

The 20th 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

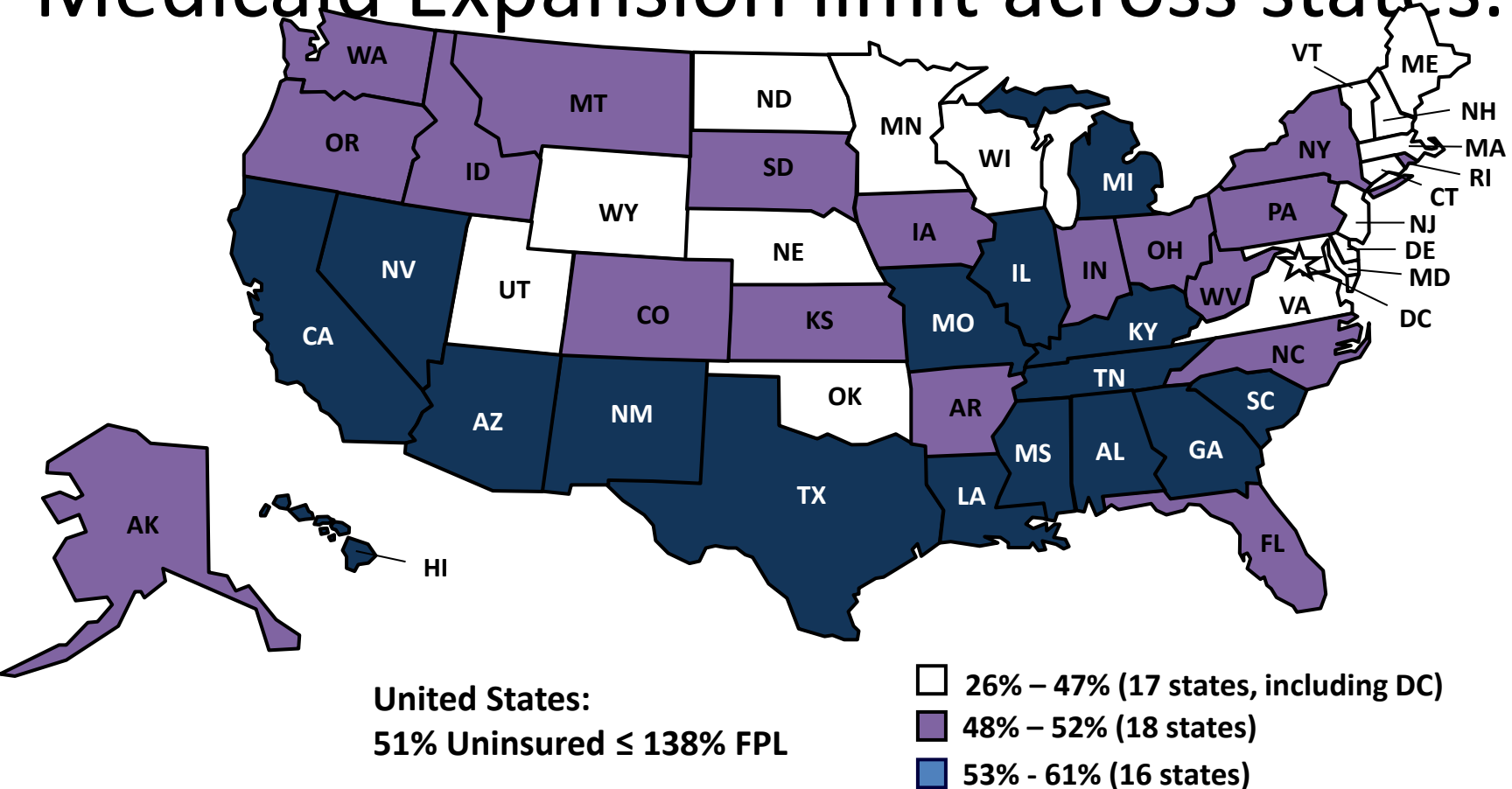
Will States Expand?

- 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?

