



Medicaid and CHIP: On the Road to Reform







Cindy Mann, JD

CMS Deputy Administrator

Director

Center for Medicaid, CHIP and Survey & Certification

Centers for Medicare & Medicaid Services



Our Mission

- CMS aims to be a major force and a trustworthy partner for the improvement of health and health care for all Americans
- CMCS carries this mission forward with a particular emphasis on making Medicaid and CHIP the best programs they can be
- Beneficiaries are our focus
- Partnerships are critical to success



Implementing the Affordable Care Act

- Working with States (Governor's offices, Medicaid, CHIP, Insurance Commissioners)
- Coordinating with the Center for Consumer Information and Insurance Oversight (CCIIO) and other federal agencies
- Sharing ideas about what reform means with a broad array of stakeholders
- Promulgating regulations and guidance; providing technical assistance



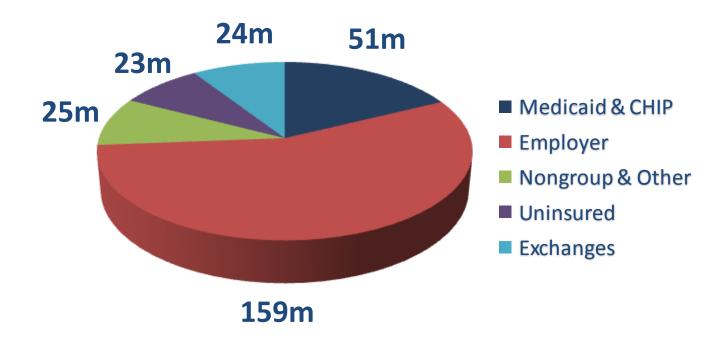
Affordable Care Act Guidance to Date

- ✓ Early Option for Low-income Adults
- ✓ Medicaid Drug Rebates
- National Correct Coding Initiative
- ✓ Family Planning
- Waiver Transparency
- ✓ Health Homes
- ✓ Medicaid IT Support

- ✓ HCBS Improvements
- Extending Period for Returning Provider Overpayments
- Money Follows the Person extension
- ✓ Hospice Care for Children
- Recovery Audit Contractors
- Adult Quality Measures



Sources of Coverage by 2019 for Individuals Under 65





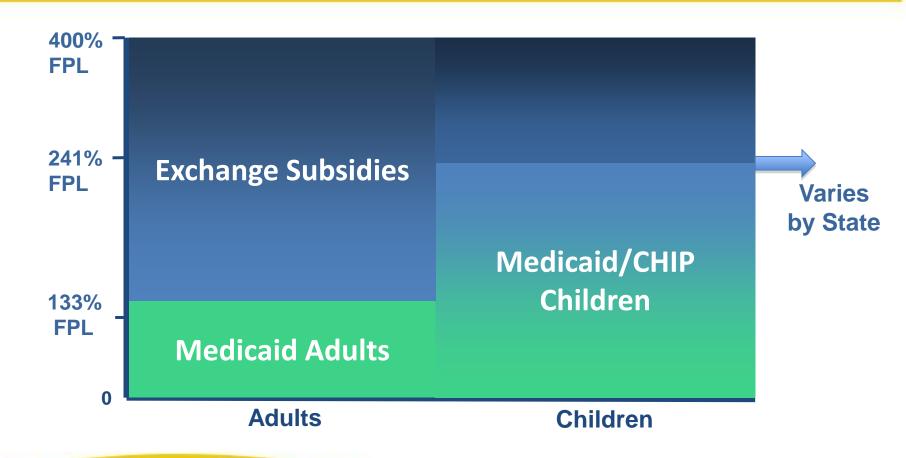
Minimum Medicaid Eligibility Levels Now and 2014

Population	Current Minimum Eligibility Levels (average)	2014 Minimum Eligibility Levels
Children	100%/133% (241%)	241% Average - Will vary by State
Parents	41% (64%)	133%
Disabled Adults	74% (SSI-related)	133%
Other Adults	0%*	133%

^{* 5} States provide Medicaid or Medicaid look-alike coverage to certain childless adults; 15 States provide a limited benefit package to certain childless adults.



