

Medicaid and CHIP: On the Road to Reform



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Our Mission

- ❖ CMS aims to be a major force and a trustworthy partner for the improvement of health and health care for all Americans
- ❖ CMCS carries this mission forward with a particular emphasis on making Medicaid and CHIP the best programs they can be
- ❖ Beneficiaries are our focus
- ❖ Partnerships are critical to success

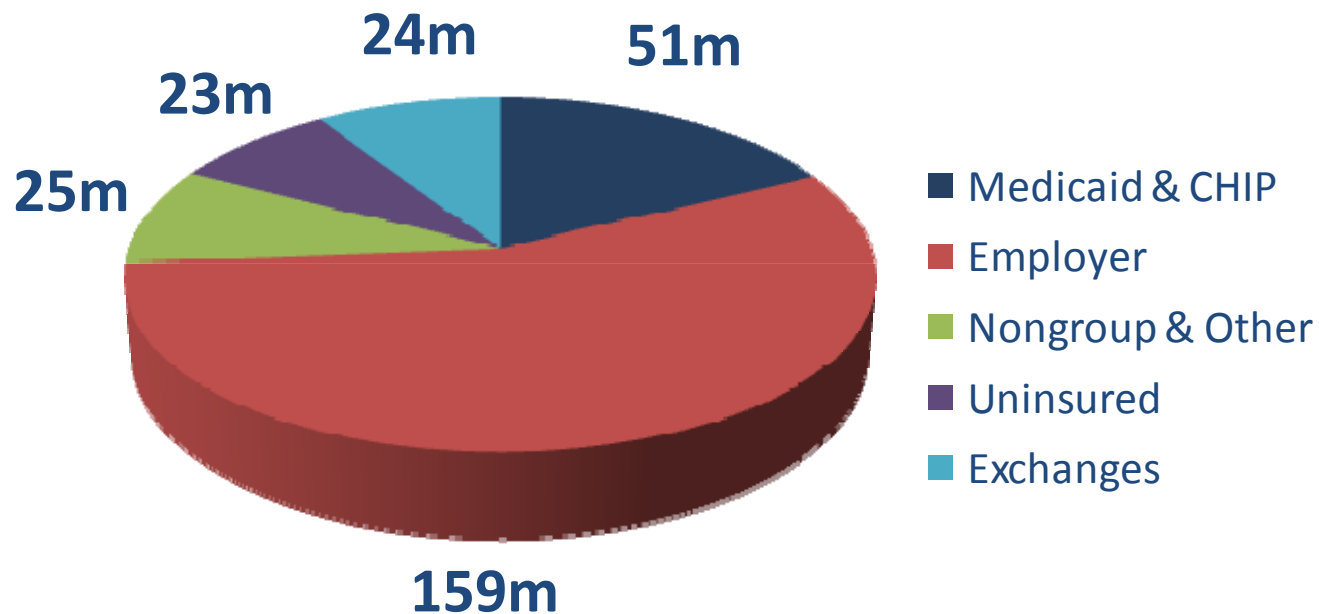
Implementing the Affordable Care Act

- ❖ Working with States (Governor's offices, Medicaid, CHIP, Insurance Commissioners)
- ❖ Coordinating with the Office of Consumer Information and Insurance Oversight (OCIO) and other federal agencies
- ❖ Sharing ideas about what reform means with a broad array of stakeholders
- ❖ Promulgating regulations and guidance; providing technical assistance

Affordable Care Act Guidance to Date

- ✓ Early Option for Low-income Adults
- ✓ Medicaid Drug Rebates
- ✓ National Correct Coding Initiative
- ✓ Family Planning
- ✓ Waiver Transparency
- ✓ Health Homes
- ✓ Medicaid IT Support
- ✓ HCBS Improvements
- ✓ Extending Period for Returning Provider Overpayments
- ✓ Money Follows the Person extension
- ✓ Hospice Care for Children
- ✓ Recovery Audit Contractors
- ✓ Adult Quality Measures

