NATIONAL CONFERENCE of STATE LEGISLATURES

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Rhode Island Public Expenditure Council

National Review and Perspective

January 23, 2014

Medicaid, Legislative Trends

Medicaid Policies & Reforms, State Legislatures

- At the top of legislative agendas
- Driven by a number of factors:
  - Continual pressure on state budgets (including Medicaid costs).
  - Health reform: challenges and opportunities;
  - Triple aim – better care, better outcomes, lower cost – provides potential for bipartisan efforts;
  - Other cost containments efforts.

Pressure on state budgets, including Medicaid

Revenues are expected to meet estimates, but growth is expected to taper off.

Spending is generally on target.

Year end-balances generally have improved.

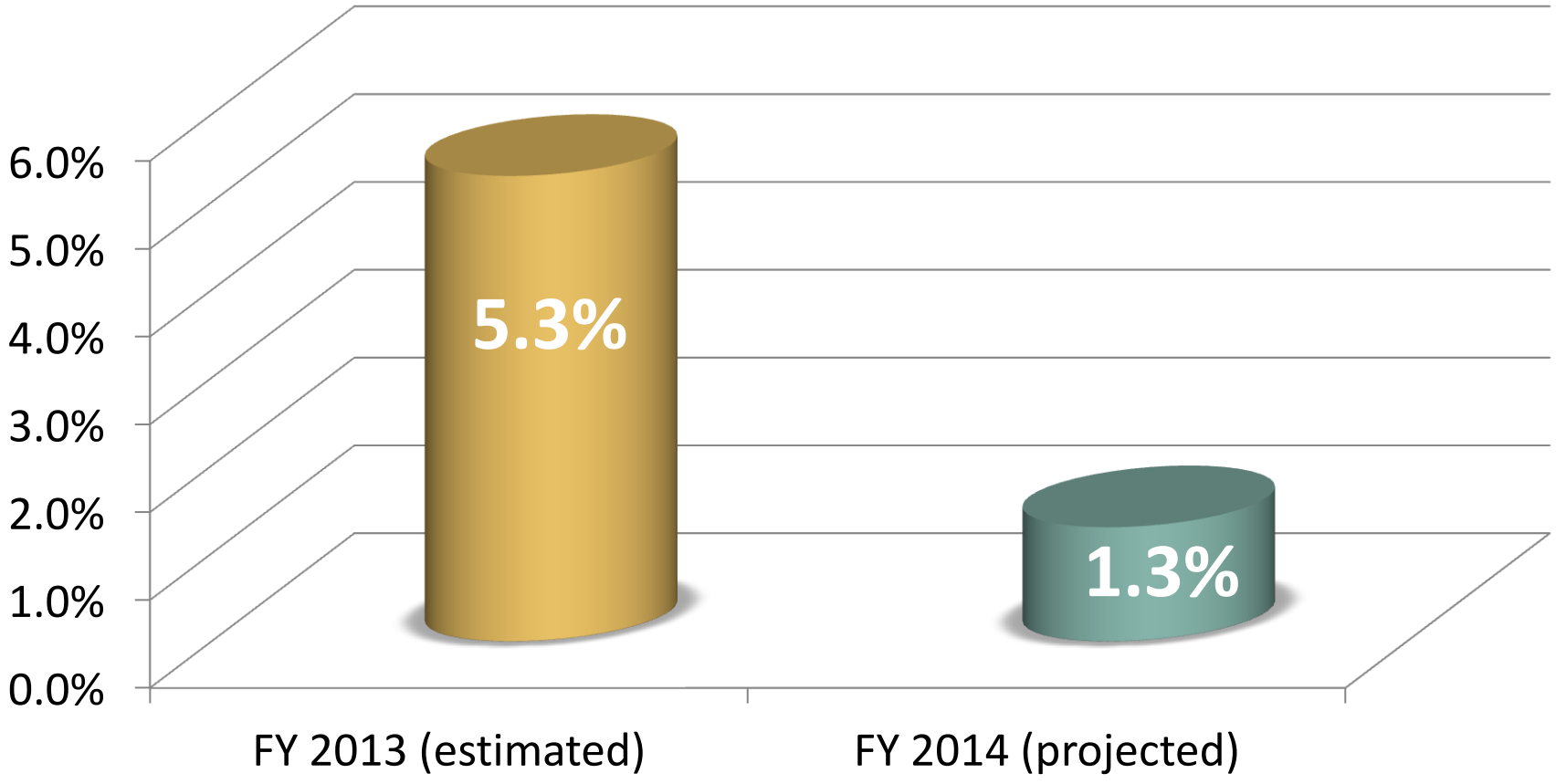
Despite stabilizing fiscal conditions, uncertainties persist.

Statistic of Note

After four years at a 2.3% average annual growth, this recovery is still half the historic average annual growth of 4.6% going back to 1959.

Beth Ann Bovino, *Economic Research: U.S. Economic Forecast: Two Economies Diverged In A Wood,* Standard & Poor's. Dec. 5, 2013

Changes in General Fund Revenues FY 2013 and FY 2014



Source: NCSL survey of state legislative fiscal offices, summer 2013.

