

Rate Your Understanding: Medicaid



- 1. Medicaid and Medicare aren't the same thing?
- 2. I've heard some terms I understand but it's foggy.
- 3. I understand the basics.
- 4. Feeling solid on the basics plus expertise on some topics.
- 5. I'm a former Medicaid director step aside NCSL lady, I'm going to teach!



In the words of federal judges, Medicaid laws are . . .

". . . dense reading of the most tortuous kind."

". . . almost unintelligible to the uninitiated."

". . . a **Serbonian bog** . . . An attorney representing one agency describes the situation as in 'a confusing state of flux,' a gross understatement. **It is a mess**."

"There can be no doubt but that the statutes . . . involving the financing of Medicare and Medicaid, are among the most *completely impenetrable texts* within human experience."

". . . an aggravated assault on the English language, resistant to attempts to understand it."









What is Medicaid?



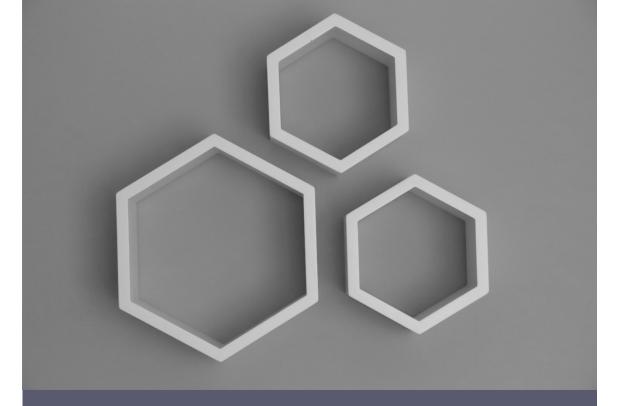
How is it Funded and Delivered?



Legislative Role and Policy Options



Medicaid in Your State









Medicaid is:

- health insurance for
- people with low incomes that is
- *jointly funded and regulated* by both the federal and state governments

Medicaid v. Other Payors



	Who is covered?	Who pays?	Who regulates?	Pays for long- term care?
Medicaid	Eligibility by income and population : Children, pregnant women, parents, older adults, people with disabilities, childless adults	State and federal governments	State and federal governments	YES
Children's Health Insurance Program (CHIP)	population: Uninsured children up to age 19 in families with incomes too high to qualify for Medicaid, some pregnant women.	State and federal governments	State and federal governments	NO
Medicare	Eligibility by age or disability : Adults ages 65 and older, people with certain permanent disabilities	Federal government only	Federal government only	NO

Who is Covered by Medicaid?



To qualify, people must be:

- Citizens or qualified non-citizens
- Resident of the state
- Below income and asset thresholds
- Meet criteria specific to the eligibility group



Pregnant



Children



Older Adults



Children and Adults with Disabilities



Parents and Caretaker Relatives

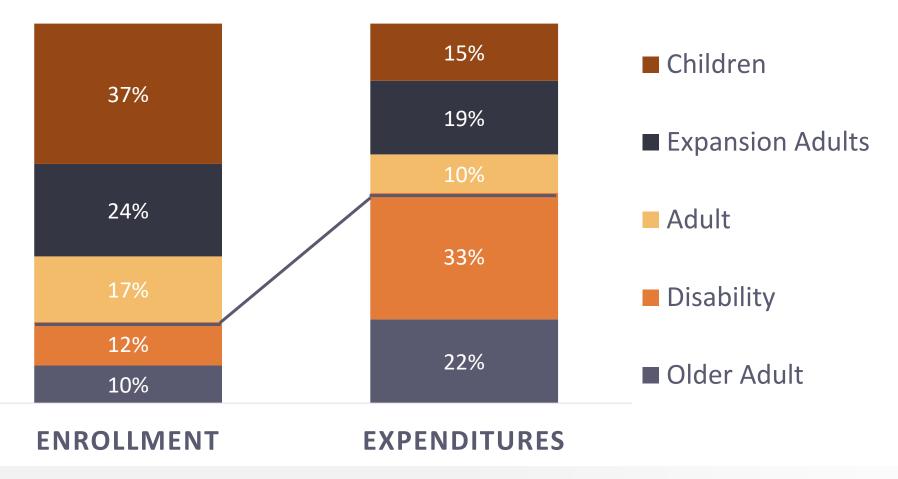


Childless
Adults (state option)

Medicaid Enrollment and Spending



MEDICAID ENROLLMENT AND SPENDING BY ELIGIBILITY GROUP (2020)



Why does Medicaid Eligibility Matter?



Covers half of children

Covers one-third of non-elderly adults with disabilities

Covers half of children with special health care needs







How many combined mandatory and optional eligibility groups exist in Medicaid?

A. 4

B. 6

C. 16

D. 37

What Services Does Medicaid Cover?





Mandatory

- Nurse Practitioner
- Early and Periodic Screening,
 Diagnostic, and Treatment
 (EPSDT)
- Family planning
- Federally qualified health centers (FQHC)
- Freestanding birth centers
- Home health
- Inpatient hospital
- Laboratory and X-ray
- Non-emergency medical transport
- Nurse midwife



- Outpatient hospital
- Physician Services
- Rural Health Clinic
- Tobacco cessation for pregnant women



Optional

- Breast and colorectal cancer screenings
- Community supported living
- Chiropractic
- Clinic services
- Critical access hospital
- Dental
- Dentures
- Otherwise excluded o emergency hospital
- Eyeglasses
- Health homes for enrollees with chronic conditions
- Home and community-based services
- Institutions of mental disease for enrollees age 65 or older
- Inpatient psychiatric

- services for people ounder 21
 Intermediate care
 facilities for oenrollees with
- intellectual or developmental
- . disabilities
- Occupational therapy services
- Optometry services
 Other diagnostic,
- screening,
- preventive and rehabilitative
- services
- Other licensed practitioner services
 - (e.g. psychologists)
 Personal care
 - services
 Physical therapy
 - services
- atric O Prescribed drugs

- Primary care case management services
- Private duty nursing Program of All-
 - Inclusive Care for the Elderly (PACE)
- Prosthetic devices
- Respiratory care for ventilator dependent people
- Religious nonmedical health care institutions
- Speech, hearing and language disorder
- services Targeted case
- management Tuberculosis-related
- services

5 Things to Know About Long-Term Care in Medicaid



- 1. Long-term care includes both:
 - Institutional care
 - Home- and community-based services
- 2. Long-term care is extremely expensive
- 3. Home and community care is optional but is more costeffective than institutional care
- 4. 95% older adults and people with disabilities
- 5. People prefer to receive care in their homes and communities

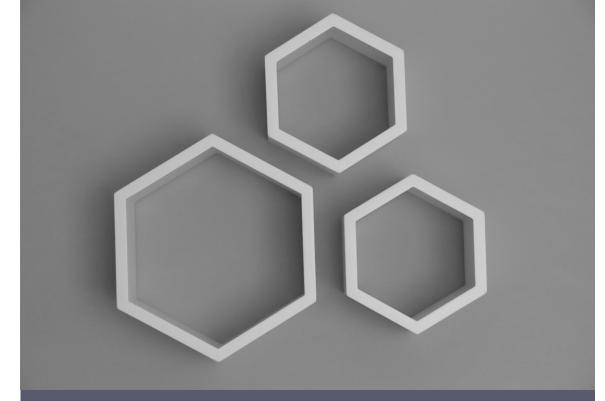
Why Do Medicaid Services Matter?