Sources of Coverage by 2019 for Individuals Under 65



Minimum Medicaid Eligibility Levels Now and 2014

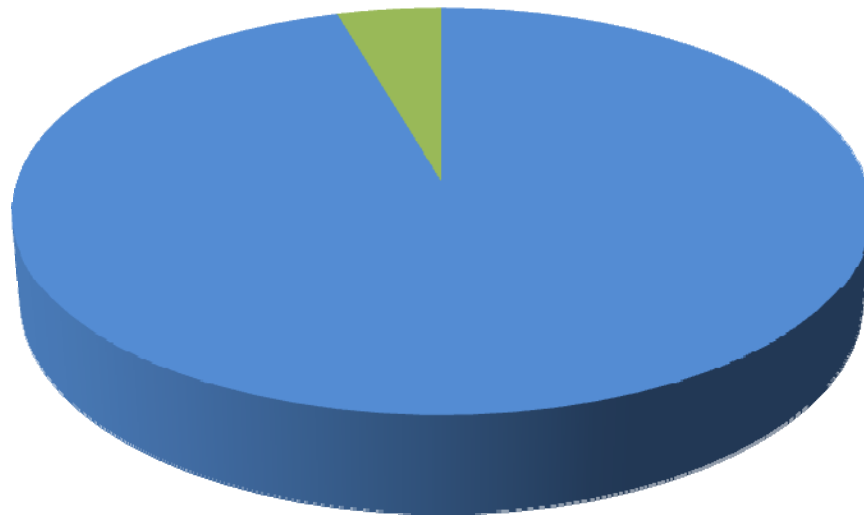
Population	Current Minimum Eligibility Levels (average)	2014 Minimum Eligibility Levels
Children	100%/133% (241%)	241% Average - Will vary by State
Parents	41% (64%)	133%
Disabled Adults	74% (SSI-related)	133%
Other Adults	0%*	133%

* 5 States provide Medicaid or Medicaid look-alike coverage to certain childless adults; 15 States provide a limited benefit package to certain childless adults.

Who Pays?

Estimated Distribution of Costs for Medicaid Coverage Changes: 2014-2019

(in billions)