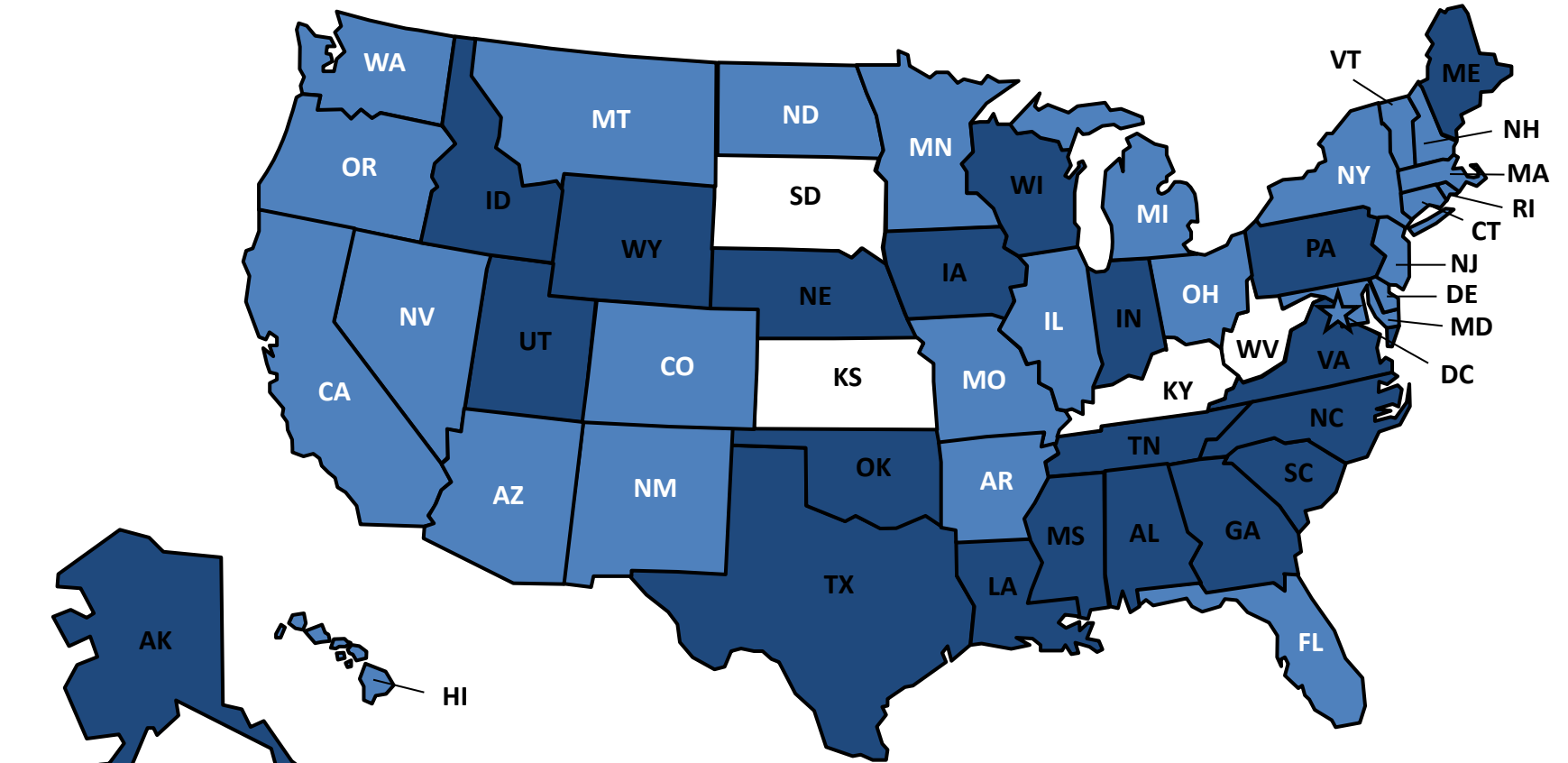
- Politics- Medicaid viewed as inappropriate foundation to build reform
- 10% is still real money – Medicaid crowds out other spending
- Doubt about sustainability of Federal money
- Administrative complexity and need for new staff – Costs (50/50)

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).