Funds <u>42% of births</u>

Funds 54% of long-term care

 Funds <u>one quarter</u> of all mental health and substance use treatment





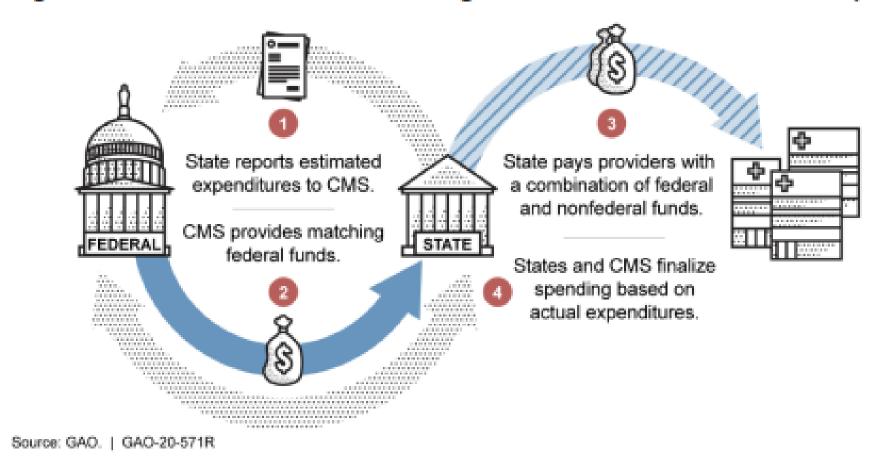


Medicaid Financing



Remember, Medicaid is *jointly funded* by both the federal and state governments

Figure 1: Federal Review and Matching of Estimated State Medicaid Expenditures







Trivia Time!

Who knows what the federal medical assistance percentage (FMAP) is in your state?*

*NO cheating!

Medicaid Financing



Federal Medical Assistance Percentage (FMAP)

- FMAP = the formula that determines the federal share of Medicaid funding for each state and territory
- Base FMAP rate for states is adjusted annually based on a state's relative per capita income
- Uncapped for states, capped for territories
- FMAP for states varies by
 - Service
 - Population
 - Activity

State Share

- General Fund
- Health-Care Related Taxes / Provider Taxes
- Certified Public Expenditures
- Intergovernmental Transfers

Territorial Share

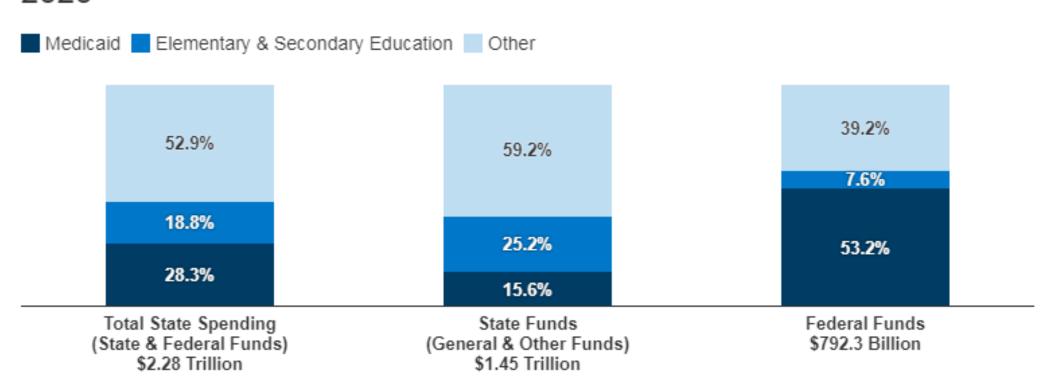
- General Fund
- Certified Public Expenditures

Why Does Medicaid Financing Matter?



Figure 3

Medicaid Spending as a Share of Total, State, and Federal Funds, FY 2020



SOURCE: KFF estimates based on the NASBO's 2021 State Expenditure Report (data for Actual FY 2020). • PNG



Medicaid State Plans and Waivers



State Plan

- Agreement between state / territory and the Centers for Medicare and Medicaid Services that establishes the state's:
 - Eligibility groups and thresholds
 - Benefits covered
 - Payment methodologies
 - Operations
- State Plan Amendments (SPAs) = preset forms used by states to adopt federally authorized optional activities
- Meets federal requirements

Waivers

- Section 1115 Research and Demonstration
- Section 1915(b) Managed Care
- Section 1915(c) Home and Community-Based Services
- Other types for specific purposes
- Waives federal requirements

Medicaid Delivery Systems



State Operated /
Fee-For-Service
(FFS)

Structure: State administers the program and manages day-to-day operations.

Payment: Providers bill the state. State pays providers, usually per service.

Providers: State enrolls providers.

Beneficiaries: State determines beneficiary eligibility and enrolls beneficiaries.

Primary Care Case Management (PCCM)

Structure: Similar to FFS, plus beneficiary is assigned a primary care provider that is responsible for coordinating care.

Payment: State pays primary care provider an administrative fee plus regular payments for services.

Comprehensive Risk-Based Managed Care (MCO)

Structure: State contracts with a private commercial payer (MCO).

Payment: State pays the MCO a per member per month fee for each beneficiary. MCO is "at-risk" for cost of services.

Providers: Providers bill MCO. MCO pays providers. State *and* MCO enroll providers.

Beneficiaries: State *and* MCO determine eligibility and enroll the beneficiary.

