Overview and History of Medicaid: How Medicaid is Administered

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Medicaid History

- Signed into law on July 30, 1965 with Medicare — Title XIX of the Social Security Act
- State and Federal Partnership
  - Federal Medical Assistance Percentage
  - Minimum rules and regulations
- Entitles certain individuals to health care coverage
  - Categorically eligibles
  - Adult expansion population
- Statutory requirements vs. Optional programs
  - What was the last state to join the Medicaid program? When did they join?
- Mandatory and Optional benefits
- Programs vary dramatically from state to state and the program has changed throughout it's history

Medicaid Today

- Medicaid covers 19.8% of Americans
- Enrollment: 75,521,263 individuals as of July 2020
  - Medicaid 68,826,573
  - Children's Health Insurance Program (CHIP) 6,694,690
- Medicaid Expenditures $597 billion in FY 18
  - 16% of the National Health Expenditure
- CHIP Expenditures $19 billion in FY 18
- Medicaid is the primary payer across the nation for long-term services and supports

Medicaid Administration

- State and Federal partnership
- Federal Rules of engagement are defined in statute and regulations
  - Social Security Act -- Title XIX – Medicaid, Title XX1 – CHIP
  - Code of Federal Regulations (CFR) -- Title 42
- The Centers for Medicare and Medicaid Services (CMS)
  - State Medicaid Director’s Letters
  - State Health Official Letters
  - Informational Bulletins
  - Frequently Asked Questions (FAQs)
- State Plan
  - State Plan Amendments (SPAs)

Medicaid Key Concepts

- Statewideness
- Comparability
- Amount, Duration, and Scope
- Freedom of Choice

Waivers and other flexibilities

- General Waivers
  - 1915(b): waives “freedom of choice” and allows a state to limit a beneficiary's choice of providers such as through a managed care program, must demonstrate cost effectiveness
  - 1915(c): waives comparability and statewideness. Used to allow a state to provide HCBS services instead of institutional care, must be cost neutral
  - 1115 Demonstration: experimental, pilot or demonstration project, must be budget neutral
- Other Home and Community Based Services (HCBS) flexibilities
  - 1915(i) State plan HCBS: State options, Target to specific populations, Establish separate needs-based criteria, Allows for self-direction
  - 1915(j): Self-Directed Personal Assistant Services, Target people already getting section 1915(c) waiver services, Limit number of people who will self-direct, Limit self-direction to certain parts of the state or go statewide
  - 1915(k): Community First Choice (CFC), Provides a 6-percentage point increase in FMAP for services related to option, Allows a state to provide attendant services and related supports

Federal Medical Assistance Percentage

- FMAP determines the federal share of the costs of the state's Medicaid program
- Based on a 3-year rolling average of a state's per capita income
- Minimum 50% and maximum of 79.39% (not including ACA enhanced rate or the 6.2% enhanced rate)
- Reported annually
- Administrative Costs: 50%
- Family Planning Costs: 90%
- IT costs: 90/10 development and 75/25 on-going costs

Funding

- Allowable sources of Medicaid state share funding
  - GF, SF (Tobacco Settlement), IGT, CPE
  - Federal funding for Medicaid #1 or #2 expenditure in every state.
    - What is sometimes #1 instead?
    - COVID impact on Federal and State Medicaid Funding
    - What is all this about Block grants?

Thank You

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