2014 Health Insurance Subsidies

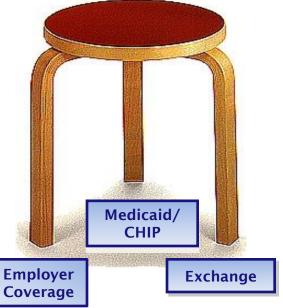




New Paradigm

Not a safety net but a full partner in assuring coverage for all

- A culture of coverage where eligible = enrolled
- A system of coverage and care

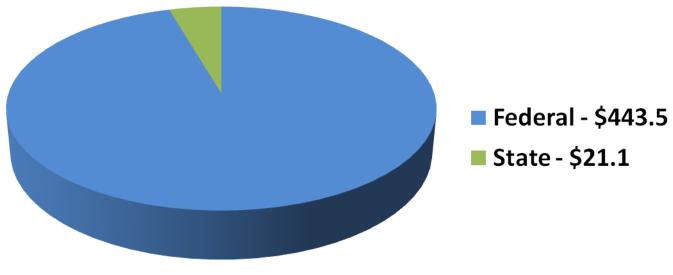




Who Pays?

Estimated Distribution of Costs for Medicaid Coverage Changes: 2014-2019

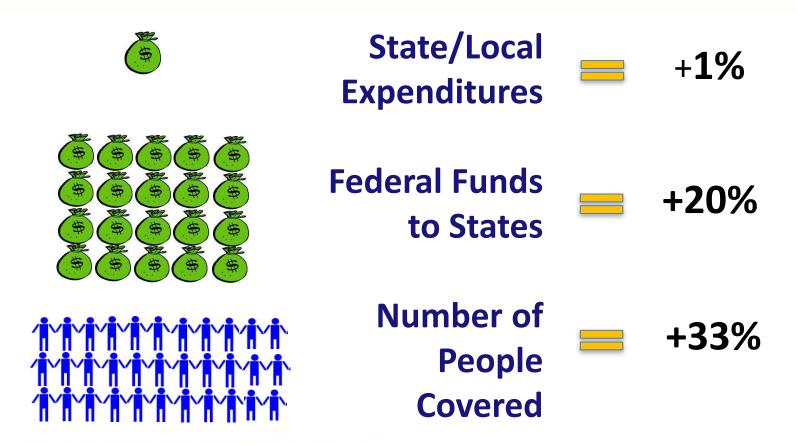
(in billions)