Limited-Benefit Plan

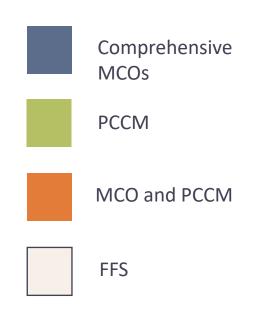
Structure: MCO manages a subset of benefits:

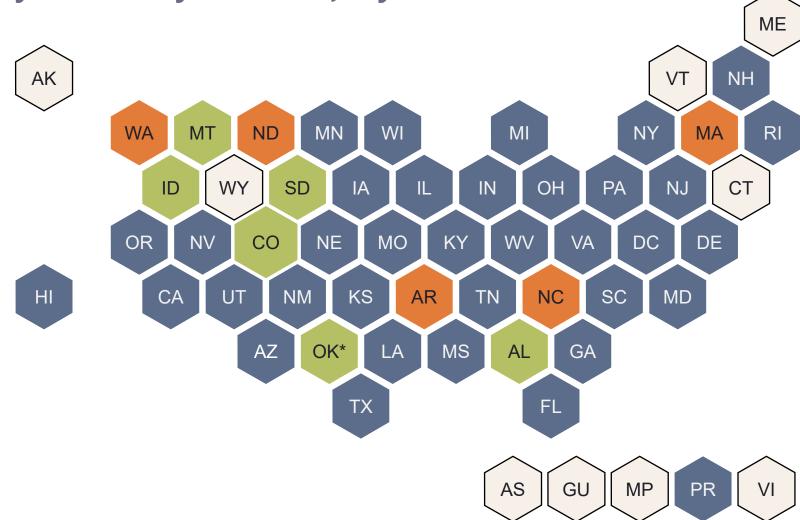
- Behavioral health
- Non-emergency transportation
- Dental
- Managed long-term services and supports (MLTSS)

Payment: Can be "at risk" or not, depending on if coverage for inpatient services is included.

Medicaid Delivery Systems: Types of Delivery Systems by State - July 2022

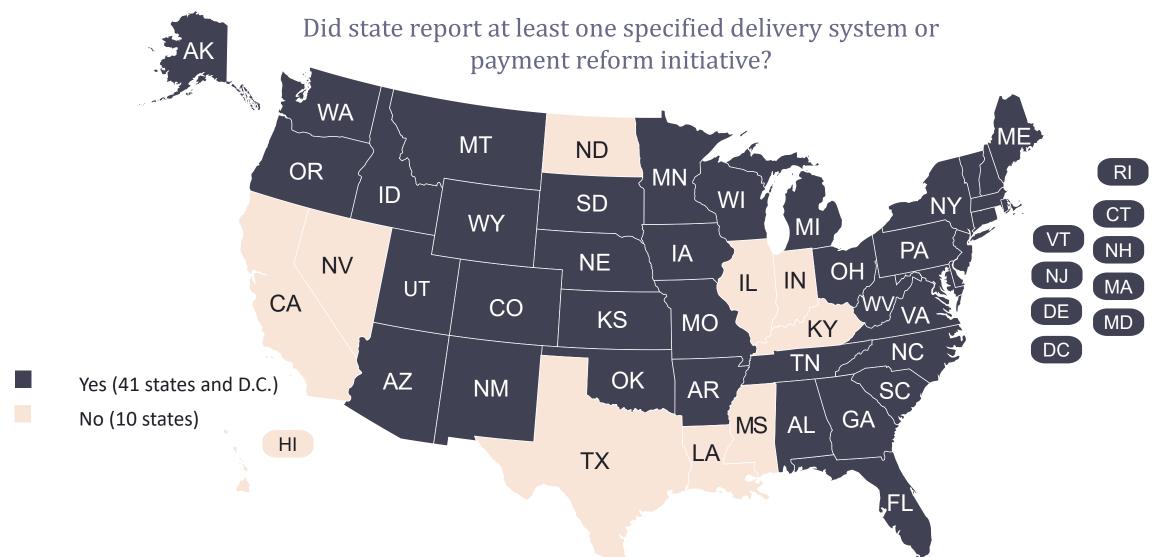






Delivery System and Payment Reforms





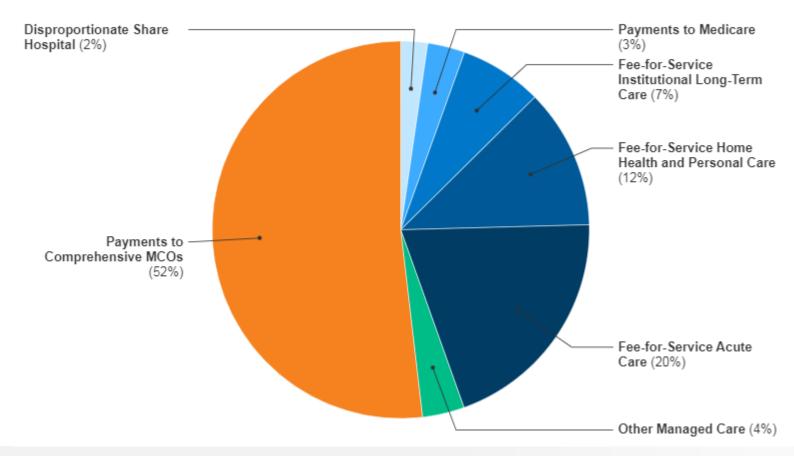
Why Do Delivery Systems Matter?

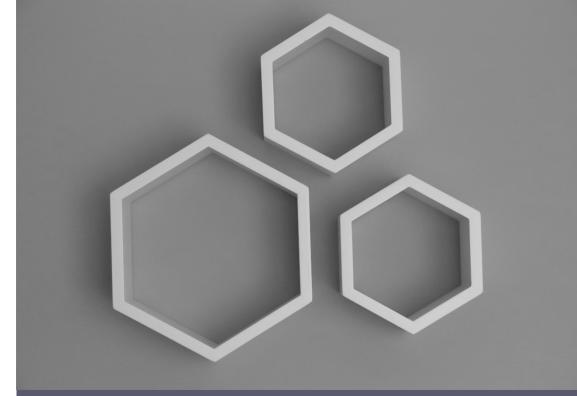


Figure 4

Payments to Comprehensive MCOs Account for More than Half of Total National Medicaid Spending.

