

Medicaid: Today and in 2014

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Plan for Today

- Part I: Medicaid: The Basics
 - Q and A
- Part 2: Medicaid in 2014
 - Q and A
- Part 3: The Role NAMI Can Play Preparing for 2014
 - Q and A

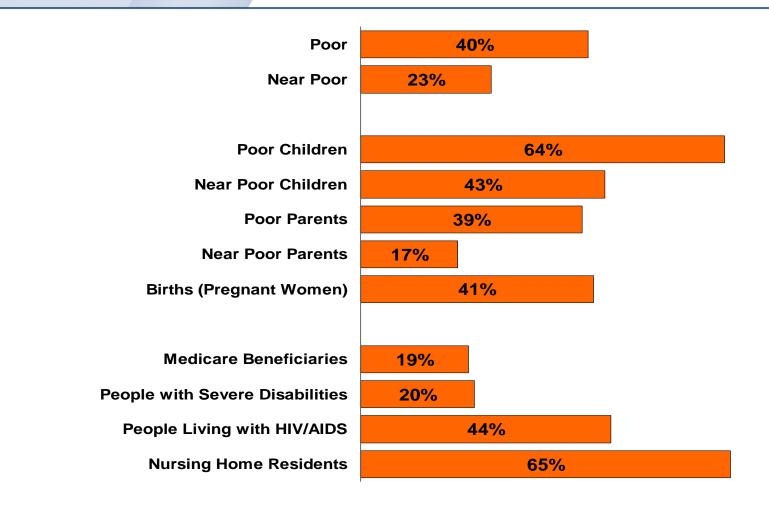


Medicaid Basics

- Created in 1965
- Health care program for low-income individuals and families
- Funded jointly by the federal government and the states
- State administered under broad federal guidelines