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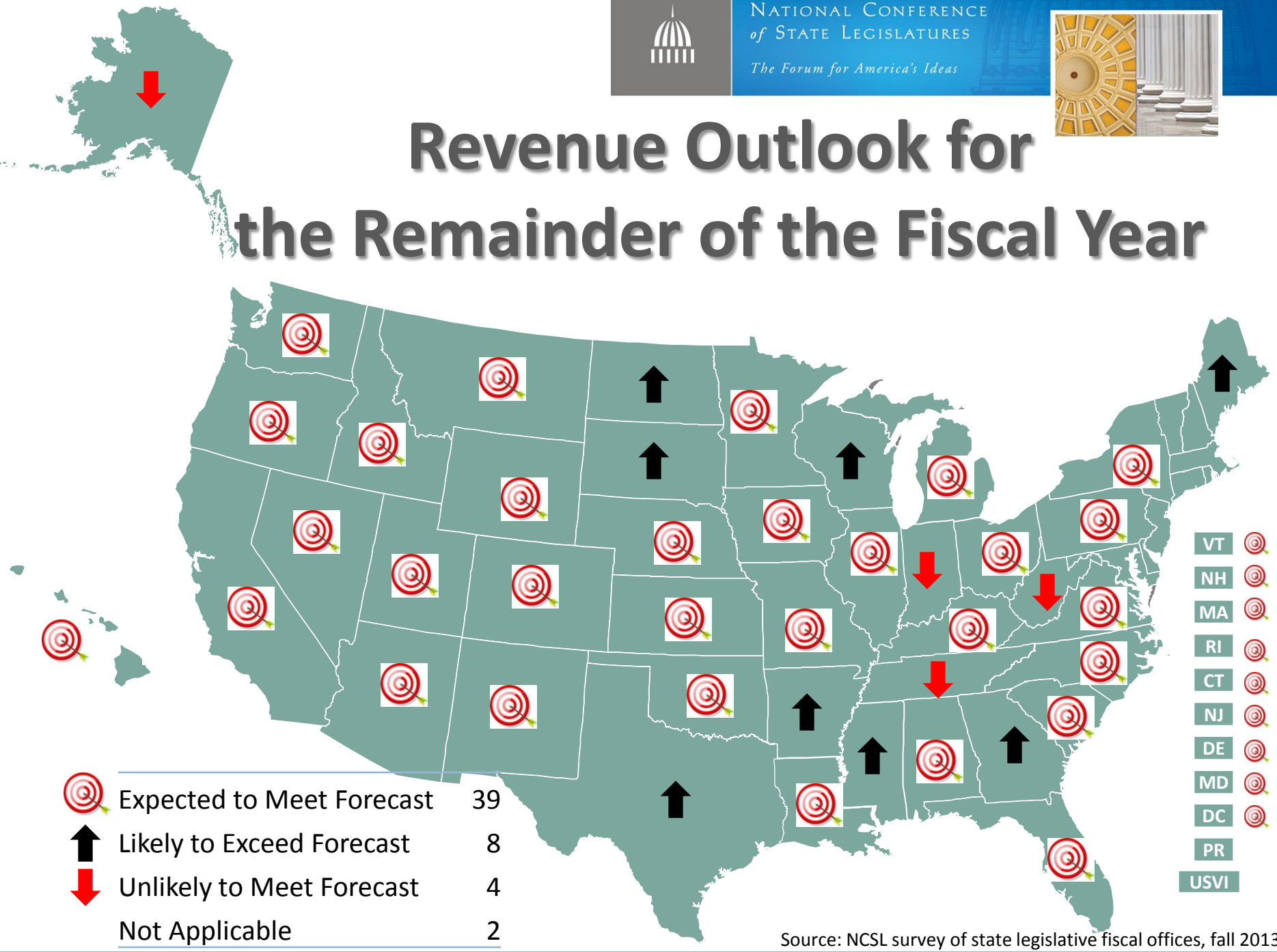
Revenue Outlook for the Remainder of the Fiscal Year



Expected to Meet Forecast	39
Likely to Exceed Forecast	8
Unlikely to Meet Forecast	4
Not Applicable	2

Source: NCSL survey of state legislative fiscal offices, fall 2013.