FY 2021 Total Medicaid Spending: \$728 Billion











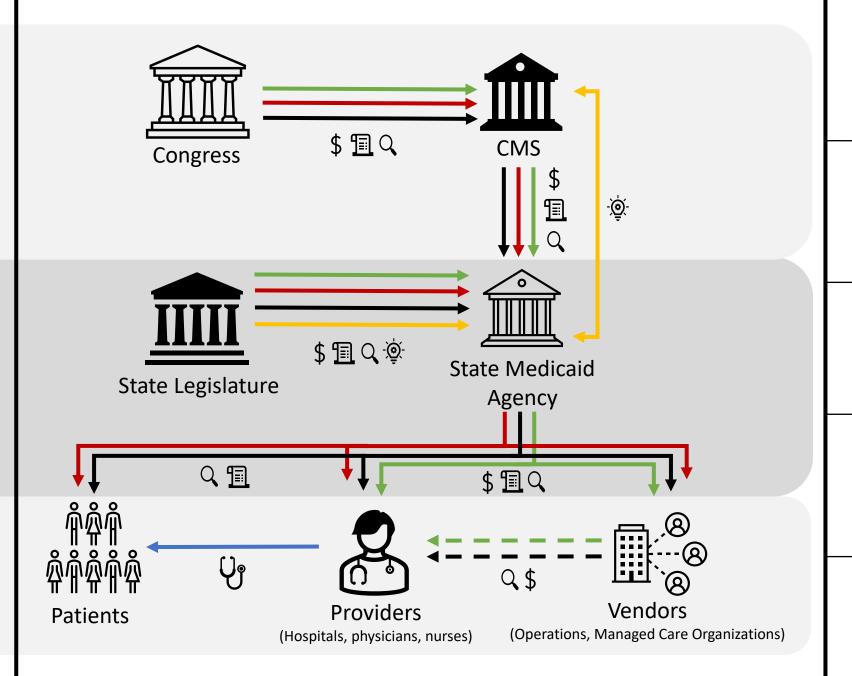
- Minimum requirements
- Funds

State

- Funds
- Operates program
- Tests innovations

Constituents

- Receive services
- Provide services
- Contract with the state
- Paid by state





Appropriations,
Payments



Laws, Regulations, Guidance



Oversight, Data Collection



Innovations, waivers, pilots, flexibilities



Health Services

Policy Options: Delivery System Considerations



All Delivery Systems

- Funding and appropriations
- Delegation of authority or clawback from Medicaid agency
- Establishing state standards
- State oversight and audits
- Accurate and complete data collection and reporting

MCOs¹

- Contract negotiation and terms
- Bidding processes
- Financial penalties for breach of contract

Policy Options



Eligibility and Benefits

- Optional eligibility groups and benefits
- Eligibility requirements for existing groups
- New benefits or provider types

Payment and Financing

- Evaluating and adjusting provider rates or payment methodologies
- Assessing provider taxes or other mechanisms to fund the state share

Delivery System Reforms

- Tying payment to cost and quality
- Incorporating care coordination and person-centered models
- Testing new models
- Investments in infrastructure and operations, like information systems and data

Policy Options – Examples – Benefits and Eligibility

Virginia HB 680 (2022)



Authorizes agency to submit a state plan amendment to add targeted case management as a benefit for people with severe brain injuries.

D.C. B 419 (2022)



Requires agency to
cover home-delivered
meals, nutrition
supplements and
medical nutrition
therapy as a benefit in
home- and community
based services waiver.

Florida SB 1770 (2022)



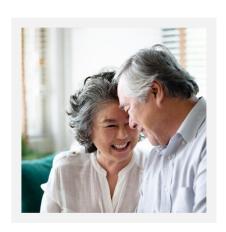
Authorizes agency to cover human donor milk as an optional benefit, sets standards for coverage.

Mississippi SB 2212 (2023)



Extends Medicaid coverage for **eligible pregnant women** to 12 months postpartum.

Illinois HB 4343 (2022)



Increases the asset
threshold for the
spouse of a
beneficiary and
permits agency to
waive asset recovery
when not costeffective.

Policy Options – Examples – Funding and Delivery Systems

New Hampshire HB 103 (2022)



Requires agency to contract with a limited benefit plan for dental services.

New York AB 289 (2022)



Clarifies the **standard** for medical necessity and review processes that **MCOs** must use for medically fragile children.

Virginia HB 2262 (2023)



Establishes deadlines and standards for MCOs enrolling new providers in the network.

Idaho SB 1283 (2022)

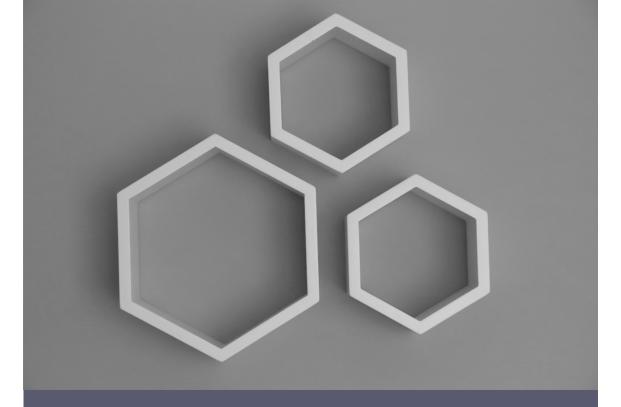


payments for emergency medical services providers owned or operated by the state through a certified public expenditure.

North Dakota SB 2030 (2023)

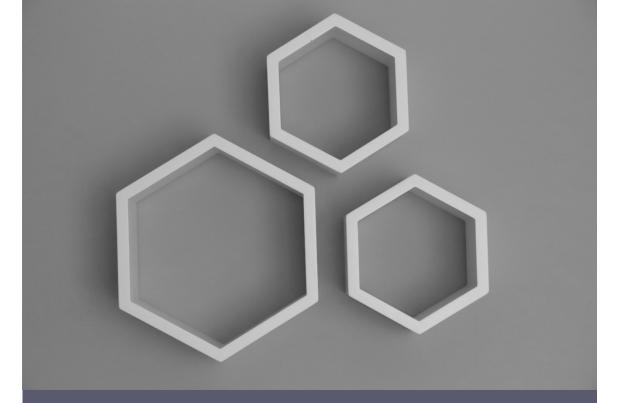


Requires the state
Medicaid agency to
participate in
payment reforms for
prescription drugs like
rebate programs and
value-based
purchasing.





Questions so far?









"When you've seen one Medicaid program . . .

... you've seen one Medicaid program."