■ Federal - \$443.5

■ State - \$21.1

Total \$464.7 billion

Return on Investment



State/Local
Expenditures



+1%



Federal Funds
to States



+20%



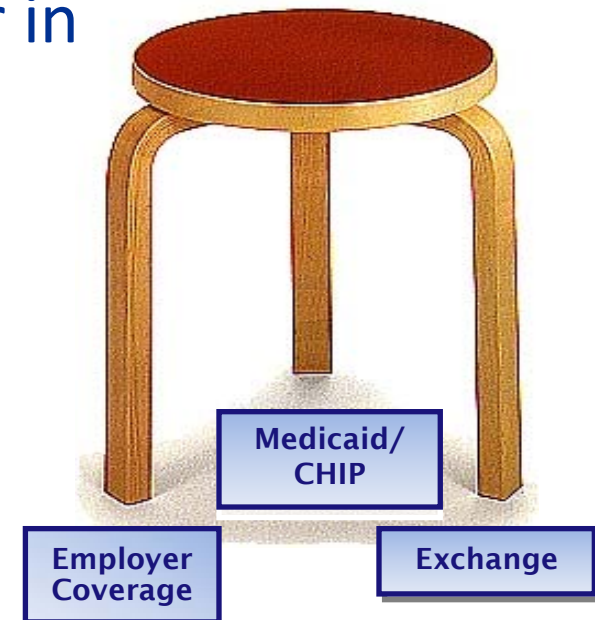
Number of
People
Covered



+33%

New Paradigm

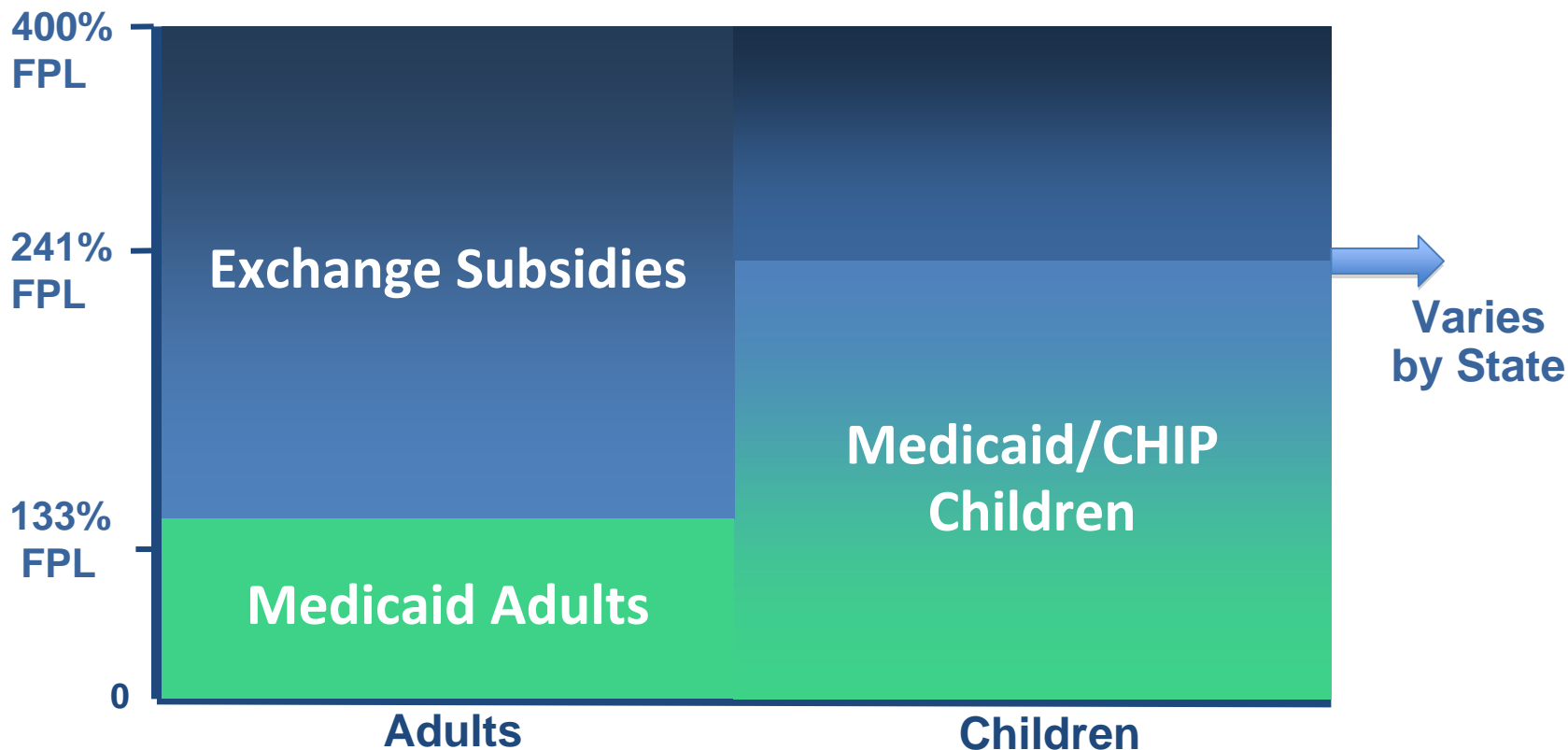
- ❖ Not a safety net but a full partner in assuring coverage for all
- ❖ A culture of coverage where eligible = enrolled
- ❖ A **system** of coverage and care



New Rules

- ❖ Simplified eligibility rules apply to most people qualifying for Medicaid/CHIP
 - ❖ Income only; no assets
 - ❖ For most people, eligibility is no longer tied to “category”
- ❖ In most cases, the same income rules apply to Medicaid/CHIP/Premium Tax Credit (“MAGI”)

2014 Health Insurance Subsidies



IT Guidance and Development

- ❖ Joint CMS/OCIIO IT guidance
 - ✓ Version “1.0”
- ❖ OCIIO Early Innovator grants
- ❖ CMS “90/10” NPRM

Seamless Coordination and No Wrong Door

- ❖ Exchange determines eligibility for Medicaid/CHIP/premium tax credit; other avenues open as well.

- ❖ IT Guidance:

“...Seamless coordination between the Medicaid and CHIP programs and the Exchanges and between the Exchanges and plans, employers, and navigators.”

“First-class customer experience”

“The same customer experience to all individuals seeking coverage, regardless of source or amount of subsidy for which they may qualify or whether they enter the process through the Exchange, Medicaid, or CHIP”