Top Fiscal Issues for 2014 Legislative Sessions

29

Medicaid/ Health Care

13

Taxes and Revenues

13

State Employee Salaries and Benefits

12

Education

9

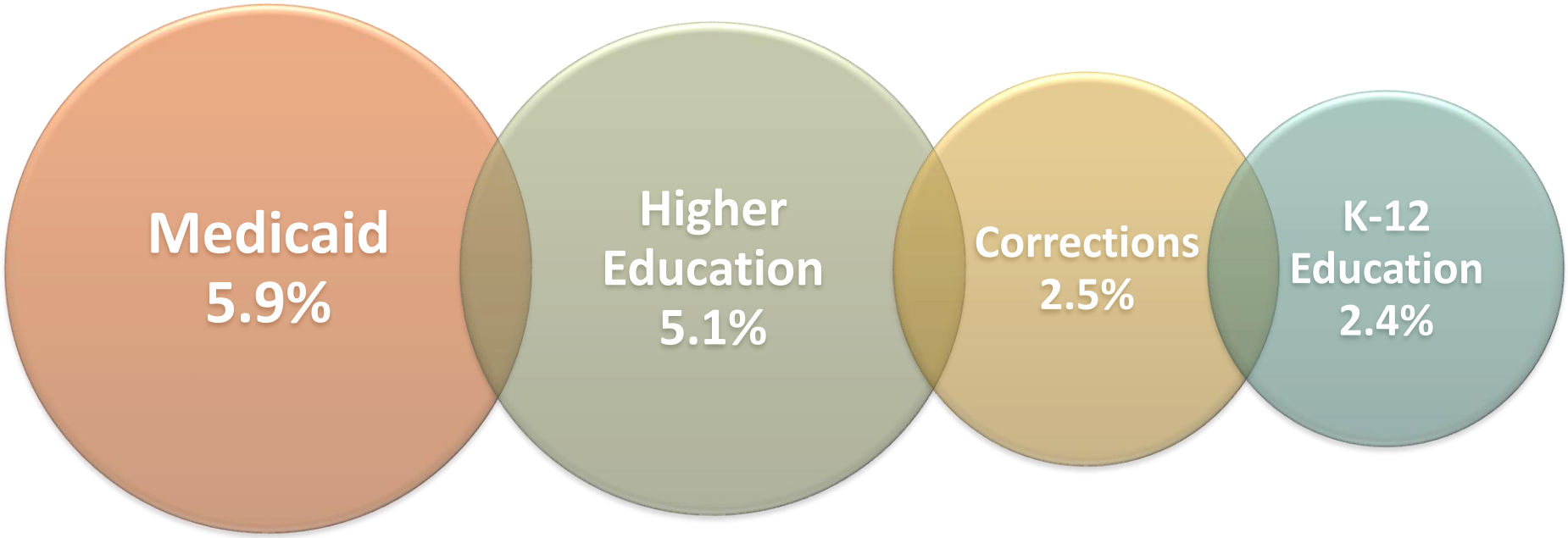
Infrastructure

6

Corrections/ Public Safety

Source: NCSL survey of state legislative fiscal offices, fall 2013.

Percent Change in General Fund Appropriations for Major Budget Categories in FY 2014 (projected)



Source: NCSL survey of state legislative fiscal offices, summer 2013

Health Reform: Challenges and Opportunities

- Exchanges
- Medicaid expansion
- "New" coverage gap
- Premium assistance
- Workforce
- Churning
- Interoperability

Health Insurance Exchanges
Where States Stand

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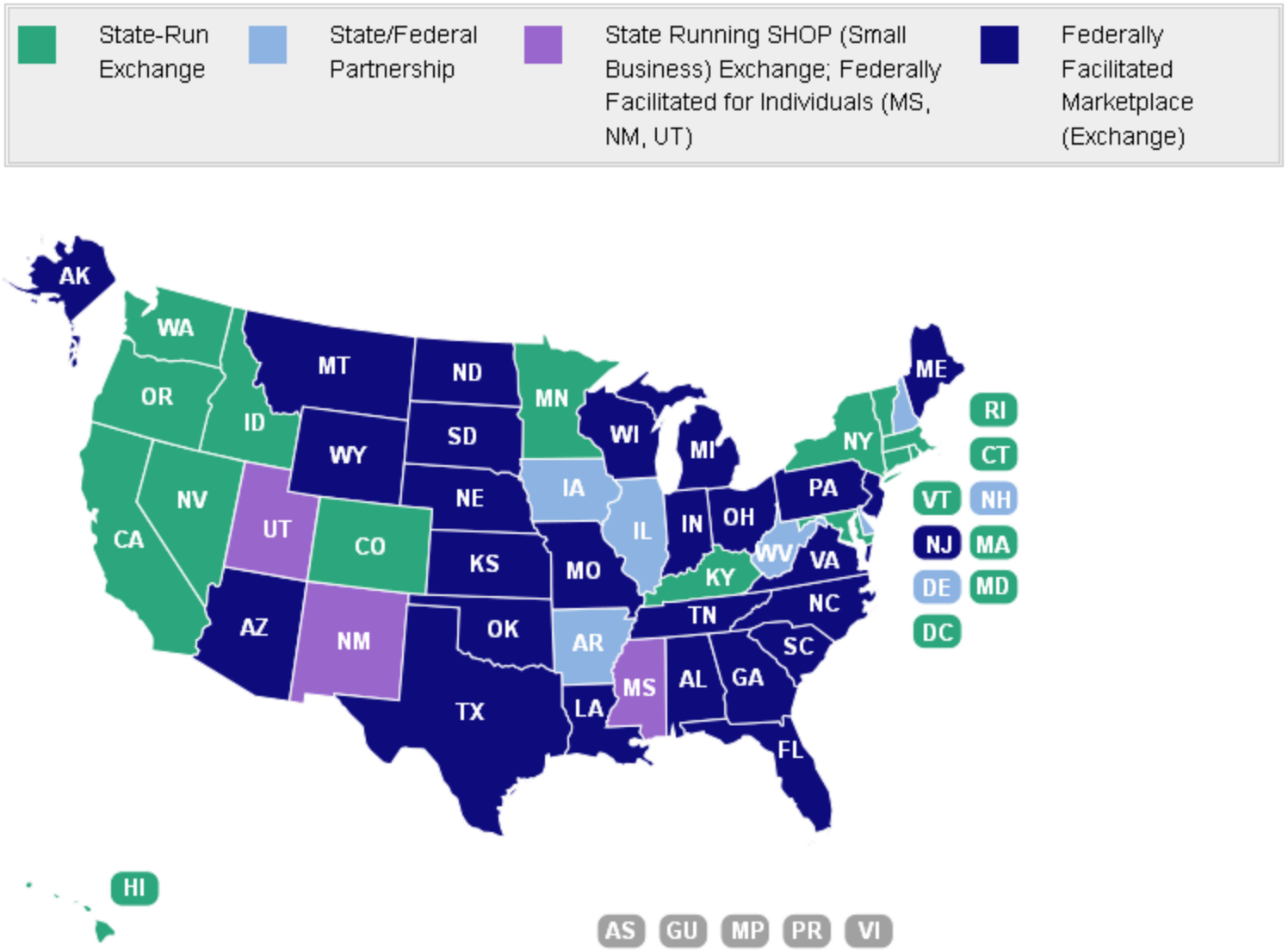

