

Medicaid After the Supreme Court Decision: Options and Questions

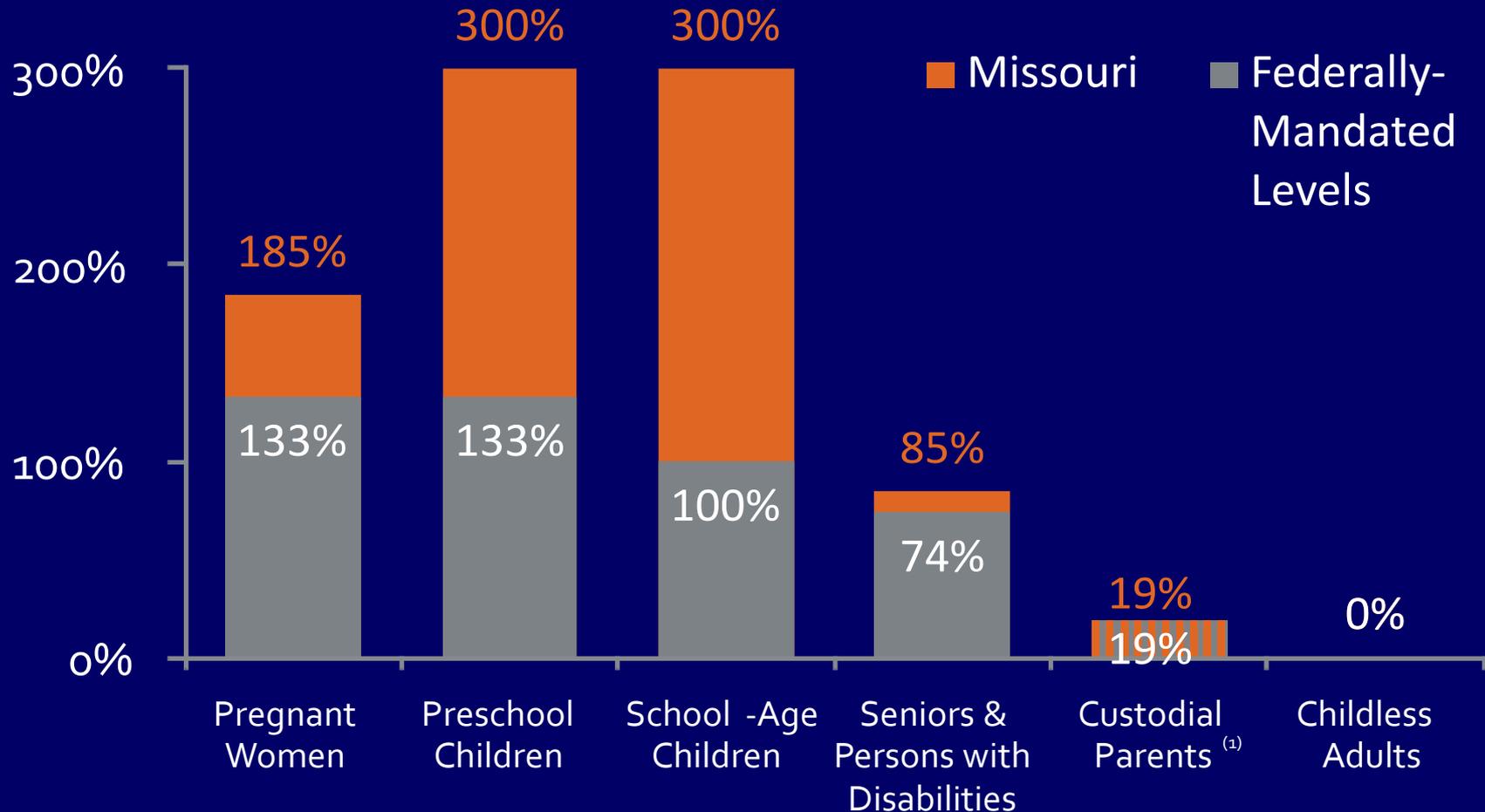
MO HealthNet Oversight Committee
July 31, 2012