“Real time” enrollment

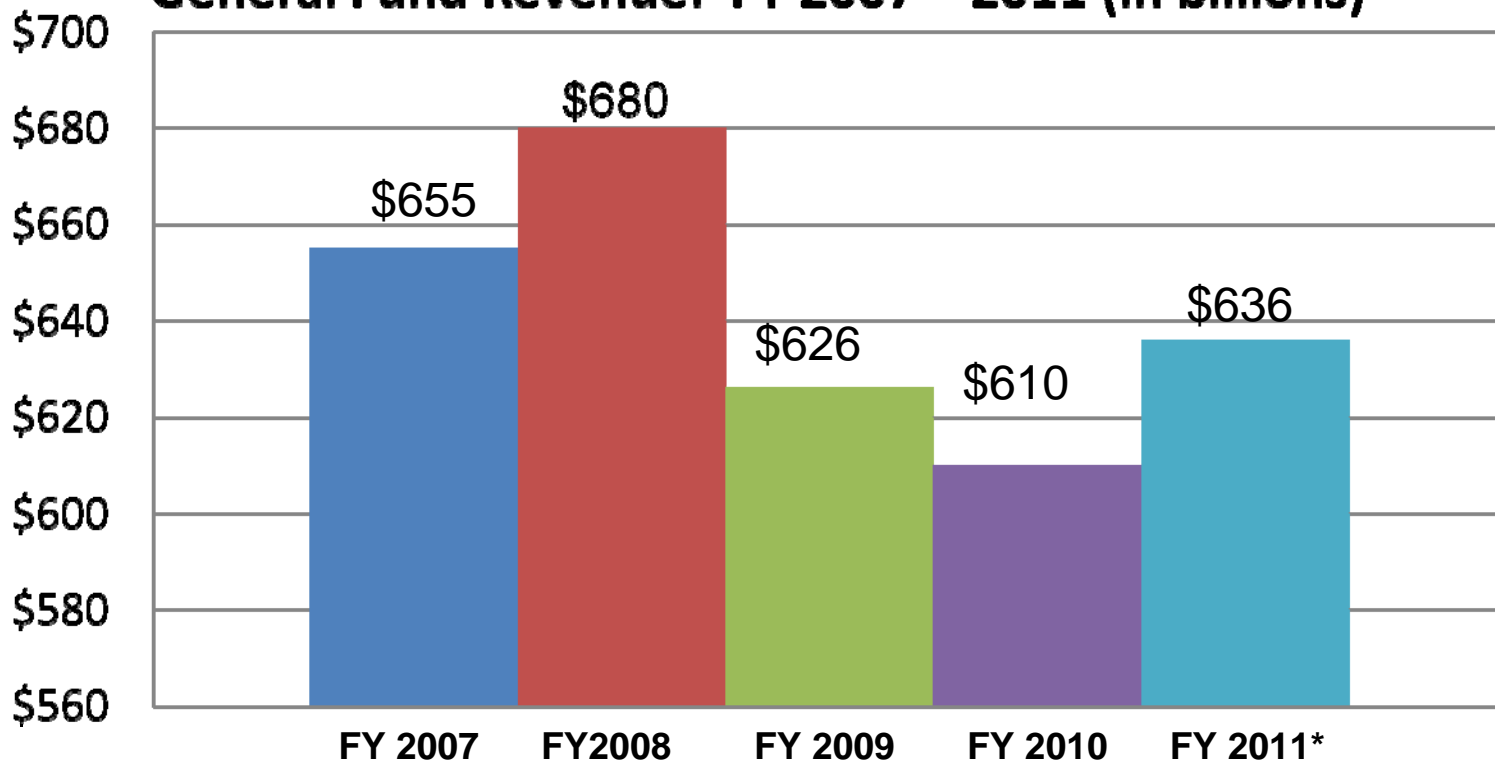
Significant Federal Support

❖ Federal Support

- ✓ “Collaborative IT Approach”
- ✓ Innovator Grants
- ✓ 100% Federal funding for Exchange build through 2015
- ✓ For Medicaid, under NPRM, 90% (for development) through 2015 and 75% (for maintenance) indefinitely, subject to performance standards & conditions