Medicaid in Your State



- 1. 2 minutes, Solo Review of State Fact Sheets
- 2. 8 minutes, Tabletop Discussion
 - What stood out to you about your state's Medicaid program?
 - What questions do you have?
 - Have you seen legislation in your state that involves this information?
- 3. 5 minutes, Report Out from Tabletop
- 4. 5 minutes, Walk Away with a Takeaway
 - What is one thing you learned about Medicaid?
 - What burning questions do you have about Medicaid in your state?
 - List 1-3 action steps you can take

Resources

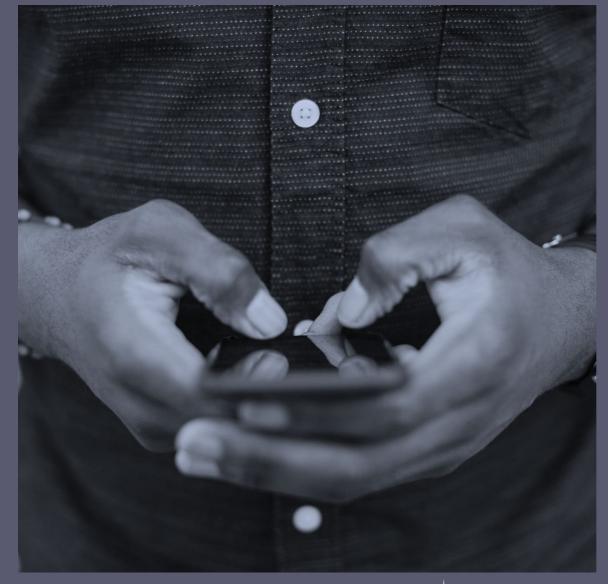
- Health Costs, Coverage and
 Delivery State Legislation, NCSL
 Database
- Research requests, technical assistance, publications, webinars and more!





Stay Connected

- <u>Learn</u> about NCSL training
- Subscribe to policy newsletters
- Read State Legislatures magazine
- Bookmark the NCSL Blog
- <u>Listen</u> to "Our American States" podcast
- Watch recorded policy webinars and training sessions
- Attend a meeting or training
- Follow @NCSLorg on social media





Reach out anytime!

Kathryn Costanza Program Principal

Email: Kathryn.Costanza@ncsl.org

Phone: (303)856-1388









Thank you!





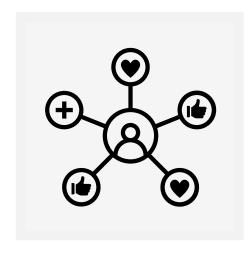
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Medicaid Funding and Expenditures

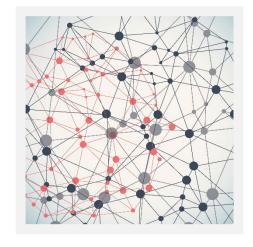


- Federal match how set, varies by state
- State share
 - CPE
 - IGA
 - Health-care related taxes

State Policy Options: Delivery System Reforms











Patient-Centered Medical Home (26 states) ACA Health Homes (20 states) All-Payer Claims
Database
(18 states)

Accountable
Care
Organizations
(11 states)

Episode of Care Payments (9 states)

Policy Options – Examples – Benefits and Eligibility

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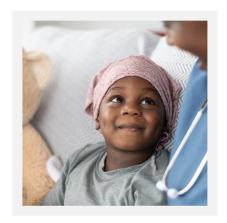
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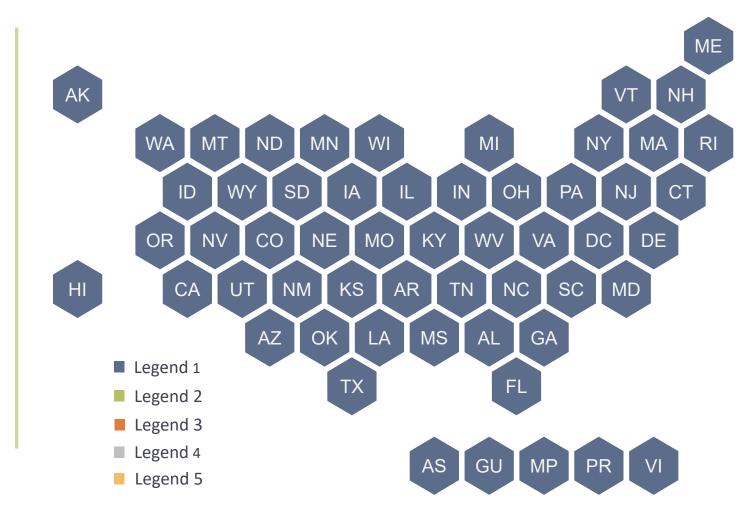
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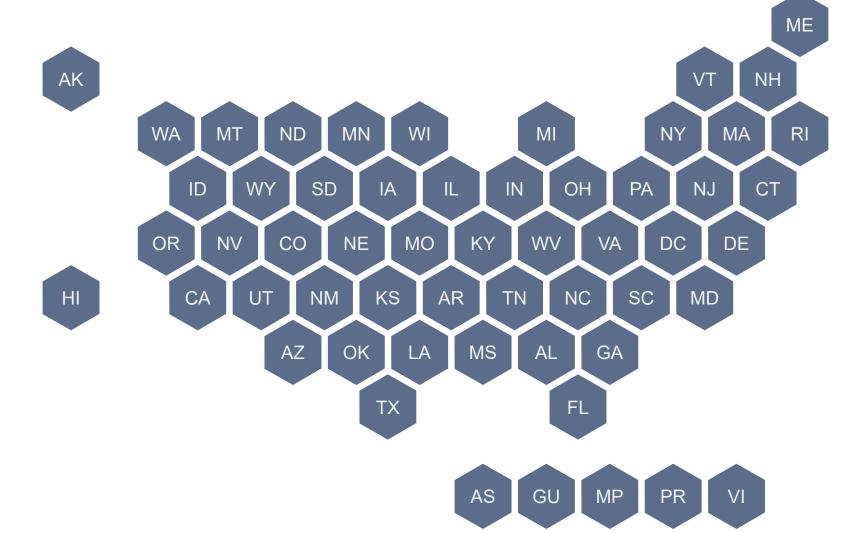
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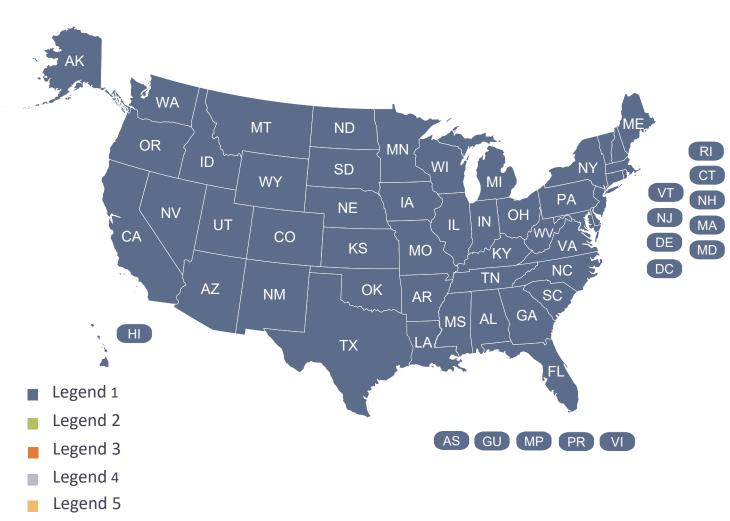
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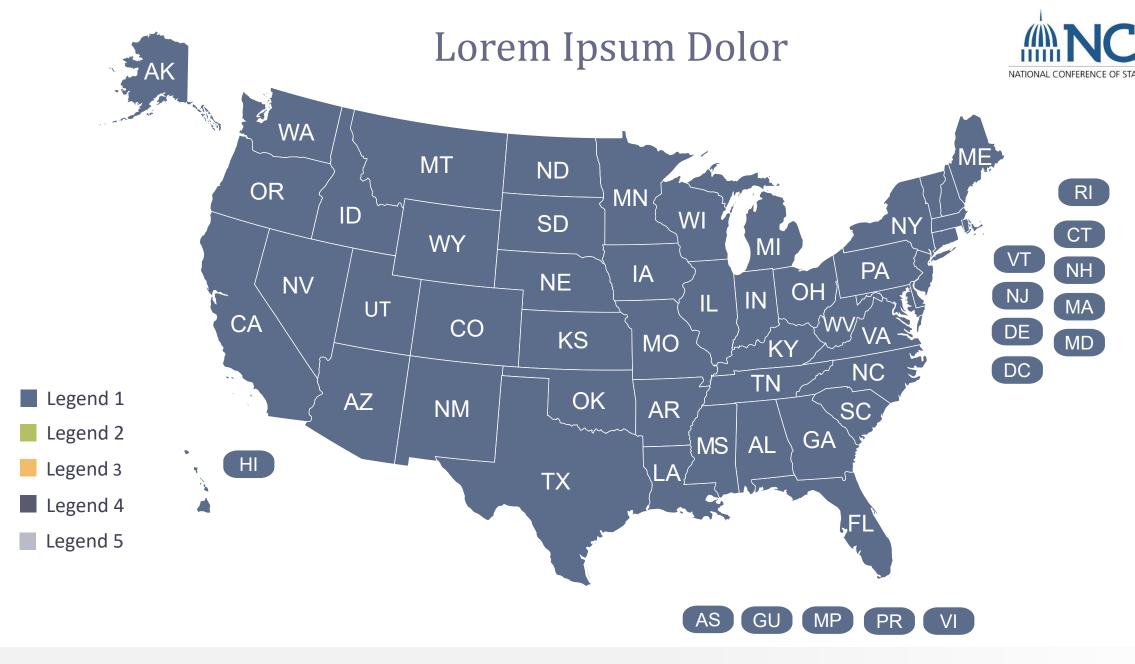
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Medicaid and State Legislatures Key Facts



