



Moving *Forward* – Facing Challenges in State Medicaid Programs

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Federal-State Relationship

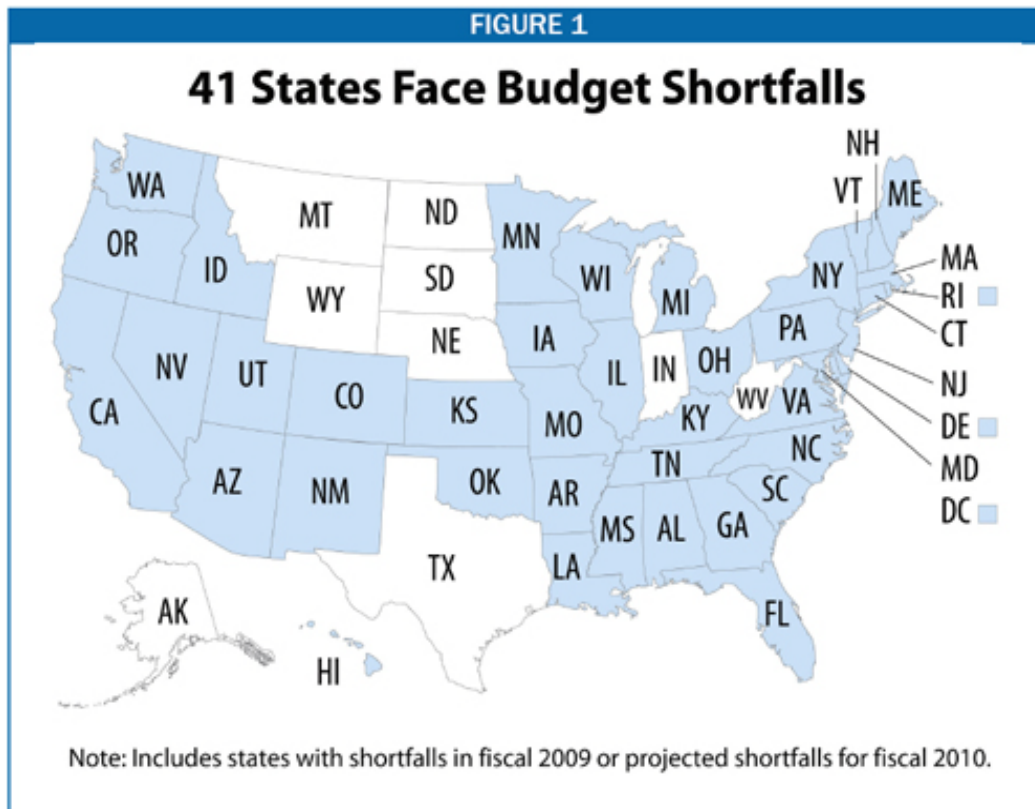
Medicaid is a Federal-state program
– CMS and States must partner and collaborate to accomplish goals

The current economy, budget constraints, and plans for healthcare reform are difficult challenges

State Budget Challenges

According to the Center on Budget and Policy Priorities

Priorities:



41 states facing fiscal stress in their FY 2009 and/or FY 2010 budgets

31 states facing mid-year budget shortfalls

Over half have already cut spending, used reserves, and raised revenues to balance current budget

States' fiscal problems likely to continue for some time

Fiscal Relief For States - Increased Federal Medical Assistance Percentage (FMAP)

Economic downturn and massive job losses are contributing to gaps in state budgets and increases in Medicaid enrollment

States cannot borrow money and must have balanced budgets

Many states forced to cut funding to Medicaid and other crucial programs

FMAP increase would allow states to maintain Medicaid enrollment

Families who are able to obtain healthcare coverage may spend money on other things which could help to stimulate the economy

What Are State Medicaid Directors Doing?

- Increasing efforts to prevent fraud and abuse in Medicaid
- Expanding the use of technology such as electronic medical record and E Prescribing
- Expanding the use of evidence based treatment
- Closely reviewing their coverage plans to assure effectiveness

What is included in Stimulus

- Temporary increase in Medicaid
- Extends until June 2009 six regulations under moratorium and adds the outpatient regulation to the moratorium
- Extends transitional Medicaid
- Funding for health information technology
- Temporary Medicaid or COBRA for uninsured

NASMD

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an affiliate of the American Public Human Services Association

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