

# **Services Subcommittee Update April 2011**

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These slides do not reflect decisions of the IACC and are for discussion purposes only.

## **Presentations: Update on State Budgets and New Opportunities in Medicaid**

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- National Conference on State Legislatures - Joy Johnson-Wilson
- Autism Society of America – Jeff Sell
- Centers for Medicare & Medicaid Services – Ellen Blackwell

# Medicaid

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- Each State determines its own unique program
- Each State operates a State plan describing the nature and scope of services
- State plans are on the Internet, some information @ [www.cms.hhs.gov](http://www.cms.hhs.gov)
- Medicaid mandates some services, States choose optional coverage
- States elect eligibility groups, services, payment levels, providers

# Medicaid Partnership

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- States share the cost of Medicaid with the federal government
- Federal share is the Federal Medical Assistance Percentage (FMAP)
- FMAP is at least 50% in every state & higher in poor states, ranging from about 50% - 71% in 2011
- States receive enhanced FMAP under certain circumstances, up to 82% in 2011

# Medicaid Mandatory Services

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- Physician services
- Laboratory & x-ray
- Inpatient hospital
- Outpatient hospital
- Early Periodic Screening, Diagnostic, Treatment Services (for children 0-21)
- Family planning
- Rural and federally-qualified health centers
- Nurse-midwife services
- Nursing Facility
- Home health

# Medicaid Optional Services

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- Dental services
- Therapies –  
PT/OT/Speech/Audiology
- Prosthetic devices, glasses
- Case management
- Clinic services
- Personal care, self-directed  
personal care
- Hospice
- ICFs/MR
- Psychiatric Residential  
Treatment Facilities for  
Children <21
- Rehabilitative services
- Program for All-Inclusive  
Care for the Elderly  
(PACE)
- Benchmark benefit  
programs
- Concurrent  
hospice/curative care for  
children
- Community First Choice
- Health Homes for  
individuals with chronic  
conditions
- *Home & Community Based  
Services*

# Issues for States

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- Enhanced FMAP authorized through the American Recovery and Reinvestment Act (ARRA) ends June 30, 2011
- States must balance their budgets each year
- The Affordable Care Act of 2010 includes two maintenance of effort requirements that require retention of present Medicaid eligibility standards for adults and children

# **How Are States Responding to Budget Challenges?**

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- Elimination of optional services
- Limiting amount, duration, and scope of covered services
- Changing eligibility for certain services
- Reducing provider payments
- Imposing provider taxes
- Using capitated payment methodologies
- Requiring new groups to participate in managed care
- Developing model service innovations, some targeted to high-cost beneficiaries
- Using efficient drug purchasing techniques
- Assuring program integrity (waste, fraud, abuse)
- Increasing cost-sharing to beneficiaries
- Moving funds from Education budgets to Medicaid



# The Affordable Care Act

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- Offers new or improved home and community-based services options
- Includes new option for integration and linking services
- Puts strong focus on people eligible for Medicaid and Medicare
- Offers enhanced FMAP under some circumstances to help States that make certain program changes

# Secretary Sebelius' Letter to the Governors

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- February 3, 2011
- Addresses State budget concerns and the Medicaid and Children's Health Insurance Programs
- Offers immediate technical assistance to States
- Highlights a range of options to efficiently manage and enhance Medicaid programs
- <http://www.hhs.gov/news/press/2011press/01/20110203c.html>

# Autism Advocates' Concerns

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- New reality of State Medicaid coverage
- Uncertainty regarding the Essential Benefit Package defined in the Affordable Care Act to be offered by State insurance exchanges
- Maintaining continued progress in adherence to the Olmstead Supreme Court Decision and the Americans with Disabilities Act
- Preservation of certain services the advocacy community believes are essential for people with ASD

# Services Subcommittee

## Discussion – to be continued

- Send a letter to the Secretary regarding “the budget crisis”
- Send a letter to the Secretary as follow-up to her February 3 letter to the Governors
- Send a letter to the Secretary to support ADA/Olmstead enforcement following a presentation by the Department of Justice to the full IACC
- Meet with the Safety Subcommittee to fully explore & discuss seclusion and restraint issues
- Town Hall Meeting
- Plan Fall Services workshop