ACA Medicaid Expansion Decisions, To Date

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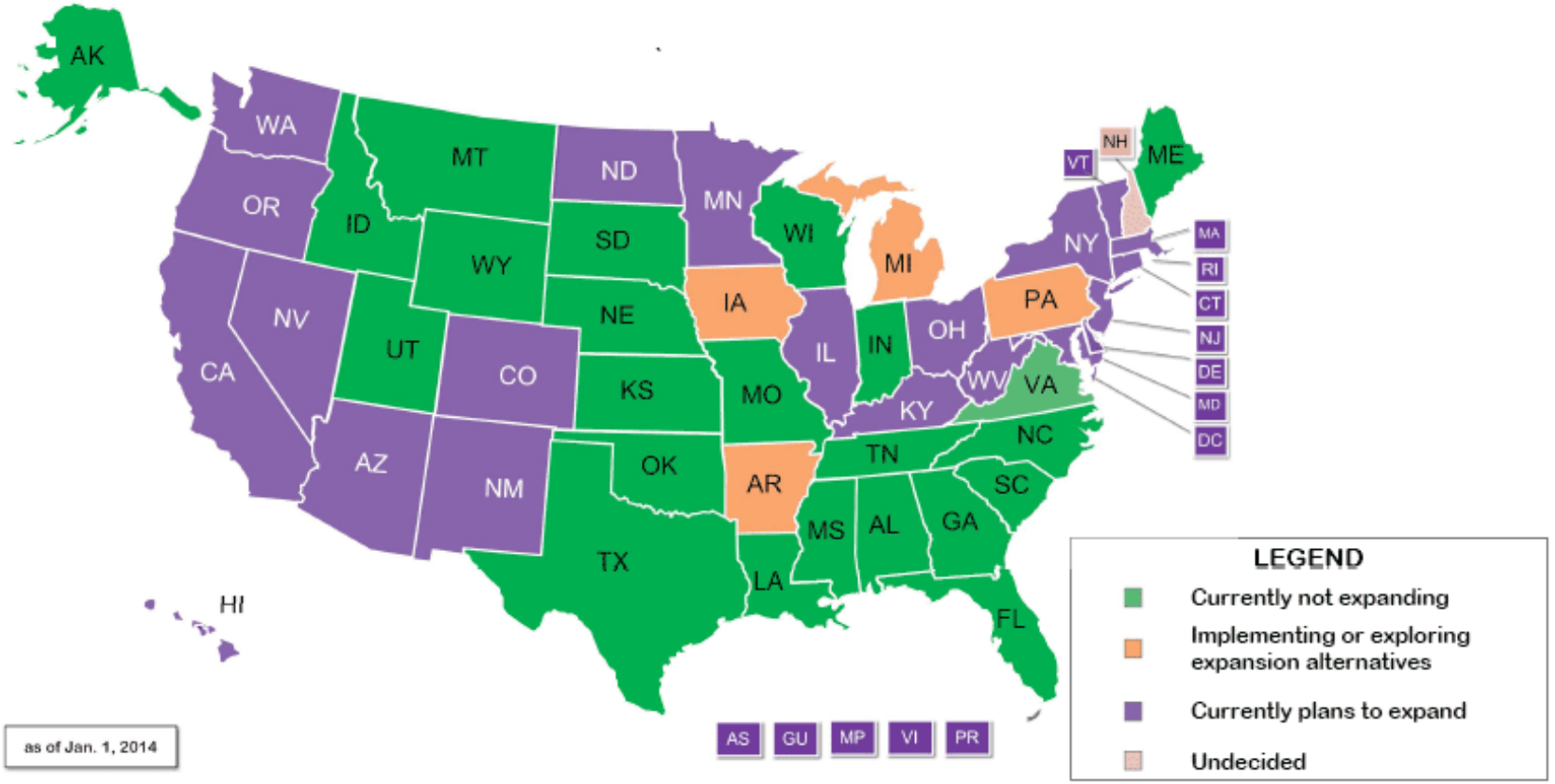
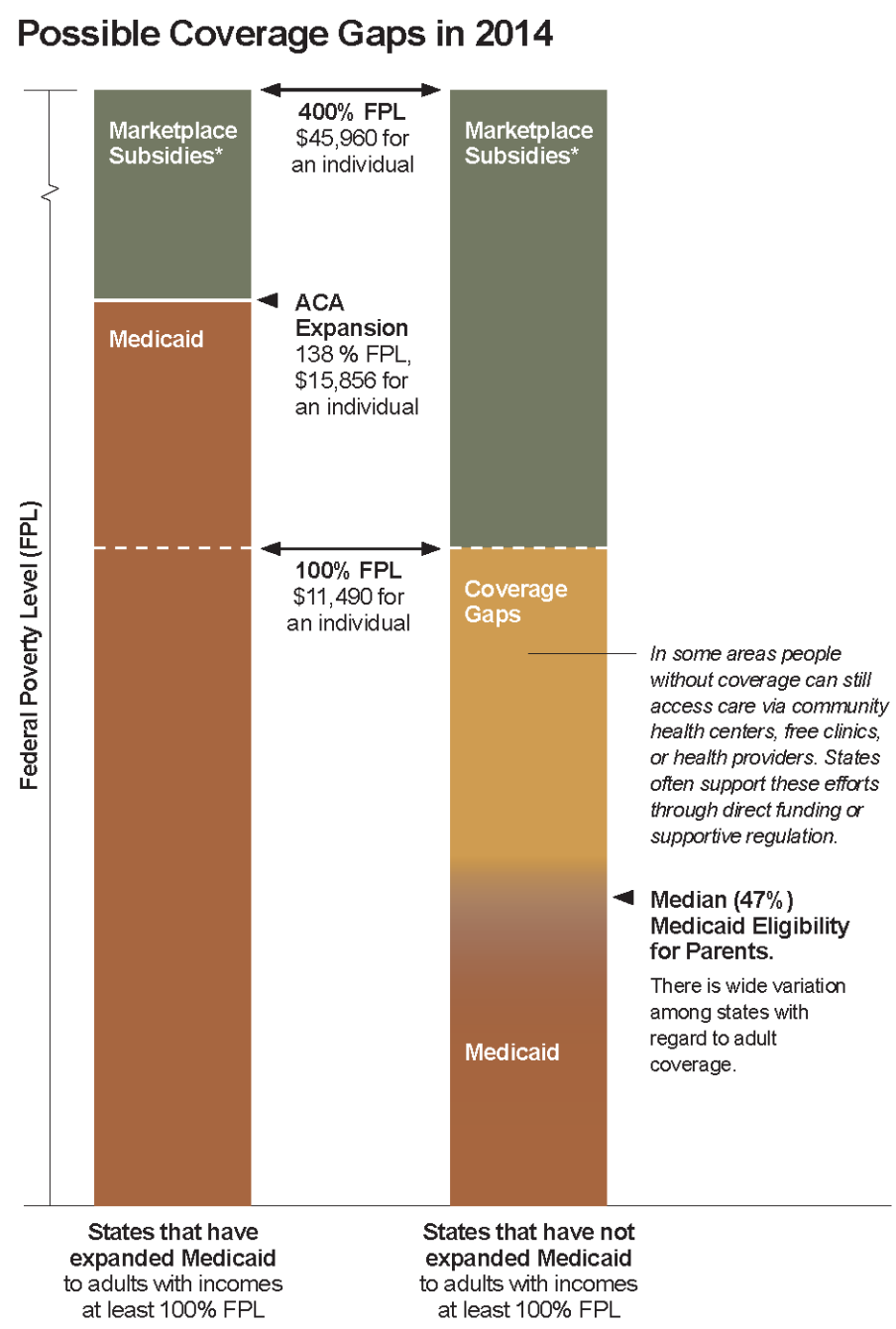


