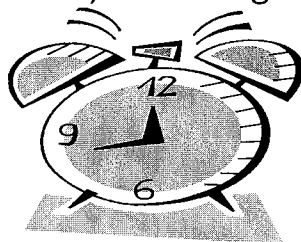
States have continuing the progress since CHIPRA

- 14 States have enacted income eligibility expansions in their Medicaid and/or CHIP programs (48 States now provide coverage to children with incomes up to 200% FPL)
- 12 States have streamlined enrollment/renewal processes
- 19 States have removed the five-year waiting period for immigrant children.

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No Time to Waste

- Families need help with coverage for their children now more than ever
- Consider accepting the Secretary's challenge
- Begin working on health reform implementation; 2014 begins now



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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, children with special needs, and providing community based LTC
- Developing new care coordination models
- Initiating Electronic Health Records (EHRs)
- Significantly reducing uninsured rate among children