Did you know that Medicaid:

- Funds 42% of births
- Covers approximately <u>half of children</u> (with CHIP)
- Funds <u>54% of long-term services and supports</u> including institutional and homeand community-based care
- Covers <u>almost one-third of adults with disabilities</u> and almost <u>half of children</u> with special health care needs
- Funds one quarter of all mental health and substance use treatment



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Idaho Speaker Scott Bedke

NCSL President



Ann Sappenfield

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Brian Patrick Kennedy
Rhode Island
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President Pro Tempore Wayne A. HarperUtah

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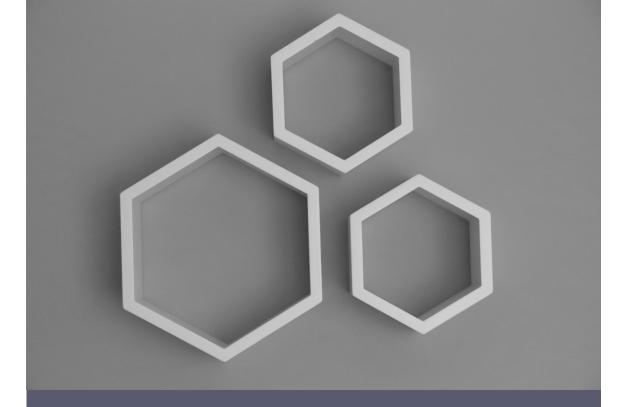
Speaker Scott Saiki
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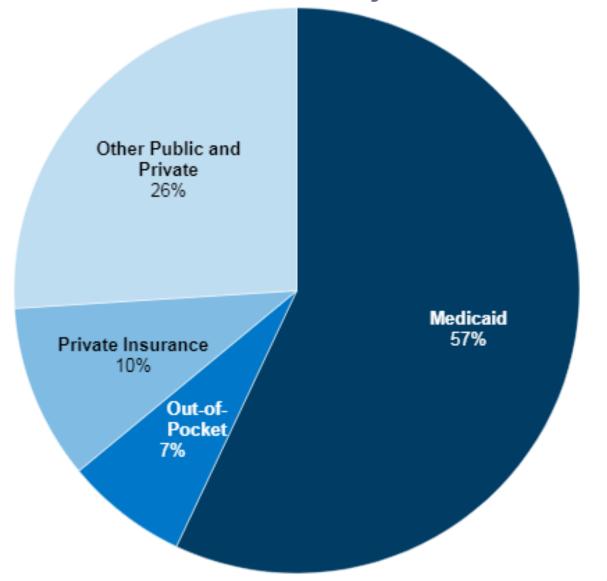






Who Pays for Home- and Community-Based Services?



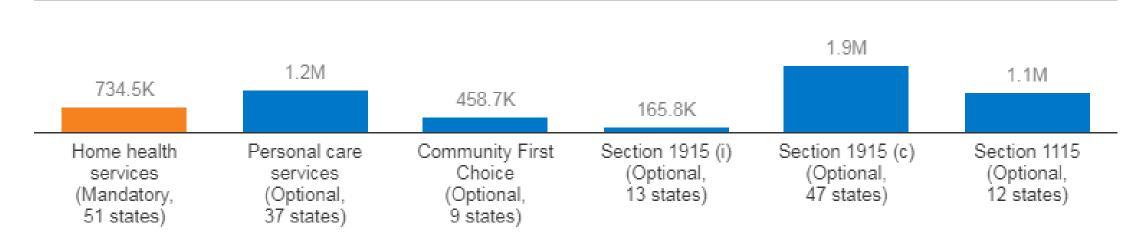


How Does Medicaid Cover Home- and Community-Base NCSL Services?