Governors in 27 states have announced support to move forward with the Medicaid Expansion.

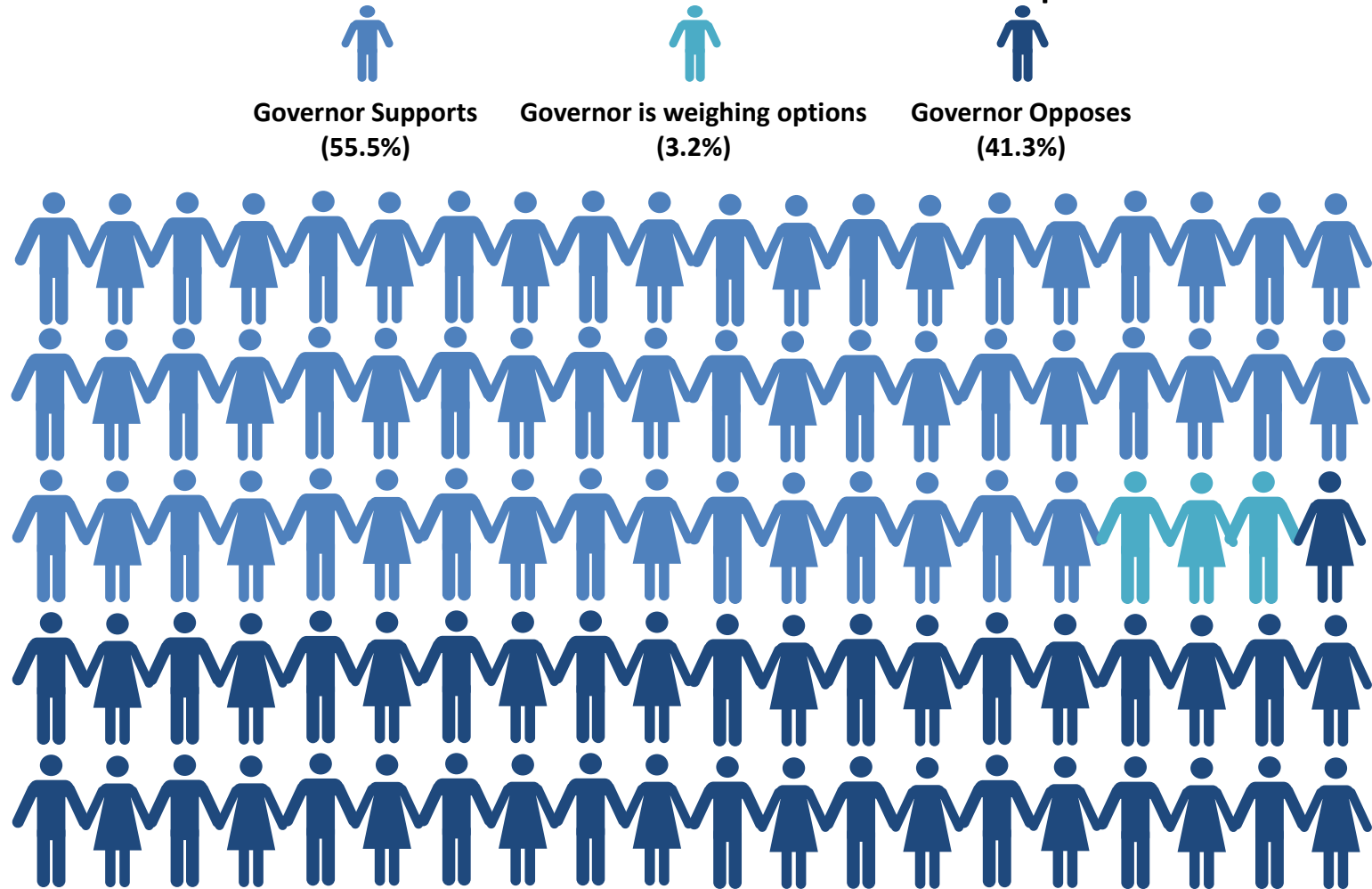


Governor's Position on the Medicaid Expansion, as of April 16, 2013

- Supports Expansion (27 states, including DC)
- Opposes Expansion (20 states)
- Weighing Options (4 states)

SOURCE: Based on a KCMU review of State of the State addresses, FY 2014 budgets proposals, as well as other public statements made by the Governor.

