

Recent Changes in State Medicaid Policies: Implications for PLWHA and Ryan White Grantees

Grantee Meeting

August 26, 2008

Debra J. Lipson
Boyd Gilman

MATHEMATICA
Policy Research, Inc.

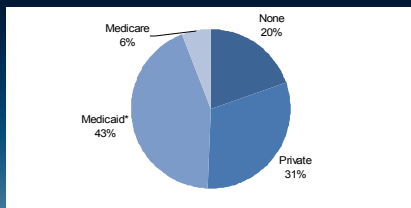
Overview of Presentation

- Importance of Medicaid to funding care for PLWHA
- Medicaid eligibility pathways for PLWHA
- State flexibility in setting eligibility, benefits, payment levels, and other program features
- New state options to reform Medicaid under the Deficit Reduction Act of 2005

2

MATHEMATICA
Policy Research, Inc.

Insurance Coverage for PLWHA in Care, 1996

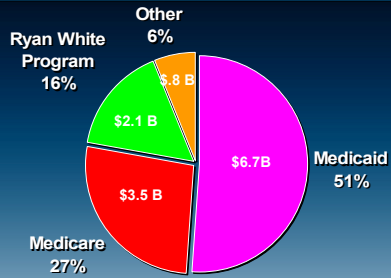


Source: HIV Cost and Services Utilization Study (HCSUS) as reported in KFF 2004.
*Estimates for Medicaid include those with additional sources of coverage, primarily Medicare.

3

MATHEMATICA
Policy Research, Inc.

Distribution of FY2007 Federal Funding for HIV/AIDS



Source: Kaiser Family Foundation, March 2007, based on data in OMB and DHHS Office of the Budget, February 2007.

4

MATHEMATICA
Policy Research, Inc.

HIV/AIDS Population Covered by Medicaid

- Medicaid covers *
 - ✓ 44% of adults with HIV
 - ✓ 55% of adults with AIDS
 - ✓ 90% of children with AIDS

*Based on a nationally representative survey of people receiving care from the HIV Cost and Services Utilization Study (HCSUS), data collected between January 1996 and March 1997.

5

MATHEMATICA
Policy Research, Inc.

Medicaid Eligibility Pathways for PLWHA

	<u>Mandatory</u>	<u>Optional</u>
SSI	×	
Poverty-level expansions (19 states)		×
Medically needy (35 states)		×
Working disabled (32 states)		×
1115 waiver for HIV/AIDS		×
1915c waiver for HIV/AIDS		×

6

MATHEMATICA
Policy Research, Inc.

Traditional State Flexibility to Design Medicaid Programs

- Federal law gives states considerable flexibility to define:
 - ✓ Financial eligibility rules for mandated populations
 - ✓ Optional coverage groups
 - ✓ Amount, scope and duration of mandatory and optional benefits
 - ✓ Provider payment levels and formulas
 - ✓ Other ways to control costs (for example, disease management, drug purchasing initiatives, mandatory managed care, home and community-based waiver programs)

7

Section 1115 Waivers

- Section 1115 waivers allow states to experiment with new financing and delivery approaches:
 - ✓ HIFA* waivers allow expanded eligibility
 - ✓ Consumer-directed health purchasing waivers allow or require Medicaid recipients to buy own coverage (FL)
 - ✓ Personal health account waivers allow recipients to buy health coverage (SC)
 - ✓ HIV waivers allow states to cover people with HIV prior to disability (MA)

* Health Insurance Flexibility and Accountability Initiative

8

Deficit Reduction Act (DRA) of 2005

- DRA further expanded state flexibility to define Medicaid
- DRA was intended to reduce federal Medicaid spending
- DRA provided states greater flexibility to contain Medicaid spending by:
 - ✓ giving states authority to implement certain changes through state plan amendments, rather than waiver applications which typically require more public input and CMS review

9

DRA Medicaid Provisions Most Relevant to PLHWA

- Allows greater beneficiary cost sharing
- Permits states to provide alternative benefit packages to certain populations
- Requires states to obtain U.S. citizenship documentation

10

DRA Medicaid Provisions: Beneficiary Cost Sharing

- Premium requirements only for those with incomes above 150% FPL
- Co-payment provisions include:
 - ✓ Up to 10% of cost for those with incomes between 100-150% FPL
 - ✓ Allowed on non-preferred Rx for all eligibility groups
 - ✓ Not allowed for certain services, such as preferred drugs, pregnancy-related services, and hospice
 - ✓ Not allowed for certain groups, such as disabled and children aged less than 18 years
 - ✓ Allowed states to make copays enforceable at POS

11

DRA Medicaid Provisions: Alternative Benefit Packages

- Allows states to tailor benefit packages to different eligibility groups based on 'benchmark' plans
- Requires states to provide wrap-around coverage for selected services, such as EPSDT and FQHC
- Exempts selected eligibility groups
 - ✓ Aged, blind and disabled, people with special needs, dual eligibles, medically needy, institutionalized individuals
 - ✓ New/expanded eligibility groups

12

DRA Medicaid Provisions: Citizenship Documentation

- Requires new applicants and those seeking re-determination to document U.S. citizenship with birth certificate, U.S. passport, or driver's license with SSN
- HHS regulations exempt Medicare and most SSI beneficiaries from documentation requirement

13

MATHEMATICA
Policy Research, Inc.

Conclusion

- DRA has had limited effect on PLWHA and Ryan White grantees
 - ✓ Most DRA provisions do not apply to people who qualify for Medicaid based on disability
 - ✓ Few states have used DRA flexibility to modify Medicaid benefit packages or increase cost sharing
- On-going changes in the generosity and structure of state Medicaid programs, and state health coverage reform initiatives, continue to have significant effect on access to care for PLWHA and Ryan White grantees

14

MATHEMATICA
Policy Research, Inc.
