



State Finances, Medicaid, and the Children's Health Insurance Program

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Centers for Medicare & Medicaid Services

- Administers Medicare, Medicaid, and the Children's Health Insurance Program (CHIP)



CHIP

- Created in 1997 as Title XXI of the Social Security Act (Medicaid is Title XIX)
- Presently covers about 7M children not eligible for Medicaid
- Enrollment is expected to increase through 2013
- States may operate CHIP separate from Medicaid, expand Medicaid, or use combined approaches
- H.R.2 passed 1/14/09; S. 275 passed 1/29/09



Some Provisions of Medicaid That Impact People with Autism Spectrum Disorders (ASD)

- Home & Community Based Services (HCBS) Waivers – optional
- State plan services – mandatory & optional
- Demonstration programs – funded by States and the Federal government through Congressional appropriations

HCBS Waivers

- Are the backbone of services for children, and particularly adults, with ASD in the United States
- States are operating about 350 waiver programs that serve over one million people – about half have Mental Retardation/Developmental Disabilities, including ASD
- Every State has a waiver that serves people with MR/DD
- A few States have a waiver that exclusively serves children with ASD
- One State (PA) has a waiver that serves 200 adults with ASD, and a separate managed care contract that will serve another 200 adults with ASD

State Plan Services

- States select eligibility groups, services, payment levels, provider types
- States decide how much of each covered service a beneficiary may receive
- Services must be medically necessary – States determine what that means
- Generally, services must be available Statewide
- State plans are living documents

High-Profile Demonstration Projects

- Money Follows the Person – 30 States aim to transition 35,000 people out of institutions, including about 7,000 with MR/DD, including ASD
- Community Alternatives to Psychiatric Residential Treatment Facilities – helps children with mental disorders, including ASD, to transition from institutional to community settings – 10 States, \$218M, runs through 2011

State Fiscal Conditions

- State budget constraints are severe
- States must operate with balanced budgets
- Medicaid comprises about 21 per cent of every State's budget
- Medicaid enrollment is growing
- State officials are taking quick action to change Medicaid programs in response to dire budget shortfalls
- Numbers of State staff have decreased via attrition, furlough, layoffs, and hiring freezes



What Is Happening to HCBS?

- HCBS are optional services
- There are already waiting lists for HCBS in most States, as waivers have “caps” on enrollment
- CMS is already processing amendments to approved HCBS waivers to reflect States’ economic situations
- Once States make changes to waivers they typically stay in place



What Sort of Changes Are States Contemplating to HCBS Waivers?

- Reductions in amount of services
- Elimination of services
- Reductions in frequency of services
- Placing individual cost limits (rather than using waiver aggregate costs) on beneficiary spending to maintain cost neutrality
- Freezes on enrollment
- Provider rate reductions
- Increasing size of group homes
- Eliminating or combining waivers
- Redefining targeting criteria regarding who gets waiver services
- Raising the bar on institutional admission criteria



What Happens to State Plans?

- Some services (including mental health, dental, speech, vision, personal care, pharmacy) may be changed, reduced or eliminated
- Case management workload ratios may increase
- Provider rate reductions
- States can sometimes increase cost-sharing or premiums
- States may venture further into managed care service delivery systems, and managed care demonstrations (Vermont, Hawaii, Rhode Island)

What Happens to Eligibility?

- A person generally has to be very poor to qualify for Medicaid, in addition to being aged, blind or disabled; a child, or a pregnant woman
- States can drop some optional eligibility groups
- States can count income and resources not previously considered, making it harder to qualify for Medicaid

What Is Happening to the Demonstrations?

- One State, South Carolina, recently dropped out of the PFTF demonstration due to fiscal constraints regarding State match
- It is too early to tell how the MFP demonstration will be impacted by the fiscal climate



What Is Congress Discussing for Medicaid?

- H.R. 1, The American Recovery and Reinvestment Act, includes \$87B to supplement State Medicaid programs
- The bill proposes to increase the Federal match, among many other provisions



White House Agenda/Disabilities/ASD

- First, President Obama and Vice President Biden support increased funding for autism research, treatment, screenings, public awareness, and support services. There must be research of the treatments for, and the causes of, ASD.
- Second, President Obama and Vice President Biden support improving life-long services for people with ASD for treatments, interventions and services for both children and adults with ASD.
- Third, President Obama and Vice President Biden support funding the Combating Autism Act and working with Congress, parents and ASD experts to determine how to further improve federal and state programs for ASD.
- Fourth, President Obama and Vice President Biden support universal screening of all infants and re-screening for all two-year-olds, the age at which some conditions, including ASD, begin to appear. These screenings will be safe and secure, and available for every American that wants them. Screening is essential so that disabilities can be identified early enough for those children and families to get the supports and services they need.