Total \$464.7 billion

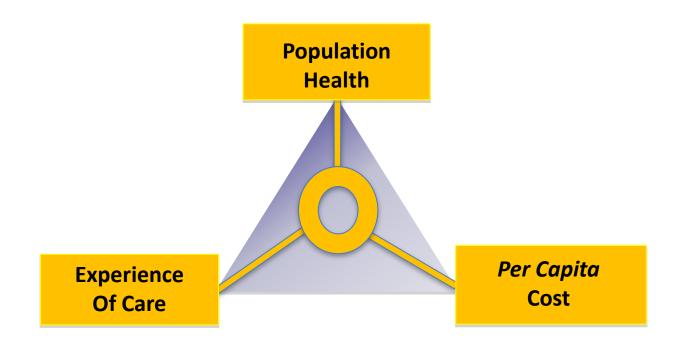


Return on Investment





Coverage: Pathway to Better Care, Better Health, Lower Costs





Benchmark Benefit Package

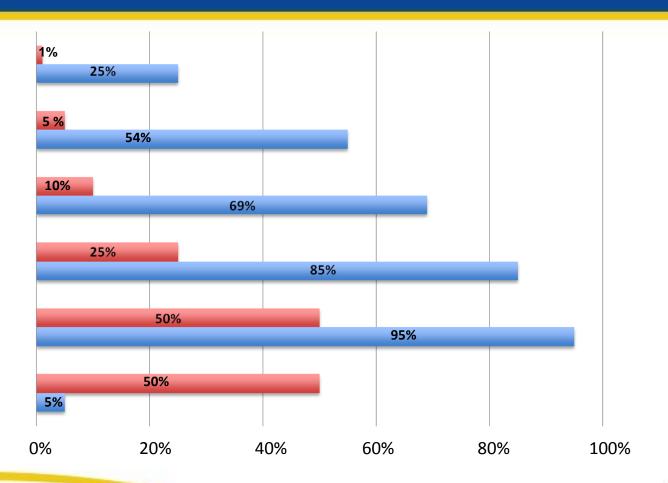
- In 2014, benchmark and benchmark equivalent plans must begin providing at least "essential health benefits"
- * "Mental health and substance use disorder services, including behavioral health treatment" are included as a category within "essential health benefits"
- MHPAEA/MH Parity applies
- Secretary will issue guidance



Concentration of Medicaid Spending

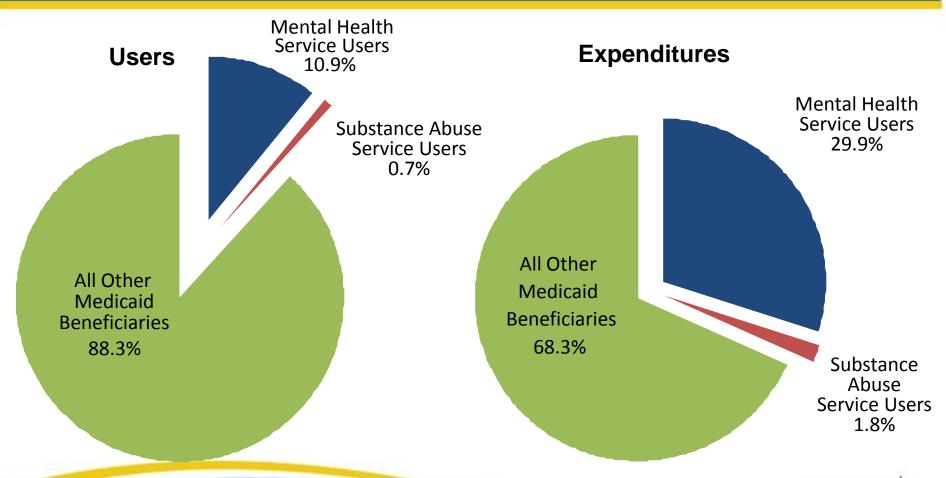
Percentile of Medicaid Population (Ranked by Spending)

Percent of Total Medicaid Spending





Medicaid MH/SA Service Users and Expenditures





New Options

- Health homes
 - -For people with multiple chronic conditions
 - -90% Enhanced FMAP
- 1915(i) Option
 - -HCBS-like Services under State Plan
- Community First Choice
 - -Ongoing 6% Enhanced FMAP



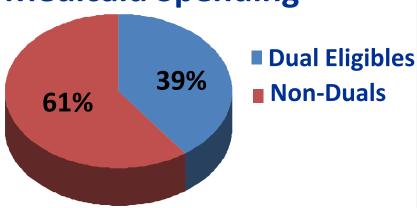
New Options continued...

- Money Follows the Person
 - -Extended and Expanded
 - -Enhanced FMAP for transitioned individuals through 2020
- Balancing Incentive Program
 - -Commit to infrastructure changes and rebalancing
 - -Enhanced FMAP for HCBS October 1, 2011 through 2014



Focus on Dual Eligibles





Total Spending = \$311 billion

Medicaid Spending by Population Group



Adults



Source: CMS data and Urban Institute analysis of data from MSIS and CMS Form 64, prepared for Kaiser Commission on Medicaid and the Uninsured, 2010. Kaiser Family Foundation-State Health Facts, FY 2007.



2014 is Now!