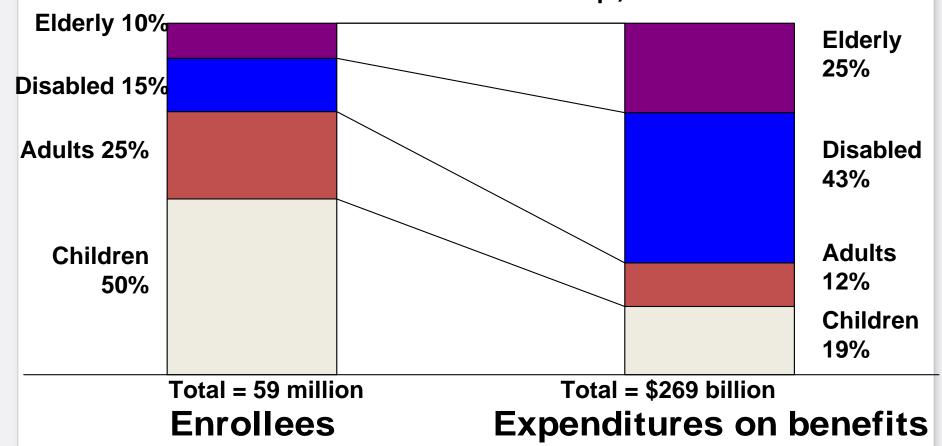


Medicaid's Role in Coverage





Medicaid Enrollees and Expenditures by Enrollment Group, 2006

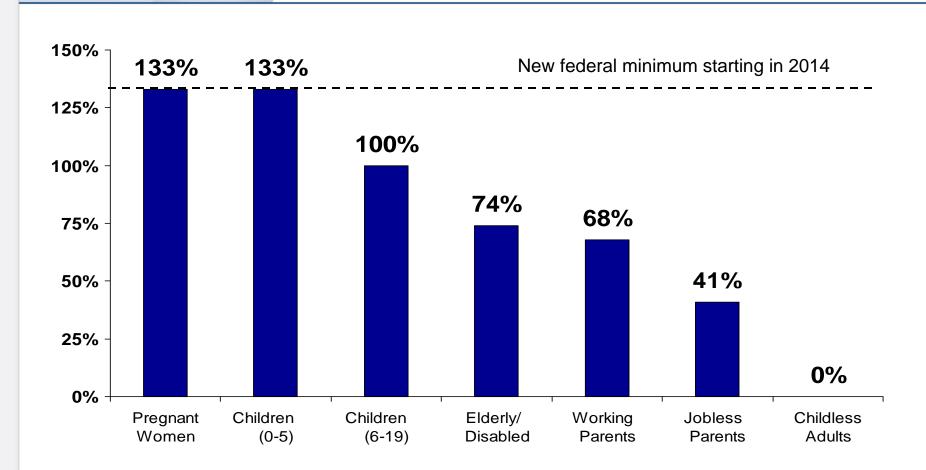


SOURCE: Urban Institute and Kaiser Commission on Medicaid and the Uninsured estimates based on 2006 MSIS data.

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Medicaid Eligibility





Medicaid Benefits

- States required to cover certain mandatory services
- Flexibility to cover optional services
- Early and Periodic Screening, Diagnostic and Treatment benefit ensures all necessary health care services for children and youth under age 21 (EPSDT)



Medicaid Benefits

"Mandatory" Items and Services

- Physician services
- Laboratory and x-ray services
- Inpatient hospital services
- Outpatient hospital services
- Early and periodic screening, diagnostic, and treatment (EPSDT) services for individuals under 21
- Family planning
- Rural and federally-qualified health center (FQHC) services
- Nurse midwife services
- Nursing facility (NF) services for individuals 21 or over

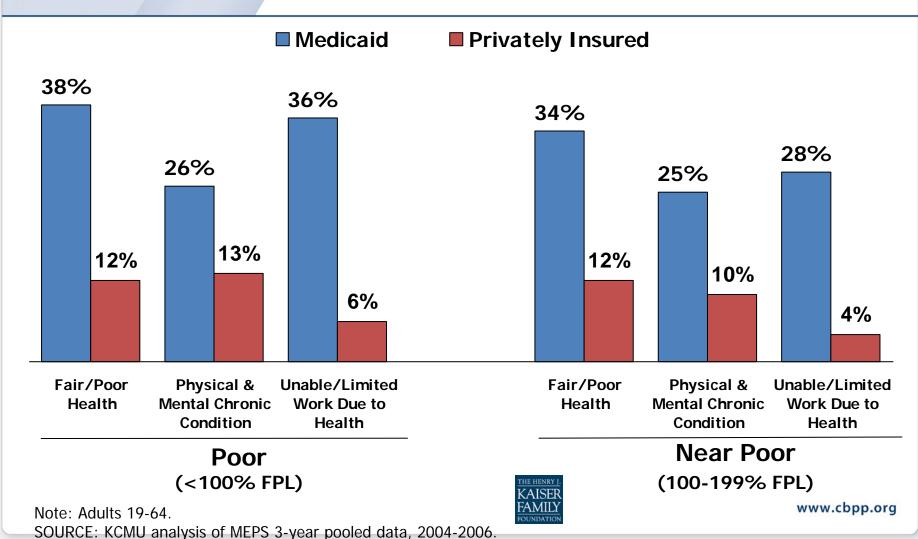
"Optional" Items and Services

- Prescription drugs
- Clinic services
- Dental services, dentures
- Physical therapy and rehab services
- Prosthetic devices, eyeglasses
- Primary care case management
- Intermediate care facilities for the mentally retarded (ICF/MR) services
- Inpatient psychiatric care for individuals under 21
- Home health care services
- Personal care services
- Hospice services

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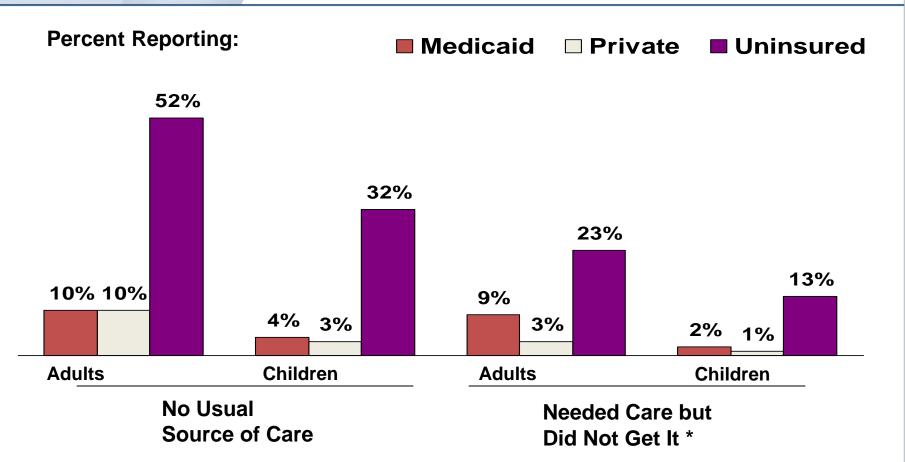