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%)

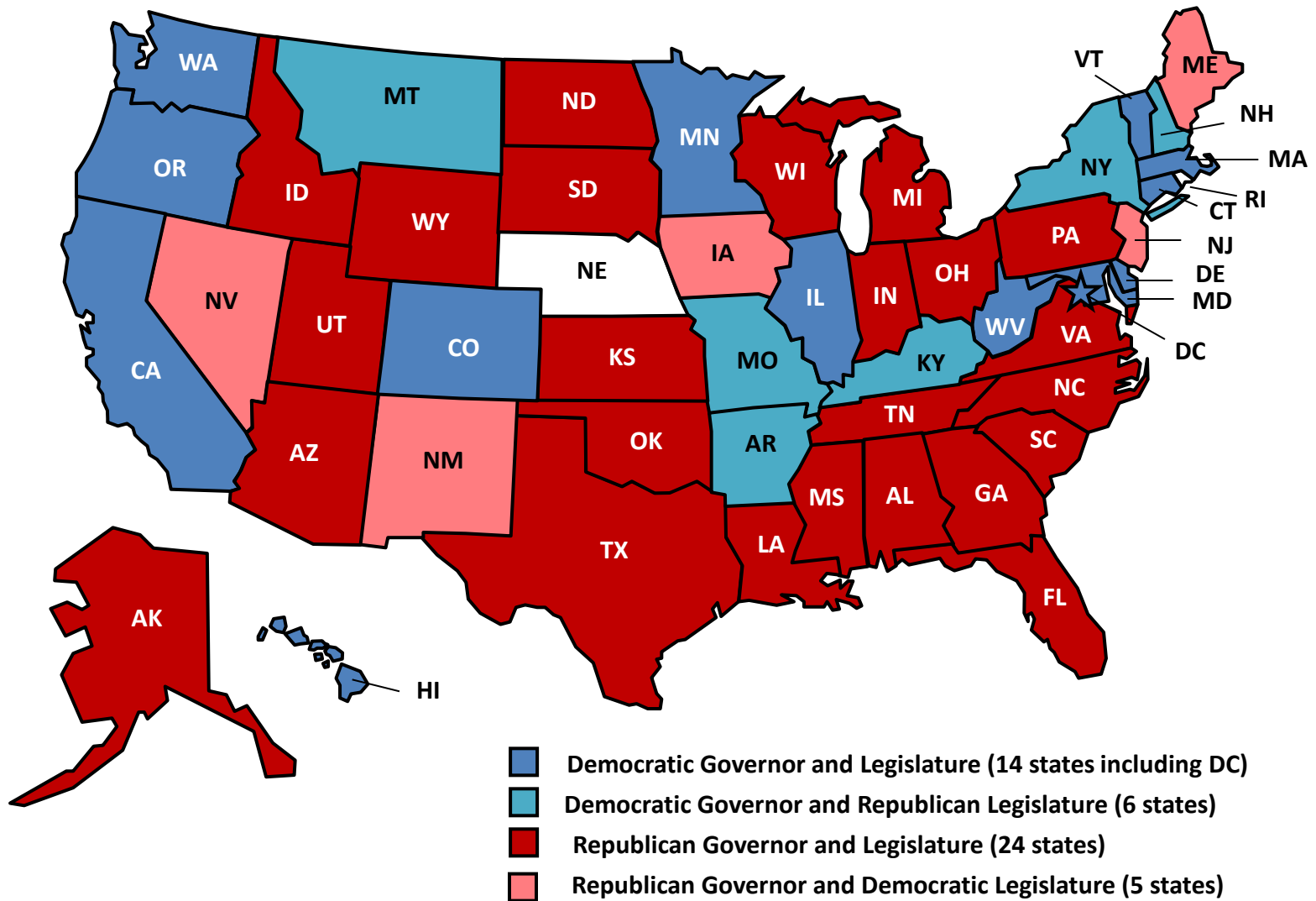
Governor Opposes
(41.3%)

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.

