

MEDICAID REFORM ISSUES AND QUESTIONS

Policy Structure

- Should it read like a comprehensive, interrelated reform, or more like a list of separate issues, each of which might be addressed separately?

Rica felt it should read like a comprehensive, interrelated reform.

- Should the policy give special priority to a few issues, or allow for Congress and the Administration to decide which issues identified by the Governors are worth addressing? Should issues be grouped in tiers of importance?

The issues should be grouped in tiers of importance verses “all or nothing”

- Would your Governors favor one of the approaches to reform reflected by the statements below?
 - 1) Medicaid is an outdated health care program that is broken and needs to be completely replaced with something new. (see below)
 - 2) Medicaid is an important health care program that states can no longer afford under its current structure and needs major reform to be sustained.

The second comes closest but Rica feels that the best approach would be:

Medicaid is an important health care program that states can no longer afford under its current structure and needs some reform to be sustained.

Reform should be focused on the Federal Government should cover all Medicare and exclude dual-eligible coverage under Medicaid. The federal government should cover all services for the over 65-year-old population (including prescription drugs) and let Medicaid cover the poor.

- The territories have unique Medicaid programs and problems. Should the policy incorporate concerns about these programs? If yes, how should they be included?

Rica did not know much about the territories and did not have an opinion on this bullet.

The territories seem to receive a lot of federal funding. I think it would be worth exploring including the territories since it may be more cost effective than keeping the separation. They have a high incidence of chronic illness, including diabetes, and alcohol and substance abuse incidence. There may be a better way of dealing with their unique programs and problems.

- If agreement cannot be reached on some issues, should they be dropped altogether or should alternative approaches be included.

Alternative approaches but not sure what. This would need to be explored.

Financing

- Current NGA policy strongly supports a federal-state partnership in funding and opposes any kind of federal cap. **Should this position be retained?** If not, how should it be changed?

YES

- What portions of the program should be taken over by the federal government (in whole or in part)? **All the dual eligibles?** Portions (such as drugs or the QMBs/SLMBs)? What about the disabled who aren't Medicare eligible?

The federal government should take out all dual-eligibles.

- Should the federal government provide an enhanced match for program expansions or for certain services, such as community-based and home care?

YES. Incentives will be necessary to off set up front expense to transition out of nursing homes and into less costly community-based services. (And be compliant with the Olmstead decision) President Bush indicated in a recent press release that there will be grant money available in the near future to support this. Rica has directed her staff to be watching for these grants so that Mississippi can apply.

Eligibility

- Should the current system of eligibility be scrapped in favor of a simplified, flat, income-based eligibility system with no categories?

NO

- If an income-based standard is adopted, should states be required or given incentives to cover populations not currently served?

Given incentives to cover populations not currently served (but never above 100% FPL except for pregnant women and children). Incentives should not be required, however.

Benefits

- Should the Medicaid program allow alternative benefit packages for individuals based on income levels or health status.

YES

- Should a benefit package comparable to federal or state employee health plans be substituted for the current mandatory services?

NO

- Would it make sense to allow states to selectively offer one or more optional services to optional populations without having to offer all mandatory and optional Medicaid benefits?

YES

- Is there a better way to achieve the objectives of the current EPSDT requirements for children?

UNKNOWN- Rica said children get everything but there ought to be some way to control it though. She is not sure how though.

Long-Term Care

- Would it be appropriate for the federal government to assume full responsibility for long-term care while continuing to share some of the costs of providing acute care to low-income individuals and families? Or would it make more sense to divide responsibility between those <65 and those >65?

The federal government should cover all dual-eligibles and let Medicaid cover the poor. The federal government should cover everybody over 65 years of age.

- How best can we address the institutional bias of the program? Eliminating the nursing facilities entitlement, obtaining enhanced match for Olmstead compliance, strengthening consumer/family based planning?

Provide incentives to off set upfront cost in transitioning from nursing homes into community-based services.

Cost-Sharing

- Current law and regulations allow almost no cost-sharing for mandatory, core populations and impose limits on cost-sharing for optional populations. How should this be changed?

More cost sharing for increased/enhanced services

Private Sector Integration

- How can Medicaid better encourage utilization of the private sector health insurance market while ensuring access to quality health care?

- Should Medicaid be used to supplement rather than supplant employer-provided insurance?

Waivers

- To what extent should all current waivers (1115, 1915) be replaced by clear statutory authority (state plan option)?

Something is wrong with the current Medicaid law evidenced by the increasing numbers being enrolled in various waivers. If the majority of people require a waiver from the standard services offered under the current Medicaid program, something is wrong. ALL waivers need to be replaced by clear statutory authority (flexibility nationwide).