



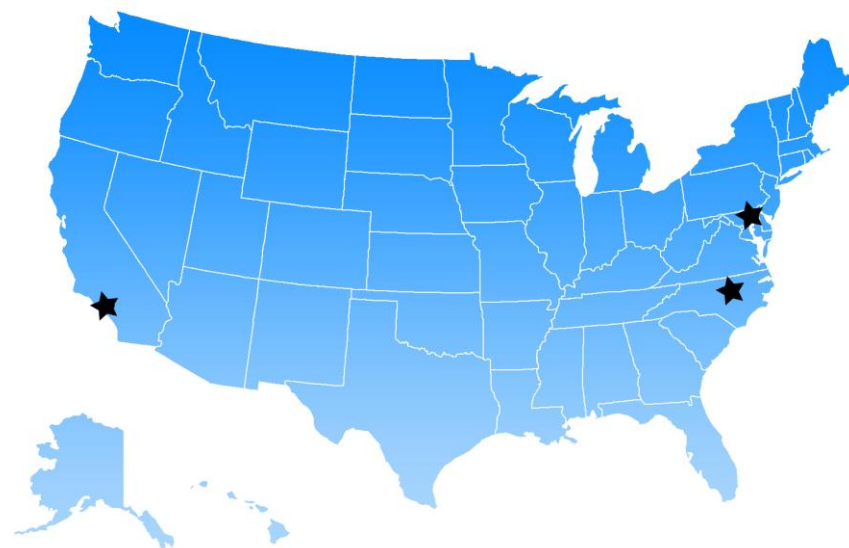
Medicaid: What Does the Future Hold?

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About NHeLP

- National non-profit law firm committed to improving health care access and quality for underserved individuals and families
- State & Local Partners:
 - Disability rights advocates – 50 states + DC
 - Poverty & legal aid advocates – 50 states + DC
- Offices: CA, DC, NC
- Join our mailing list at www.healthlaw.org
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Overview

- Legislative threats
 - Medicaid & ACA
 - Tax Bill
- Administrative actions & Medicaid
- Future Directions

Health Care Debate Round 1: Reconciliation Process

- Requires only a bare majority in Senate; No filibuster
- Budget resolution includes “instructions” to specific committees to increase or decrease:
 - spending,
 - revenues, and/or
 - public debt
- At most one bill per year addressing each component...most bills address all three
- Limited debate

Special Limitations in Reconciliation

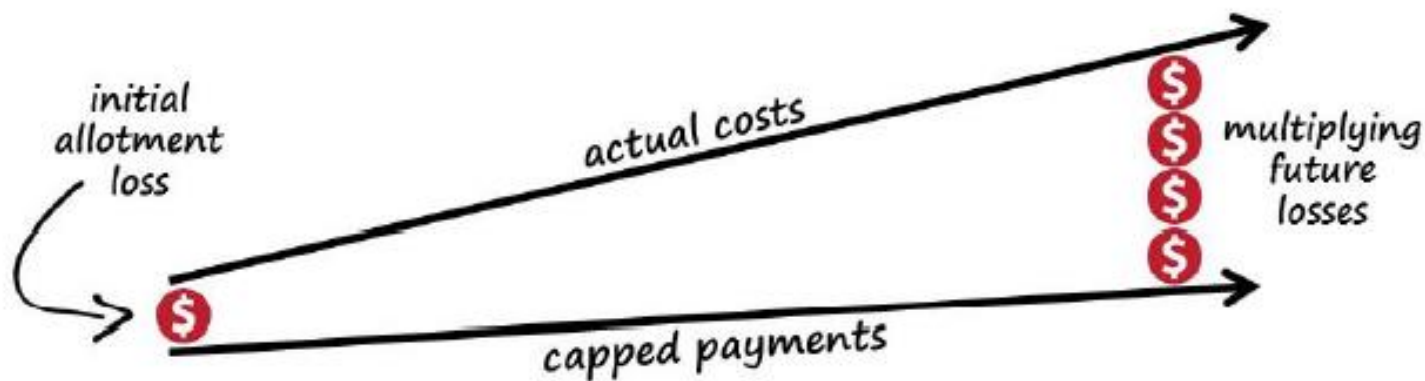
- Only changes to spending, revenues, or federal debt limit
- Must cut at least as much as instructions
- Byrd Rule
 - Allows Senators to block “extraneous” provisions
 - provisions not directly tied to spending or revenue changes, or where change is “incidental”
 - No provisions outside purview of committee
 - No increasing deficits outside the resolution time window without offsets (10 yrs)
 - No changes to Social Security