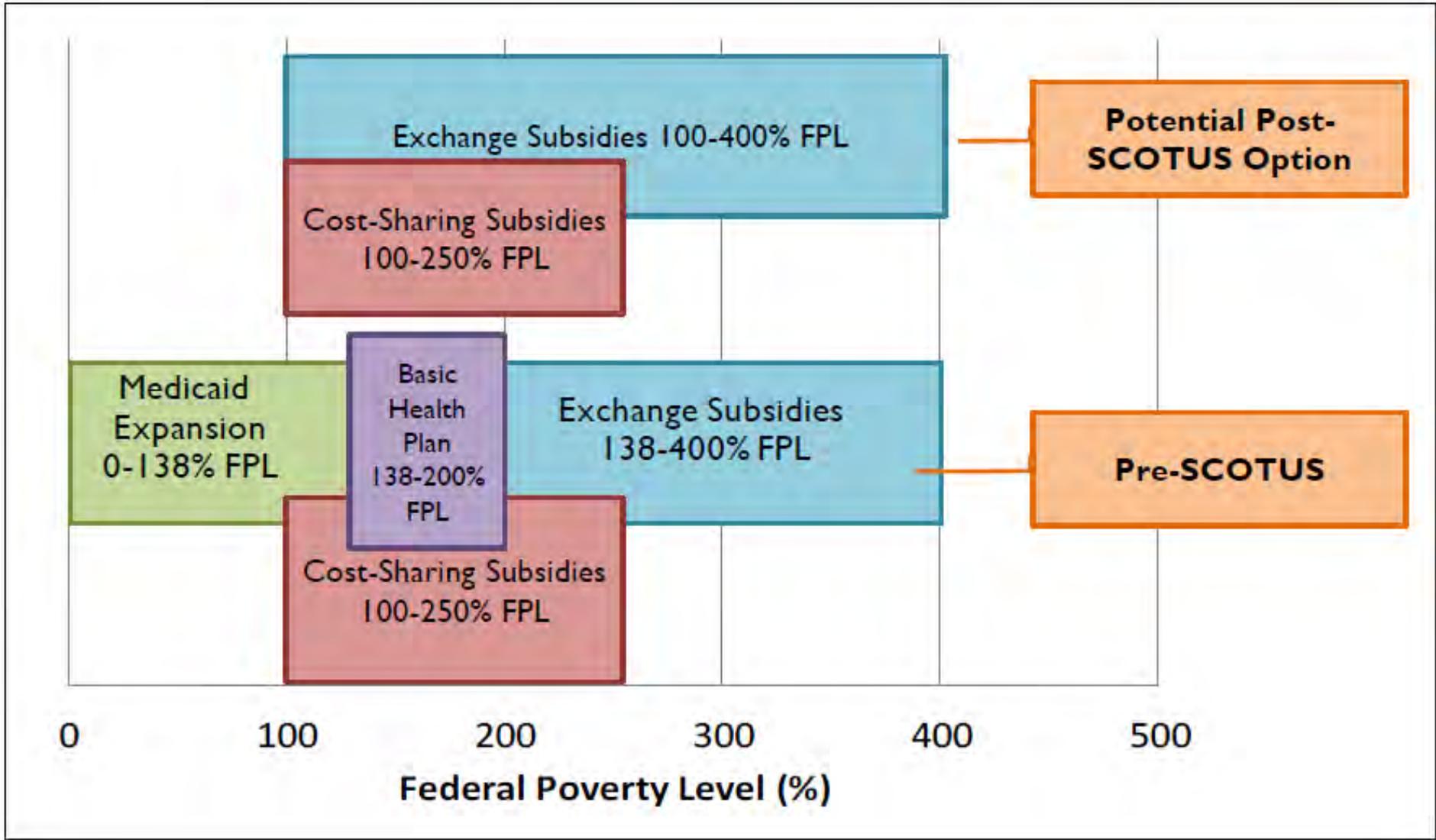
SUPREME COURT: THE DECISION

- **Not the Final Say – Federal Election Awaits**
- **For Now, Major Elements of the ACA Stand**
 - Commercial Insurance Market Reforms
 - Consumer Protections
 - Public Health Grants
 - Delivery System Reforms
- **Provides States the Option to Expand their Medicaid Program to 133% FPL at Full Federal Funding for Three Years 2014-16**

MO HealthNet Coverage Compares Favorably with Federally-Mandated Eligibility Levels (% FPL)



(1) TANF level is required. In Missouri, TANF is 19% FPL.



Medicaid-specific Implications for States

- **States May Elect Not to Expand their Medicaid Program**
- **HHS May Not Penalize those States by Withholding All Federal Medicaid Funding for the Existing Program**
- **Most of Remaining ACA Medicaid Provisions Stand Regardless**

Remaining ACA Medicaid Provisions

- **Children's Expansion (Missouri Meets Now)**
- **Maintenance of Effort – Maintain Current Eligibility Levels and Process for Adults until 2014 and Children until 2019**
- **Streamlined Eligibility and Enrollment Determination – Simple, Uniform System for Determining Medicaid, CHIP Eligibility, Directly Connected with Health Insurance Exchange Premium Tax Credit Determination**

Remaining ACA Medicaid Provisions, cont'd

- **Disproportionate (DSH) Share Payment Reductions**
 - \$11.3 billion Federal Funding for DSH in 2011
 - A \$500 million Cut in 2014, a \$5 billion Cut by 2018
 - Reductions Written Directly into ACA
 - Secretary-defined Reduction Formula Specific to States

- **Delivery System Reforms**
 - Health Home Funding
 - Primary Care Rate Increase 2013-14
 - Innovations Center Initiatives
 - Provider-preventable Conditions
 - Coverage of Children Aging out of Foster Care

Projections in Advance of an Expansion Decision: Background for Policymakers to Consider

- **Cost of Coverage for Adults in Expansion Group**
- **Cost of Coverage for Current Eligible, not Enrolled**
- **Potential Savings from State-funded Programs**
- **Broader Economic Value, Benefit, or Risk for State Partners and Stakeholders**
 - Hospitals
 - Safety Net Providers
 - Small Employers

Questions from National Association Medicaid Directors (NAMMD) Before HHS

- CMS Has Already Said - No Set Timetable to Decide Whether to Expand – But Presumably Enhanced Federal Match is Fixed to Calendar Years 2014-16?
- What About a Partial Expansion? Still Full Match?
- What Flexibility will the Federal Government Provide to States Considering a Full or Partial Expansion, but Only Under State-defined Terms?

Questions from NAMD Before HHS, cont'd

- **Could a State Fully Expand from 2014-16 at Full Federal Funding, then Roll Back in 2017?**
- **If No Expansion, will there be Hidden Penalties Imposed on States on the Back End?**
- **Rather than a Medicaid Expansion –**
 - **Is there an Option to Take Exchange Eligibility Down to Current Medicaid Eligibility Levels and Close the Gap through a Market-based Approach?**