

# The 20<sup>th</sup> Princeton Conference “Medicaid in 2020”

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# The New Medicaid

- ACA changes:
  - Eligibility changes – MAGI/no asset test/streamlined eligibility
    - Part A(?)- health insurance for low income
    - Part B(?)- Coverage for persons with disabilities, aged
  - Funds significant IT upgrades
  - Coordinate with Marketplace (exchange)
    - Eligibility and enrollment
    - Churning

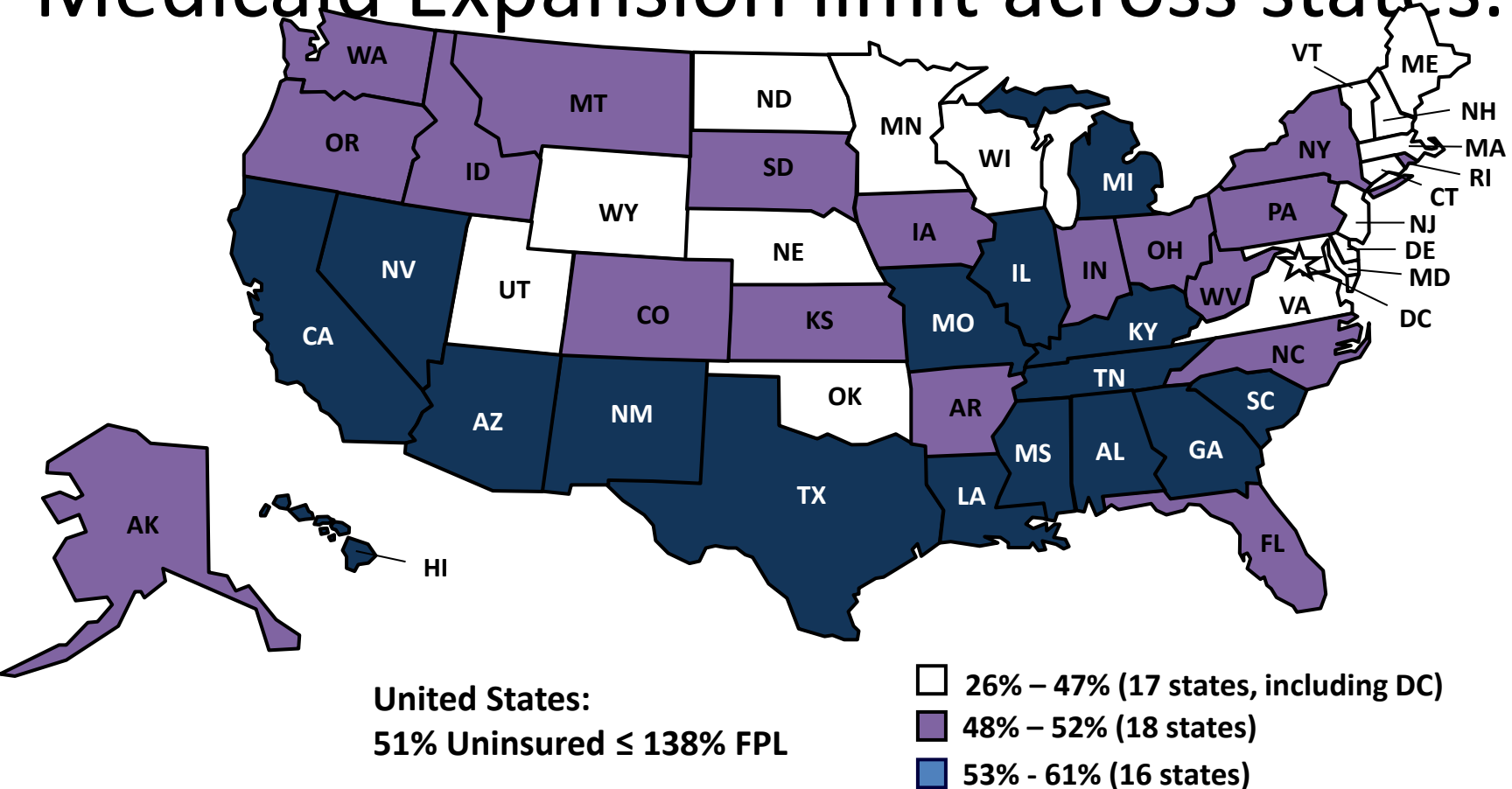
# Will States Expand?

