

MEDICAID MATTERS

DECEMBER 17, 2024

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POTENTIAL FEDERAL ACTIONS IMPACTING STATE MEDICAID FUNDING

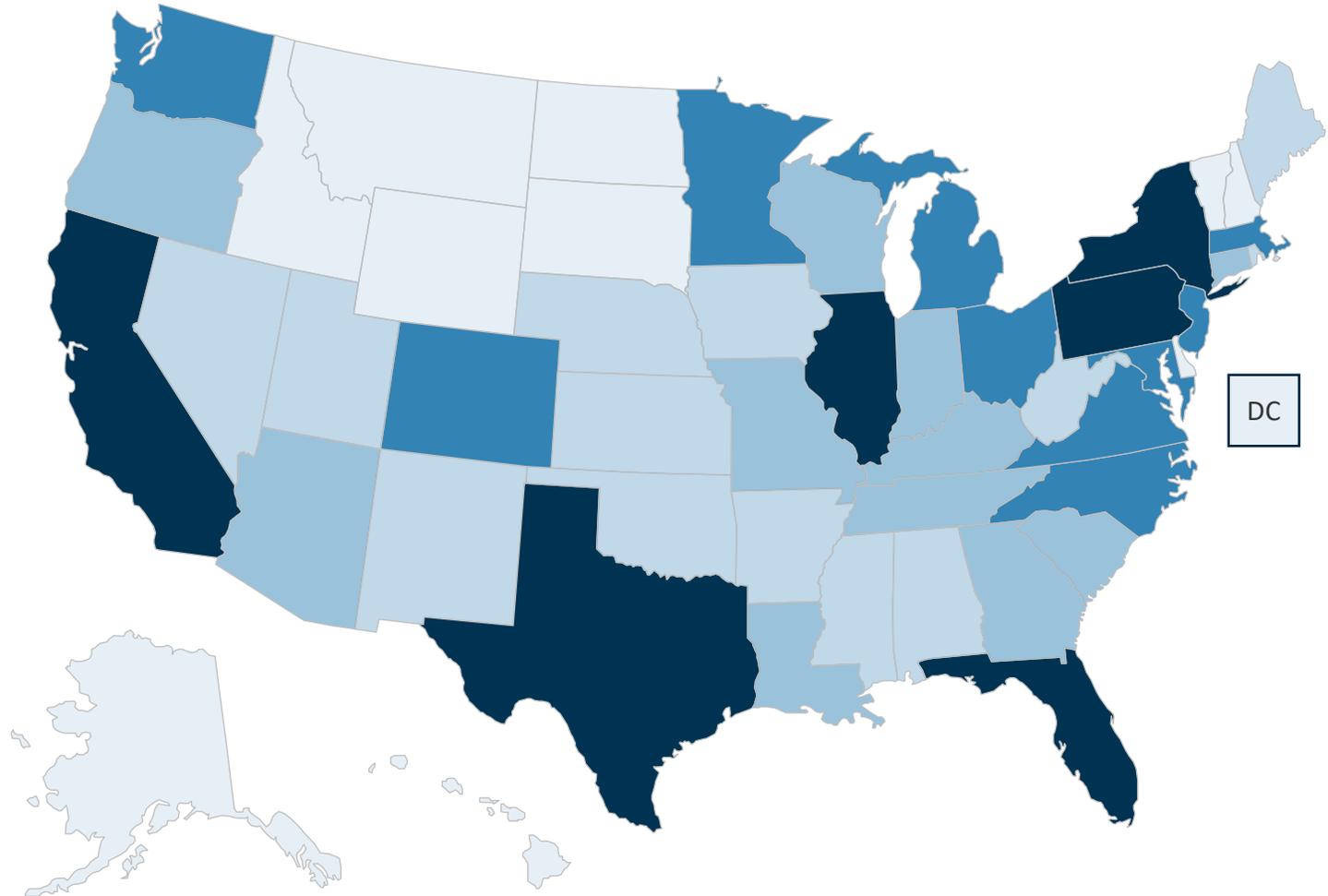
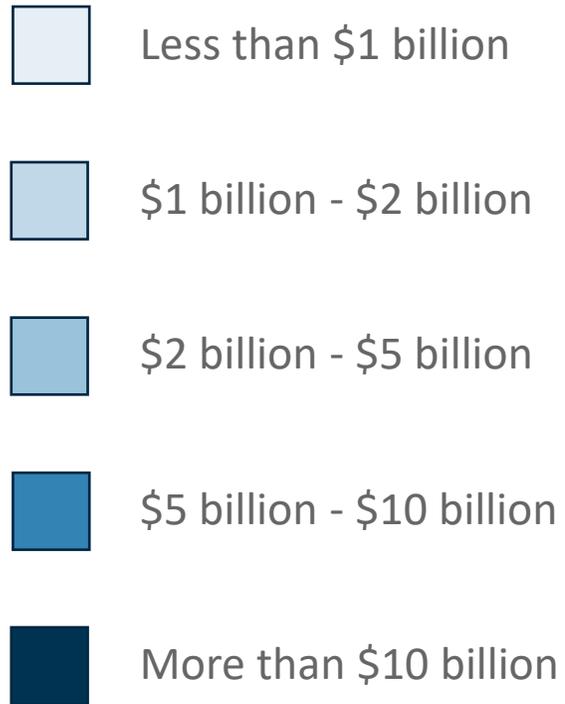
>> Federal Medicaid Contribution/Matching:

- New financing options would change the open-ended financing structure of the Medicaid program by eliminating the Federal Medical Assistance Percentage, (FMAP)
 - **Per Capita Cap:** Establishes a limit on how much the federal government will spend on Medicaid on a per-person basis. Payments to states would reflect changes in enrollment. Would not account for changes in the costs beyond a set growth limit.
 - **Block Grant:** Allocates a fixed amount to each state, and these fixed amounts would increase over time based upon a formula that accounts for inflation and population growth.

