National Association of Medicaid Directors

- Created in 2011 to support the 56 state and territorial Medicaid Directors
- Standalone, bipartisan, & nonprofit
- Core functions include:
  - Developing consensus on critical issues and leverage Directors’ influence with respect to national policy debates;
  - Facilitating dialogue and peer to peer learning amongst the members; and
  - Providing effective practices and technical assistance tailored to individual members and the challenges they face.
What is Medicaid?

- Nation’s main public health insurance program for people with low income
  - Covers roughly 74.4 million people, including 35.8 million children\(^1\)
- Single largest source of public health coverage in the U.S.
  - Accounts for 16% of national health spending\(^2\)
- Core source of financing for:
  - Safety-net hospitals
  - Health centers that serve low-income communities
  - Nursing homes
  - Community-based long-term care

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Who is in Medicaid?

*Estimated Enrollment by Population Category, Fiscal Year 2015*¹

- Children: 41%
- Adults: 22.2%
- Expansion adults: 13.3%
- Persons with disabilities: 15.3%
- Aged: 8.2%

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How much does it cost?

  - FY 2013: $440 billion\(^1\)
  - FY 2014: $496.3 billion\(^2\)
  - FY 2015: $509 billion\(^3\)

- Almost two-thirds of all Medicaid spending for services is attributable to the elderly and persons with disabilities, who make up just one-quarter of all Medicaid enrollees.\(^4\)
  - Dual eligible beneficiaries alone account for almost 40% of all spending, driven largely by spending for long-term care.

- The 5% of Medicaid beneficiaries with the highest costs drive more than half of all Medicaid spending. Their high costs are attributable to their extensive needs for acute care, long-term care, or often both.\(^5\)

1. Kaiser Family Foundation, "Medicaid Moving Forward" (March 9, 2015): [link](#)
5. Ibid.
State of Play of Current Environment

- Post 2016 election, significant changes from previous 8 years
- Three front burner issues:
  1. Repeal and replace of Affordable Care Act (Congressional)
  2. Medicaid as entitlement reform (Congressional)
  3. New leadership at HHS and promise of new state/federal partnership (Administration)
Where does NAMD stand in this current state of play?

- Bipartisan
  - No position on repeal and replace
  - No position on per capita caps or block grants
  - No “shoulds” or “shouldn’ts”

- Key considerations documents for policymakers
- Trusted auto mechanic
NAMD has requested that lawmakers consider three main issues in the development of any proposals that would change the structure of Medicaid:
Statutory Framework and Eligibility

- What are the requirements for states in the framework for populations covered, services covered, and payment levels?

- How will the proposal impact eligibility and services for current enrollees?

- What are the health needs of those served by Medicaid and how will those needs be met under the proposal?
Statutory Framework and Eligibility

- Long-term care
  - Medicaid is currently the default long-term care program in the United States, and as demographics change, more Americans are expected to need long-term services and supports.

- Dually Eligibles
  - Approximately 40% of Medicaid spending is for low-income Medicare beneficiaries.

- Safety-net providers (i.e., FQHCs)
Financing

- What is in the federal funding formula for Medicaid program growth and how is that formula calculated?

- What is the state match requirement in the proposal for Medicaid?

- What is in the base used to set the federal match amount?

- What is the impact of the proposal on state approaches to finance the state share of the Medicaid program (i.e., provider taxes, intergovernmental transfers, upper payment limits)?
Financing

- What is in the federal funding formula that would be used during recessions or unforeseen cost surges?
  - For example, new developments in specialty pharmacy and future developments in biologics producing drugs with list prices approaching $500,000 per year.

- How does the proposal impact the financing structure for Medicaid IT systems?

- How would the financing approach impact the structure of CHIP, including Medicaid expansion CHIP programs, separate CHIP programs, or combination CHIP programs?
State and Federal Partnership

- What is the role of states in providing input on new federal rules related to Medicaid?
- What are the areas where additional state flexibility might be afforded?
- How does the proposal change the existing Medicaid regulatory structure (i.e., state plans, Section 1115 and other Medicaid waivers)?
- How does it impact existing federal Medicaid regulations and their implementation?
Reality of the Medicaid Director
Being a Medicaid Director in 2017…

- “…running a Fortune 50 company…”
- Directing ~ 25 percent of the state’s budget
- Monitoring the potential changes at the congressional level
  - If reform moves…?
  - If it doesn’t…?
- Establishing and navigating new relationships at CMS
- Aggressively driving value-based purchasing
- Negotiating multi-million dollar contracts with health plans, delivery systems, information system vendors, etc.

Did I mention average tenure is 19 months?
What keeps Medicaid directors up at night?

- Medicaid as nation’s de facto long-term care policy
  - And mental health and substance use system

- Demographics and needs in these areas are only growing
What keeps Medicaid directors up at night?

- Disconnect between what Medicaid means to Congress and the reality of $880 billion in savings

- Medicaid’s connection to other sources of coverage – Medicaid is not an island
For more information about NAMD, visit www.medicaiddirectors.org.

Thank you.