- Moral imperative
  - Status quo: zip code, church suppers and charity
- Significant new federal dollars (100%→90%)
- Provider Pressure – DSH reductions
- No options for poorest of the poor w/o expansion
  - > 100% FPL ineligible for premium tax credits

# Why Won't States Expand?

- Politics- Medicaid viewed as inappropriate foundation to build reform
- 10% is still real money – Medicaid crowds out other spending
- Doubt about sustainability of Federal money
- Administrative complexity and need for new staff – Costs ( 50/50)

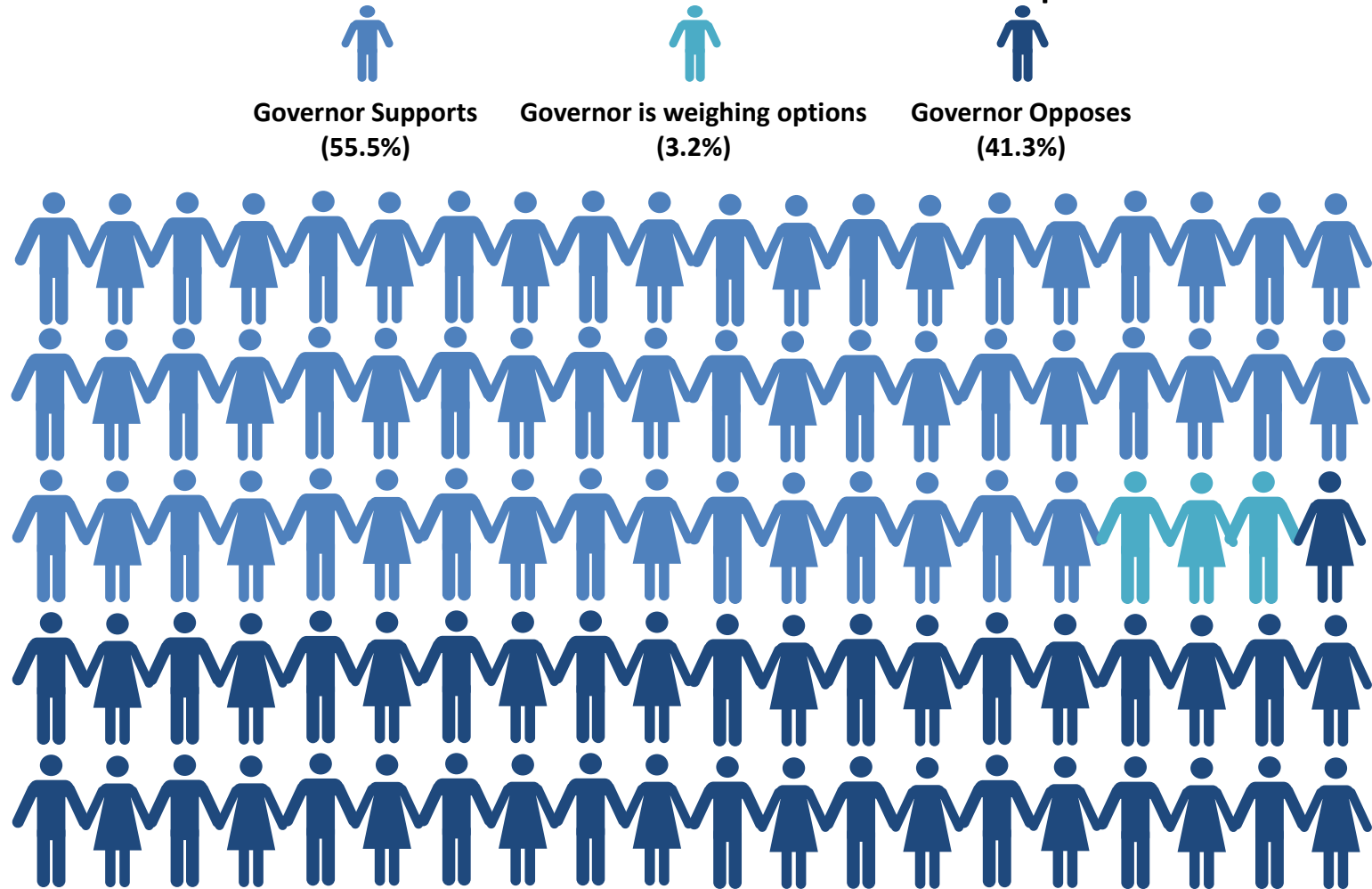
# There is significant variation in the share of the uninsured that is below the Medicaid Expansion limit across states.