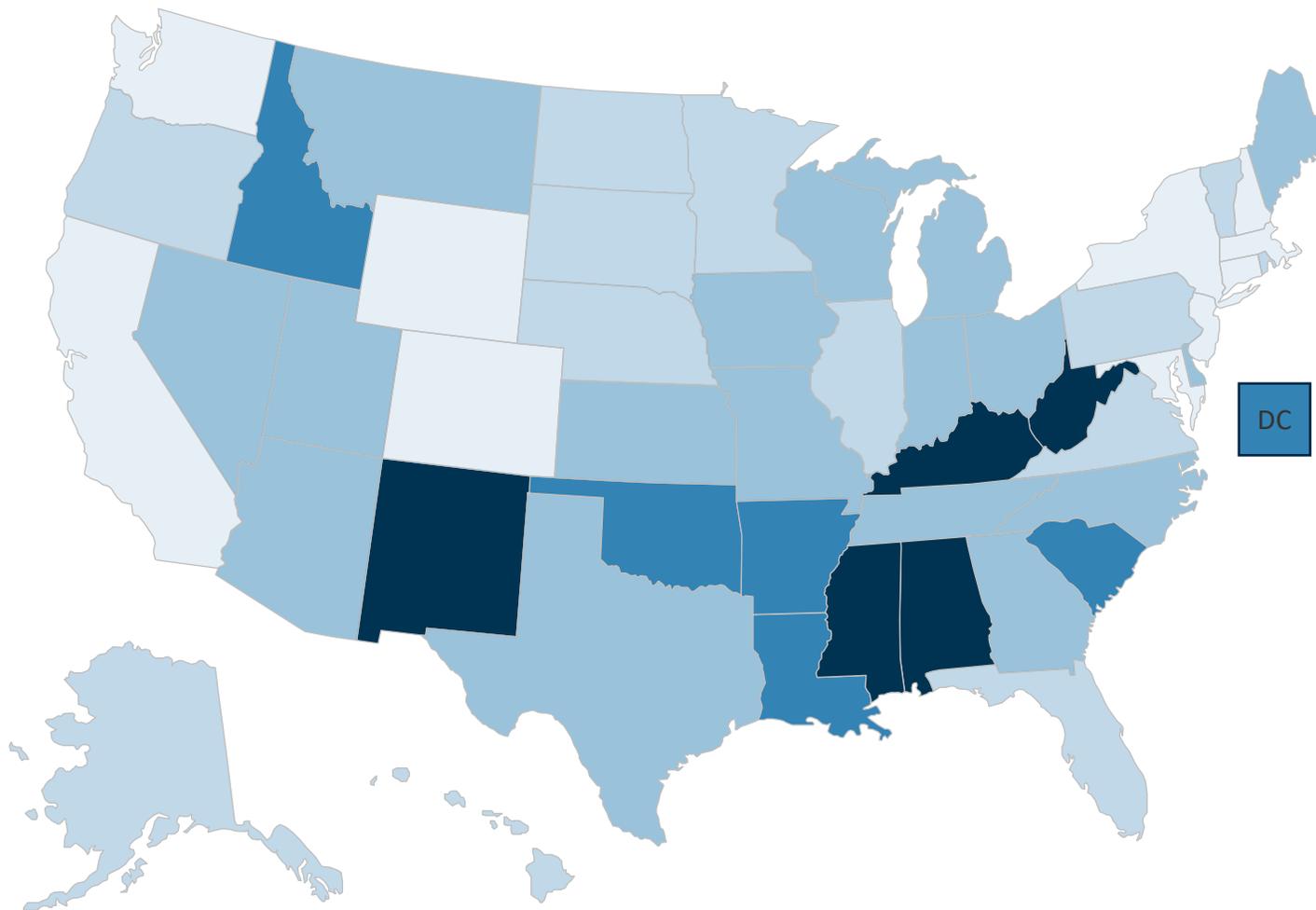
>> Repeal of the Affordable Care Act (ACA):

- This could impact coverage programs, and while codified in State law, could change available federal funding for Advance Premium Tax Credits, Basic Health Program (Essential Plan), and Medicaid Expansion.

STATE SPENDING ON MEDICAID, FY 2023



STATE FMAP MULTIPLIER, FY 2025



HOW CAN IT BE MADE LESS BAD?

>> Focusing on services/populations/programs to protect

- What essential services should the State continue to fund under a revised federal contribution approach?

>> What is particularly vulnerable?

- Coverage for immigrants
- Health related social needs (HRSNs) benefits
- Areas of perceived fraud, waste, and abuse

>> What New Opportunities May Be Created?

- More flexibility for non-traditional benefits defined federally
- More opportunity for value generating services that can demonstrate impact
 - HRSNs – housing, nutrition, transportation
 - Community-based programs
 - Navigation and resources for beneficiaries

HOW CAN IT BE MADE LESS BAD?

New Federal contribution schemes will require promulgation of guidance, regulation, and methodological considerations to set these changes in motion.

Overarching Items:

- Carve Outs/Exceptions:
 - Populations
 - Services
 - Programs

Block Grant:

- Methodology
- Reference Year
- Trend Factor/Growth Rate

Per Capita Cap:

- Distinguishing Population Cost Trends (i.e., BH, LTSS, Mainstream)
- Maintains countercyclicality of Medicaid

QUESTIONS/DISCUSSION

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