The "New Coverage Gap"



Alternative to Traditional Expansion: Premium Assistance

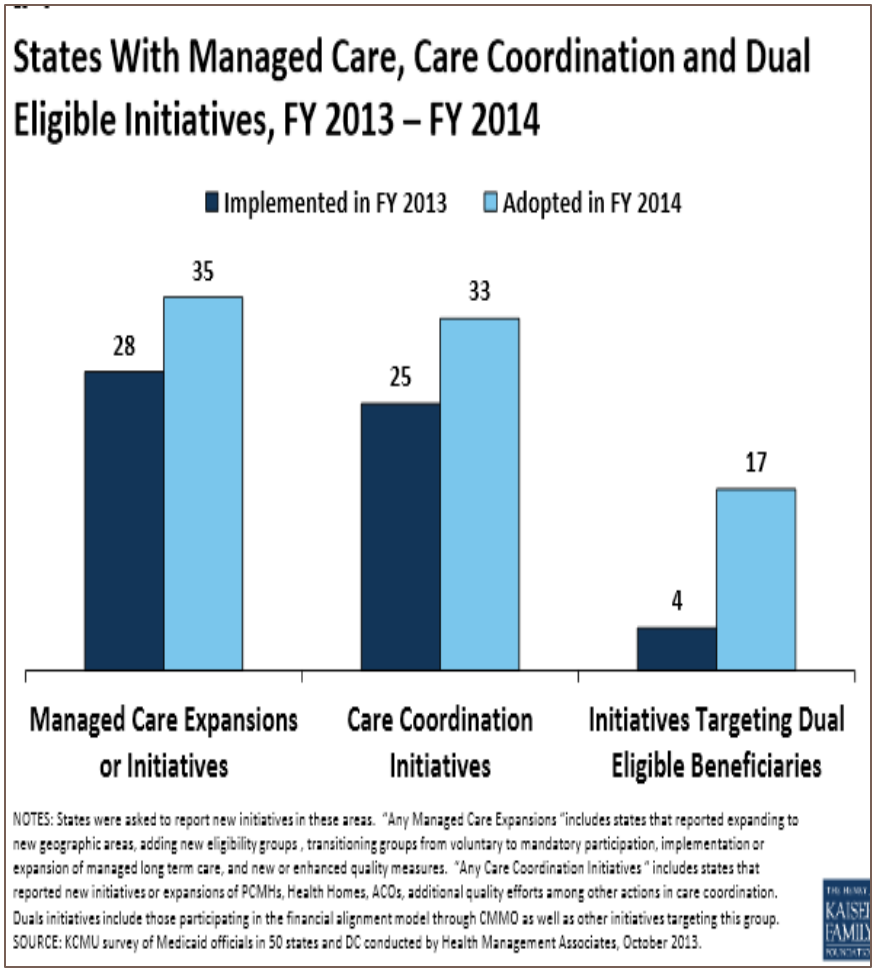
Exists for current Medicaid beneficiaries (mostly employer-based)