SOURCE: Urban Institute and Kaiser Commission on Medicaid and the Uninsured estimates based on the Census Bureau's March 2011 and 2012 Current Population Survey (CPS: Annual Social and Economic Supplements).



Based on executive activity, just over half of the uninsured reside in states that will move forward with the Medicaid expansion.



Governor Supports  
(55.5%)

Governor is weighing options  
(3.2%)

Governor Opposes  
(41.3%)

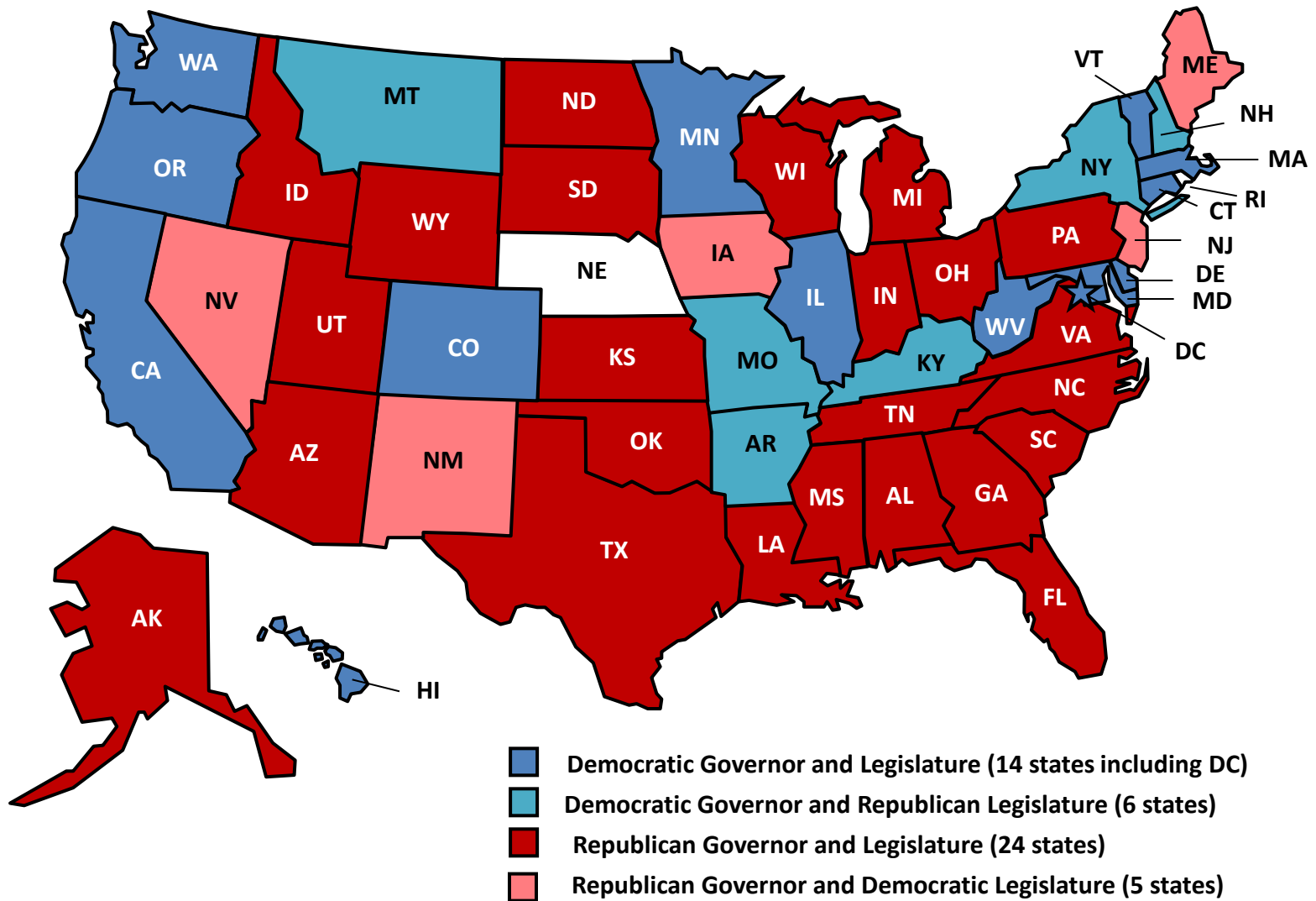
**Total Uninsured  $\leq$  138% FPL: 25.4 Million**