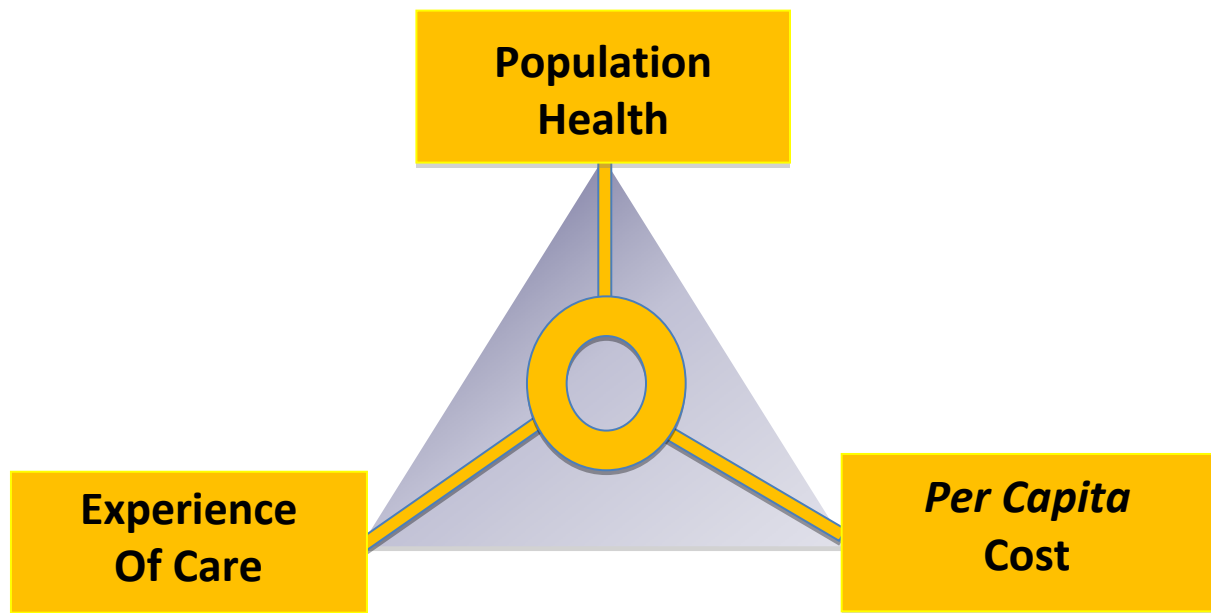
State Revenue Rising But Still Below Pre-Recession Levels

General Fund Revenue: FY 2007 – 2011 (in billions)



* FY 2007 and 2009 are actual. FY 2010 is preliminary actual and FY 2011 is enacted.

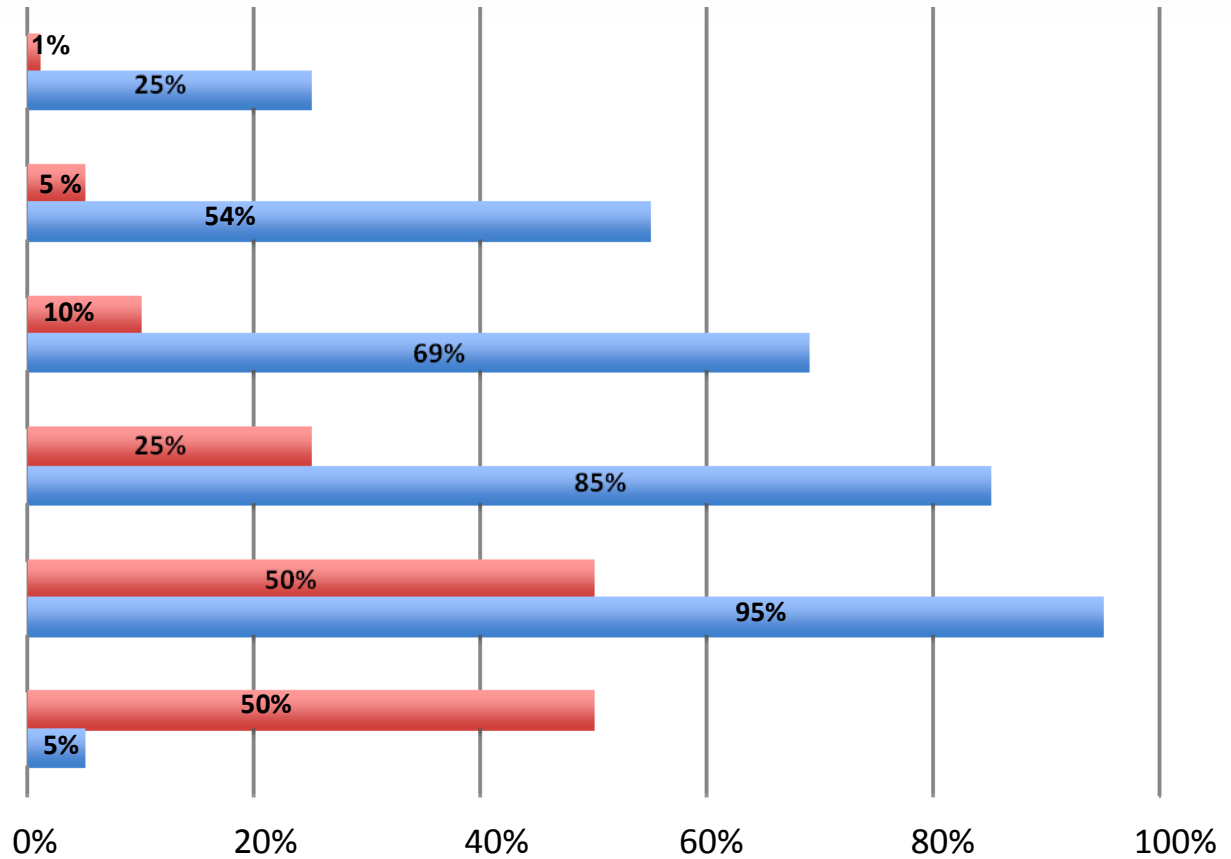
Coverage: Pathway to Better Care, Better Health, Lower Costs