Health Care Debate Round 1: Policy

- Changing the ACA individual insurance market
 - Reduce tax credits and federal supports
 - Weaken Essential Health Benefits
 - Letting states set the floor on consumer protections
- Radically restructuring Medicaid
 - Implementing federal funding caps to reduce federal Medicaid spending
 - Ending adult Medicaid expansion
 - Allowing work requirements in Medicaid
- Eliminating several ACA-related revenue sources

Per Capita Caps and Block Grants

- Radical restructuring of Medicaid financing
- Huge cost shift to the states and enrollees.
- Per person average spending for different groups
- Process: Base rate with annual inflation, but inflation designed to grow slower than actual costs



Current financing v. block grants & per capita caps (in theory)*

If your state wants to. . .	Do you get more federal \$?		
	Current Structure	Block Grant	Per Capita Cap
add more enrollees	✓	✗	✓
add more services	✓	✗	✗
Higher need due to aging population	✓	✗	✗
increase provider reimbursement	✓	✗	✗

Per Capita Caps: Lose-Lose for States & Enrollees

- **Purpose of Medicaid PCC is to reduce federal spending and shift costs to states**
 1. **State underspends cap → no benefit:** normal Fed/State matching rules apply + costs to administer cap
 2. **State overspends cap:** state covers everything over the cap
- Even if growth rate matches national Medicaid growth rate, federal spending declines
- Uncertainty: Growth rate, number of enrollees not set until after budget year

Per Capita Caps: Likely Impacts on People with Disabilities

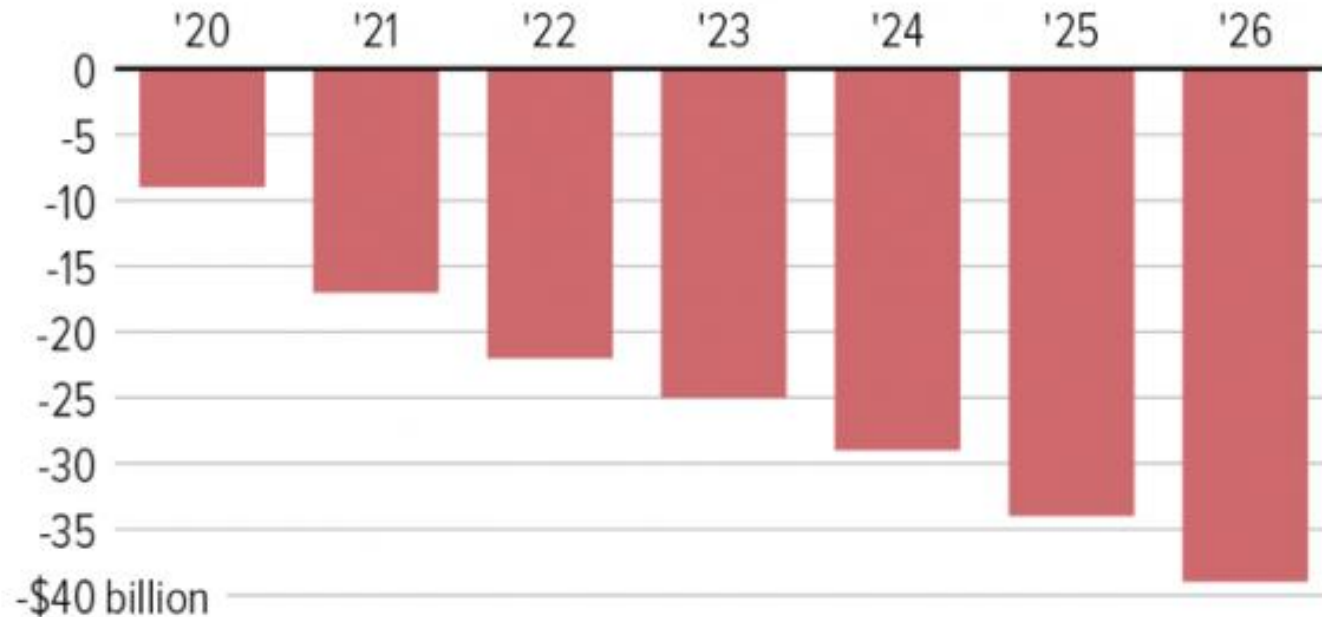
- Service and eligibility cuts due to federal funding shortfall
- Scaled back investment in Home and Community-based Services (HCBS), which are optional
- Carve-outs for certain groups likely ineffective
 - Difficult to screen for “disability” across eligibility categories
 - Spending shortfall cuts across groups
- No real flexibility in the face of massive budget cuts
- Also: Medicaid expansion includes millions of people with disabilities, low-wage direct care workers who support them, and family care givers