States Must Provide Institutional Care and Home Health, but All Other Home and Community-Base Services (HCBS) are Optional

1915(c) services accounted for over 50% of spending in 2020.

Medicaid HCBS Users, FY 2020 Medicaid HCBS Spending, FY 2020 (\$)

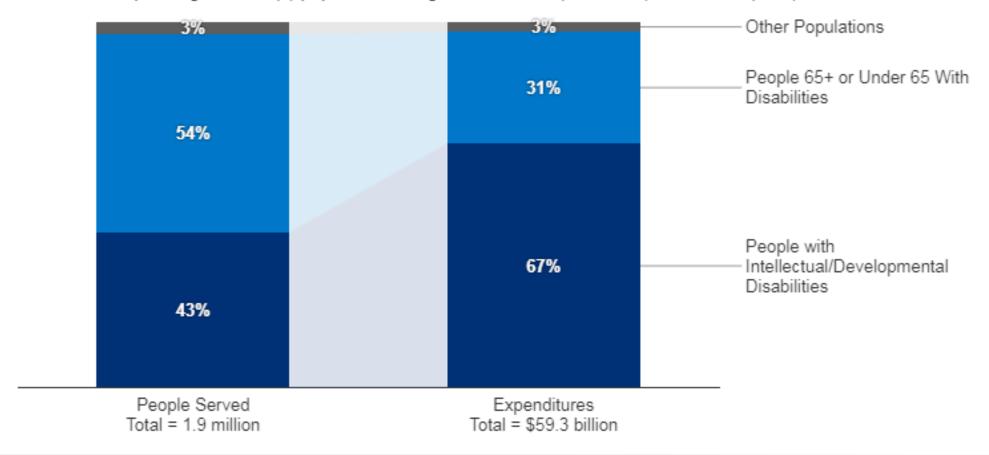


Who Receives Home- and Community-Based Services?



Services for People With Intellectual and Developmental Disabilities (I/DD) Comprised Two-Thirds of 1915(c) Waiver Spending in FY 2020.

Per-enrollee spending for 1915(c) populations range from \$6,100 (HIV/AIDS) to \$48,900 (I/DD).



Arkansas



Model(s) and Percent of Medicaid Population Covered by Model:

MCO = 4.7%

PCCM = 42.9%

FFS / Other = 52.4%

Limited Benefit Plans = Transportation, Dental

Delivery System Reforms:

Patient-Centered Medical Homes

All-Payer Claims Database



Maine



Model(s) and Percent of Medicaid Population Covered by Model:

MCO = N/A

PCCM = N/A

FFS / Other = 100%

Limited Benefit Plans = Transportation

Delivery System Reforms:

Health Homes

ACOs

All-Payer Claims Database



Idaho



Model(s) and Percent of Medicaid Population Covered by Model:

MCO = N/A

PCCM = 89.0%

FFS / Other = 11.0%

Limited Benefit Plans = MLTSS, Behavioral Health, Dental and Transportation

Delivery System Reforms:

Patient Centered Medical Homes

ACOs



How NCSL Strengthens Legislatures







NCSL provides trusted, nonpartisan policy research and analysis



Connections

NCSL links legislators and staff with each other and with experts



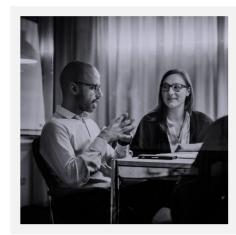
Training

NCSL delivers training tailored specifically for legislators and staff



State Voice in D.C.

NCSL represents and advocates on behalf of states on Capitol Hill



Meetings

NCSL meetings facilitate information exchange and policy discussions

Rate Your Understanding: Commercial Health Insurance



- 1. Help! I don't get it. At all.
- 2. Meh. I kind of get it but still have a lot to learn.
- 3. So so. I think I understand it well but probably have more to learn.
- 4. Woo! I can teach this topic. I'm basically an expert.

- Insurance 101: The State Role
- State Policy Options
 - Coverage
 - Costs
- Q&A / Discussion



Plan for Today's Session





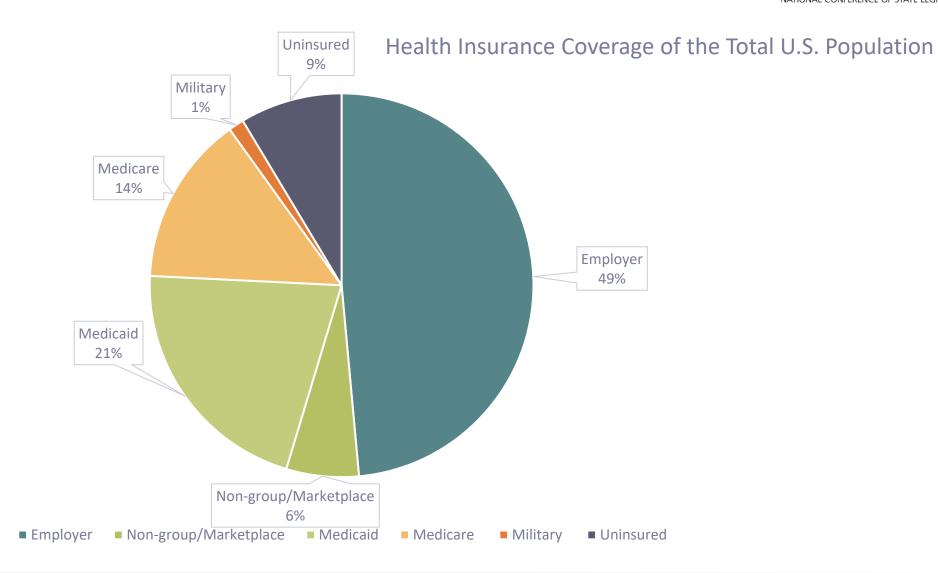


Which health insurance payer covers the largest number of Americans?

- A. Medicaid
- B. Medicare
- C. Employer-Sponsored
- D. Marketplace Coverage

Where do people get their health insurance?





