



Mega Changes for Medicaid

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Medicaid in RI

- Provides comprehensive health care coverage for low-income children, parents, pregnant women, adults with disabilities and people age 65+
- Provides long-term care services for adults and children with disabilities and for people age 65+ in “institutions” (nursing facilities, ICF-MRs) and through home and community-based services

Medicaid is a Shared Federal/State Program

- Coverage:
 - Federal law requires states to cover certain populations...children under six in families with income below 133% FPL; seniors and adults with disabilities who receive SSI
- State can choose to expand coverage...
 - RI: children up to age 19 in families with income below 250% FPL; seniors and adults with disabilities with income less than 100% FPL

Shared federal state program

- Services
 - State must cover certain services
 - Inpatient and outpatient hospital; nursing facility services, pregnancy related services and family planning services; physician services; services provided by a nurse-midwife and certified pediatric nurse practitioner or family nurse practitioner
 - State has option to provide services
 - Dental, drugs, eyeglasses, hospice services

Shared federal state program

- Federal government reimburses the states for expenditures on Medicaid services and cost of administration
 - Federal share (FMAP) ranges from 50% to 83% depending on state per capita income
 - RI's FMAP = 52.6%
 - For every dollar RI spends on Medicaid it receives 53 cents back from the federal government
 - No limit on how much state can spend and claim federal cost-sharing

