A Vision of Medicaid for the Future

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Which Medicaid roles are essential to national health reform?

1. Health insurance for low-income families

2. Coverage for disabled people without Medicare

3. Supplement to Medicare for low-income seniors

4. Direct support for safety net providers

[From June 2, 2009 Medicaid Congress presentation]
What would low-income families say if they were invited to be in the room?

- Medicaid income limits for adults are too low.
- The program still feels like welfare.
  - Eligibility is viewed categorically
  - Application and enrollment process is complex
  - Asset test is a real barrier (and there are no assets)
  - Difficult to renew coverage each year
- Many providers don’t accept Medicaid.
- Care coordination is weak.

[From June 2, 2009 Medicaid Congress presentation]
What would disabled individuals say if they were invited to be in the room?

- Medicaid’s “optional” services are not optional for the people who need them.

- A single benefit package has big advantages.
  - No need to coordinate wrap-around coverage

- Care can be expensive—not by choice, but because health care needs are often complex.

[From June 2, 2009 Medicaid Congress presentation]
What would low-income seniors say if they were invited to be in the room?

- Medicare covers almost no long-term care.
- Medicare has a limited acute care benefit.
- Medicare requires significant cost-sharing.

[From June 2, 2009 Medicaid Congress presentation]
What would safety net providers say if they were invited to be in the room?

- Uncompensated care funding does not cover the full cost of caring for the uninsured.

- Direct subsidy is essential to financing safety net service delivery.

[From June 2, 2009 Medicaid Congress presentation]
What’s the takeaway for national health reform?

➤ Medicaid cannot be an afterthought.

[From June 2, 2009 Medicaid Congress presentation]
Why is Medicaid a cornerstone of health reform’s insurance coverage expansion?

a) A robust policy discussion pointed to Medicaid as the best path forward.

b) Strengthening the program for very low-income individuals and families was a top political priority.

c) Splitting administrative responsibility between different levels of government guarantees success.

d) Healthcare economics 101 dictated the decision.
The New Vision for Medicaid

- Federal-State Administration
- Enrollment
- Service Delivery and Reimbursement
- The Safety Net
The New Vision: Federal-State Administration

- Does the federal government take a more active role in operating Medicaid under health reform?
  - About 75 million Medicaid enrollees in 2019
  - Federal share of new Medicaid spending under health reform = 96%

- What major policy decisions are left to the states?

- What is an acceptable level of variation by state?
The New Vision: Enrollment

- National eligibility standard
  - Uniform income limit at 133% of poverty
  - Shift of emphasis from categorical eligibility

- Simplified applications
  - Straightforward accounting
  - No asset test

- Voluntary participation
  - No effective mandate for the poor
  - Emphasis on outreach
The New Vision: Service Delivery and Reimbursement

- Support for increasing reimbursement rates
  - Federal funding to increase Medicaid primary care rates to Medicare levels for 2013 and 2014

- Federal resources and guidance for reforming service delivery and payment policy
  - Center for Medicare and Medicaid Innovation
  - Federal Coordinated Health Care Office (Office of Duals)

- What roles will the federal government play in this area as implementation of health reform moves forward?
The New Vision: The Safety Net

- 23 million uninsured in 2019
  - 1 in 3 (8 million) will be undocumented
  - Strong geographic concentrations of uninsured

- What is the mechanism for targeting provider subsidies to uninsured individuals?

- In a new environment with fewer uninsured and declining federal funding, how is a safety net designed and supported?
Will state budget deficits, exacerbated by the expiration of federal ARRA funding, lead to the weakening of Medicaid between 2010 and 2014?

Will further federal deficit reduction have an impact on Medicaid and the implementation of national health reform?