Medicaid Enrollees More Likely to be in Fair or Poor Health





Access to Care: Medicaid Comparable to Private Insurance



^{*} In the past 12 months

NOTE: Respondents who said usual source of care was the emergency room were included among those not having a usual source of care SOURCE: KCMU analysis of 2007 NHIS data

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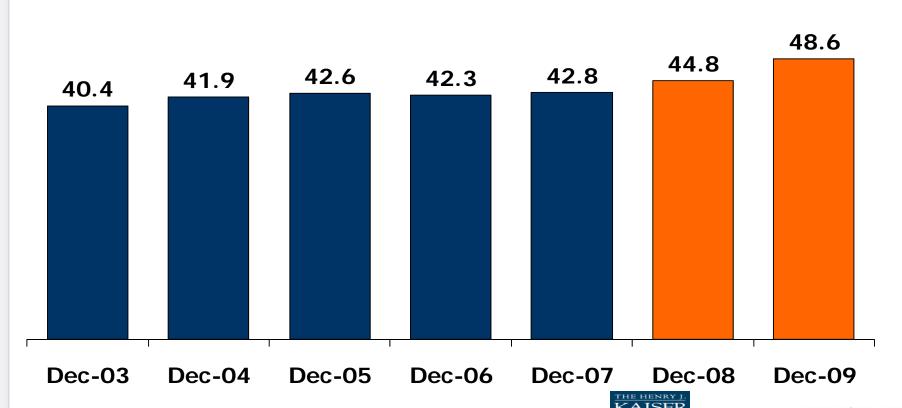
Medicaid Financing

- Jointly funded by federal government and states
- Federal government contributes at least \$1 for every \$1 spent by states
- States currently receiving higher matching funds under Recovery Act (ends on June 30, 2011)



Medicaid Enrollment Has Increased by Nearly 6 Million Since the Start of the Recession

Monthly Enrollment in Millions

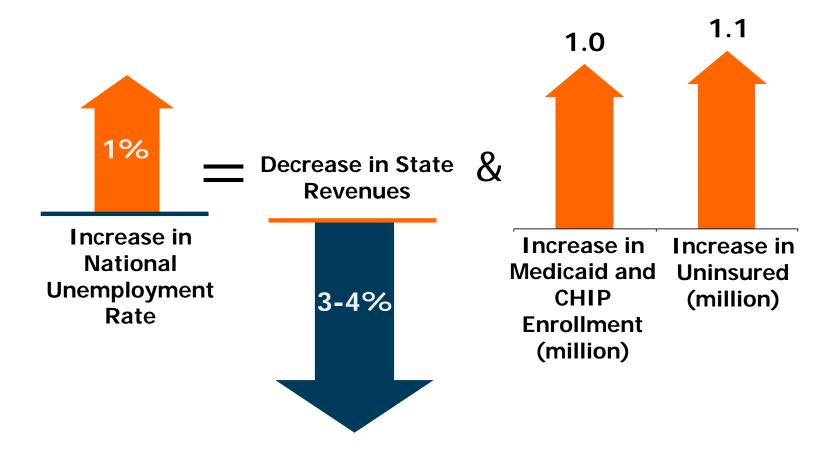


SOURCE: Analysis for KCMU by Health Management Associates, using compiled state Medicaid enrollment reports

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Unemployment and Medicaid





State Administration

- "Single State Agency" must administer program
- State choices reflected in State Medicaid Plan
- State Plan Amendments (SPAs) used to make changes allowable under federal Medicaid law
- "Waivers" used to make changes requiring permission to vary from general requirements