Key features of Repeal and Replace: Graham-Cassidy et al.

1. Medicaid PCCs and block grants
2. Medicaid expansion ended
3. Marketplace: Premium tax credits and Medicaid expansion dollars converted to block grant (and reduced over time)
4. Essential Health Benefit waivers permitted at state option
5. Medical underwriting permitted

Cassidy-Graham Medicaid Per Capita Cap Would Cut \$175 Billion in Federal Funding Through 2026

Compared to current law



Note: The Cassidy-Graham proposal would cut federal Medicaid spending by capping federal funding on a per-beneficiary basis, which would be adjusted annually at a rate below currently projected increases in Medicaid per-beneficiary spending.

Source: CBPP calculations based on Congressional Budget Office estimates

Round 2: Tax Cuts & Medicaid

- New FY 2018 reconciliation instructions for taxes
- Budget resolution allows for \$1.5 trillion increased debt
- Health care temporarily on back burner, but not for long
 - Repealing individual mandate as a pay-for?
 - Creates a yawning budget hole drive future cuts to Medicaid, Medicare, and other programs
 - CHIP reauthorization – possibly December?
- Round 3: Return to health care in Spring 2018 if tax package passes

See [*Center on Budget & Policy Priorities*](#) for resources on effects on [children](#) and [people with disabilities](#)

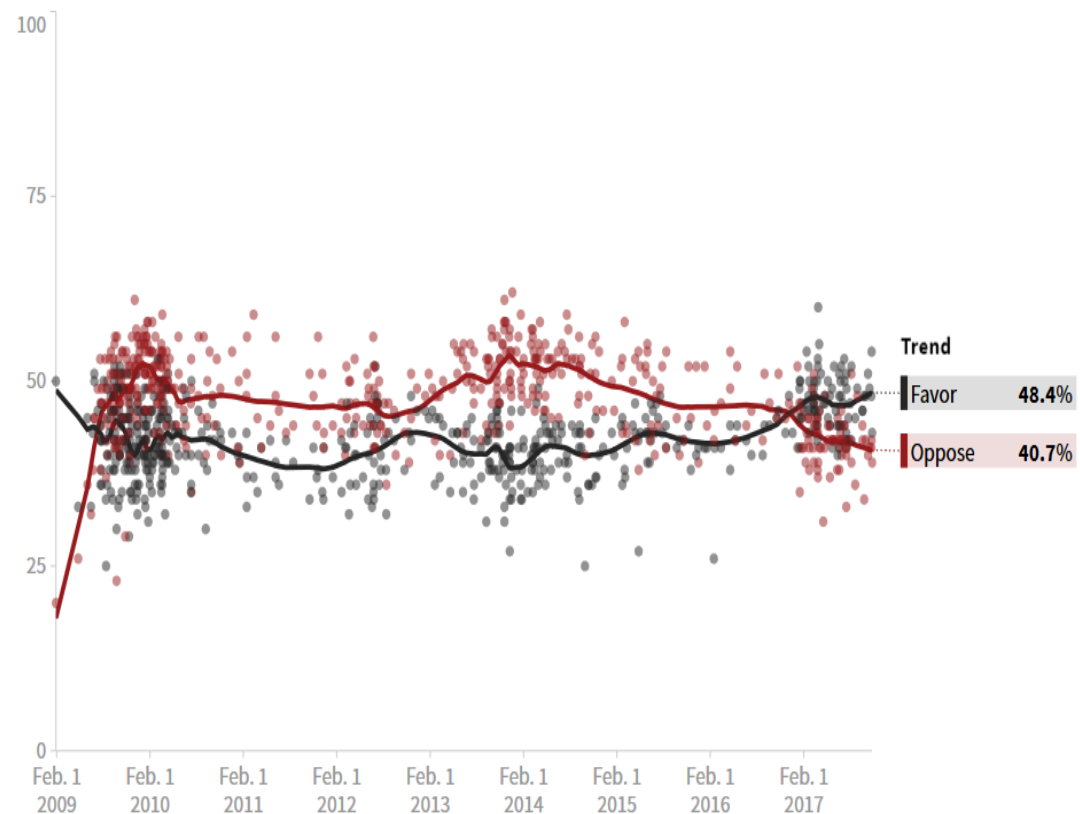
Healthcare Debate: Silver linings?