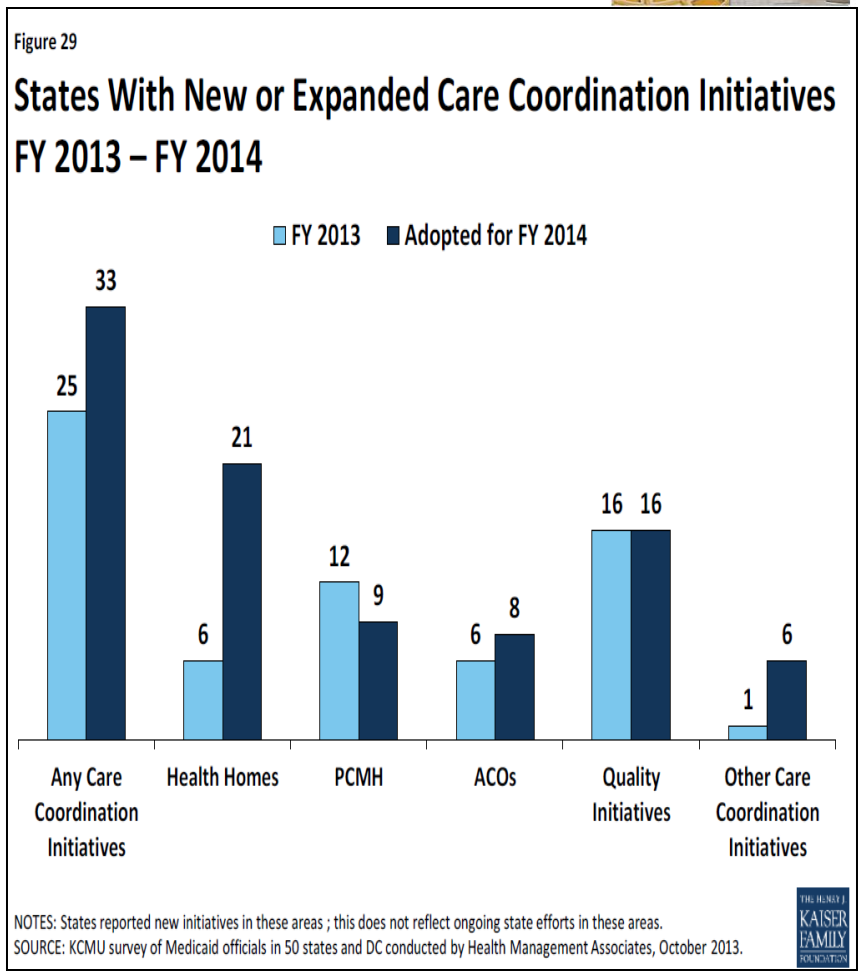
Must be cost effective and provide wrap-around services

HHS will consider approving a limited number of premium assistance demonstrations.

Triple Aim – Better Care, Better Outcomes, Lower Cost – Provides Potential for Bipartisan Efforts

- **Risk based managed care, non-risk care management, ACOs (CCOs, RCCOs, ACEs), health Homes/PCMHs, integrated primary care and behavioral health**
- **Duals**
- **State Innovation Models Initiative**





Kaiser Commission on Medicaid and the Uninsured, Medicaid in a Historic Time of Transformation: Results from a 50-State Medicaid Budget Survey for State Fiscal Years 2013 and 2014, October 2013, available at http://kff.org/medicaid/

Other Issues

- **Long-term care services**
- **Telehealth**
- **Fraud and abuse**

Long-Term Services and Supports

- **The move to Medicaid Managed LTSS.**
- **Rebalancing LTSS from institutions to home and community-based settings.**
- **Coordinating care for the dually-eligible population.**