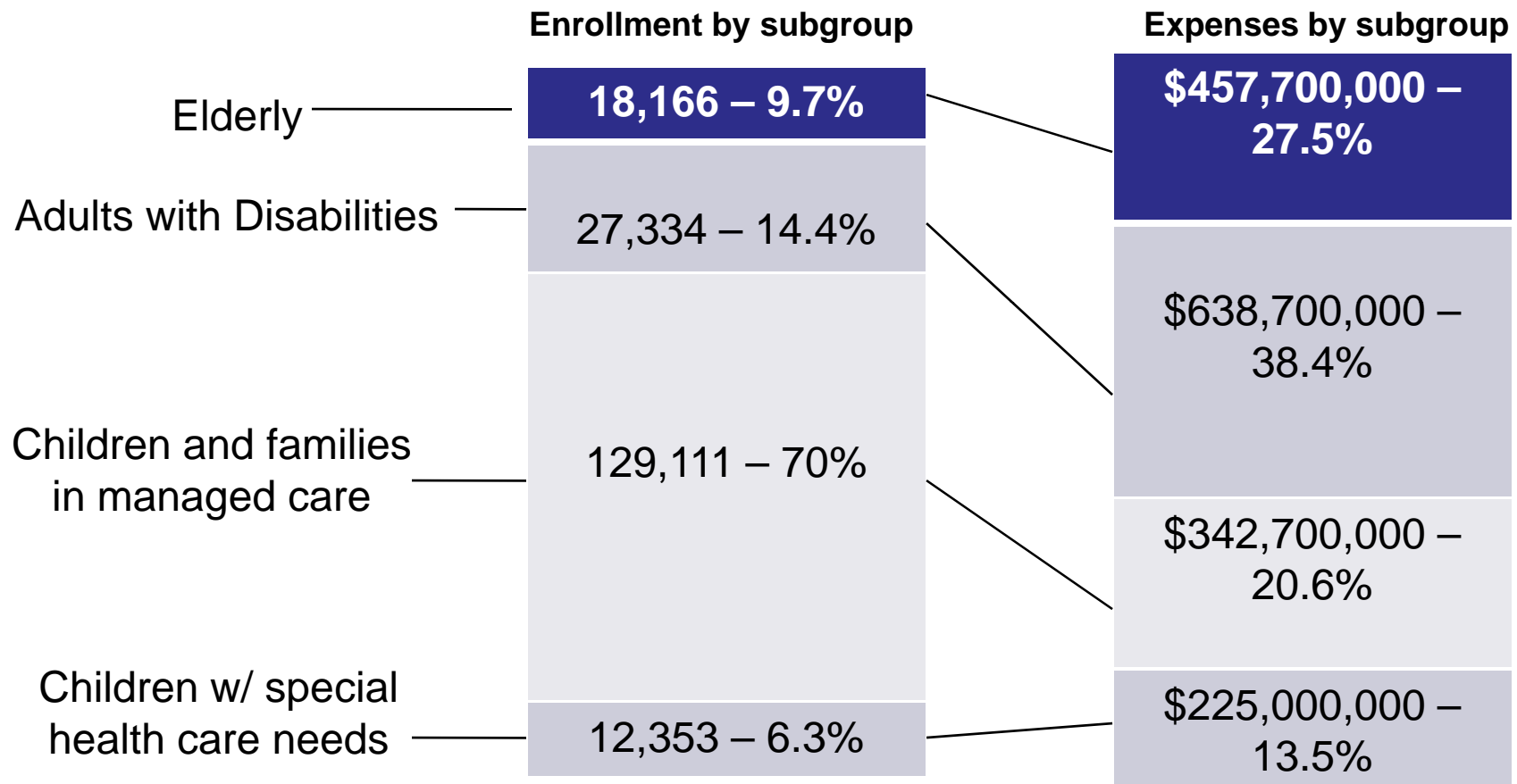


Almost 1 of 4 Rlers Rely on Medicaid

- 23% of Rhode Islanders use a Medicaid funded service in any given year. 2006:
 - 18,166 Seniors
 - 27,334 Adults with disabilities
 - 129,111Rlte Care – kids, parents, pregnant women
 - 12,353 Children with special health care needs

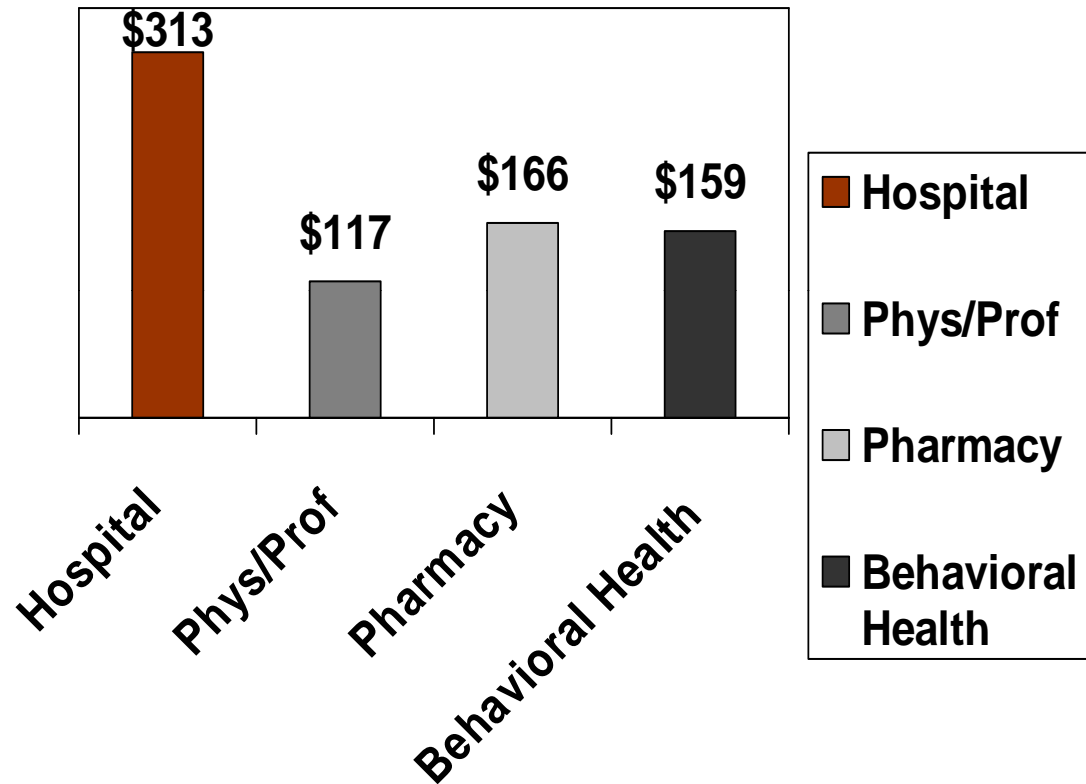
Source: The Future of Medicaid, EOHHS Report, 2007

