



Key Medicaid Changes in Health Reform Affecting Counties and Beneficiaries April 9, 2010

2014 is the year in which many of the changes affecting counties become effective.

In 2014:

Medicaid is expanded to all non-disabled persons under age 65 with incomes up to 133% of the federal poverty level, including childless adults. (Before 2014, states have the option to cover this population at the normal 50 percent match).

A new modified adjusted gross income (MAGI) measure (based on the tax code) will be used to determine eligibility instead of asset or resource tests. Current income disregards are replaced by a 5% income disregard. The MAGI measure does not apply to SSI, foster care and medically needy individuals. In short, these eligibility changes create an additional level of complexity for determining eligibility.

The federal government will finance benefits given to the newly eligible group at 100% in calendar years 2014-2016. The federal match phases down over time to 90% beginning in 2020. The normal 50% match will apply to recipients meeting the current eligibility requirements. Administrative cost reimbursement remains at 50% for all individuals, including the new expansion populations.

Also effective in 2014, all persons who were in foster care and receiving Medicaid at age 18 will be eligible for Medicaid up to age 26.

Prohibitions on full scope Medicaid still apply to undocumented immigrants.

The law did not change the current five-year bar applied to newly arrived legal immigrants on receiving full-scope Medicaid benefits.

States are prohibited from requiring local governments to absorb a higher percentage share of the non-federal match beyond that required of them on December 31, 2009.

States must maintain the eligibility and enrollment policies and procedures that were in effect on March 23, 2010. Cuts that have been enacted but that are not yet part of the state's Medicaid or CHIP plan cannot proceed, although states maintain the ability to expand their programs or implement more generous enrollment policies at any time.

States are required to maintain their eligibility levels for Medicaid until the Secretary of Health and Human Services (HHS) deems the states' new health insurance exchanges to be fully operational (anticipated to be on January 1, 2014). This essentially means that the current ARRA MOE requirement is extended through December 31, 2013 for adults and September 30, 2019 for children.

Medicaid primary care payment rates in FFY's 2013 and 2014 are required to be no less than 100% of the Medicare rate for those services. The federal government will reimburse 100% of the increased cost for complying with this provision.

Other Provisions

Elder Justice Act: The Elder Justice Act was included in the reform bill. It contains authorizations, subject to appropriations, including \$100 million annually in FFY's 2011 through 2014, for adult protective services initiatives.

Early Childhood Home Visitation Grants: Funded through the Maternal and Child Health Block Grant, \$1.5 billion is appropriated over five years to states that identify needy communities that would benefit from evidence-based maternal, infant and early childhood home visitation programs. Appropriations begin this current FFY 2010 at \$100 million, rising over time to \$400 million annually by FFY 2014.