Telehealth

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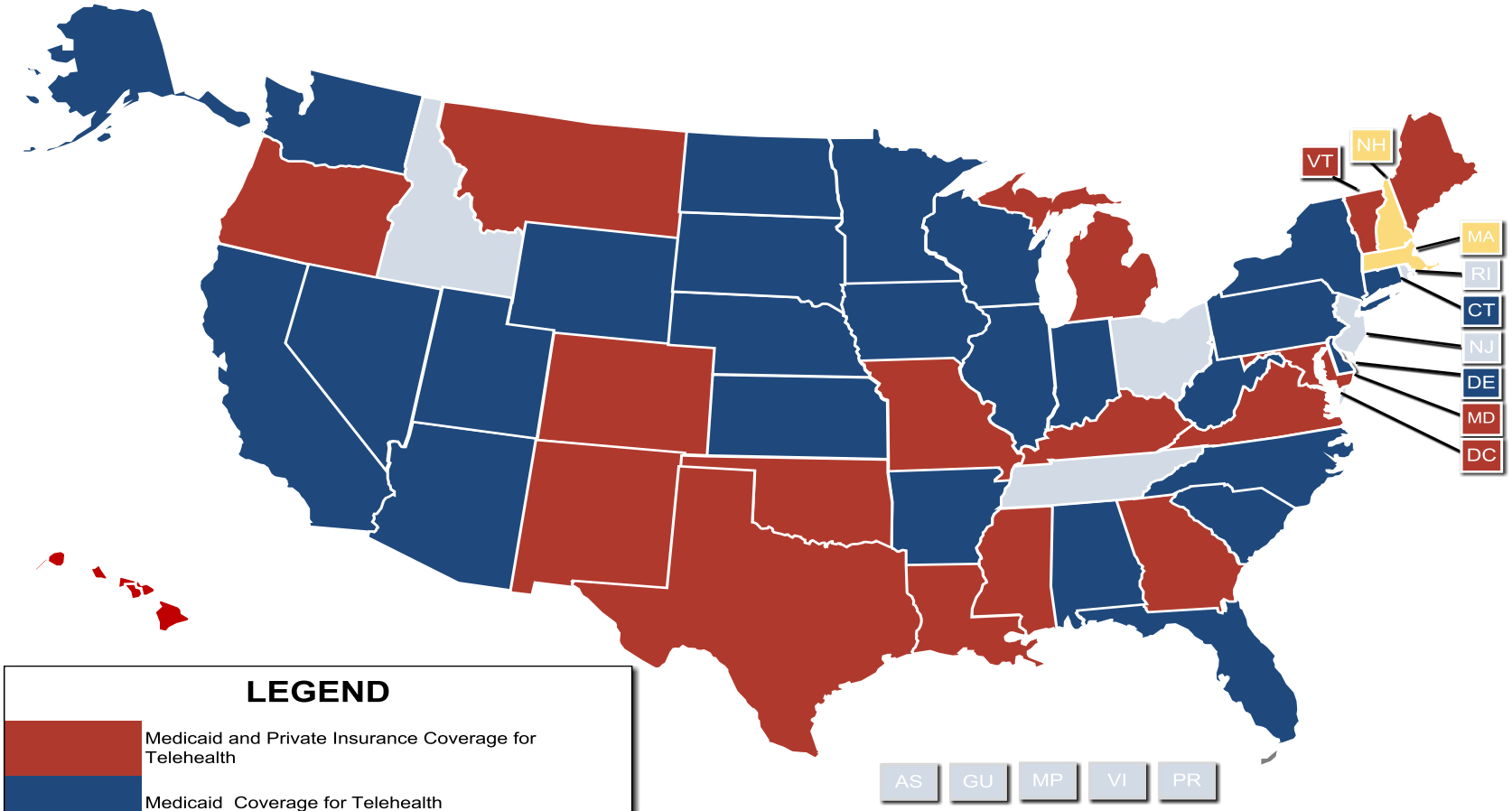

Medicaid Fraud and Abuse: Legislative Activity

Conduct Study/Require Report
5 States

Predictive Modeling & Analytics
2 States

Independent Oversight
10 total

Inter-agency Co-op.
3 States

False Claims
10 States

Credible Allegation of Fraud
3 States

Provider Screening / Enrollment
5 States

Contact

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State Demonstration Proposals to Align Financing and/or Administration for Dual Eligible Beneficiaries, December 2013