- ACA & Medicaid awareness and favorability increased
- New advocacy coalitions
- Medicaid buy-in?

Obama Health Care Law: Favor/Oppose

Currently tracking 555 polls from 57 pollsters Updated 9 days ago [Customize this chart](#) [FAQ](#)

This chart combines the latest opinion polls into trendlines and is updated whenever a new poll is released.



ACA provisions with support

- Keeping under 26 on parents plan
- No copayments for preventive services
- Reduce Medicare prescription drug cost sharing (a.k.a. the donut hole)
- Financial help for low/moderate income to pay premiums
- State Medicaid expansion option
- Barring coverage denials due to pre-existing conditions
- Increased Medicare payroll taxes for upper-income earners

ADMINISTRATIVE CHANGES & MEDICAID

Possible Administrative Actions

- Regulation rollback
- Executive orders and actions
- Waivers and Demonstrations

Regulation & Guidance Rollback

- Medicaid managed care regulation under review
- HCBS settings definition
- Definition of Essential Health Benefits
- Oversight and Quality reporting requirements

Executive orders and actions

- Weakening individual mandate enforcement
- Defunding ACA Navigators
- Reducing advertising and outreach for ACA
- Ending cost sharing reduction payments
- Religious exemptions for contraceptives

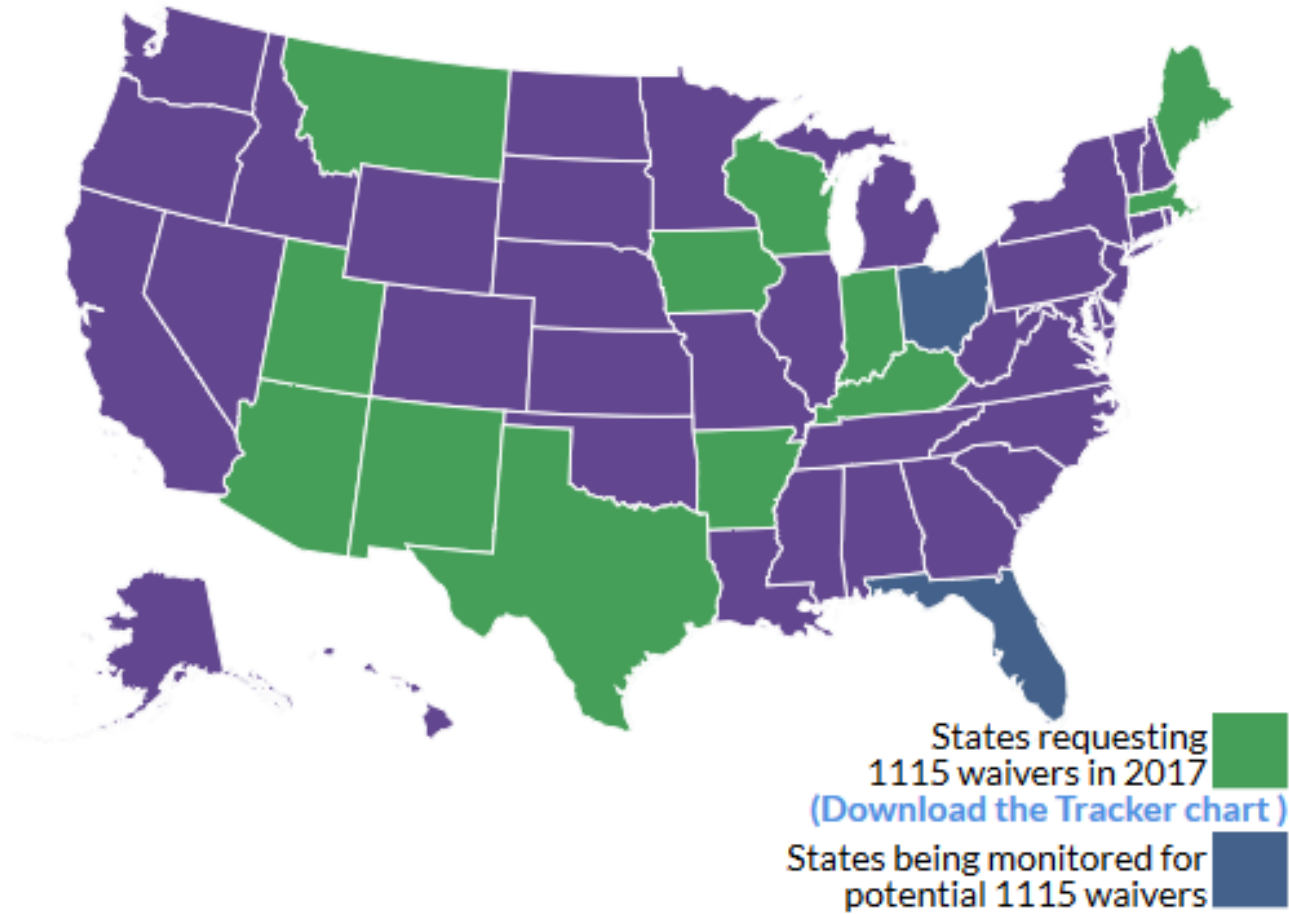
Medicaid 1115 Demonstrations

- Secretary may waive certain Medicaid requirements for time-limited “experimental, pilot, or demonstration projects”
- Roughly one third of Medicaid spending through 1115, including entire state programs
- Guardrails for approval
 - Must have experimental value
 - Likely to promote objectives of the Medicaid Act
 - Limited to certain sections of the statute
 - Only to the extent and for the period necessary to carry out the project

Medicaid 1115 Demonstrations: New Developments