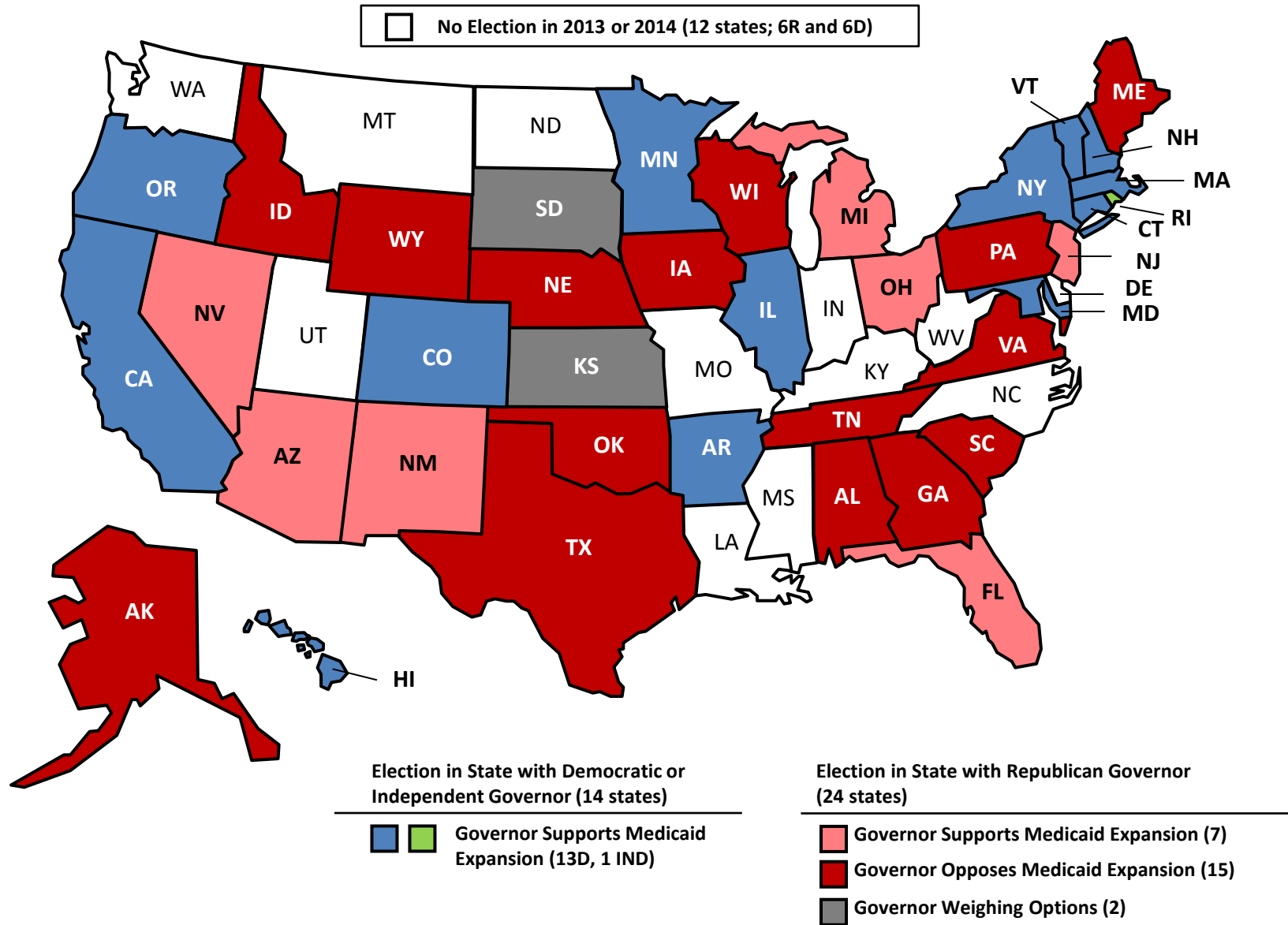
Political climate plays a key role in decision making.



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