State vs. Federal Role: Private Insurance Regulation



States Can Regulate

- Marketplace plans (individual and small group)
- Marketplace alternatives (e.g., short-term, limitedduration plans, association health plans, health care sharing ministries)
- Fully-Insured Employer-Sponsored Plans
 - Employer pays a premium to a health insurance company
 - Approx. 40% of covered workers

States Can't Regulate (Preempted by ERISA)

- Self-Insured/Self-Funded Employer-Sponsored Plans
 - Employer pays most of the health care costs of employees as the claims occur
 - Approx. 65% of covered workers

Ensuring Access to Commercial Coverage: Legislative Levers





Coverage Mandates



Network Adequacy



Bolstering the Individual Marketplace

Coverage Mandates



Health Benefit Mandates

- Connecticut (<u>HB 5001</u>),
 Delaware (<u>HB 303</u>) and
 Massachusetts (<u>SB 3097</u>)
 established private insurance coverage for mental health wellness exams.
- **Tennessee** (<u>HB 2544</u>) enhanced coverage requirements for breast cancer screenings.

Health Provider Mandates

- Rhode Island (HB 5929) requires perinatal doula services in private health insurance plans.
- **Virginia** (SB 525) requires coverage for services provided by a licensed athletic trainer.

Persons Covered Mandates

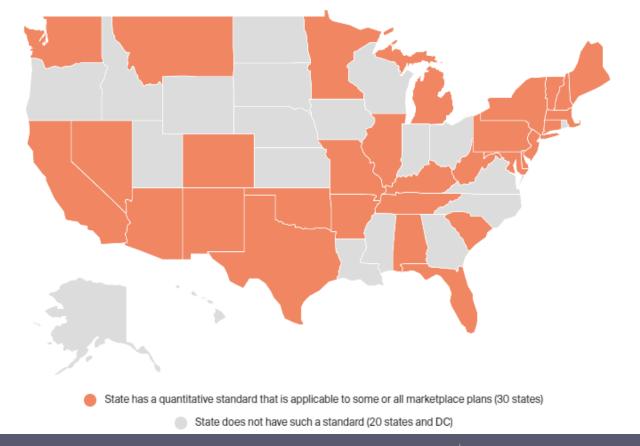
- Florida Fla. Stat. § 627.6562 allows for dependent health coverage until 30.
- South Dakota S.D. Codified Laws § 58-17-2.3 allows for dependent health coverage until 29.
- Colorado C.R.S. § 10-16-104
 (6.5), specifies that plans that covers a natural dependent child must also cover adopted children under the same terms.

Network Adequacy

Quantitative standards include:

- 1. travel times and distance between enrollees and providers in certain types of geographic areas;
- 2. minimum number of providers or provider-to-enrollee ratios; and
- 3. appointment wait times.

States Where Marketplace Plans Are Subject to One or More Quantitative Standards for Network Adequacy, 2021



Source: Justin Giovannelli, "Federal Regulators Appear Set to Take a More Active Role to Ensure ACA Marketplace Plan Networks Are Adequate," Commonwealth Fund, Feb. 15, 2022.



Bolstering the Individual Marketplace



State Action on 1332 Waivers

1

Approved Waiver

Federally approved 1332 waiver

2

Enacted Legislation

Enacted legislation authorizing submission of 1332 waiver

3

No Action

No legislation in place



*as of August 2022

Containing Commercial Health Care Costs: Legislative Levers





Health System
Concentration and
Consolidation



Surprise Billing and Medical Debt

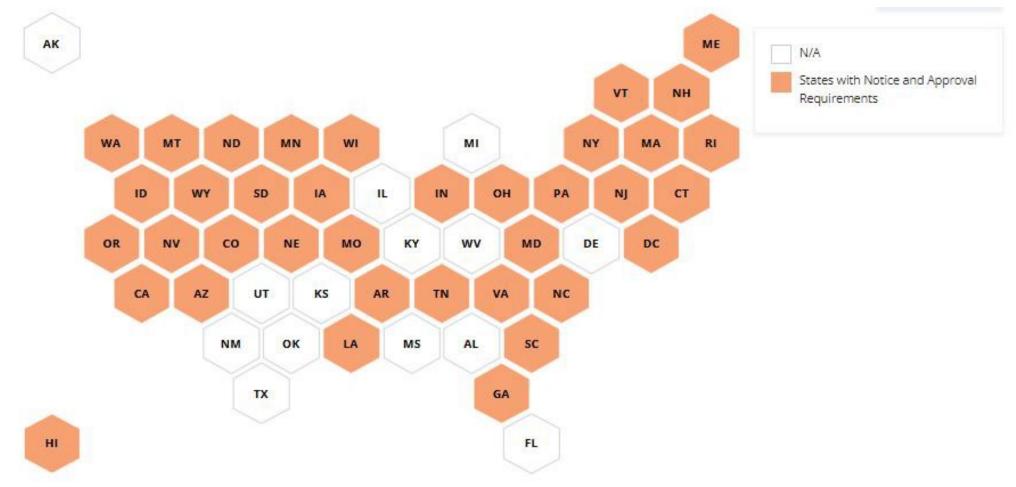


Price Transparency

Health System Consolidation and Concentration



States with Transaction Notice and Approval Requirements, 2022



Surprise billing and Medical Debt



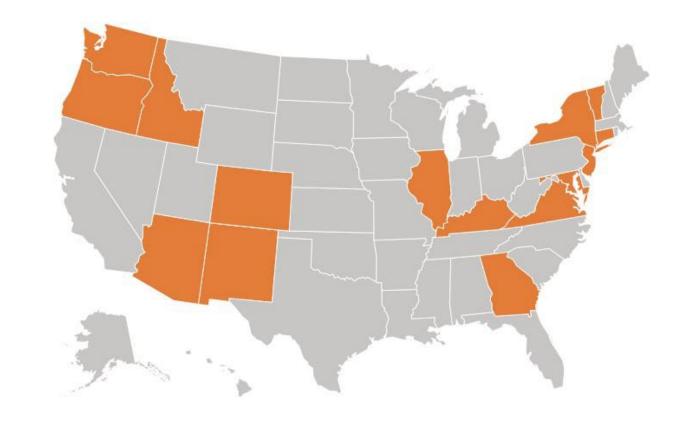
States Enacting Legislation related to Surprise Billing and Medical Debt in 2022

Bills

22

States

15



Assessing Cost Increases and Price Transparency



All-Payer Claims Databases



Existing APCD

Existing APCD (includes states with voluntary efforts)

2

In Implementation

APCD is in implementation

3

No Action

No APCD



State Actions: Medicaid



Reimbursement

 17 states reimburse for all four modalities through Medicaid.

Place of Service Codes (POS)

- 4 state Medicaid programs have added POS Code 10 which adds the home as an acceptable originating site.
- 36 states and D.C. have POS Code 10.

Medicaid Reimbursement	# of States
Live Video	50 + D.C.
Store-and-Forward	25
Remote Patient Monitoring	34
Audio-Only	34 + D.C.