- Redefining criteria for “Medicaid objectives”
- Proposals include:
 - Premiums with disenrollment
 - Lockouts, waiting periods
 - Higher cost sharing
 - Work requirements?
 - Prescription drug formulary?
 - Partial expansions?
- Increased deference to state flexibility

Section 1115 Waiver Request Tracker



1115 Demonstrations & People with Disabilities

- Many eligible through Medicaid expansion
- Shift to managed long-term supports & services
- Exemptions increase red tape
- Requests to waive Early & Periodic Screening, Diagnostics and Treatment

1332 Demonstrations

- Directed toward individual marketplace insurance
- Fairly broad authority, but guardrails for:
 - Coverage at least as affordable
 - Coverage at least as comprehensive
 - Covers a comparable number of people
 - Does not increase federal deficit
- State legislation required, limits for federally-managed Marketplaces

Iowa Waivers & Demonstrations

- Medicaid expansion
 - Premiums for some enrollees
 - Waiver of non-emergency medical transportation
 - Recent waiver of retroactive eligibility
- Managed care demonstration
- Stalled 1332 waiver proposal

Looking ahead: What Can You Do?

- Take action on tax bill!
- Make your voice heard on CHIP reauthorization
- Build state coalitions across health care, education, housing, etc.

Additional NHeLP Resources

- [Medicaid is Integral to Children with Complex Health Care Needs](#)
- [Decades of Progress in Children's Health Care Threatened by Proposed Medicaid Cuts](#)
- [School Districts Hit Hard under Proposed Medicaid Cuts](#)
- [Protect Medicaid Funding: Children's Health](#)
- [The Faces of Medicaid Expansion](#)
- [Top 10 Threats to People With Disabilities Under the Graham-Cassidy Bill](#)
- [Per Capita Caps: The Devil is in the Details](#)
- NHeLP Medicaid [1115 Demonstration tracker](#)



THANK YOU

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