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The Center for Children and Families Releases New Report on Medicaid's Role in Health Care Reform

Washington— Medicaid, a cornerstone of the U.S. healthcare infrastructure, should be maintained, strengthened and integrated with other components of the health care system as part of health reform, according to a research report issued today by the Georgetown University Center for Children and Families.

“Most reform plans, including those advanced by Candidate Obama, Senator Baucus, and the Association of Health Insurance Plans, contemplate that Medicaid will be maintained and expanded in a reformed health care system,” said Joan Alker, Deputy Executive Director of CCF and lead on its Strengthening Medicaid project. “If the goals of health reform are to be met, Medicaid will not only need to be maintained, it must be strengthened and fully integrated with other core components of the health care system. It’s time to give Medicaid the attention and support it deserves.”

While Medicaid has shown remarkable success in serving a population whose health care needs can be complex and costly, researchers recommended several areas that should be improved as part of health reform.

“Improvements in coverage, access, quality and efficiency must go hand in hand,” according to Vikki Wachino, the lead author of the report. “At the same time, program improvements will result in new fiscal responsibilities and these should be borne primarily by the federal government, not the states.

The key findings include:

- **Establish a national minimum Medicaid coverage standard** to assure coverage to low-income people across the nation. A national standard would target coverage improvements to those with the greatest needs and dramatically simplify the program.
- **Control costs and improve efficiency** to maximize value for taxpayers. Like other insurers, Medicaid should be advancing system-wide goals of cost containment and quality improvement. Improving the ways Medicaid manages and purchases prescription drugs, advancing the development and use of quality measures, and basic improvements to

program management will improve efficiency and ensure public funds are well spent.

- **Assure the financial stability of Medicaid** in good times and bad. Medicaid needs an automatic financing stabilizer that would adjust federal Medicaid funding to respond to increased demand in economic downturns and help maintain coverage when more people need it. Congress just extended this kind of fiscal relief to states temporarily, but it should be built into the program so that it is predictable and timely. In addition, closing Medicare gaps that drive costs in Medicaid would help ensure the nation is better able to meet the health and long-term care needs of an aging population. Researchers note that more than 40 percent of all Medicaid spending is for Medicare beneficiaries.

The report “Building on a Solid Foundation: Medicaid’s Role in a Reformed Health Care System” is available at <http://ccf.georgetown.edu>.

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