Medicaid Enrollment & Spending



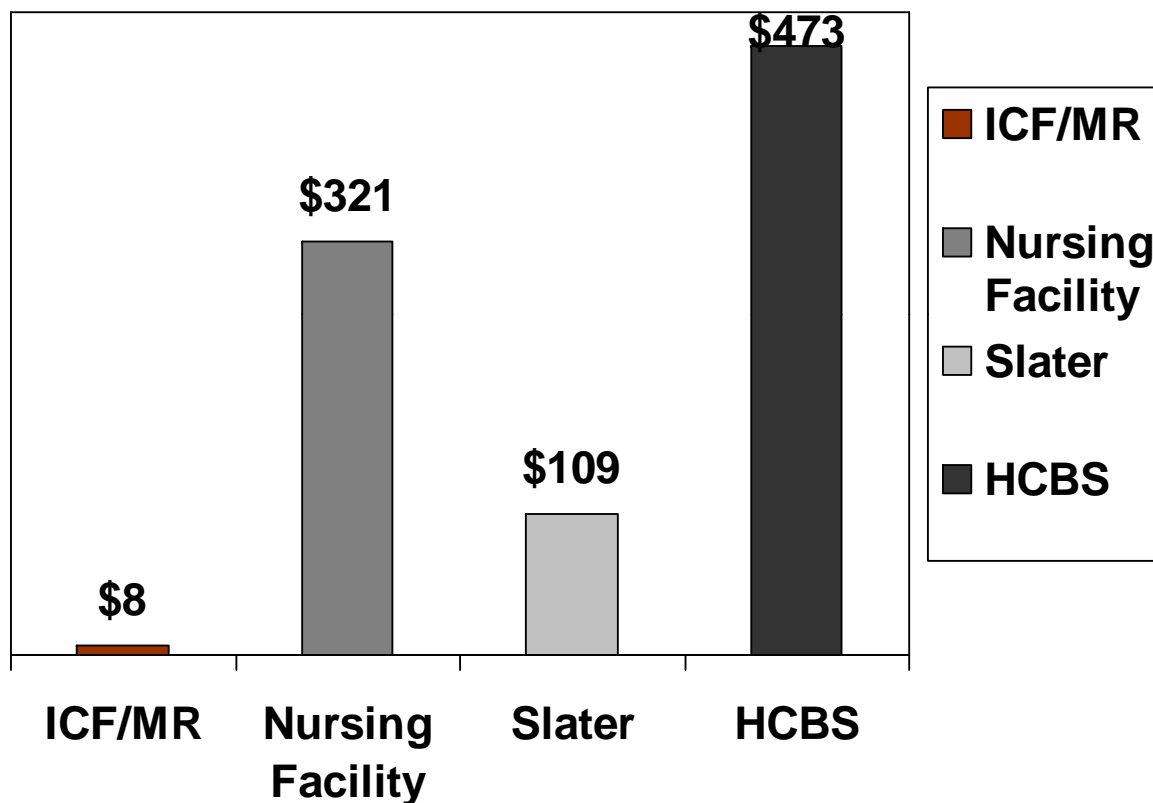
Acute Care and Long Term Care

Acute Care Spending
(totaling \$754 million)



Acute Care and Long Term Care

Long Term Care
(totaling \$910 million)



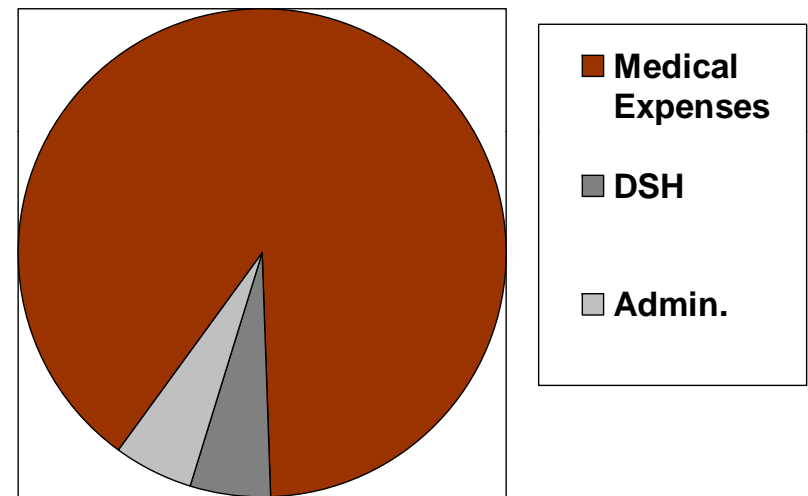
Medicaid Supports the Economy and Health Care Jobs

- State Fiscal Year 2006
 - \$605 million in wages directly paid for by Medicaid (22.8% of health care total)
 - 20,739 health care jobs (27.8% of health care total)
 - 3.3% of total wages
 - 5% of statewide employment