Concentration of Medicaid Spending

■ Percentile of Medicaid Population (Ranked by Spending)

■ Percent of Total Medicaid Spending

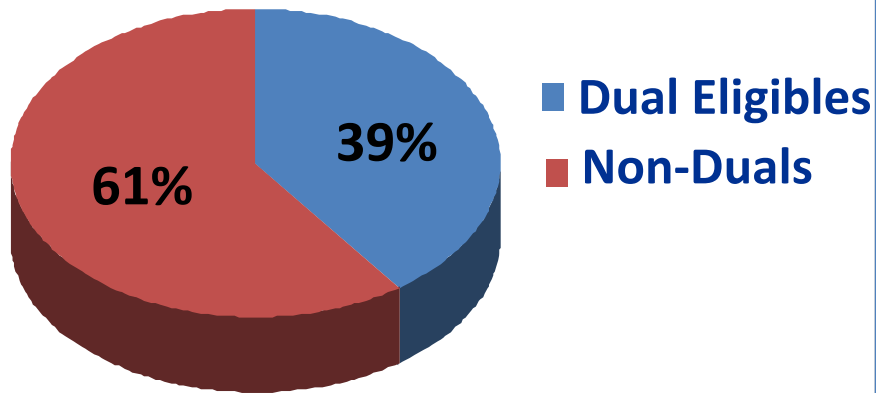


Quality, Access and Costs: New Tools

- ❖ Accountable Care Organizations
- ❖ Medical and health homes
- ❖ Bundled payments to integrate care
- ❖ Global payment demonstrations
- ❖ Primary care provider increase (2013)
- ❖ No payment for HACs
- ❖ Dual eligible initiatives

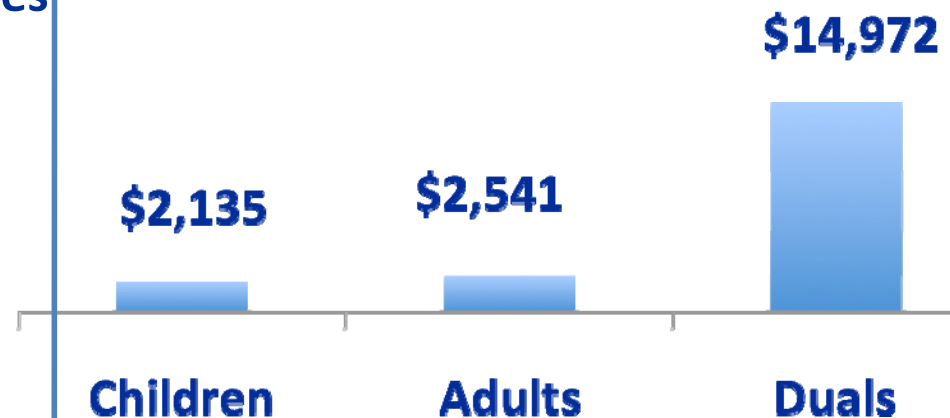
Focus on Dual Eligibles

Duals as Share of Medicaid Spending



Total Spending = \$311 billion

Medicaid Spending by Population Group




Dual Eligibles

INNOVATIONS

.cms.gov

- ❖ Solicitation to support the design of innovative service delivery and payment models for dual eligibles
 - ✓ Due February 1, 2011
 - ✓ Up to 15 states (\$1 million each)
- ❖ Exploring Different Models
- ❖ Providing data



**Key to Reaching Our Goals:
Assuring that all Partners
are at the Table**