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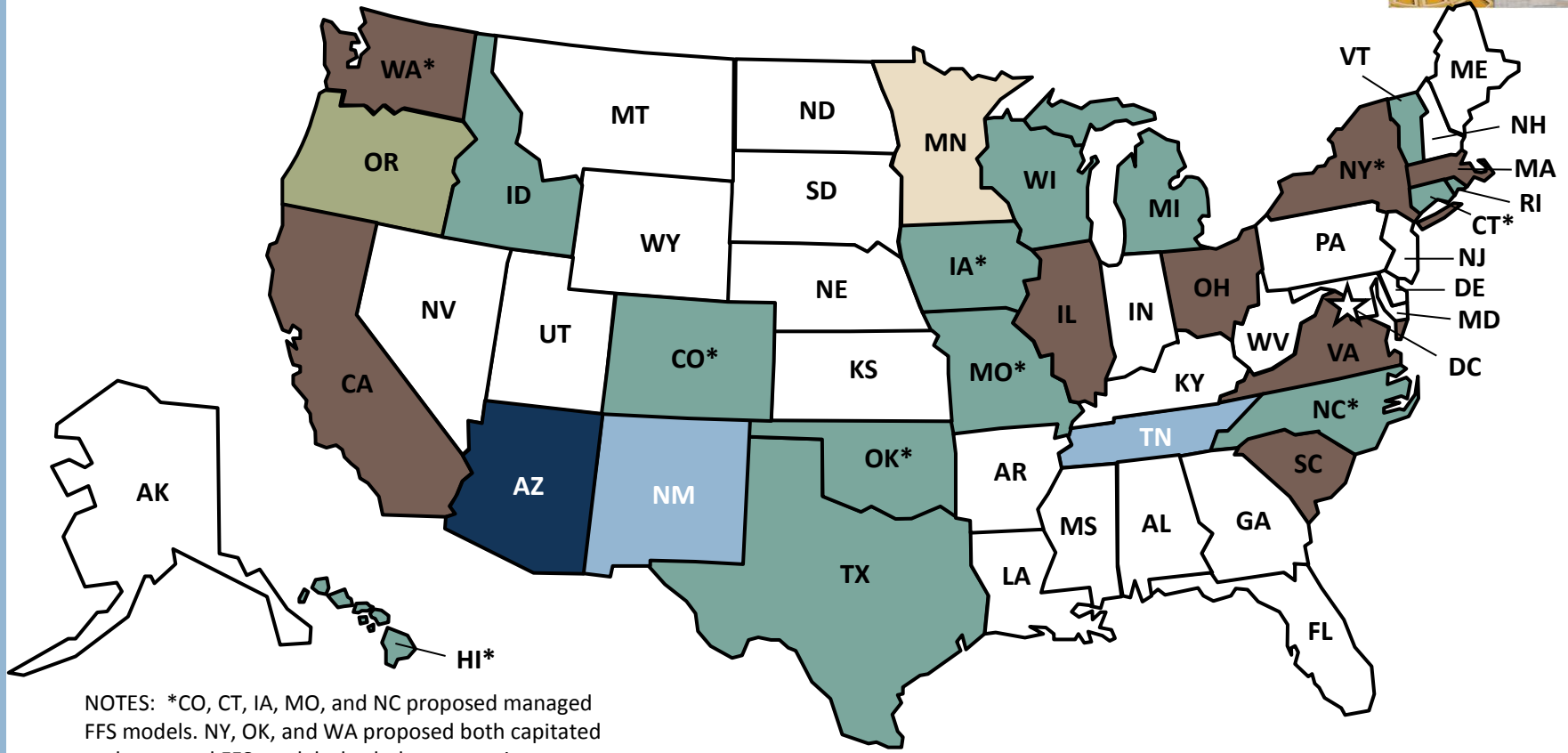
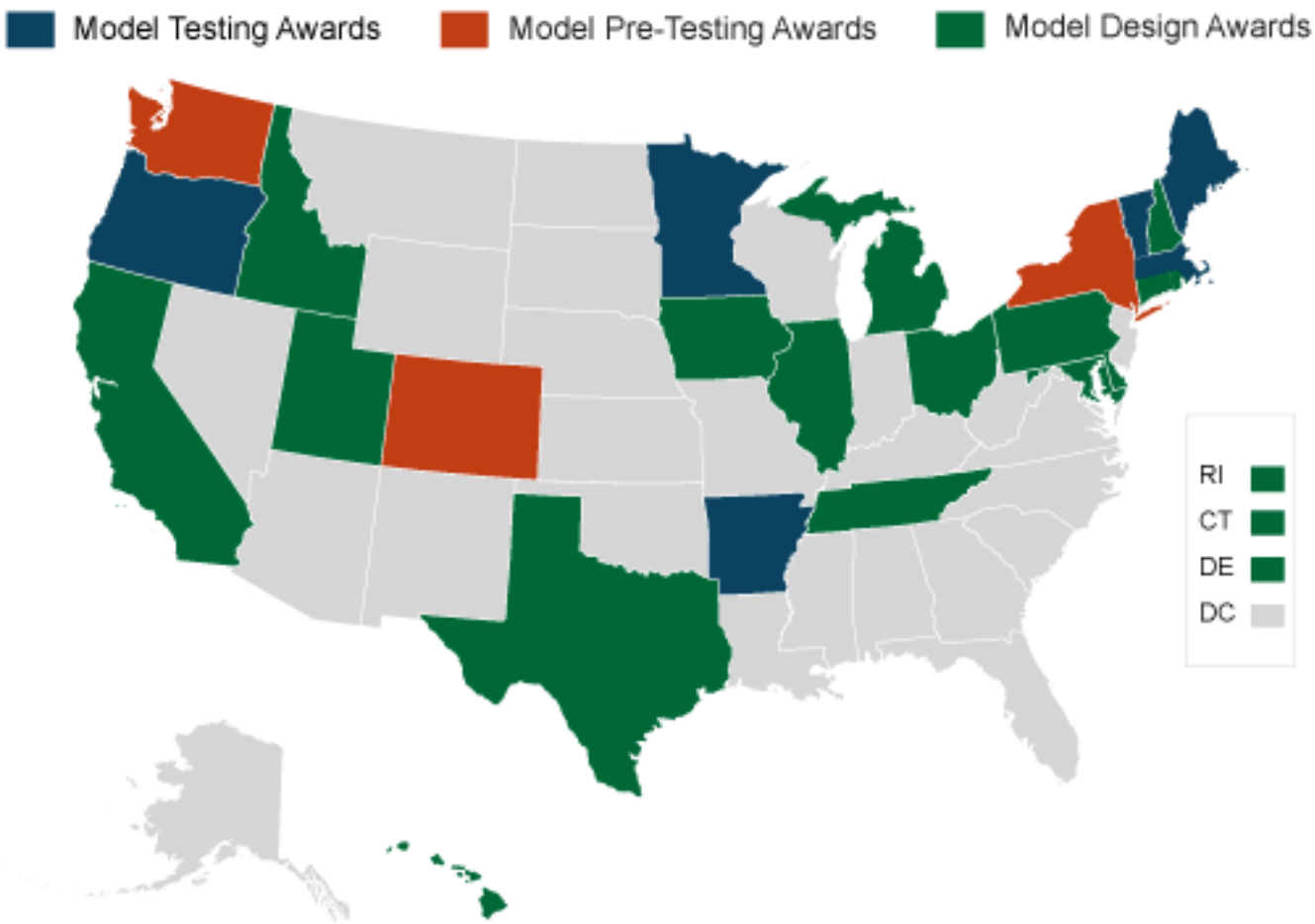


NOTES: *CO, CT, IA, MO, and NC proposed managed FFS models. NY, OK, and WA proposed both capitated and managed FFS models; both demonstrations are approved in WA; NY withdrew its managed FFS proposal. All other states proposed capitated models.
SOURCE: CMS Financial Alignment Initiative, State Financial Alignment Proposals, http://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/FinancialModelstoSupportStatesEffortsinCareCoordination.html, and state websites.

- **MOU signed with CMS to implement financial alignment demonstration (8 states)**
- **MOU signed with CMS to implement administrative alignment demonstration (1 state)**
- **Proposal pending with CMS (13 states plus NY's DD proposal)**
- **Proposal submitted, will not pursue financial alignment but may pursue administrative alignment (1 state)**
- Proposal withdrawn (3 states)
- **Not participating in demonstration (24 states and DC)**

State Innovation Models Initiative
Types of Awards



Source: Centers for Medicare & Medicaid Services