PART 2: HOW WILL MEDICAID CHANGE IN 2014



Maintenance of Eligibility in Effect

- Current eligibility standards (and methods and procedures for determining eligibility) generally must be maintained until January 1, 2014 for adults and October 1, 2019 for children
- Penalty for violation is loss of all Medicaid federal matching funds

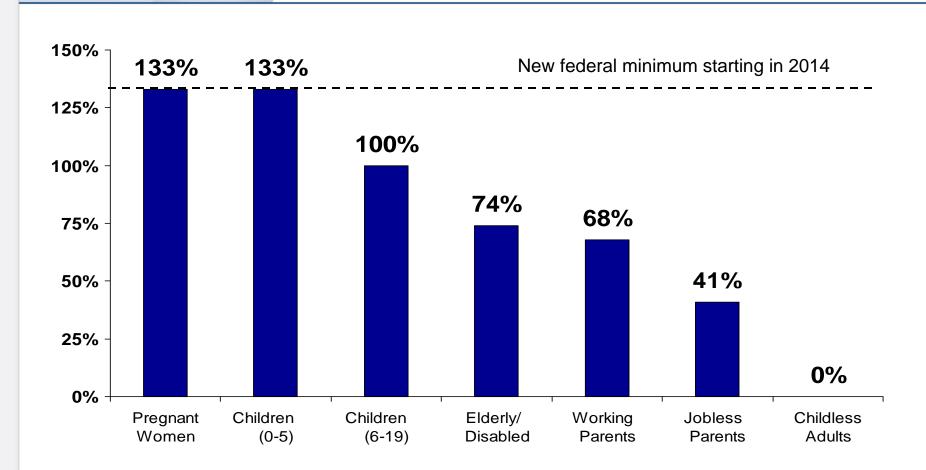


Medicaid Expansion

- New mandatory coverage group:
 - Under 65
 - Not pregnant
 - Not entitled to or enrolled in Medicare
 - Not eligible under other mandatory coverage group
 - Income does not exceed 133 percent of the poverty line



Medicaid Eligibility





New Rules for Determining Eligibility

- No asset test
- Use same rules as premium credits for determining household income
 - Modified Adjusted Gross Income (MAGI)
 - Household income based on tax unit
- In determining income eligibility reduce countable income by an amount equal to 5 percent of the poverty line



Implications of New Rules on Income

- Some income now counted will not be counted, e.g.
 - Child support received
 - Social Security benefits
- Some income not counted will be counted:
 - Step-parent income and grand-parent income for children



Benchmark Benefits for Newly Eligible

- States must provide benchmark benefits to newly eligible adults
- Benchmark benefit regulations issued by CMS on April 30 clarify that benchmark package can be equal to or more comprehensive than traditional Medicaid
- Regulations also establish new exemption for "medically frail"



Implications for People with Disabilities

- Many people with disabilities will become eligible for the first time
- Different rules on treatment of income and assets and potential for different benefit packages complicate eligibility determination
- Decisions states make on "benchmark benefits" are critical
- In some states may need to focus on maintaining coverage with higher income eligibility levels (e.g. Ticket to Work)

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Coordination of Medicaid with Premium Credits

Law requires:

- A streamlined system that serves as "one-stop shop"
- A single application form
- Process to screen and enroll/refer
- Establishment of secure, electronic interface to facilitate data exchange
- Verification of information through data matching whenever possible



Determining Eligibility: Challenges

- Whether eligible under new group or existing group determines rate of federal match
- May need to separately determine disability to determine appropriate benefits package
- Different accounting periods, enrollment periods and rules on timing of income for Medicaid and premium credits



PART 3: WHAT ROLE CAN NAMI PLAY IN ENSURING OPTIMAL IMPLEMENTATION OF THE MEDICAID EXPANSION?



5 Related Areas

- Maintaining Medicaid program in advance of 2014
- Ensuring that outreach and enrollment policies facilitate enrollment of vulnerable populations
- Establishing the strongest possible benefit package
- Ensuring coordination with services not funded by Medicaid (e.g. child welfare, education, housing, vocational, other mental health services)
- Maintaining coverage for existing beneficiaries