Source: The Future of Medicaid, EOHHS Presentation, 2007

Medicaid is a Significant Part of the State Budget

- SFY 2006 Total Budget: \$6.3B
- Medicaid: \$1.9B
- 29% of the budget
 - Medical Expenses: \$1.7B
 - DSH: \$100M
 - Admin: \$100M



The Global Waiver

- Restructures the way Medicaid services are financed
- Establishes 5 year cap on Medicaid funding of \$12.1 billion (except DSH, admin costs and payments to LEAs)
- State must still “spend a dollar” to get a federal dollar, but state entitlement to unlimited federal funds is ended
- Sets spending targets for each year of five years

The Global Waiver

- Budget cap is based on caseload and expenditures in 2007 with trend rate
 - State is at risk for caseload increases and changes to trend
 - State has some increased flexibility to make changes to Medicaid program with more limited CMS (federal Medicaid agency) involvement
 - Critical changes (scope of benefits, covered populations) require CMS approval
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The Global Waiver – Key Expectations

- Rebalance Long Term Care
 - Seniors and adults with disabilities - decrease nursing home care and increase home and community services
 - Adults with developmental disabilities – reduce group home and increase shared living
 - Children in DCYF care – reduce residential placements

The Global Waiver – Rebalance LTC

- New “level of care” determination – based on medical need
 - Highest level: Require institutional level of care; can choose services in the community
 - High level: Would benefit from either institutional level of care or significant level of home and community based care. Receive core services and preventive services
 - Preventive: Do not need institutional level of care, but need services to prevent admission – core services

The Global Waiver – Rebalance LTC

- ENTITLEMENT ONLY FOR HIGHEST LEVEL
 - WAITING LISTS POSSIBLE
 - Higher Acuity for patients in NF ...

The Global Waiver – Rebalance LTC

- Core Services
 - Homemaker, CNA, Skilled Nursing
 - Assisted living, shared living,
 - Home modifications, special medical equipment ...
 - Preventive Services
 - Homemaker
 - Minor home modifications
 - PT evaluation
 - Respite
-

The Global Waiver – Rebalance LTC

- New Assessment and Coordination Unit at DHS determines Level of Care, services and funding
 - In Coordination with MHRH, DCYF and DEA
 - Community agencies or contractors may be used to perform the assessment function
- CURRENTLY UNDER DEVELOPMENT STAY TUNED ...

The Global Waiver – Key Expectations

- Managing Care
 - Mandatory Managed Care for seniors and adults with disabilities through
 - Rhody Health Partners (UHP and NHPRI)
 - Connect Care Choice – PCCM
- Selective Contracting
 - Durable medical equipment, outpatient services

The Global Waiver – General Assembly

- Legislative oversight committee
- New law (pending):
 - Changes to Medicaid program requires prior approval by General Assembly
 - DHS/EOHHS required to establish a community Task Force to “plan, design and implement changes to Medicaid program and evaluate impact”
 - Protection for people currently receiving LTC services in facility or community – can’t lose services due to new LOC rules

American Recovery and Reinvestment Act and Medicaid

- Increase in the federal share of Medicaid costs
- From Oct. 2008 – Dec. 2010
- Can't cut eligibility
- Can cut scope of benefits, provider rates

ARRA - Medicaid

Current FMAP: 52.57%

| | FY09 | FY10 | FY11 |
|------------------|-------------|-------------|-------------|
| New | 61.04% | 63.92% | 58.28% |
| Add't fed funds: | \$131.1 | \$174.9 | \$87.4 |

Increased FMAP

- How will funds be used? For FY09, Governor proposes:
 - Make up for unachieved state savings due to delay in implementing waiver (LTC, managed care)
 - Restore proposed reductions to MHRH for services to people with developmental disabilities
 - Restore proposed reduction in rates for hospitals and nursing homes
 - Make up for unachieved cost savings for pension reform

Increased FMAP

- FY 2010 – cuts to Medicaid funded services include:
 - Eliminate dental coverage for 38,000 RIte Care parents
 - LTC rebalancing – 50 people/month diverted or transitioned from NF
 - Selective contracting for outpatient services
 - Acuity rate adjustment for NF
 - Hospital rate reform
- Likely that deeper cuts avoided



Increased FMAP and Global Waiver

- Once increased FMAP ends, will state restore the general revenue needed to maintain services and coverage?
- Will the savings promised by the waiver (rebalancing LTF, managed care) be achieved?

For More Information

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