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 (NAMD) 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?
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?