# But Governors Can't Act Alone: State legislatures

- States that have passed legislation in favor: MD\*, MN, ND, NM, NY
- States that have passed legislation prohibiting: NC, UT, WY
- Battleground states
  - Governor in favor, Majority party in Legislature Against: AZ, FL, OH, MI, MO, MT
  - Governor against, Majority party in Legislature in Favor: IA, NE, ME
  - Competing proposals in Legislature: FL, IA, MT
- Special cases:
  - CA: Both bodies have passed legislation, debate over county vs. state
  - AR: Expansion through premium assistance authorization has passed both chambers; appropriations has passed the House.
  - MS: Session ended without reauthorization of the Medicaid program.
  - SD: Session ended with agreement to continue studying the Medicaid Expansion.
  - VA: Bicameral committee will determine if reforms have been met before recommending expansion.
  - KS, KY, WV: Governors have not yet announced decisions.
- Legislation will not necessarily be required to move forward in each state.



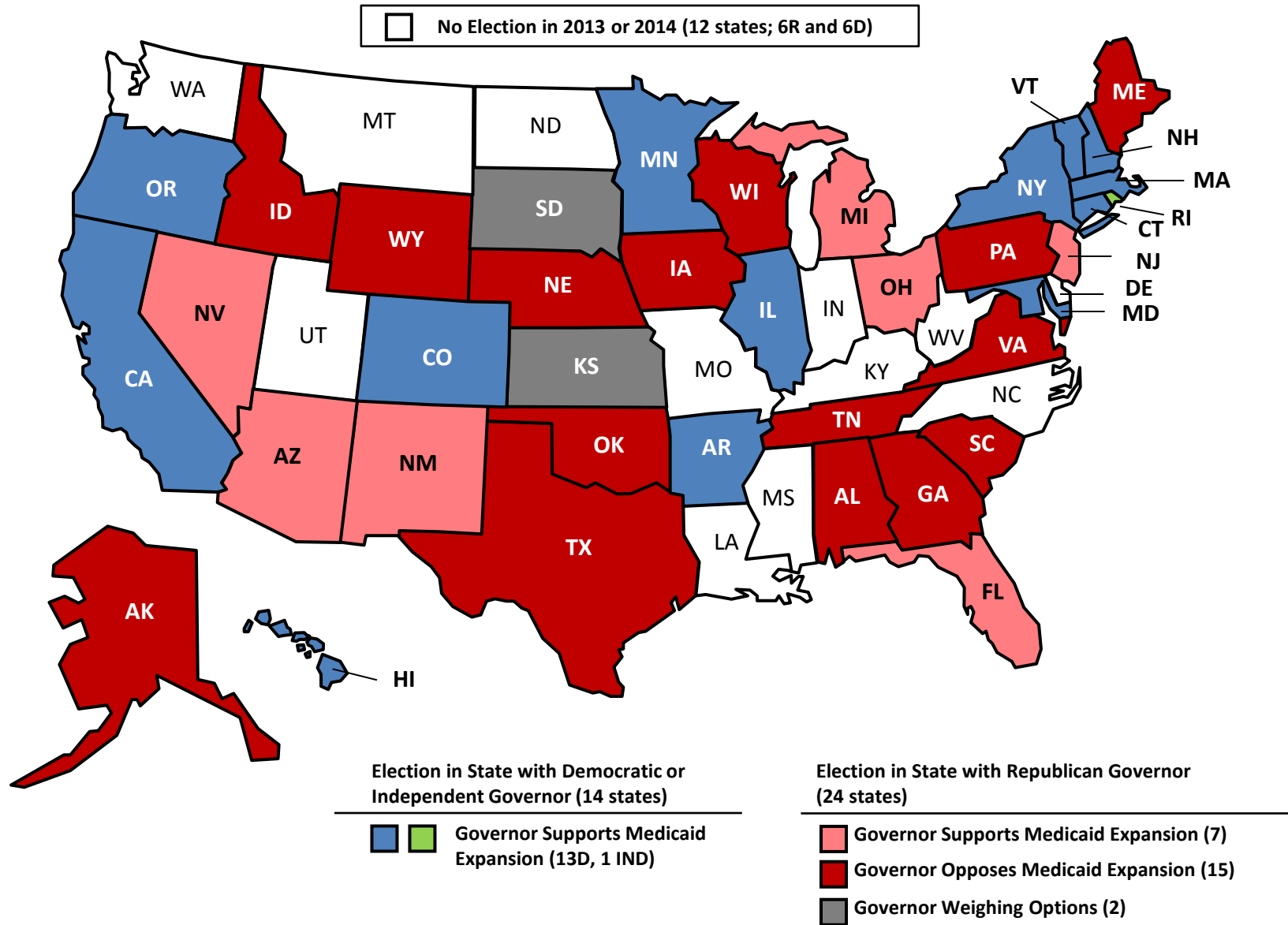
# Political climate plays a key role in decision making.



NOTES: Nebraska has a Republican governor and a non-partisan legislature. Rhode Island has an Independent Governor and a Democratic legislature. Virginia's Senate is split evenly, but the tie breaking vote is the Lt. Governor, who is Republican.

SOURCE: National Conference of State Legislatures. <http://www.ncsl.org/legislatures-elections/elections/statevote.aspx>.

# States with Elections for Governor in 2013-14 and Their Current Governor's Position on the Medicaid Expansion.



NOTES: Governors in 6 states are not running for re-election (AR, AZ, MA, MD, NE, VA)  
 SOURCES: Cook Political Report; Kaiser Family Foundation, State Health Facts  
<http://www.kff.org/health-reform/state-indicator/state-decisions-for-creating-health-insurance-exchanges-and-expanding-medicaid/>

# Medicaid in 2020?

- Efforts now-2020 to contain costs to afford the 10% match – focus on cost drivers (LTSS)
- Administrative capacity?
  - Significant investment in fraud/abuse not day to day management
    - MCFU – 90/10 (3 yrs then 75/25)
    - MMIS –90/10 design/upgrade/75/25 operation
    - State administration – 50/50
- Linkages to Marketplace –seamless? Churn?
- Continued experimentation - waivers